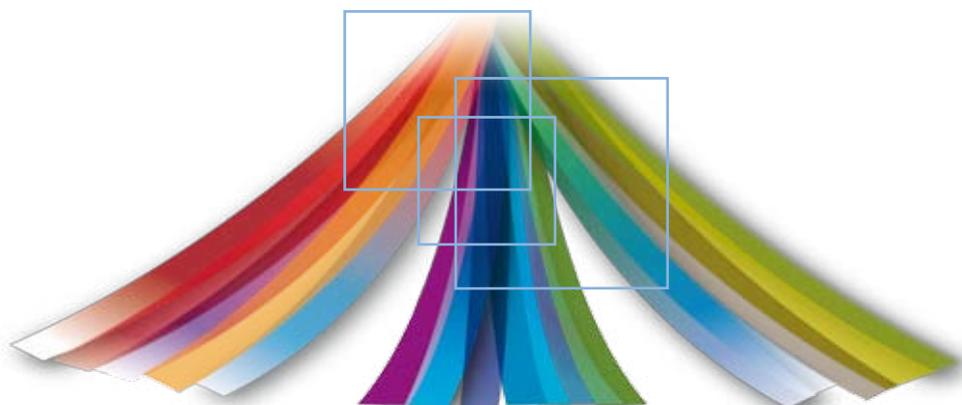


# GLOBAL JOBS PACT POLICY BRIEFS



International  
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## INNOVATIONS IN PUBLIC EMPLOYMENT PROGRAMMES

### 1. Executive summary

Public Employment Programmes (PEP) are effectively used to increase aggregate demand for labour in times of crisis. However, they are not only a crisis response; in many countries unemployment is an ongoing challenge, with markets unable to create employment on the required scale. Public Employment Programmes can complement employment creation by the private sector, and offer an additional policy instrument with which to tackle the problem of under and informal employment, as part of a wider employment and social protection policy. When properly targeted, these programmes help to reduce the vulnerability of the poor strata of the population most affected by a crisis. As a result, the consumption of goods and services increases, impacting

directly on local enterprises.

Public Works Programmes (PWPs) and Employment Guarantee Schemes (EGS) were strongly associated with construction works, but this has changed, with increasing examples of work in the social sector, environmental services, and community driven programmes. Additional innovations are evolving in newly designed PEPs. Their ability to impact on multiple objectives and to respond to specific circumstances is a key strength of these programmes, and makes them highly desirable from a policy perspective, and also in respect of responses to the world-wide structural jobs crisis.

### 2. Description of the policy challenges

The current triple “F”<sup>1</sup> crisis and especially its negative employment effects have once again brought the role of the state in employment creation strongly to the forefront. As employment provided by the private sector has shrunk dramatically, adding to an already growing structural employment challenge, it is increasingly recognized that the state needs to play a much more active role in employment generation. This does not only imply looking at its overall employment policy and strategy and at its role in creating an enabling environment for employment creation by the private sector, but also at the role of the state in the direct creation of employment and the wider contribution of certain economic and financial policies to employment creation.

ation by governments through Public Works Programmes and Employment Guarantee Schemes has been recognized. However, such Public Employment Programmes vary considerably from country to country or even regions within countries. PEPs typically deliver a combination of the following main core outputs, putting one of these three as top priority:

- employment (for participants);
- income/transfer (for participants);
- physical and social assets (delivered by participants).

Amongst these responses, the role of direct employment cre-

<sup>1</sup> FFF: Food, fuel and financial crisis

*The Global Jobs Pact policy brief series is intended to inform readers of the relevance of the ILO's technical areas of work in addressing economic downturns as well as assisting in sustainable economic recoveries. Each brief is an invitation to the reader to contact the ILO for additional information and support.*

*More briefs can be found and downloaded at <http://www.ilo.org/jobspact>*



These main outputs of PEPs support core development objectives, including poverty reduction, the reduction of unemployment, increased access to basic services, and social and economic inclusion. PEPs can also be delivered in ways that target women and youth.

Ensuring satisfactory and balanced performance on the twin objectives of employment/social protection and asset creation is challenging, especially since such programmes are now implemented in contexts in which institutions and technical capacities are weak, and where implementing partners

can be many, both in the public and private spheres. Making these programmes a substantial part of social safety nets that in the long-term are scalable dependent on the economical situation is another major challenge.

Setting up and operating long-term public works programmes with or without an employment guarantee is complex. It requires a combination of adequate resources, appropriate management structures, effective planning and administrative processes, capacity building and adequate technical inputs.

### 3. Policy options to address the challenges

Recently, Public Employment Programmes have seen a number of innovations. Traditional PWPs and EGS mainly used construction works for employment generation, but this has been complemented with work in other sectors and additional innovations are evolving in design and implementation of PEPs. Many new PEPs are now being set up as scalable social safety nets. They have innovative features such as:

- broader coverage of activities such as social services,<sup>2</sup> emphasis on green infrastructure, productive investments, in other words a menu of projects that are more complex than traditional PWPs;
- new targeting mechanisms;
- combining conditional cash transfer components with PWP components in the same programme;
- combining PWP components with skills development/training and work attachments (exiting of participants) to increase the employability of participants;
- introducing new payment systems to increase accountability.

At the same time, these much needed programmes are now rolled out in countries having limited fiscal space, restricted implementation capacity and accountability challenges. New implementation modalities including public and private partnerships are evolving.

Two examples of PEPs are presented here. The NREGS in India which has benefited from lessons learnt in previous

schemes and KKV in Kenya, set up in 2009 to confront a major crisis and massive youth unemployment.

#### National rural employment guarantee scheme (NREGS) in India

The Government of India launched the National Rural Employment Guarantee Act (NREGA) on 2 February 2006. The NREGA provides a legal guarantee for one hundred days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage.

This act was introduced with an aim to improve the purchasing power of rural people, by providing semi or unskilled work to people living below the poverty line in rural India. It attempts to bridge the gap between the country's rich and poor.

India has a long history (at least four decades in post-independence India) of wage employment programmes. The NREGS addressed many of the weaknesses of earlier programmes through several features in its design such as the introduction of a rights based framework.

The work carried out so far under NREGS suggest that the ground work is being laid for raising agricultural productivity in the future. Water conservation (60 %), land development (13 %), and drought proofing (6 %) together account

<sup>2</sup> Social services such as healthcare to education, from care of the aged to youth recreation.



for nearly four-fifths of all work under the programme; road connectivity constitutes another 16 %.

The programme was expanded quickly: in 2006-7, 200 of the poorest districts were covered out of a total of 619 districts (907 million person days generated, benefiting 21 million households). In 2007-8, 330 districts were covered (1,437 million person days generated, benefiting 33 million households) and, in 2008-9 all districts were included (2,163 million person days generated benefiting 45 million households). Five months into the financial year 2009-10, 1,765 million person days had been generated benefiting 39 million households, a remarkable achievement. Women constituted 49.5 % of all persons working in 2009-10 which is well above the original 30 % target.

The above shows the size of the programme with a fundamental delivery capacity already established. Such a programme can easily act as a buffer during crises as it is scalable. In fact, due to the severe drought situation in 2009, the Government of India extended the scope of employment from 100 to 200 days per year in 272 districts, out of a total of 629 districts. NREGA not only provided desperately needed social security coverage and enhanced nationwide livelihood security but also helped in providing relief to the drought affected populations.

The target group was one adult member of any rural household, mainly from the poorer sections of the population such as landless labourers and marginal farmers, willing to do public work-related unskilled manual work.

With respect to the number of job opportunities to be created, the target was to generate one hundred days of employment per year for the above category (demand-driven).

Total funding:

Expenditure 2006-7: Rupees 88.23 billion (US\$ 2.0 billion)

Expenditure 2007-8: Rupees 156.8 billion (US\$ 3.53 billion)

Expenditure 2008-9: Rupees 269.8 billion or (US\$ 5.6 billion)

Expenditure 2009-10 (provisional): Rupees 377.8 billion or (US\$ 8.1 billion)

Coverage: Nationwide

Some of the reviews of the schemes reveal that total employment generated under the NREGA is much larger than earlier PEPs. The wage rates rose in rural India and women started getting the same wages as men. It appears that

self-targeting is working with the high participation of poor and scheduled caste and scheduled tribe populations in the scheme. Some micro level evidence suggests that after NREGA was implemented, migration from rural to urban India declined. However, the biggest challenge remains the implementation capacity at the village level. Given the massive scale of the programme, it is important to increase programme implementation capacity at the village level by appointing and capacitating more functionaries.

### **Kazi Kwa Vijana (KKV) in Kenya**

#### **Context**

Since the post-election crisis beginning in 2008, the country has been facing a serious triple “F” crisis. Post-election violence, poor agricultural production and the global recession resulted in an economic slump from a growth rate of seven per cent in 2007, to a mere 1.7 per cent in 2008. Half of the Kenyan population is aged less than 20 years, and accounts for two thirds of the poor. There is a disproportional high rate of unemployment amongst youth – two out of five young people are either unemployed or inactive.

#### **Objective**

The goal of the KKV programme.<sup>3</sup> An initiative of the Grand Coalition Government, launched in April 2009, is to tackle the twin problems of hunger and unemployment. It is designed to afford, during this period of global financial crisis, national drought and famine, immediate relief to young people by way of providing them with income to buy food through employment in public works. Young people, male and female, are to be employed under labour contracts in selected public works projects identified under the KKV programme. Some of these projects, particularly those to do with irrigation and water supply, are intended to enhance food production in the marginal areas most affected by drought. There are also KKV projects designed for the conservation and management of the environment, while others will improve road transportation in rural and urban areas. Projects are coordinated by the Office of the Prime Minister and implemented through line ministries.

Target group: Youth aged between 18 and 35

Number of job opportunities to be created during phase 1 (2008/09): 300,000

Actual number achieved (between April and September 2009): 296,000

<sup>3</sup> Kazi Kwa Vijana Programme Manual, April 2009, Republic of Kenya.



Total funding:  
Supplementary budget 2008/9: Ksh2.8 billion  
(US\$ 38 million)  
Budget allocation 2009/10: KSh3.3 billion  
(US\$ 44 million)

Coverage: nationwide

Main challenge: To convince the implementing line ministries to continue setting aside part of their regular budget for labour-intensive works to be implemented by youth.

## 4. Conclusions and recommendations

Public Employment Programmes complement public investments in infrastructure as an undoubtedly powerful tool for creating jobs and boosting the economy in times of crisis. The advantage of PEPs is that a higher percentage of resources can be spent on labour, and different targeting mechanisms can be applied.

Proper geographical targeting allows necessary resources to be channelled to the areas most affected. Combined with categorical targeting (focusing on unemployed youth and women), and appropriate wage setting, it often produces the best results in reaching the most needed groups of society, hence improving income security.

## 5. Further reading and resources

- International Labour Organization, Employment-Intensive Investment Programme (EIIP).2010. *Mitigating a Jobs Crisis: Innovations in Public Employment Programmes..* (Geneva).
- Subbarao, K; Milazzo, A; Del Ninno, C. *How to make public works work: a review of the experiences.*; World Bank. (2009)