

A typology for Public Works Programming

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This paper sets out the different interpretations of 'Public Works' and the implications of this diversity for social protection programming. It outlines the wide range of programmes currently implemented under the broad descriptor 'Public Works'. 'Public Works Programmes (PWP)' have been interpreted and applied in different ways, without making adequate distinction between different forms, resulting in errors in programme design and implementation. This paper provides a framework for a more systematic and insightful engagement with PWPs, which links the different forms of PWP to likely social protection outcomes in differing labour market contexts.

Policy conclusions

- 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)
- One particular form of Public Works, offering a short term period of employment, which is appropriate as a response to transient shocks and acute labour market crises, has come to dominate practice, particularly in Sub-Saharan Africa
- This type of short-term measure has been applied in longer-term, more chronic labour market crises where it is generally inappropriate. As a result, outcomes have not lived up to expectations.
- This paper identifies four distinct types of PWP and their respective features with the aim of clarifying what is likely to work well under what conditions.

Definition of PWP

The key components of a PWP are the provision of employment for the creation of public goods¹ at a prescribed wage for those unable to find alternative employment, in order to provide some form of social safety net. PWP may be defined as all activities which entail the payment of a wage (in cash or in kind) by the state, or by an agent acting on behalf of the state, in return for the provision of labour, in order to i) enhance employment and ii) produce an asset (either physical or social), with the overall objective of promoting social protection.

There are a number of variants of PWP. 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. Whether cash, food or other inputs are the most appropriate mode of payment varies according to the conditions which have created the need for

the intervention. In situations where security is poor, food is not readily available, or food cost inflation is high, food often remains the optimal form of payment. In some programmes the wage, in the form of food, is used as an incentive for communities to construct assets (food-for-assets or FFA), or to participate in training programmes, (food-for-training or FFT), expanding the concept of PWP still further. Programmes using a food rather than cash wage tend to be implemented or supported by agencies such as WFP or USAID, which have historically had surplus food stocks at their disposal, but limited access to capital to fund conventional CFW initiatives (see McCord, 2005)². Other PWPs offer alternative forms of payment, such as inputs-for-work (IFW), where the wage is paid in the form of agricultural inputs (fertilizers and seeds) as in the Malawian Government's Inputs for Assets (IFA) programme.



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The PWP concept is further complicated by the fact that the term ‘workfare programme’ is often used synonymously with ‘public works programme’. This terminology is problematic given the specific labour market origins and policy objectives associated with the ‘workfare’ concept, and the fact that this represents only one possible variant of the broader public works concept.

The range of variant PWP forms and nomenclature inconsistencies contribute to the poorly conceptualised and inconsistent usage of the term PWP in the development and social protection discourse, with the generic term ‘public works’ being used for a multitude of divergent programmes, diverse in terms of both design and objectives.

PWP Heterogeneity

As illustrated above, PWPs vary significantly in terms of duration, scale, targeting, implementation modalities and relationship to the labour market. This diversity is not always recognised when PWPs are adopted as part of national development programmes, and sometimes results in the selection of programmes which are not appropriate in terms of their anticipated outcomes, a problem which is examined below, with particular reference to social protection.

Two specific problems are linked to the failure to recognise the heterogeneity of PWPs and the discussion of public works as though it were a unitary concept. The first is the mistaken attribution of the benefits specific to one form of PWP to other different types of programme. The second problem is the inappropriate and widespread adoption of a particular form of short term PWP which has become the archetype in much of Sub-Saharan Africa, irrespective of the nature of the labour market context, and the negative implications for a programme’s efficacy in such a context.

The World Bank characterises PWPs as a short-term instrument for responding to acute or transient shocks³. In the context of acute labour market crises, it argues that the use of a PWP offering temporary employment may be appropriate in terms of cost and impact, particularly where the output of the programme is an asset which will reduce the vulnerability of the community to future shocks (see Subbarao et al., 1997).

This kind of short-term PWP has become synonymous with the term PWP in much of the current discourse, and is widely implemented in a range of contexts outside the specific ‘acute shock’ scenario where its efficacy has been identified and is consistent with conventional microeconomic theory. Such programmes are selected in response to a range of labour market crises, without cognition of the fact that this represents only one particular PWP variant, which is appropriate in a limited set of circumstances, rather than being universally effective.

The confusion of this type for the range of PWP types is problematic in terms of social protection outcomes, as PWPs offering a single short episode of employment are repeatedly prescribed by donors and governments in situations of chronic poverty, in the hope that they will provide sustained social protection benefits and an escape route from poverty. Much of the policy documentation around such programmes indicates that governments and donors implementing these programmes anticipate that they will have a significant social protection function, resulting in sustained improvements in livelihoods and poverty reduction. Hence the short-term form of PWP has been adopted throughout much of sub-Saharan Africa with the objective

of providing social protection outcomes, even where under- and un-employment are chronic. The PWP components of the Malawi Social Action Fund (MASAF), and the national Expanded Public Works Programme (EPWP) in South Africa are examples of the adoption of short term PWPs in contexts of chronic poverty, with social protection objectives. The evidence suggests that this form of short-term PWP is unlikely to provide meaningful or sustained social protection benefits in contexts of chronic poverty and labour market failure, and that such interventions are likely to have only short term impacts on poverty reduction (McCord, 2004a). As such, their inclusion within a social protection strategy as the primary instrument to address the needs of the working age poor unemployed is problematic.

The PWP Problem

In this way conceptual confusion about the nature of PWPs is contributing to inappropriate policy choice, programme design errors, and even inappropriate expectations on the part of implementers. Despite the dominance of the PWP archetype, particularly in sub-Saharan Africa, internationally many widely differing programmes share the generic ‘PWP’ label and the term PWP is frequently used without making clear which particular form of PWP is under discussion.

A PWP Typology

This paper summarises a recent typology developed to disaggregate the generic term ‘PWP’ and to promote conceptual clarity in the discourse around PWPs and their social protection function. A review of the international literature and over 200 separate programmes worldwide was carried out to identify discrete forms of PWP on the basis of core features relating to design and primary objectives. The resulting typology groups programmes into four broad types which share a common identity in terms of the provision of employment with some form of social protection objective, but are differently conceptualised and designed.

Box 1: PWP Typology

- PWPs offering a single short-term episode of employment (Type A)
- Large-scale government employment programmes which may offer some form of employment guarantee (Type B)
- Programmes promoting the labour intensification of government infrastructure spending (Type C)
- Programmes which enhance employability (Type D)

The two dominant types of PWP are those offering short-term employment, and large-scale government employment programmes offering some form of employment guarantee. The two less common, but still identifiable types are those promoting labour intensification of government infrastructure spending, and programmes which enhance supply-side characteristics, promoting ‘employability’. While some programmes include aspects of more than one of these types, all PWPs tend to have a primary identity which enables them to be located in one of the four categories.

Type A: Short-term Employment

PWPs offering short-term employment are typically implemented as a response to some form of temporary labour market or livelihoods disruption, which may result from environmental (e.g.

drought, flood or hurricane) or economic shocks, such as the East Asian financial crisis. They are mostly, although not exclusively, implemented in the infrastructure sector, and the intention is to temporarily increase aggregate employment, while providing a basic income for consumption smoothing during a temporary period of elevated unemployment or livelihoods disturbance. These programmes tend to offer basic ‘risk coping’ or ‘protective’ forms of social protection in the short term. In these programmes, the social protection transfer objective tends to dominate objectives relating to the provision of assets, which may in many instances be essentially a ‘make-work’ activity, to satisfy the work conditionality. Such programmes are frequently implemented in Bangladesh and other Southern Asian states in response to climatic shocks. Indonesia’s *Padat Karya* (PK) programme is an example of a programme developed in response to an economic shock. These programmes have come to be seen as archetypal PWP in many situations, synonymous with the generic term PWP, and are typical of the PWPs currently implemented in many sub-Saharan African countries (such as South Africa, Malawi, and Tanzania). As argued above, their social protection function in such contexts is not clear, as the labour market challenge is not one of temporary disruption but rather of structural chronic low labour demand.

Type B: Government Employment Programmes/Employment Guarantee Schemes

The second type of PWP comprises large-scale Government Employment Programmes (GEPs) which are implemented in response to chronic or sustained levels of elevated unemployment and associated poverty. Such programmes entail significant increases in government expenditure on directly employing those who would otherwise be unemployed, as an ‘employer of last resort’ (ELR), with the objective of promoting aggregate employment on a sustained basis, offering sustained or repeated episodes of employment. Employment may be created in any sector, and be provided either directly by government, or indirectly through private sector employers or civil society. The US New Deal programmes of the 1930s typified this approach. The objective of these programmes was the creation of productive employment in order to promote both macroeconomic development (increasing aggregate employment and stimulating the economy), and social protection through sustained income transfers.

A subset of GEPs, wherein the state guarantees ongoing or repeated episodes of employment on demand to those who are eligible, are known as Employment Guarantee Schemes (EGSs). Current examples are the National Rural Employment Guarantee Act (NREGA). In the Indian context, employment is defined as a constitutional right and the state offers a guaranteed number of days of employment each year (100) to one unemployed worker from any rural household on the creation of community assets and paid at the minimum wage. Such programmes provide a form of non-contributory income insurance by guaranteeing employment to all members of eligible groups on demand.

A similar large-scale programme, initiated in 2006, is also being implemented in Ethiopia in response to the disruption of livelihoods which occurs annually as the result of persistent drought (the Productive Safety Nets Programme or PSNP), although the extent to which employment can be offered to all seeking it in this case is constrained in practice, particularly in years of serious drought, as a cap on total employment supply has been set as part of the project design.

Access may be rationed even within nominally ‘universal’ programmes, or Employment Guarantee Schemes (EGSs). In many EGSs attempts have been made to limit ‘demand’ for PWP employment by adopting criteria limiting eligibility (for example one participant per household, only rural households) The problem of rationed access even under ‘universal’ EGSs is exacerbated by the frequent inability of the state, or its agents, to provide sufficient PWP work for all those eligible and demanding employment, due to state capacity constraints, in terms of the limited availability of skilled personnel required for programme design, technical supervision, execution, etc.

State failure to provide adequate employment risks undermining type B PWPs’ mass employment and medium to long term social protection objectives. This problem is addressed in some programmes by a commitment to the provision of a minimum income transfer for those eligible for PWP employment, even if the state is not be able to offer adequate numbers of PWP jobs. For example the NREGP and PSNP have been designed in such a way that, irrespective of whether the state can supply adequate PWP employment, the programme default is the provision of an ongoing (or repeated) cash transfer to those eligible, if they are not provided with PWP employment. This payment represents a form an income support ‘back-up’ or unemployment insurance. In these cases, provision of an ongoing transfer is theoretically independent of the capacity of the state to deliver employment; a fundamental difference from programmes where state capacity to deliver is the binding constraint on PWP scale, as for example in the case of the South African EPWP.⁴

Type C: Labour Intensification

The third type of PWP is almost exclusively initiated in the infrastructure sector, and adopts labour-based techniques in order to promote the absorption of increased amounts of labour for each unit of expenditure on asset construction. The primary objective of this type of PWP is increasing aggregate labour usage during the construction of assets, but they also aim to confer basic short-term ‘risk coping’ or ‘protective’ social protection benefits through the wage. The work of the Ethiopian Rural Roads Authority (ERRA), the AGETIP (Agence d’Exécution des Travaux d’Intérêt Public contre le sous-emploi) in Senegal, related AFRICATIP-supported programmes in Western Africa, and the ILO’s Employment-Intensive Investment Programme (EIIP) which promotes the use of labour-based techniques in the infrastructure sector, are typical of this type of intervention. In such programmes the social protection benefits are assumed to accrue to workers as a direct outcome of employment provided, and possibly also indirectly as a result of the productive value of assets created, although recent work carried out by the ILO in Ethiopia using the newly developed Rapid Assessment of Poverty Impacts (RAPI) methodology indicates that it may not be possible to identify sustained benefits resulting from the assets created (Mengesha and Osei-Bonsu, 2007). However, the extent to which such programmes can offer significant social protection benefits is again contingent on the nature of the labour market context. During periods of temporary labour market disruption the consumption smoothing impact is likely to be significant, but in situations of chronic poverty the social protection benefits of the short term employment provided under such interventions is likely to be limited, as with type A programmes.



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Type D: The Promotion of Employability

The fourth and final type of PWP focuses on addressing supply-side constraints to employment, and promoting the 'employability' of workers, through the provision of workplace experience and skills development. Such programmes are appropriate when the key constraint to employment is lack of skills rather than lack of employment opportunities. These programmes have primarily been adopted in Organisation of Economic Cooperation and Development (OECD) countries, at times of frictional unemployment, i.e. when the fundamental cause of unemployment has been skills shortages. This type of programme assumes that jobs are available for the unemployed if they are appropriately retrained, and is associated with a political concern to encourage the unemployed to take up existing work opportunities rather than to provide them with unemployment benefits. This approach is typified by the US set of 'workfare' programmes and UK 'Welfare to Work' initiatives, which make the provision of social protection benefits for the working age poor unemployed conditional on beneficiaries either participating in work experience or training programmes.

Programmes to enhance employability by addressing supply-side problems are often part of broader Active Labour Market Policies (ALMP) designed to enhance skills and offer incentives for re-entry into employment. The success of such programmes is dependent on the ability of the programme a) to transfer skills to participants successfully, and b) to transfer skills which match skills in demand in the economy. This approach is also contingent on the labour market context being characterised by frictional rather than structural unemployment, and the existence of significant numbers of unfilled job opportunities in the labour market. The efficacy of such approaches has been challenged even where employment is primarily frictional (Martin and Grubb, 2001), and the appropriateness of Type D PWPs in developing countries facing structural rather than frictional unemployment is open to question.

Endnotes

- 1 There are a small number of PWPs which provide private rather than public goods.
- 2 Recent global grain price rises have significantly reduced the grain surplus available to both USAID and WFP, and so the incidence of such programmes in the future is likely to be more limited than in previous decades.
- 3 See, for example, the 2001 World Development Report (World Bank, 2001).
- 4 It is important to note however that while this is an important programme design feature, it may not necessarily be recognised widely at the point of programme implementation.

Conclusion

A critical weakness in the current social protection discourse is the failure to recognise that PWPs are a highly heterogeneous form of intervention and that the failure to select and design PWPs appropriately can significantly undermine a programme's social protection performance. In the absence of an analytical framework providing a PWP typology which explicitly recognises their heterogeneity, PWPs tend to be poorly conceptualised, and the idea that a generic short term type of PWP (the PWP 'archetype') can be implemented effectively, in terms of the provision of meaningful social protection benefits, in a variety of settings, is pervasive in current PWP programming. This approach fails to take into account the fact that a given type of PWP can only function effectively in a particular labour market context.

In terms of social protection policy selection and design, the result is a tendency to adopt the generic term PWP without further definition or discussion, and to assume that PWPs can provide effective social protection outcomes, irrespective of the type of programme selected or the nature of the underlying labour market problem. This paper attempts to address this critical weakness by providing a PWP typology (McCord 2008b) which can promote a more informed use of the PWP concept, with the aim of stimulating critical thinking on the role of PWPs, the social protection functions of the different forms of PWP, and the relationship between form and function which this implies.

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