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EIIP SSTC

Inter-regional forum for Asia and the Arab States

8-10 April 2025, Savar, Bangladesh

TECHNICAL BRIEF

Thematic Area 4: Government-led Public Works Programme (PWP) and Public Employment Programme (PEP) to address poverty alleviation, climate change and crisis

Key points

► **Challenges of conflict, climate change and economic downturn require innovative approaches to public employment and social protection**

Emerging trends in the world of work can exacerbate issues related to job security, fair wages, gender income gap, decent working hours and international labour standards, underscoring the need for comprehensive and innovative strategies, and to design and implement pro-employment and inclusive macroeconomic and sectoral policies, including to promote women's participation in the labour force.

► **Public Employment Programmes**

Public Employment Programmes are publicly financed and government implemented, long-term investment programmes that directly create employment through productive activities with a high labour intensity, rather than through the expansion of civil services. The India Mahatma Gandhi National Rural Employment Guarantee Scheme is one such initiative guaranteeing at least 100 days of wage employment in a year to the most deprived households. Notably, 65% of MGNREGS funds must be spent on water and Natural Resource Management.

Public Works and Public Employment Programmes

Public Employment Programmes (PEPs) are publicly financed and government implemented, long-term investment programmes that directly create employment through productive activities with a high labour intensity, rather than through the expansion of civil services. These interventions share the primary objective of providing employment for workers who are unable to support themselves due to a shortage of market-based employment opportunities.

Public Works programmes have a long history. They were used during the Great Depression by today's industrialized countries as a counter-cyclic policy instrument (Freedman

1989:2). At that time, massive government funds were channeled into public investment programmes to create work for people, thereby stimulating demand, aiding economic recovery and eventually reducing the slack in the labour market.

The mobilization of indigenous labour for road, dam and land conservation was widespread in colonial Africa as far back as 1903, and most post-colonial states implemented labour-intensive projects in regions of drought and famine as a tool for crisis mitigation (Webb 1992:4). Several Asian countries (e.g. India, China, Bangladesh) have implemented public works programmes for many years. Such schemes have been used and advocated for alleviating both chronic and transient poverty in South Asia for centuries (Ravallion 1990:2).



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While most public works programmes in Africa and Asia have in the past been used to respond to crises such as drought and famine, these schemes have evolved since the '70s into mainstream policy instruments for employment creation and poverty alleviation directed towards segments of the population. These schemes are viewed by their proponents as possessing the potential for improving household food security and level of living by offering income through employment while at the same time creating assets necessary for future growth.

There are several country specific initiatives addressing the challenges of employment for the deprived households and poor regions that we can learn from, such as India's Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), the EPWP is a flagship program of the South African government aimed at creating job opportunities, particularly for unemployed and vulnerable groups such as women, youth, and people with disabilities, and the Ethiopian PSNP Productive Safety Net Program which aims to improve food security, build resilience to shocks, and reduce poverty in rural areas.

Employment Intensive Investment Programme (EIIP)

EIIP supports ILO member States in the design, formulation, implementation and evaluation of policies and programmes aiming to address unemployment and underemployment through public investment, typically in infrastructure development. EIIP reinforces and builds institutional and operational capacity to provide productive and decent work that has an economic, environmental and social impact. EIIP has been collaborating extensively with national PEPs, e.g. India's Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and South Africa's Expanded Public Works Programme (EPWP) to provide technical support for the design of the infrastructure components of PEPs, advise on measures to improve targeting, and quality and productivity, as well as assisting in the monitoring and assessment of such programmes.

Challenges of crisis, climate change and unemployment

The World is still experiencing the challenges of a post covid period. While some countries have managed to recover growth and stability, others are still struggling to make a comeback. The challenges of crisis, climate change and poverty require innovative approaches to public

employment and social protection. It calls for enhancing the skill sets of individuals to achieve higher productivity and wages of dignity. Decent jobs require investment in higher order education and skills. There is a need to address conflict situations in the short run through humanitarian assistance and higher order skills for sustainable livelihoods. Migration poses its own challenges of disharmony. With rising youth population and high incidence of multi-dimensional poverty, South Asian region in particular, faces a challenge of employment, equality and economic growth.

Emerging trends in the world of work can exacerbate issues related to job security, fair wages, gender income gap, decent working hours and international labour standards, underscoring the need for comprehensive and innovative strategies that leave no one behind.

There is a need to design and implement pro-employment and inclusive and macroeconomic and sectoral policies, besides improving skills and education system and promoting lifelong learning. There is an urgent need to promote women's participation in the labour force and bridge the gender gap. Inequalities need to be addressed, and workers' rights must be protected in all forms of work.

Mahatma Gandhi National Employment Guarantee Scheme (MGNREGS)

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), enacted in 2005, is a landmark social welfare program in India aimed at providing livelihood security to rural households by guaranteeing at least 100 days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.

MGNREGS is a **demand driven** wage employment programme and Ministry of Rural Development seeks additional fund as and when required for meeting the demand for work on the ground. It employs a **participatory decision-making** process where GPs (local authorities) are responsible for identifying and proposing eligible works.

The scheme engages in four types of work: (a) natural resource management; (b) community or individual assets for vulnerable households; (c) community infrastructure including for self-help groups; and (d) rural infrastructure. **65% of MGNREGA funds must be spent on water and Natural Resource Management (NRM) work each year,**



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especially in water-stressed areas of the country, enabling the programme to perform as a responsive strategy to slow onset and recurrent shocks such as droughts, floods and cyclones.

Water Conservation, Land Development, Drought Proofing, Flood Control, Micro Irrigation, and Plantation. Efforts are made to conserve water, control soil erosion, and promote sustainable agriculture practices. The scheme also focuses on afforestation and sustainable land practices, contributing to the conservation of natural ecosystems and traditional cultures while ensuring sustainable livelihoods for rural communities.

100% funding for unskilled labour cost and 75% of the material cost by Central Government and rest shall be borne by the State Government. A **60:40 wage and material ratio** has to be maintained and a minimum of 1/3 must be female workers.

The budget for MGNREGS 2024-25 INR Cr 86,000; 32% of the budget for the Ministry of Rural Development and around 2% GOI budget. In FY 2022-23, employment was availed by 61.8 million households This translated to 87.6 million persons for a total of 2.9 billion person-days. The women participation rate was 56.6%. For more details see https://nrega.nic.in/MGNREGA_new/Nrega_home.aspx#!

The beneficiaries of MGNREGS include small and marginal farmers as well, who avail of MGNREGS work to supplement their low income from agriculture. Though distress conditions of chronically rural poor population have reduced over the years, the demand for guaranteed employment has not declined. Precariousness of low income in poor households still prevails, notwithstanding improvement.

Over nearly two decades of its implementation, it has achieved, partly or substantially, many objectives. MGNREGA has acquired a role in water conservation, livelihood diversification, afforestation, rural housing, road construction and solid and liquid resource management in many villages. It has become a source for rural infrastructure and for a range of durable assets.

- MGNREGS has transformed the lives of rural workers by offering legal guarantees of employment and ensuring dignity and social protection
- MGNREGS has laid the foundation for sustainable rural development. By investing in productive assets and NRM such as water conservation structures, rural roads, and irrigation facilities, PEPs can enhance

agricultural productivity and resilience against climate change and environmental degradation.

- MGNREGS has also promoted community participation, grassroots democracy, and gender empowerment, emphasizing the importance of inclusive governance and citizen engagement in program implementation

Jharkhand



(Source: MGNREGS Website)

Agriculture is now the main source of livelihood (previously it was wage labor and forest dependency) for Ara and Keram villagers. Water Harvesting Structures and Ponds (Specially Dobha) were constructed and used for agriculture and fisheries. Total 45 Dobha were constructed in the village out of which, 33 ponds are filled with adequate water during this rainy season and are being utilized for fish farming (Source: MGNREGS Website)

Andhra Pradesh



(Source: MGNREGS Website)

210 Farm Ponds and Dugout Ponds were executed, 54 delisting of check Dams works taken up due to which Ground



Water levels increased drastically. Even the 580 dried up bore wells got recharged and water level is not decreasing. The ponds not only provided life-saving irrigation during the dry spell of kharif season giving them better yields and helped ground water recharge. (Source: MGNREGs Website)

Like any programme, there are areas of improvement like timely wage payment, better multi-year planning for watersheds, adequate and timely provision of work with a lower differential with market wages, better administrative and technical management for better governance and hassle-free access for the deprived to MGNREGS work, and so on. It is undeniable, however, that the programme has been a saviour in difficult times and a resource for diversified income and livelihoods at all times for the deprived. Its pro-poor character due to self-selection for unskilled work and all-round village infrastructure development, cannot be questioned.

Lessons learned and scope for South-South Cooperation

The examples from across the world and the detailed case study on MGNREGS from India, provides an opportunity for South – South cooperation to build on what works. Water conservation, rural roads, plantations are all critical for the lives and livelihoods of the deprived. Public Employment Programmes are also a very good example of higher female participation in wage work and equal wages for men and women. There is a need to engage with the civil society and the state to develop social protection, employment intensive initiatives, and creation of useful and durable assets that improve lives and livelihoods.

1. PEPs should target extremely poor, invariably landless households, through a combined dose of productive public and individual assets and regular income through wage employment for a minimum period of five years, with an effort to end their perennial dependence on PEPs. Other programmes should also simultaneously target them for five years. For that

matter, a holistic plan, in convergence, for the total uplift of poor households with strict monitoring of implementation and outcome.

2. Individual assets have potential to transform character of the household from a wage seeker to self-employed that should be given greater attention with an approach to provide them productive assets that create sustainable income.
3. Asset creation has improved significantly under PEPs, yet its potential remains untapped. Better and scientific planning, use of engineering and technology, encouragement to innovation, flexibility in selection of assets and effective convergence with other development programmes of the government can change the game. A systematic effort at water conservation on the ridge to valley principle needs to be adopted on scale.
4. PEPs require a multi-dimensional accountability framework that uses technology, community and decentralized management to make a difference to the lives of the deprived, including to ensure timely wage payments. PEPs need to be documented more systematically. This will ensure an evidence-based defence of the outcomes of the programme.

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DOI: <https://doi.org/10.54394/HZOH7386>