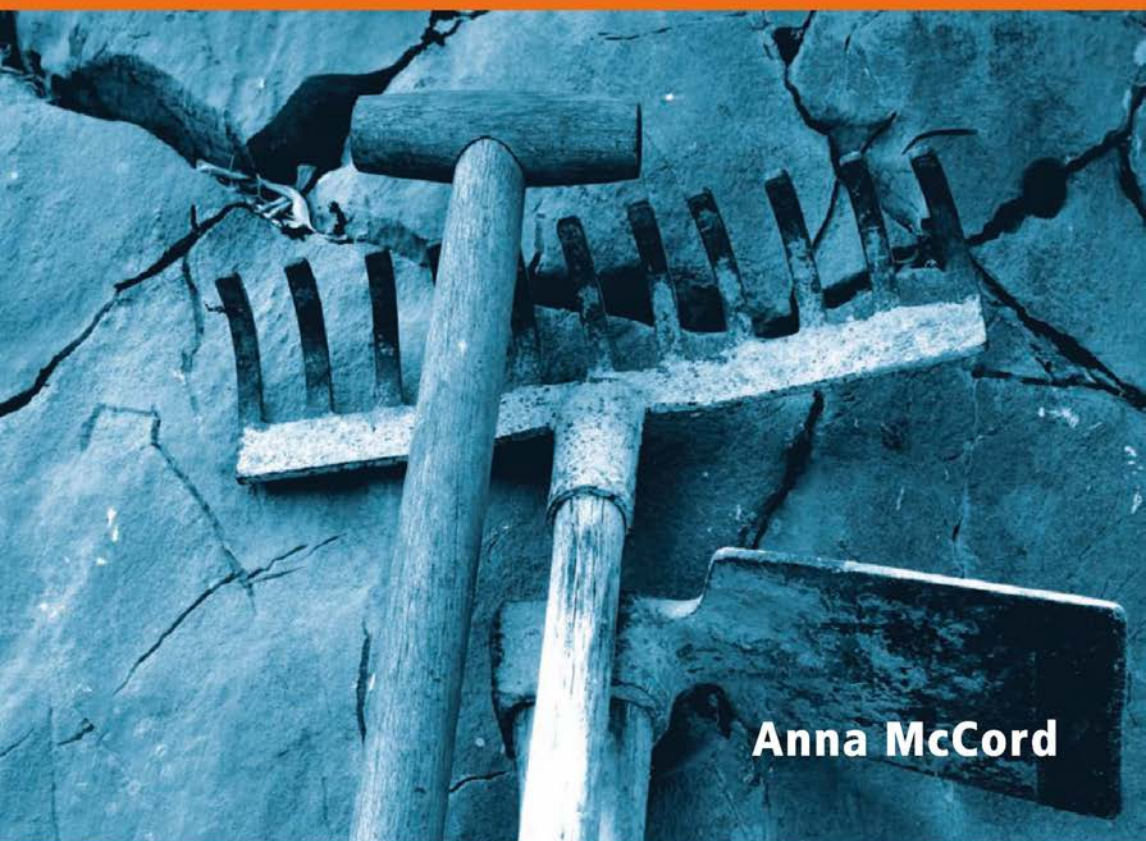


PUBLIC WORKS

AND SOCIAL PROTECTION IN SUB-SAHARAN AFRICA

DO PUBLIC WORKS WORK FOR THE POOR?



Anna McCord

Public works and social protection in sub-Saharan Africa

Do public works work for the poor?

Anna McCord

Research Affiliate SALDRU, School of Economics, UCT
Research Associate Overseas Development Institute (ODI), UK



**United Nations
University Press**

TOKYO • NEW YORK • PARIS



Contents

Acknowledgements.....	viii
List of Figures.....	x
List of Tables.....	xi
Acronyms.....	xii
Preface.....	xvi
Introduction.....	xviii
Chapter 1: Sub-Saharan African public works in context.....	1
The history of PWP.....	1
The current unemployment challenge in sub-Saharan Africa.....	5
Chapter 2: Defining public works.....	8
The PWP typology.....	8
A schema of PWP objectives.....	17
Conclusion.....	32
Chapter 3: The social protection function of public works programmes.....	33
PWPs and social protection.....	33
Conclusion.....	49
Chapter 4: Evaluating the performance of public works programmes.....	50
Current evaluation approaches.....	50
Towards a more effective evaluation of PWPs.....	57
Conclusion: The limitations of current PWP evaluation.....	61
Chapter 5: The role of the wage.....	64
The transfer and stabilisation benefits of the wage.....	64
Setting the PWP wage and labour market concerns.....	71
Malawi Social Action Fund (MASAF) PWP case study.....	77
Conclusion.....	82
Chapter 6: The role of assets.....	84
The value of assets created.....	85
The medium-term impact of asset creation.....	91

Incidence	93
Asset costs and benefits	94
Determinants of asset quality	95
The need for evidence.....	98
Conclusion	100
Chapter 7: The role of skills development.....	101
Skills development assumptions.....	101
Case study: The South African Expanded Public Works Programme (EPWP)	103
The appropriateness of PWP as vehicles for skills development	112
Labour markets, PWP design and skills development	113
Conclusion	116
Chapter 8: Two South African case studies: context, overview and methodology.....	118
The unemployment and social protection context	118
Overview of the case study programmes	120
Research design and methodology	124
Chapter 9: Case study programme incidence.....	128
PWP access: targeting and rationing practices.....	128
Incidence findings	131
Propensity score matching to assess PWP incidence	136
Conclusion	138
Chapter 10: Case study labour market insights.....	140
Assessing the labour profile of PWP workers and household members	140
Programme insights from prior labour market status.....	151
The impact of training and work experience.....	152
Entrepreneurship and micro-enterprise development.....	155
Participants' perceptions of the constraints to employment.....	156
Conclusion	159
Chapter 11: Case study poverty impacts	161
Measuring the poverty impact.....	161
The impact of PWP participation on income poverty	174
Drawing conclusions about income poverty	178

The impact of PWP's on non-income indicators of poverty.....	178
Conclusions.....	186
Programme design implications.....	188
Chapter 12: Conclusion: Implications for future programming	190
The limits of the current evidence base.....	191
Why do PWP's remain so popular?	192
Why do these findings matter?	193
Bibliography.....	196
Index	216

Introduction

PWPs and social protection: the evidence and the challenges

Public Works Programmes (PWPs) are a key component of current social protection provision in many sub-Saharan African countries, often constituting the only form of social security available for the able-bodied working-age poor. PWPs are centrally placed in the conceptualisation of social policy and are ascribed considerable potential to address the core challenges of both unemployment and poverty. Despite this policy prominence, PWPs have not been studied systematically, and very little research has examined the micro- and macro-economic, and labour market impacts of these programmes, or their incidence or cost, particularly in relation to PWPs implemented in sub-Saharan Africa, rendering evidence-based policy choice and programme design in this area problematic.

Notwithstanding the lack of an empirical evidence base about PWP performance, large numbers of PWPs are implemented in situations of chronic poverty across sub-Saharan Africa, with more than 200 programmes implemented in the region in the last decade (McCord and Slater, 2009). While ambitious goals are often articulated in the rhetoric accompanying these programmes, relating to the reduction of poverty, the promotion of livelihoods graduation and economic stimulation, the likelihood of programmes attaining these goals is open to question, and formal (unpublished) programme evaluation work carried out by donors in the early 2000s suggests that some PWPs may be costly, inefficient and ultimately ineffective in terms of their social protection impact. This situation has an added urgency given the lack of voice of PWP beneficiaries, for whose benefit PWPs have been repeatedly selected in preference to alternative policy options which may be more effective in terms of the provision of social protection in the context of chronic poverty. This book attempts to explore some of these issues which are ignored in the mainstream policy debate and also to make a contribution to the development of a more rigorous and systematic analysis of PWPs to inform future programming.

Foremost among these issues is the concern that PWP performance is critically linked to the specific labour market context in which it is implemented, and that the dominant form of PWP offering short-term employment, which represents the overwhelming majority of PWPs in sub-Saharan Africa (96 per cent according to McCord and Slater, 2009), may not function effectively in contexts where unemployment is structural rather than transient.¹

This book explores the concern that such programmes may not reduce poverty or improve livelihoods in the medium to long term, and the benefits accruing may be only temporary, rendering PWPs not developmental instruments, as is often anticipated, but rather instruments offering only a transitory respite by providing a temporary reduction in the depth of poverty. The implication, which is echoed in the findings of the limited

¹ See Chapter 2 for a more detailed discussion of PWP programming in sub-Saharan Africa.

number of other researchers who have explored PWP impact, is that PWPs may not, as has frequently been anticipated, confer significant or sustained social protection benefits and hence, may not represent a cost-effective means of delivering support to the poor unless they also confer significant additional benefits to the broader community through the assets created or skills transferred. This book explores whether PWP popularity is at least in part, based on a set of assumptions and beliefs, and possibly also ideologically informed preferences, rather than on a robust evidence base relating to actual performance and outcomes.

The nature of PWPs

Many different kinds of interventions share the general term ‘Public Works Programme’. The core PWP concept implies the provision of an employment-based form of support for the under- or unemployed, in which a wage is provided in return for labour. The key characteristic of such programmes is that they provide employment in the creation of public goods at a prescribed wage, for those unable to find alternative employment.

Within the social protection discourse, PWPs tend to have as their primary objective the provision of social assistance for poor households with working-age members who are not able to find work or pursue their normal livelihood activities due to some form of acute or chronic disruption in the labour market. They are intended to provide a basic income to support household consumption and prevent the distress-selling of assets to meet subsistence needs, and frequently involve the creation or maintenance of potentially productive infrastructure, such as roads or irrigation systems, which are also intended to contribute to the livelihoods of participants and the broader community.

Such programmes have the objective of providing a safety net when regular wage employment or participation in normal livelihood activities is disrupted due to an economic, political or environmental shock, or in response to situations of chronic unemployment, resulting from structural shifts in the economy.

Additional programme objectives may include skills development through work experience and on-the-job training, accumulation of financial and material assets, the promotion of livelihoods, stimulation of economic growth through the promotion of demand and creation of productive assets or the maintenance of social and political order in the context of unacceptably high levels of unemployment and poverty. These objectives are explored in more detail below.

Participation in a PWP is usually on the basis of self-selection, according to the principle of ‘less eligibility’. This implies that ‘relief (social assistance) should be limited to an amount and administered in a manner which leaves the recipient worse off than the employed’ (Barr, 1998: 17). The value of the wage in a PWP is typically kept low in order to ensure that programme participation is only an attractive option for the poor and will not result in labour market distortion with workers being drawn out of other forms of low-paid employment. However, despite the less-eligibility principle, in most programmes the number of those seeking PWP employment significantly exceeds the number of jobs available, and access is rationed using a variety of mechanisms. These include targeting on the basis of demographic or geographical characteristics, community-targeting

(where employment is allocated by communities among themselves), the allocation of employment through lottery systems or the application of a ‘first come first served’ rule.² In the very limited number of cases where employment is offered to all those seeking work, or at least one member of all work-seeking households, the programme is known as ‘universal’.

The PWP wage (in cash or in kind) is usually given in return for a set amount of work. This is often defined in terms of the completion of a particular task (known as ‘task-based employment’), in order to avoid perverse incentives for workers to extend the time taken to complete a given task, thereby avoiding the potential efficiency trade-offs which could result from the adoption of a PWP mode of asset production.

PWPs adopt a range of different payment modalities. The majority of PWPs offer either food or cash in return for physical labour and are known as food-for-work (FFW) or cash-for-work (CFW) programmes, respectively. Other PWPs offer alternative forms of payment, such as inputs-for-work (IFW), where the wage is paid in the form of agricultural inputs (such as fertilisers and seeds), as in the Malawian government’s Sustainable Livelihoods through Inputs for Assets (SPLIFA) programme. Whether cash, food or other inputs are the most appropriate mode of payment varies according to the nature of the shock to which the PWP is a response and the extent to which markets are able to function. In situations where security is poor, food is not readily available or food price inflation is high, food often remains the optimal form of payment and the most popular with beneficiaries (Basu, 1996; Sabates-Wheeler and Devereux, 2010).³

In some programmes, the wage in the form of food is used as an incentive to mobilise communities to construct assets (food-for-assets or FFA) or to participate in training programmes (food-for-training or FFT). Programmes using a food rather than a cash wage tend to be implemented or supported by agencies such as the United States Agency for International Development (USAID) or the World Food Programme (WFP) (for whom the US is a major in-kind donor) which have historically had significant food stocks at their disposal but limited access to capital to fund cash-for-work (CFW) or other forms of social protection (see McCord, 2005). Recently, the WFP has adopted the term ‘food-for-assets’ (FFA) to describe interventions in which the assets created have a greater importance in terms of the development of livelihoods than their more crisis-related food-for-work (FFW) programmes in which employment rather than asset creation is primary.⁴

Diversity of PWPs

The term PWP is used widely in the literature as though it has a commonly accepted meaning, whereas in fact it is used to describe a wide range of heterogeneous interventions.

2 PWP rationing measures are discussed in detail in Coady, Grosch and Hoddinott (2002), and also in Liewu-Kie-Song and Philip (2010). This issue is not explored further in this book.

3 Sabates-Wheeler and Devereux’s findings are based on a study testing the relative impact of different forms of PWP remuneration and beneficiary preferences, under the Productive Safety Net Programme (PSNP) in Ethiopia.

4 The shift in terminology is intended to indicate that food is being given to assist communities in producing assets that will be of economic value, in an attempt to move away from the beneficiary perception that the work requirement represents solely a form of conditionality which must be fulfilled in order to access food, irrespective of the quality or value of the asset created (McCord, 2005).

In addition to the differences in implementation modalities outlined in previous pages, a range of fundamentally different types of programmes share the PWP terminology, some offering a single episode of short-term employment and others providing ongoing or repeated episodes of employment, some operating on a small localised scale and others implemented nationally, some implemented in response to acute crises others in response to long-term structural changes in the economy, and also many programmes for which the immediate social protection benefits relating to the wage are subsidiary to objectives relating to infrastructure provision, training or other social or political outcomes. The range of forms of PWP are discussed in detail in Chapter 2, and a typology of programmes is presented, in order to clarify the debate.

The tendency to use the generic term ‘public works’ for such a multitude of divergent programmes, diverse in terms of both design and objectives, is problematic. This conceptual *mêlée* is acknowledged by Subbarao, who states that ‘[t]here is much confusion about the meaning and scope of public works programs (also known as workfare programs) across countries.’ (2001: 2)

An additional complexity alluded to by Subbarao is that within the PWP discourse the term ‘workfare’ is sometimes used synonymously with ‘public works’, particularly in the World Bank literature (see, for example, Vodopivec, 2004). This is problematic, given the specific ideology and set of policy objectives associated with the workfare concept,⁵ and the fact that this represents only one possible component of the broader and pluralistic public works concept.

This undifferentiated use of the term ‘PWP’ results in a range of different programmes which share a common work requirement but are otherwise disparate in form, design and implementation modalities, being described by a single nomenclature. In many (although not all) instances, social protection is a key objective, but in some cases, PWPs are primarily instruments of active labour market policy (ALMP) rather than social protection *per se*, wherein the generation of aggregate employment rather than the provision of social assistance to a specific target group through the wage transfer is the primary objective (Gottschalk, 1997). Despite the multiple and diverse forms that PWPs may take, this complexity is not recognised in the literature, which instead often elides different concepts and programme interventions under the single generic term public works. The use of a common term in both the social protection and ALMP literature often results in inconsistent and inappropriate programme design choices and programme expectations (McCord, 2004a). The adoption of the generic term PWP has resulted in the widespread implementation of PWPs whose design is not appropriate for the particular labour market or socio-economic context, or the desired social protection outcomes, with the result that programmes repeatedly fail to meet policy expectations, an issue which is explored in more detail in the following chapters.

⁵ Workfare is associated with the US active labour market policies initiated in the 1980s, and similar UK policies, known as ‘welfare to work’, which attempted to make the unemployment benefit conditional on taking up work opportunities offered to the unemployed, thereby attempting to reduce frictional unemployment and in this way bring down unemployment and demand for social welfare support (McCord, 2007b).

PWPs and social protection: The evidence gaps and challenges

The major focus of recent research into PWPs has been related to their cost-effectiveness, in terms of cost per unit of transfer delivered to participants. Ravallion and Subbarao have carried out seminal work examining the cost-effectiveness of the PWP as a transfer instrument (see, for example, Ravallion, 1998; Subbarao et al., 1997). Their work examines the efficiency of PWPs as a mechanism to deliver social protection, from a primarily cost perspective. However, the literature is more limited on the question of the impact of PWPs: 'An exhaustive literature search revealed a surprising dearth of detailed and credible evidence on the impacts of employment creation across the world.' (Devereux and Solomon, 2006: 37).

This problem is particularly acute in terms of the impact of PWPs implemented in sub-Saharan Africa. Most of the research carried out to date has examined PWPs in Asia or South America.

Equally, the existing literature fails to analyse the ways in which PWP implementation confers social protection benefits, focusing almost exclusively on the direct impact of the wage and assuming a range of indirect benefits from the employment and assets created, rather than exploring empirically the range of potential benefits from PWP skills development and work experience, or the infrastructure created, and the distribution of these benefits. The literature is also limited on the question of PWP incidence, ie which segments of the population benefit from PWP participation. This constitutes a major omission in terms of assessing the social protection performance of PWPs, since in the absence of this analysis it is not clear which section of the population is reached by these programmes. The implication of these omissions is that attempts at impact analysis (and meaningful cost-effectiveness assessment) are severely compromised. This renders evidence-based policy choice problematic, in terms of the selection of PWPs in preference to alternative social protection instruments.

A review of the current literature indicates that lack of conceptual consistency relating to the term PWP noted earlier is exacerbated by key evidence gaps relating to impact and incidence, and by a number of other obstacles, among which the most fundamental are the emerging empirical challenges to the assumed self-targeting efficacy of PWPs and problems relating to the tensions inherent in programmes which attempt to create infrastructure and simultaneously provide significant social protection impacts. These issues are summarised later on and explored in detail in the chapters that follow.

Impact

PWP impact can be assessed in terms of both the immediate impact during the period of participation (resulting from the wage income) and the intermediate or sustained impact after programme participation has been completed (which can be due to a range of direct and indirect factors). Both dimensions of impact are discussed on the pages that follow.

Within the social protection discourse (among donors, implementing agencies, programme-designers, civil servants and politicians), there is a dominant assumption that the implementation of PWPs will confer significant short-term and frequently

also medium- to long-term benefits in terms of reduced poverty and improved livelihoods. This assumption is often associated with PWP's irrespective of the duration of employment provided or other key design features. However, the literature is relatively sparse in terms of a critical engagement with the expectation that PWP's will have a significant and sustained social protection impact. There are only a limited number of researchers working in the area of PWP overall and a smaller number examining PWP in sub-Saharan Africa in particular.⁶ There is a larger body of work relating to the impact of PWP's in India,⁷ which has produced a rich seam of research related to the long-running Maharashtra Employment Guarantee Scheme (MEGS) initiated in 1965, the Jawahar Rozgar Yojana (JRY) and the recently launched Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). The work examining the JRY and MEGS tends to be of greater methodological sophistication than work on other PWP's, largely due to the 40-year history of the scheme, which has made possible the gathering of longitudinal data and so provided a rich source of data for analysis.

Short-term impacts

The literature assessing the short-term social protection impact of PWP participation tends to use simplifying assumptions which do not adequately recognise the specificities of PWP's compared to other forms of social protection. The most significant among these is the limited attention given to the opportunity cost of PWP participation as a result of income and non-remunerated activities forgone (domestic work, child care, fulfilment of subsistence farming responsibilities) when calculating the net income benefit from programme participation⁸ and the potentially negative impact on livelihoods. Also, impact assessments typically fail to take into account the significant but often invisible issue of the transaction costs of accessing PWP employment, such as transportation costs, or the rents associated with gaining access to PWP employment (Pellisery, 2008), or the fact that the physical labour requirements of a PWP may entail a trade-off between household welfare benefits and individual PWP worker welfare and nutrition (issues which are explored in detail in Chapter 4). These considerations illustrate that PWP's present particular analytical challenges to assessing programme impact, over and above those commonly considered in the social protection discourse and relating to less complex forms of social assistance, such as cash transfers.⁹

6 Those working on PWP's generically include, most notably, Subbarao and Ravallion (see, for example, Subbarao 1997, 2001, 2003; Subbarao et al., 1997; Ravallion, 1998; Ravallion et al., 1991 and Ravallion and Datt, 1995). There are only a small number of others working on either area- or country-specific analysis outside Asia, notably Devereux in southern and eastern Africa (see, for example, Devereux, 2000; and Devereux and Solomon, 2006), Adato and Haddad in South Africa (see Adato et al., 1999, 2001); Gilligan, Hoddinott and Tafesse, and Sharp in Ethiopia (see, for example, Gilligan, Hoddinott, Kumar and Tafesse, 2009; Gilligan, Hoddinott and Tafesse, 2008; and Sharp et al., 2006); and Chirwa and Mvula in Malawi (Chirwa et al., 2004a, 2004b; Chirwa and Mvula, 2004; Chirwa, 2007).

7 Most notably the works of Datt, Dev, Dreze, Gaiha and Ravallion.

8 With the notable exceptions of Lipton (see, for example, Lipton et al., 1998) and Jalan and Ravallion (2003), as discussed in Van de Walle (1998).

9 It is interesting to note that all but the first of these issues is excluded from discussion in the section on PWP evaluation in the World Bank's social protection toolkit (Ravallion, 2003).

The literature on the direct short-term impacts of PWP participation is limited to outside analysis relating to programmes in India, Argentina and Ethiopia (see, Hagen-Zanker, McCord and Holmes, 2011). Instead, the primary research and evaluation focus has been on: 1) the cost of the resources expended through a PWP, in terms of allocations to wages and assets, and 2) the number of days of employment offered or people employed. This emphasis on cost, process indicators and outputs rather than ultimate outcomes fails to assess real impacts on participating households, and typifies current PWP monitoring and evaluation practices adopted by donors and governments. This was a key finding of a recent study by the Independent Evaluation Group of the World Bank into the Bank's public works programming over the last decade (IEG, 2011). This input-oriented monitoring and evaluation style is typical of PWP monitoring and analysis throughout the continent, with, for example, Karuri, McCord and Hemson (2007) outlining similar practices relating to the evaluation of the first phase of the South African government's Expanded Public Works Programme (EPWP) in the early 2000s.

Medium-term impacts

Another major research gap relates to the medium- to long-term impact of PWP implementation. This question is not so urgent in the case of PWPs implemented in response to short-term crises, which aim to provide a single episode of consumption-smoothing during a limited period of labour market disruption. However, where the labour market or livelihood problem is chronic, or cyclical, and the PWP response is the provision of a single, often brief episode of PWP employment, understanding the medium-term impact of this episode of employment is critical if an assessment is to be made of the relevance and appropriateness of such an intervention. This situation typifies PWPs in much of sub-Saharan Africa (including, for example, the EPWP in South Africa) and many PWPs implemented under the World Bank-supported Social Funds (for example, the MASAF in Malawi). In these projects, a short episode of PWP employment is offered in the context of a cyclical or chronic labour market or livelihood crisis, with the objective of achieving sustained and significant poverty reduction outcomes. Given the large number of PWPs offering single, short episodes of employment, implemented in contexts of chronic poverty and structural unemployment with objectives relating to sustained poverty reduction, an exploration of this issue is long overdue.

Similarly the evidence base on the medium-term impact of the assets created through PWPs on livelihoods and economic development is extremely limited despite the fact that the creation of assets is a major reason for preferring PWPs to alternative social protection instruments. As a result of this neglect in the literature of the medium-term labour market and income effects of PWPs, and the impact of the assets created, PWP theories of change are informed primarily by assumptions regarding medium-term impacts rather than empirical evidence.

Incidence and self-targeting

There is very little evidence outside South and Eastern Asia on PWP incidence and, therefore, on the distribution of PWP benefits. The research available is primarily focused on

the Indian JRY (see, for example, Ghosh and Guha-Khasnobis, 2006), MEGS (for example, Gaiha, 2000, 2005) and the Indonesian Padat Karya (PK) (Suryahadi, Suharso and Sumarto, 1999), with no similar systematic analysis of PWP incidence being documented in sub-Saharan Africa. In the absence of evidence, it is widely assumed that PWPs spontaneously result in the allocation of resources (employment) to the poor, and the selection of PWPs over alternative instruments is frequently predicated on the assumption that the poorest will self-select into PWPs without the need for costly targeting procedures on the basis of the limited wage which, it is assumed, renders PWP employment unattractive to the non-poor.

However, the limited empirical evidence available challenges this assumption, suggesting that significant inclusion and errors can prevail within PWPs despite the limited wage (see, for example, Lembani and Madala, 2006). It cannot be assumed that PWPs effectively channel resources to the poorest on the basis of self-selection, and there is a need for empirical incidence analysis to establish an evidence base to ascertain which segment(s) of the population actually participate in PWPs. The repeated implementation of PWPs as social protection instruments in the absence of information on incidence is problematic. Unless the characteristics of beneficiaries are known, it is not possible to assess the extent to which social protection resources are being provided to the intended beneficiary group or the extent of inclusion and exclusion errors. However, this lack of information on targeting performance has characterised PWP implementation throughout sub-Saharan Africa and beyond, during recent decades, as recognised in the recent World Bank review (IEG, 2011).

The literature is largely silent on the question of the extent to which the work requirement and low wage lead to 'self-targeting' on the basis of 'less eligibility', in the sense that only the poorest choose to participate in a PWP where there is a physical labour component and a low wage, as anticipated in the conventional PWP discourse.¹⁰ Irrespective of the lack of empirical evidence to support the assertion, the mainstream PWP literature tends to reiterate the desirability of adopting the 'less eligibility' criterion for participation in PWPs, on the basis of the assumption that imposing a work requirement and offering a low wage represent an effective and low-cost way of targeting the poor rather than requiring the implementation of external control and screening, with the associated costs: 'Maintaining the program wage at the level no higher than the ruling market wage for unskilled labour can enable the poor to self-select themselves into the program.' (Subbarao, 1997: 5).

Subbarao argues that a key benefit associated with a relatively low-wage rate is that it is likely to reduce the need for rationing access to PWP employment by reducing demand. If a programme is implemented on a scale such that employment is available to all the eligible poor who seek it, then this approach does have the potential to prevent the need for rationing access. However, situations where the number of jobs provided

¹⁰ See discussion in Meth (2003).

in a programme matches or exceeds demand for employment even at a low-wage rate are extremely rare, with most PWP, especially in sub-Saharan Africa, offering a limited number of employment opportunities relative to the scale of under- and unemployment. Anecdotal evidence suggests that demand outstrips employment availability in almost all cases, although typically data is not systematically gathered on this critical question.

The efficacy and desirability of self-targeting through a low wage has been challenged from two perspectives in recent years. The first questions whether a limited wage does in fact result in participation of the intended beneficiaries (Barrett and Clay, 2003) and the second, whether the payment of a low wage to facilitate targeting might be in tension with the social protection objectives of the intervention (Devereux, 2002). Subbarao himself concedes this latter point but does not pursue it in terms of its social protection implications (Subbarao, 1997: 2), and low wages tend to characterise PWP, particularly those supported by the World Bank, throughout sub-Saharan Africa (McCord and Slater, 2009). This issue is explored in more detail in Chapter 5.

Employment and infrastructure trade-offs

There is a prevalent and much repeated assumption that PWP involving labour-based infrastructure creation represent a way of killing two birds with one stone: addressing both the infrastructure deficit and poverty simultaneously by creating infrastructure while at the same time providing employment which offers a route out of poverty (Tessem, 2007). This assumption is summarised in a statement outlining the ILO's position on the relationship between PWP and social protection:

In Africa, as in many other developing countries, the twin challenges of employment and infrastructure have been recognised as the most pressing of the national and regional development goals set by ourselves and those we have agreed to collectively, ie Millennium Development Goals, are to be met. Employment-intensive investment approaches present an opportunity through which the two challenges can be addressed simultaneously. (Amri-Makhetha, 2007)

However, there is little evidence that the infrastructure-creating PWP implemented in most of sub-Saharan Africa have the potential to provide a form of employment which can confer poverty reduction on any sustained or significant scale (with the notable exception of the PWP component of the large-scale Productive Safety Nets Programme [PSNP] in Ethiopia).¹¹ It is not evident from the available evidence base that significant additional employment is likely to be created through most PWP in the region, or that the nature of employment offered (in terms of wage rate and duration) is adequate to have a significant impact beyond temporary poverty reduction, particularly in the context of chronic unemployment.¹²

¹¹ The PSNP is discussed further in Chapter 2.

¹² It is important to note that what constitutes 'significant' in this context is subject to contextual and programme goal-related assessment.

Moreover, evidence suggests that there is often a tension between the objective of providing social protection through a PWP and that of creating quality assets. Depending on which objective is dominant, there are often trade-offs between the quality of infrastructure created and the adequacy of the social protection response represented by a PWP intervention. The demand to create employment opportunities as part of a social protection programme can impose conditions on infrastructure programme implementation relating to rapidity of roll-out, seasonality of employment, employment duration, number of workers employed, type of workers employed, constraints on capital investment and the adoption of labour-intensive approaches to optimise employment per unit spend, which can directly compromise the quality of assets created and increase costs per unit of output. Similarly, a focus on asset quality or cost-effectiveness may entail only short-term employment, poor targeting, low wages and poor working conditions, which may not significantly contribute to social protection. These tensions were experienced in the Indian PWPs implemented during the 1990s and 2000s, which attempted to provide both social protection in the form of employment and infrastructure provision but faced challenges reconciling these two objectives in a single programme. The result has been a process of ongoing programme redesign, division and reunion, in an attempt to find ways to meet both sets of objectives effectively and efficiently.¹³

This highlights the discrepancy between the significant poverty-reducing impacts that are frequently ascribed to infrastructure-oriented PWPs and the more limited short-term consumption-smoothing outcomes, which both the theoretical and empirical analysis suggest are the more likely result of most PWP implementation.

Structure of the book

Exploring these critical but neglected questions is the central objective of this book, along with the attempt to promote a more systematic and reflective approach to the design and evaluation of PWPs throughout the region. These questions and debates are discussed throughout and a framework set out for a more robust and critical engagement with public works.

This Introduction has outlined the key research questions to be addressed, offering a brief overview of current literature and highlighting the core issues of PWP incidence and impact. The critical problem of PWP terminology and the associated lack of rigour in the discourse has been raised in relation to the social protection function of PWPs, together with the implications of this conceptual confusion in terms of lack of clarity regarding realistic and appropriate programme objectives.

¹³ For example, recognising the difficulty of addressing both employment and infrastructure adequately, the JRY and EAS (Employment Assistance Service) initiated in 1989 and 1993 respectively, were designed to address the primary objective employment provision. While a separate programme, the Jawahar Gram Samridhi Yojana (JGSY) was introduced in 1999 to promote infrastructure provision. The EAS and JGSY were then united under the Sampoorna Gramin Rozgar Yojana (SGRY) in 2001, in an attempt to harmonise and rationalise the two differently prioritised programmes (McCord and Chopra, 2010).

Chapter 1 gives a brief overview of the history of PWP programming and an overview of current PWP interventions and challenges in sub-Saharan Africa, positioning the public works debate within the regional labour market and economic development context.

Chapter 2 presents two tools for programme analysis. The first is a typology of PWPs, intended to differentiate between a range of different forms of PWP. The second is a schema of PWP objectives, which attempts to identify and separate the different objectives that are adopted in PWPs internationally. The typology and schema are presented to promote critical analysis of the link between PWP design and anticipated outcomes. The importance of adopting an appropriate and context-specific form of PWP is highlighted, taking into account the particular labour market or social protection context. Similarly, attention is focused on the risks of adopting a generic 'off the peg' PWP model.

The relationship between PWPs and social protection is explored in detail in Chapter 3, drawing on the typology and objectives schema set out in the previous chapter. The text explores potential mechanisms through which PWPs might deliver social protection benefits, and after a scrutiny of the literature, policy statements and empirical evidence, three main vectors are identified: wage, assets and skills development. While Chapter 4 offers an evaluation of PWP performance.

In Chapter 5, the scope of existing PWP impact and evaluation literature is discussed, and a critical review offered of the cost-effectiveness approach that has dominated PWP evaluation in recent decades. Next, in Chapters 6 to 8, each of the vectors identified in Chapter 3 (wage, assets and skills development) is assessed in terms of its potential social protection performance.

In Chapters 9 to 11, a detailed case study of PWP incidence and impact is presented, using empirical data to interrogate and illustrate the arguments set out in the previous chapters. This empirical study explores the contribution of PWPs to social protection in South Africa, drawing on evidence from two different types of PWP, one offering short-term full-time employment at a restricted wage, and one offering ongoing part-time employment at the market wage. The case studies attempt to provide some insights to the central questions of incidence and impact in relation to programme design, in order to identify key policy lessons and contribute to an evidence base to inform future policy development.

Finally, conclusions are drawn in Chapter 12, based on the analysis presented in the preceding chapters. This chapter suggests that it is not useful to continue the generic usage of the term PWP, that there is a serious dissociation between form and intended function in many PWPs and that the continued implementation of short-term PWPs, such as those implemented in much of sub-Saharan Africa, is not an appropriate response to the challenge of chronic poverty. I argue that much current public works programming results in poor performance in terms of social protection outcomes and, inasmuch as the existing evidence base allows us to make an informed analysis, low levels of cost-effectiveness.

The lack of critical scrutiny adopted in relation to the range of interventions grouped under the generic PWP term is in many cases problematic, resulting in poorly conceptualised programmes and poor performance. These interventions demand a heavy burden of labour inputs from poor households for whom labour may be a scarce resource, and significant cash and administrative inputs from governments, which are in most cases also scarce resources, without necessarily offering commensurate benefits to either party. Hence, while in some instances public works can represent an appropriate social policy response, in others they may provide a sub-optimal response to the question of social protection provision for the working-age poor, blocking the policy space for potentially more effective responses to chronic poverty.

Public works and social protection in sub-Saharan Africa: Do public works work for the poor?

Published in 2012 in South Africa by UCT Press
an imprint of Juta and Company Ltd
First Floor Sunclare Building, 21 Dreyer Street, Claremont, 7708, South Africa
www.uctpress.co.za
© 2012 UCT Press

Published in 2012 in North America, Europe and Asia by
United Nations University Press
United Nations University, 53-70, Jingumae 5-chome,
Shibuya-ku, Tokyo 150-8925, Japan
Tel: +81-3-5467-1212 Fax: +81-3-3406-7345
E-mail: sales@unu.edu General enquiries: press@unu.edu
http://www.unu.edu

United Nations University Office at the United Nations, New York
2 United Nations Plaza, Room DC2-2062, New York, NY 10017, USA
Tel: +1-212-963-6387 Fax: +1-212-371-9454
E-mail: unuony@unu.edu

United Nations University Press is the publishing division of the United Nations University.

The views expressed in this publication are those of the authors and do not necessarily reflect the views of the publishers.

ISBN 978-1-91989-548-2 (Southern Africa)
ISBN 978-92-808-1204-6 (North America, Europe and Asia)
e-ISBN 978-92-808-7173-9

Library of Congress Cataloging-in-Publication Data

McCord, Anna.

Public works and social protection in sub-Saharan Africa
do public works work for the poor?/ by Anna Gabriele McCord.

p. cm.

Published in 2012 in South Africa by UCT Press, an imprint of Juta and
Company Ltd.

Includes bibliographical references and index.

ISBN 978-9280812046 (pbk.)

1. Public works--Africa, Sub-Saharan. 2. Poverty--Government policy--Africa, Sub-Saharan.
 3. Poverty--Africa, Sub-Saharan--International cooperation. I. Title.
- HD4339.M33 2012

352.770967--dc23

2012032013

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any information storage or retrieval system, without prior permission in writing from the publisher. Subject to any applicable licensing terms and conditions in the case of electronically supplied publications, a person may engage in fair dealing with a copy of this publication for his or her personal or private use, or his or her research or private study. See section 12(1)(a) of the Copyright Act 98 of 1978.

Cover design: Comet Design
Editor: Pauline de Villiers
Printed in the United States of America and the United Kingdom

Proofreader: Book Genie
Typesetter: Book Genie
Indexer: Jennifer Stern

Typeset in 10 pt on 12 pt Minion Pro

This book has been independently peer-reviewed by academics who are experts in the field.

Public Works and Social Protection in Sub-Saharan Africa: Do Public Works Work for the Poor?

Anna McCord

Public Works Programmes (PWP) are widely implemented throughout Asia, Latin America and Africa, often with funding from major international donor agencies. They are perceived to present a "win-win" policy option, providing employment to the chronically poor while also creating assets for the state, and in this way offering a welfare transfer which is also a tangible economic investment.

The prevailing view among donors and government agencies with responsibility for social protection is that PWPs are preferable to other measures to assist unemployed people living in chronic poverty. But is this view in fact correct? This book critically explores the concept of the Public Works Programme (PWP) and interrogates its social protection performance in the context of chronic poverty. It reviews over 200 PWPs in eastern and southern Africa using original research drawn from extensive field analysis, interviews and survey work, and examines case studies of six international PWPs – in India, Argentina, Ireland, Ethiopia, Indonesia and the USA.

The author explores the function and limitations of PWPs, and outlines major programme choice and design issues, drawing lessons from the international context, and challenging the assumptions underlying these policy preferences, thus opening the way for more informed and appropriate policy selection. The book makes a case for a reconsideration of the function of PWPs in the current social protection discourse, and argues that the current PWP approach may not look so attractive from the beneficiary perspective.

This book is of interest to academics and students in development economics and sociology, policy-makers and -designers, and donor officials, such as World Bank and DFID.

Anna McCord is a Research Fellow, Social Protection, at the Overseas Development Institute in London, and was previously Research Manager at the South African Labour and Development Research Unit at the University of Cape Town, South Africa.

Ordering information

The Brookings Institution
c/o HFS
PO Box 50370
Baltimore, MD 21211-4370
Tel: +1-800-5375487
or +1-410-516-6956
Fax: +1-410-516-6998
E-mail: hfcustserv@press.jhu.edu

For UK orders:
The Brookings Institution Press
c/o NBN International
Airport Business Centre
10 Thornbury Road, Plymouth
PL6 7PP, UK
Tel: +44-1752-202301
Fax: +44-1752-202333
E-mail: orders@nbninternational.com

ISBN 978-92-808-1204-6
304p US\$35.00



**United Nations
University Press**

53-70, Jingumae 5-chome, Shibuya-ku, Tokyo 150-8925, Japan
Tel: +81-3-5467-1212; Fax: +81-3-3406-7345
E-mail: sales@unu.edu; <http://www.unu.edu/unupress>