

**PUBLIC WORKS AS A SAFETY NET:
DESIGN, EVIDENCE AND
IMPLEMENTATION**

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DOHA, MARCH 8, 2014

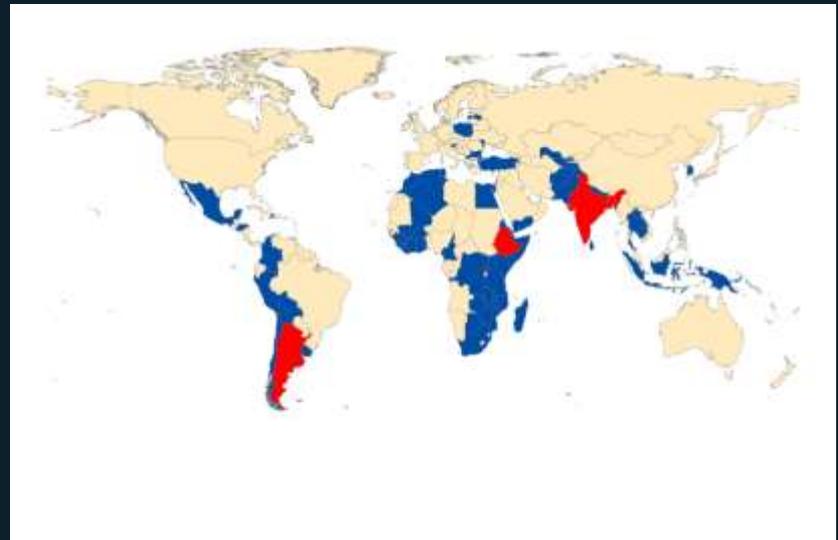
Why we wrote this book?

DESPITE GLOBALIZATION AND ECONOMIC INTEGRATION, THE POOR ARE EXPOSED TO GREATER RISKS AND VULNERABILITIES. TO MITIGATE THESE RISKS, PUBLIC WORKS HAS EMERGED AS A CRITICAL SOCIAL PROTECTION RESPONSE.

PWs Pre 2000



PWs 2010s

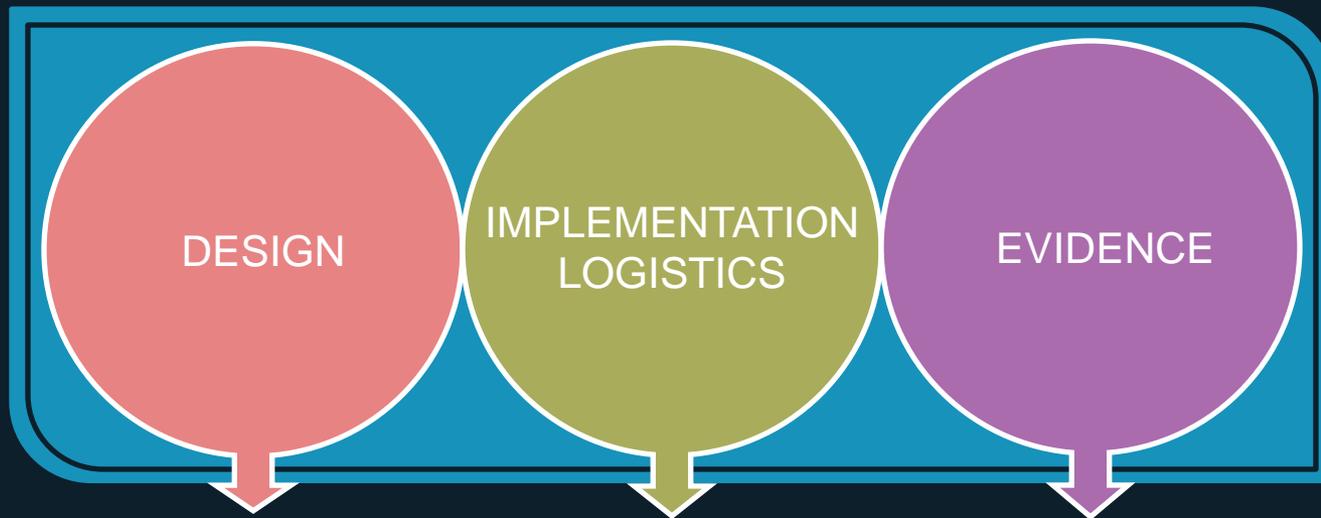


Why now?

NOTWITHSTANDING THE RECENT EXPLOSION OF OPERATIONS AND TECHNICAL LITERATURE, KNOWLEDGE GAPS REMAIN:

- Little has been codified on what works, what does not work
- New models of public works are evolving
- New questions and concerns around public works programs
- Yet no synthesis of issues and country experiences
- Evidence-driven, policymaker and practitioner focused
- Program experience is drawn from over 50 countries

Blending design, evidence, and implementation



- Targeting methods
- Benefit levels, wage setting
- Institutional aspects, and funding
- Project selection
- Additional features, graduation

- Beneficiary selection
- Project selection
- Management information
- Financial reporting
- Worksite management
- Communications
- Procurement
- M&E

- Empirical data
- Literature
- Operational materials
- 7 case studies

Findings from impact evaluations: India's MGNREGS

- Four things to note:
 - Correlation between participation rates and head count poverty across states is weak
 - Demand for MGNREGS, as can be expected, is high in high poverty states
 - Yet the unmet demand for MGNREGS is very high in these relatively poorer states; impact on poverty is therefore minimal in states like Bihar
 - Progress is very uneven across states
 - Female participation rates higher than previous PWs

PSNP Program in Ethiopia

- Main objective to develop sustainable community assets
- Improve the natural resource base and the social infrastructure
- Ultimately, aimed at developing the watersheds
- ... thereby increasing productivity and improving livelihoods

Ethiopia: Program Overview

Objective	Anti-poverty Safety net – provide short term productive jobs; reduce household food insecurity; enhance farm productivity
Budget	US \$ 300 million annually
Target population	Chronically food insecure households, later extended to transitorily food insecure households; not exclusively targeted to youth.
Selection criteria	Geographical/administrative/beneficiary ranking
Wage setting	Wage based on food security considerations; average daily wage US\$ 0.70.
Duration in program	Year-round
Job opportunities	7.6 million households employed on public works

Ethiopia: Impact evaluation

- Several econometric evaluations, based on panel data for 2004, 2006 and 2008, mostly led by IFPRI with World Bank economists, have shown highly positive impacts on:
 - Reduction of food insecurity (3 months of food insecurity reduced to 1 month or less)
 - Substantial increase in income
 - Solid progress in agro-climatic infrastructure, especially irrigation related
 - Significant increase in farm productivity (13% to 22%)
 - Distress sales prevented
 - Asset holdings (livestock) increased
 - Impact on income **growth** over time limited
- Virtually no leakage of funds***

Latvia's Public Works Program

Latvia's Program Overview

Objective	Safety net - assist families by providing them with income-generating opportunities
Budget	LVL 55 (US\$110) million over 2009-2011 About 0.25% of GDP in 2010 and 2011
Target population	Registered unemployed people who were not receiving unemployment benefits
Selection criteria	First in, first out
Stipend	100 LVL (US\$200) per month (80% of net min wage)
Duration in program	Up to 6 consecutive months; Beneficiaries can re-register if they desire
Job opportunities	Public infrastructure maintenance; environmental clean-up; social, municipal, and state services

Main findings: Targeting is good

- Most of the beneficiaries were relatively poor
 - 83% of beneficiary households belonged to the poorest income quintile of the population.
 - 96% in the bottom 40%
 - Latvia's population is young: Not exclusively targeted to youth, but most participants belonged to age group 25 to 39.
- Leakage was low
- The targeting performance is robust to the choice of welfare indicator (asset index, consumption, or income)

Main findings: Income



1. The program increased household income by LVL 67 while the actual payment was LVL 100 per month
2. Households in the public works program earned about 37% more than households in the control group
3. Nearly 110,000 jobs were created significantly impacting on unemployment; however, still long waits suggest unmet demand for the program
4. A lower proportion of households participating in the public works program reported reducing their food intake (quantity and frequency), or reducing doctor visits (preventive and during illness) than households in the control group

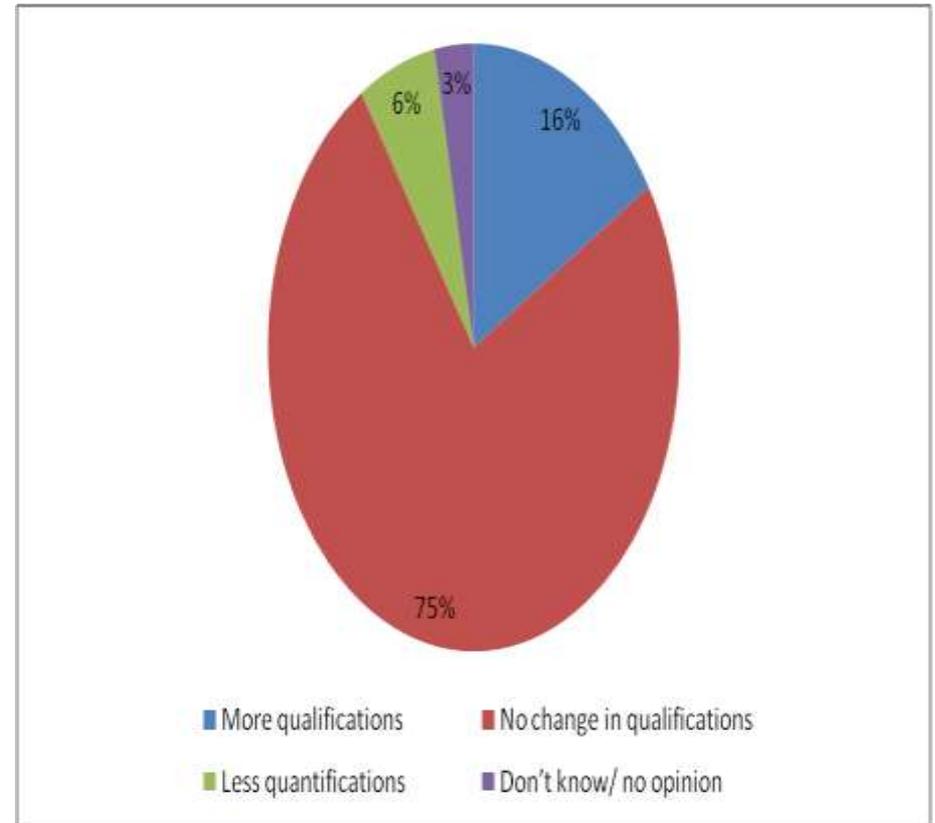
Main Findings: Administrative processes are good

Rated by participants:

1. Payment amounts were accurate
98% of participants reported receiving correct payment.
2. Payments were made efficiently
Payments were deposited in bank for 80% of the participants, while rest were paid in cash.
3. Payments were made on time
94% of participants reported payment arriving on time.
4. Status information was given when requested
56% of participants reported that they enquired about their position on the waiting list, and 90% of those received the information.
5. There was some tampering with the waiting list
10% of participants reported that they tried to improve their position on waiting list, and half of them were successful.
No evidence of bribery.

No long-term training impacts on beneficiaries

- 16% of participants believe that their qualifications have increased
- 75% of participants believe that their qualifications have not changed



Policy implications: What explains success, failure?.....

- First, be clear about objectives (mitigating shocks, insurance and just poverty relief, seasonal employment)
- Second, success depended a great deal on careful design:
 - Setting the wage level right
 - Assessing household food needs/community screening combined with other methods
 - Ensure reasonable labor intensity, and work ethics (8/hour day)
 - Set up appropriate oversight mechanisms (community oversight in Ethiopia, social audits in India's NREGA)
 - Predictable funding
 - Seasonal targeting, geographic targeting, household targeting, self-selection
 - Gender sensitivity
 - Design adjustments (including training component) to make the program attractive to youth
 - Set up excellent M&E systems and feedback systems

5 Lessons to Take Forward

1. THE USE OF PUBLIC WORKS IS EXPANDING

PWs have emerged as a critical social protection response tool, in situations of increased risk and vulnerability. It has shown promise to promote gender empowerment through participation.

2. PUBLIC WORKS PROGRAMS ARE COMPLEX, BUT CAN BE CUSTOMIZED

In addition to low income settings, public works now play an important role in middle income countries, fragile states, and countries facing social tensions, e.g., Arab Spring. This typically involves customization in design to expand program objectives beyond income support, i.e., promoting labor market participation and pathways out of poverty.

5 Lessons to Take Forward

3. INNOVATIONS ARE MAKING PROGRAM IMPLEMENTATION SMARTER AND MORE EFFICIENT

Many countries are developing stronger IT based MIS to automate program processes. This helps leapfrog implementation bottlenecks in facilitating beneficiary identification, tracking, payment, and program monitoring.

4. A COMBINATION OF PROGRAM LEVEL AND BENEFICIARY INPUTS CAN HELP PROVIDE THE CHECKS AND BALANCES NEEDED AGAINST ERROR, FRAUD, AND CORRUPTION

Combining top-down and bottom-up processes helps to promote transparency, and reduce issues of corruption that have pervaded public works schemes in the past.

5. EMPIRICAL GAPS REMAIN

More needs to be learnt about the effectiveness and impact of new experiences and new approaches and to address issues including governance, and the impact on poverty and the labor market .

Main Readings

- Kalanidhi Subbarao, Carlo del Ninno, Colin Andrews and Claudia Rodriguez-Alas: *Public Works as a Safety Net: Design, Evidence and Implementation (2013) World Bank*
- Azam, Mehtabul, Céline Ferré, Mohamed Ihsan Ajwad. 2012. “Did Latvia’s Public Works Program Mitigate the Impact of the 2008-2010 Crisis?” IZA DP No. 6772. IZA, World Bank
- Backiny-Yetna, Prospere, Quentin Wodon, and Giuseppe Zampaglione. 2011. “Ex Post Assessment of the Impact of Public Works in Liberia.” In *Poverty and Human Development in Liberia*, ed. Quentin Wodon. World Bank, Washington, DC.

Ethiopia's PSNP Main Evaluations

Sources for this presentaiton: Ethiopia' s Impact Evaluations	Author/year
The Impact of Ethiopia's Productive Safety Nets and Household Asset Building Programme: 2006–2010	Berhane et al. 2011b
Targeting Food Security Interventions When “Everyone Is Poor”: The Case of Ethiopia's Productive Safety Net Programme	Coll-Black et al. 2011
Cash Transfers and High Food Prices: Explaining Outcomes on Ethiopia's Productive Safety Net Programme	Sabates-Wheeler and Devereux 2010
Impacts of the Productive Safety Net Program in Ethiopia on Livestock and Tree Holdings of Rural Households	Andersson, Mekonnen, and Stage 2009
An Impact Evaluation of Ethiopia's Productive Safety Nets Program	Gilligan et al. 2009
Ethiopia's PSNP: 2008 Assessment Report	Devereux et al. 2008
The Impact of Ethiopia's Productive Safety Net Programme and Its Linkages	Gilligan, Hoddinott, and Taffesse 2008
Ethiopia's Productive Safety Net Programme (PSNP): Trends in PSNP Transfers within Targeted Households	Devereux et al. 2006
For a good overview and summary: Kalanidhi Subbarao et. Al. Public Works as a Safety Net: Design, Evidence and Implementation (2013) World Bank	



THANK YOU FOR PATIENT LISTENING!