



ILO Training

# Building Resilience through Public Employment Programmes\*

16-20 December 2019  
Port of Spain, Trinidad and Tobago

*\* Organized by the ILO Caribbean Office, and with collaboration with DEVINVEST HQ (Geneva), under the Decent Work and Resilience Project*





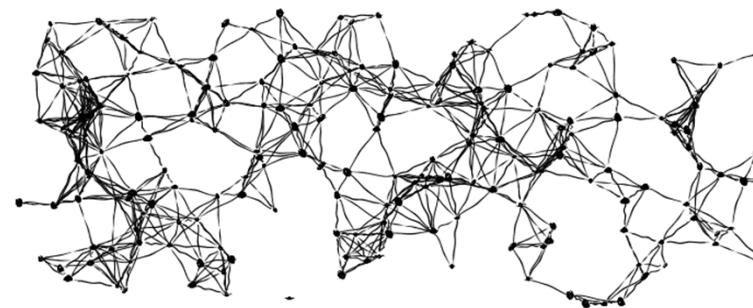
## Session 2: The role of PEPs in development: supporting SDGs



# EIIP The Reality

Employment Intensive Investment Programme

- **300 million workers** continue to live in extreme poverty and informality.
- Staggering **700 million workers** globally living in poverty despite having employment
- **Additional risks :**
  - Climate change, scarce natural resources, environmental degradation
  - Protracted conflicts and violence
  - Low levels of human development
  - Instability, insecurity, erosion of trust in governance leading to polarization and populism
  - Forced migration and displacement
- **Requirements:**
  - Address poverty and inequality
  - Address structural imbalances
  - Protect existing resources
  - Build resilience and address the root causes of fragility
  - Importance of multilateralism



Complex and interconnected reality, multiple threats



- **Sea level rise, recognized climate change threats to low-lying coastal areas on islands and atolls.** Given the dependence of island communities on coral reef ecosystems for a range of services including coastal protection, subsistence fisheries, and tourism, there is high confidence that coral reef ecosystem degradation will negatively impact island communities and livelihoods. (IPC 2018).
- **Decreasing rainfall and increasing temperature.** Rainfall records averaged over the Caribbean region for 100 years (1900–2000) show a consistent 0.18 mm yr<sup>-1</sup> reduction in rainfall, a trend that is projected to continue (IPCC 2018).
- The Caribbean has been identified as a “**highly endemic zone for leptospirosis,**” with Trinidad and Tobago, Barbados, and Jamaica representing the highest annual incidence in the world. (IPCC 2018)
- **Increased number hurricanes.** 102 countries were faced with 950 climate-related disasters forcing 7 million displaced Asia and Africa between January and June 2019 (IDMC 2019)
- **Heat stress.** 2.2 per cent of total working hours worldwide lost, a loss equivalent to 80 million full-time jobs. This is equivalent to global economic losses of US\$2,400 billion (ILO 2019)
- **Adaptation to climate change generates larger benefit to small islands when delivered in conjunction with other development activities,** such as DRR and community-based approaches to development (IPCC 2018)

**SOCIAL JUSTICE and Just Transition**  
is about helping  
the vulnerable adapt to climate change and  
to protect their natural wealth



- **Structural problem** - Inability of economy to:
  - (i) generate sufficient number of jobs,
  - (ii) improve the quality of employment for those employed,
  - (iii) ensure that the growth is inclusive
- Labour force > than jobs (600M new jobs needed)
- **Youth unemployment** = early labour market exclusion



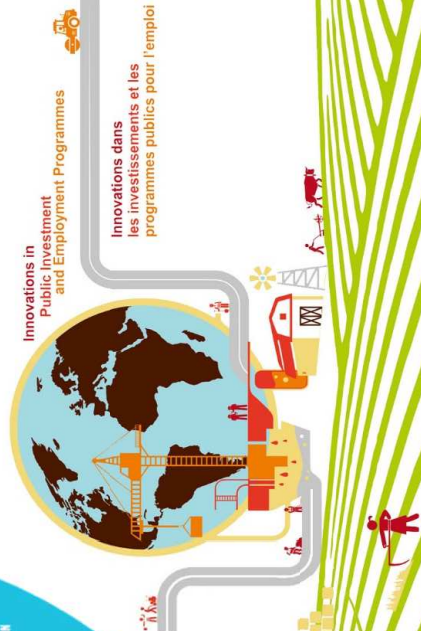
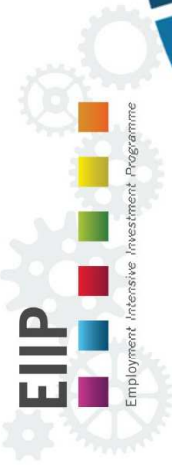
**Increasing social, economic and security - instability!**



## The value added of the ILO :

- Human-centred approach
- Universal representation of the world of work
- Lasting peace based on social justice
- DW is promoted through employment generation, social dialogue, social protection and adherence to international labour standards
- **ILO combines focus on employment and income security but also education, rights at work, OSH, SP, etc.**
- Link between humanitarian-development-peace nexus







*“The SDGs are a disruptive agenda, whether or not you use that word. This isn’t business-as-usual and status quo.....*

*To the extent that it is, it’s a fiction. Let’s not discover in 2030 that we didn’t mean it.”*

<https://www.transformationsforum.net/what-if-we-really-meant-it-transformative-approaches-for-the-sdgs/>

***Are we aware of this?***





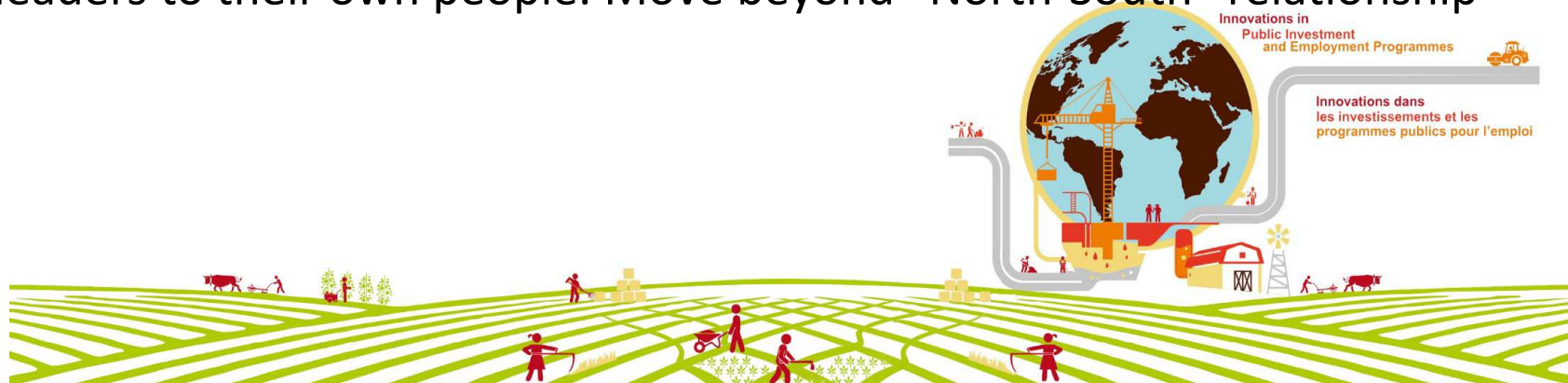


## Why are the SDGs disruptive?



Not just ambitious goals....

- **Universality principle:** SDGs apply to all, not targets for the “Developing Countries” Many developed countries will struggle to achieve their SDGs.
- **“Leave no one behind” principle:** Means we need to get the High Hanging Fruit! Not OK anymore to reach only 90% of the poor
- **SDGs are “Indivisible”:** All the SDGs depend on other SDGs- they cannot be achieved in isolation - sometimes they can even present trade-offs
- **Accountability:** No more Donor-Recipient structure where the “South is accountable to North for achieving the MDGs”. Accountability is of national leaders to their own people. Move beyond “North-South” relationship

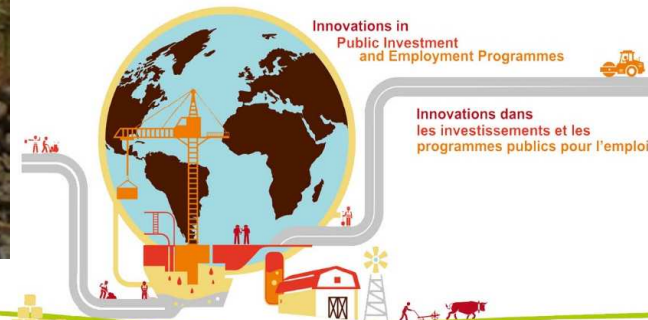




## PEPs and SDGs....



Public Employment Programmes (PEP) are a versatile policy Instrument which can be used to contribute to various SDGs - often simultaneously





## What is the rationale for Public Employment Programmes (PEPs)?



The state has an active role to play in responding to under and unemployment:

- Work as a right that government has to realize - consistently...
- Quest for full employment, and reduced labour underutilization
- Address (labour) market failures
- Government to mitigate the negative societal effects unemployment
- Role of state (and partners) can be especially critical in “special” circumstances: times of economic cycles, extreme poverty, conflict, crises and disasters





# Employer of Last Resort (ELR)



- ELR provides a theoretical framework for the EGS as proposed by Minsky.
- Generally Government's role as "Lender of Last Resort" in financial markets is accepted
- Employer of Last Resort proposes a similar role in labour markets
  - State provides employment when the market does not
  - Promoted as one important policy tool to achieve full employment
  - Based on the notion of productive work and putting under utilized resources to work - to contain inflationary pressures
- What is "last resort" differs politically and socially



- A vehicle to provide **predictable income** or transfers in cash or in kind, by **generating employment** and creating needed or useful public goods and services
  - Maintaining and/or rehabilitating assets and infrastructure.
  - Providing useful and needed services
- Public works refer to **community-based** and public or private financed programmes that support the poor and food insecure population.
- Main objective is 'Income Security' and extending Social Protection, with secondary objectives of employment and **asset / service creation**
- Often times financed by Social Funds





## PEPs are ....



*... publically-funded employment programmes outside the normal civil or public service, whose purpose is to employ people, with that employment used to contribute to the delivery of assets and services that create public value and contribute to the public good.*

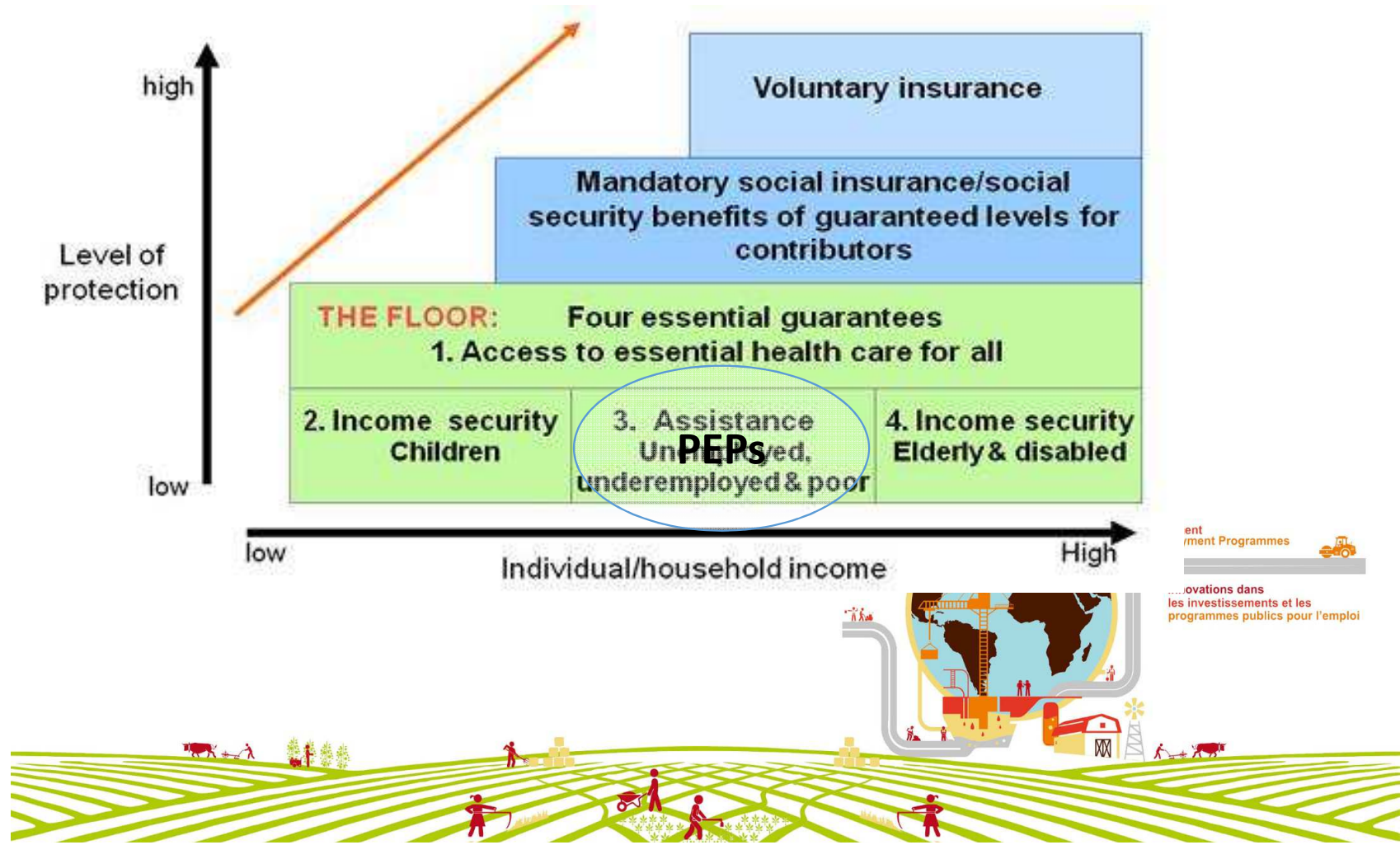
They have a long history as an instrument of public policy, historically often used to respond to cyclical unemployment and/or disaster management situations.



- Practical instrument for putting an ELR scheme in place
- An EGS provides a legal (or implicit guarantee) of work at minimum conditions
- Can be universal, or offered to a more limited target group
- Self selecting- people chose to exercise their right
- From labour market perspective effectiveness three issues are critical
  - Wage level
  - Accessibility to the programme
  - Contestation in the labour market



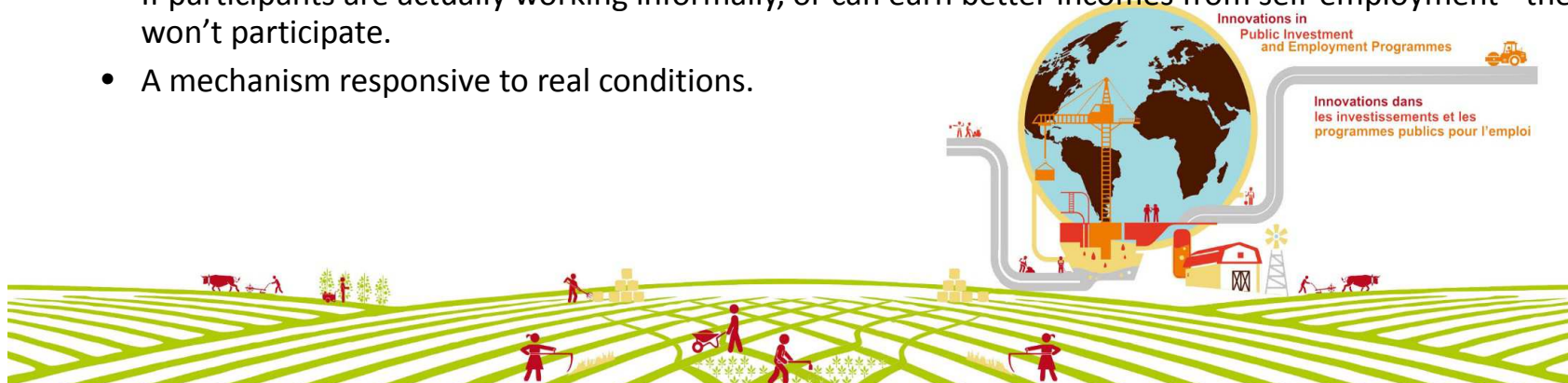
# PEPs and Social Protection

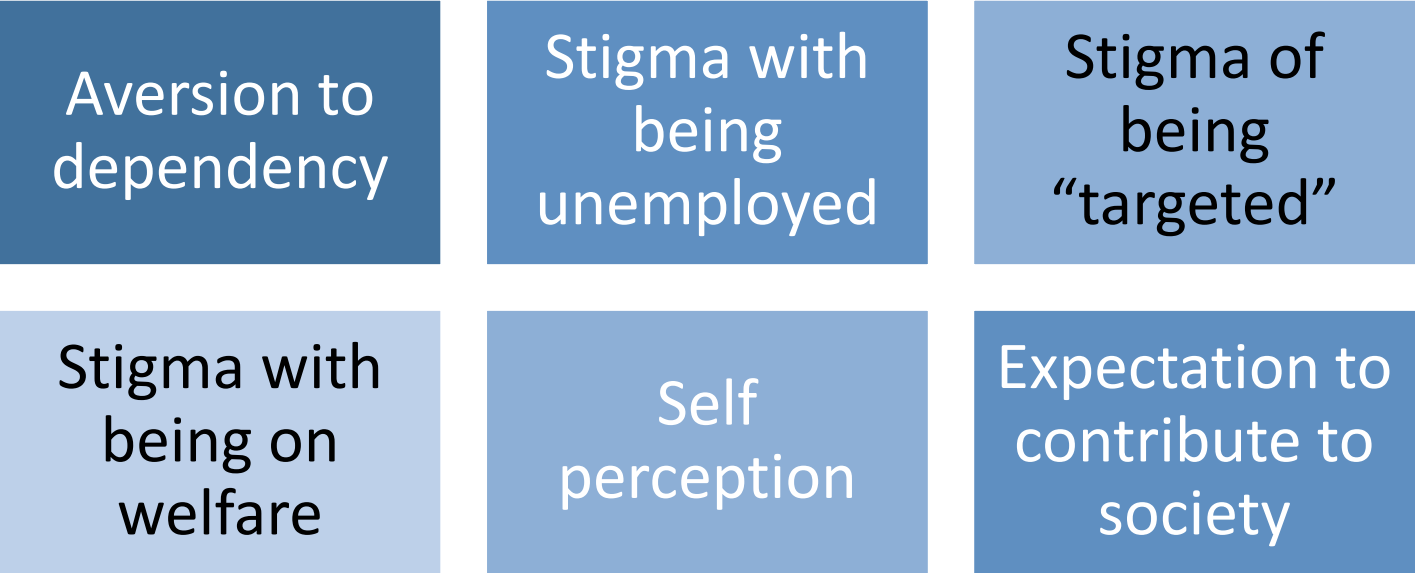




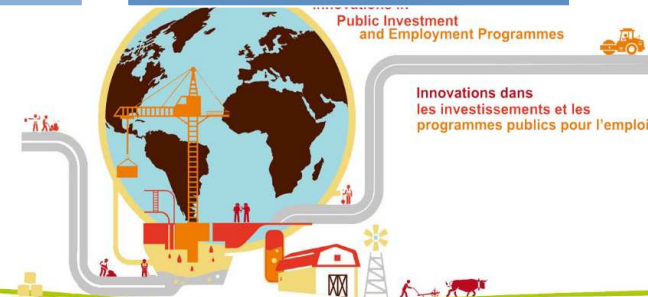
## EGS: An instrument of social protection where there is widespread informality and underemployment?

- 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 many developing countries 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.





**Important cultural dimension!**





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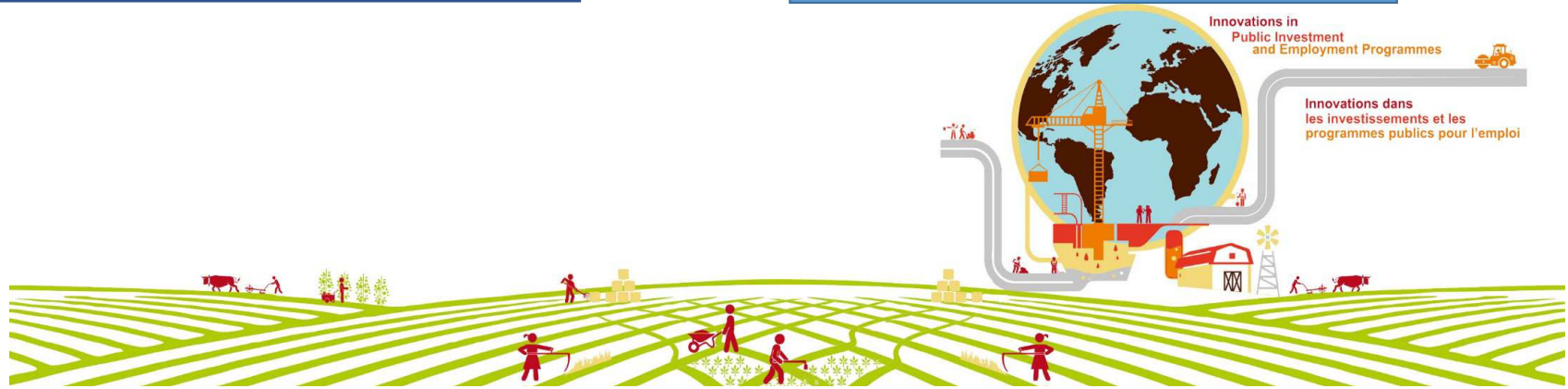
# PEPs and Public expenditure



- **What is the difference between a PEP that delivers on rural infrastructure and public infrastructure programme (PIP) investing in rural infrastructure?**
- **On the ground- they may look very similar: people building a rural road!**
- **Important difference is the entry point:**

**PEP:**  
We need to create X jobs-  
how do we go about it?

**PIP:** We need to create X  
km of road, how do we go  
about it?



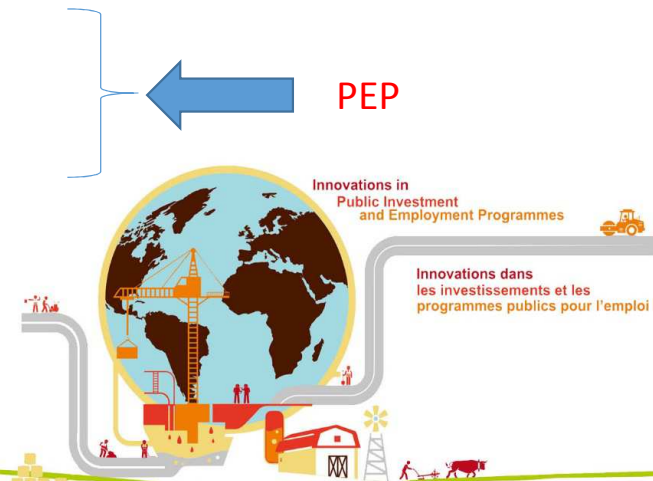
# PEP: One policy option to address particular risks experienced by working age population

## • Life cycle

- Before working years
- **During working years** ← PEP
- After working years

## ■ Risks/events

- **Poverty** ← PEP
- **Market failures and un (de)employment**
- Maternity
- Disability
- Sickness
- .....



# Public Investments

**Trade and Employment Impact Assessments (EmpIA):** assess which sectors have best potential for direct, indirect and induced impacts



## Assets / Services

(e.g. agriculture, care, environment, transport sectors)

increase or optimize employment (quantity and quality)



## Employment

“Create employment with all its concurrent benefits”

Improve employment (quantity and quality) and assets



## Social Protection

“Protect Vulnerable Against Risks through income security throughout the lifecycle”

Income levels and wages

Sectoral Strategies & Investments

PEPs

Emergency Employment

Extending Social Protection

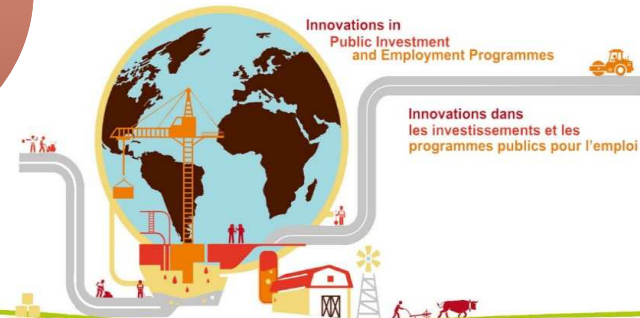
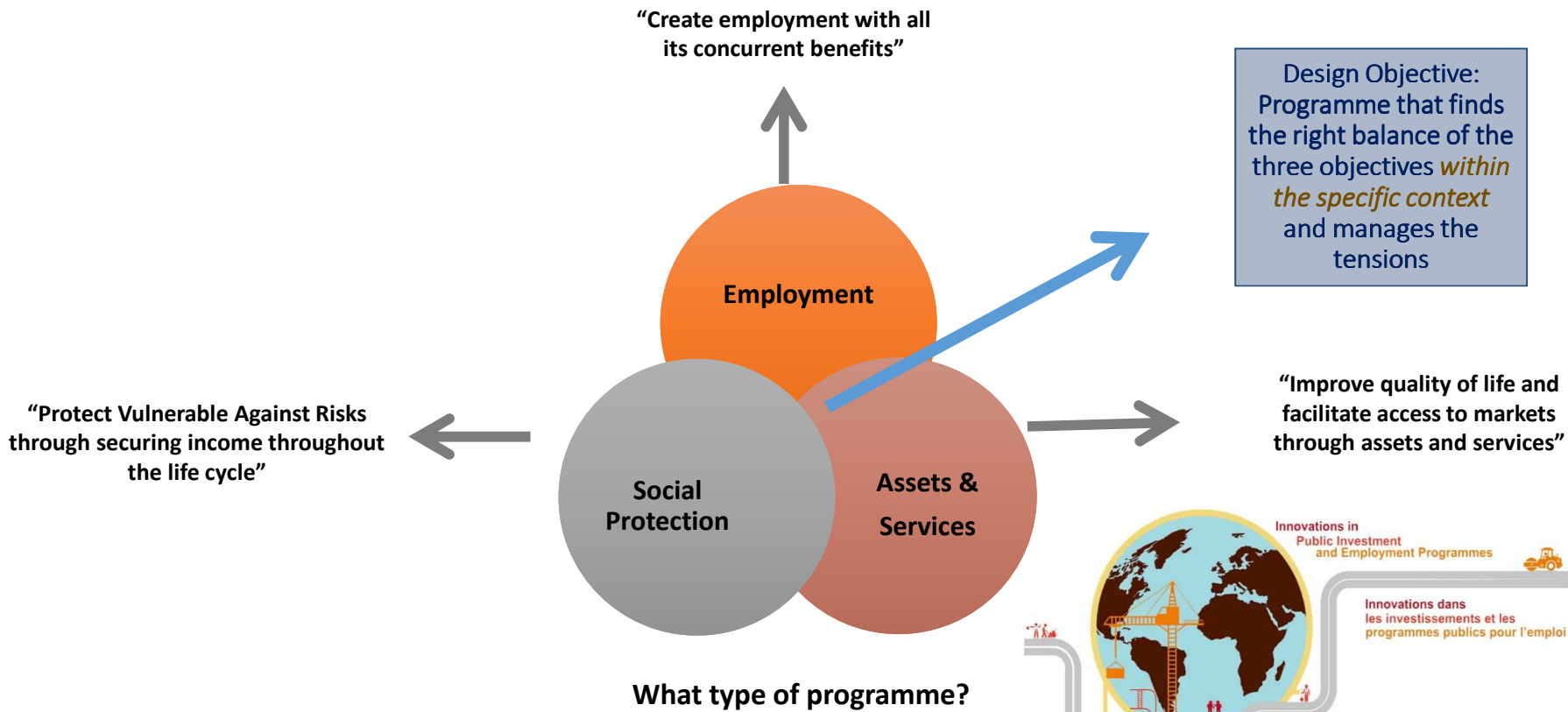
Environment and Social Safeguarding

LRB Approaches

Small-scale and community contracting

Gender Mainstreaming

## Competing Objectives- “Trilemma”





The bizarre appearance of this egg-laying, venomous, duck-billed, beaver-tailed, otter-footed breastfeeding animal baffled European naturalists when they first encountered it, with some considering it an elaborate fraud

