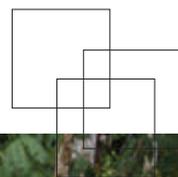




International
Labour
Office

Towards the right to work

**A GUIDEBOOK FOR DESIGNING INNOVATIVE
PUBLIC EMPLOYMENT PROGRAMMES**



Guidance note 13
Graduation and Exits from PEPs

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Graduation and Exits from Public Employment Programmes

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Guidance note 13

Graduation and Exits from Public Employment Programmes



Objective

The objective of this note is to give policy-makers and practitioners an overview of various approaches to exiting and graduating from public employment programme¹ (PEP) and to address some of the key issues that one needs to keep in mind in designing a programme with a proper strategy. The guidance note also provides some ideas on determining the right strategy based on the nature of the PEP (i.e. short- and long-term, emergency response, etc.) and will highlight the role of complementary programmes that can support graduation and how they can be better linked to PEPs.

Introduction

The challenges of ending participation in Public Employment Programmes

This Guidance note discusses some approaches to, and challenges of exiting and graduation from Public Employment Programmes (PEPs). While there are important differences between the two terms, they both encapsulate how the participation of individuals in PEPs comes to an end. This is an important question - and often can be a dilemma - that many PEPs face: how is it decided whether someone should no longer participate, who decides it, when is this decision taken and on what basis is it made?

These dilemmas emerge in all programmes - except perhaps those that are available to participants on a permanent and ongoing basis such as in an Employment Guarantee Schemes (EGS), where it is the participant that faces these types of questions since it is often they who decide when they enter or leave the programme. Given the different nature of PEPs, the nature of this dilemma will vary as well. However, because the main rationale for having a PEP is to provide work and income to those who are not able to find these elsewhere, the implication is that participation should only end when participants are able to obtain these elsewhere. The ability of PEPs to influence whether participants are able to find work and income

¹ M. Lieuw-Kie-Song; K. Philip; M. Tsukamoto; M. Van Imschoot: Towards the right to work: Innovations in public employment programmes (IPEP), ILO Employment Working Paper No. 69 (Geneva, International Labour Organization, 2011).

outside the programme - i.e. the ability of the PEP to make itself redundant - is limited however. Factors outside the PEP are generally more important in this regard and although a PEP can contribute to this, it should not be asked to take this responsibility. This is the task of broader economic, employment and social policy.

Given these dilemmas and limitations, this note will discuss and provide guidance on the following issues:

- How to approach the questions of exiting and graduation in designing a PEP;
- How exiting and graduation are affected by the nature of the PEP (i.e.: short-and long-term, emergency responses, etc.);
- The role of complementary programmes that support graduation and how they can be linked to PEPs.

Defining exiting and graduation

The terms 'graduation' and 'exit' are used in different contexts and with different meanings. Before continuing, it is therefore useful to define these terms and discuss some of these contexts and meanings.

In this note the term 'exit' refers to a programme decision; where the programme sets conditions of exit and possibly vets participants and decides when they should leave. Within this there is a spectrum – there are forced exits where there is no necessary change in status, which is quite common where the exit requirements are purely time-based; and there are exits where a set of indicators or criteria are used to inform this decision. The latter can become complex, and place an administrative burden on the programme and requires skills that are often very different from those involved in running the programme – amongst other issues. These types of exits are sometimes referred to as 'graduation', as the basis of the decision is an assessment that the participants no longer need the PEP.

In this Guidance note however, the key characteristic of 'graduation' - and where it differs from exits - is that it is defined as *voluntary*. It is what happens when participants leave of their own choice, because in their own assessment -not that of the programme or its assessment instruments - the balance of 'opportunity-costs' has shifted, allowing them to move on to other opportunities. Some level of graduation takes place in all programmes, but in general, the more rights-based the programme, the more choice participants will have about when they leave, and when they do leave this reflects that in their own assessment, their situation has changed. This assessment will be influenced by many factors and participants themselves also face a number of dilemmas in making this decision. Many factors shaping this decision will lie outside the programme, and as a result

if conditions outside the programme do not change, participants may decide not to graduate.

Finally, it must be noted that there are PEPs that allow participants to work in the programme only when they choose to, either on a part-time or seasonal basis. When participants use this flexibility to temporarily suspend their participation in a PEP, this should not be confused with graduation. In such conditions, even when participants do not return to the PEP for a long time, it does not mean they have graduated, as they may continue to view the PEP as an alternative source of income that is there if their other income generating activities fail or come to an end. If the PEP classified them as graduated and prevented them from returning, this could potentially influence their behaviour and have them remain in the PEP in order not to lose the ensured benefit.

There are many approaches to graduation and exits being tried and tested currently. And in the same way that the debate on targeting has shifted, over time, to a preference for self-targeting, for setting conditions in the programme that attract only the target group and that avoid complex and normative selection processes, the aim is increasingly to design programmes so that participants are encouraged – maybe even incentivized – to take up other opportunities, and to leave by choice rather than being forced out of a programme.

Limited research, especially with regards to the results, outcomes and cost-effectiveness of programmes and interventions to support graduation is available to date. At the same time, this is also an area of many new developments and innovation. And so while PEPs may want to include graduation components or objectives, it needs to be recognized that, in addition to the limitations mentioned already, there are also still many risks involved and that these efforts will likely need testing and adjusting before an effective approach is found.



Background



The question of graduation is encountered in PEPs, but also in social assistance programmes such as cash transfers. There is a fair degree of debate and controversy around graduation in this context. This is because there are different underlying reasons for the promotion of graduation. The more critical views argue that the origin of graduation policies comes from the desire to limit the costs of social assistance and is in fact the other side of dependency (RHVP 2010). This argument is based on the belief that social assistance fosters dependence and that access should therefore be limited and time-bound. In this view graduation is interpreted as a means of getting participants *out of* social assistance programmes and in its most cynical interpretation graduation is just a fancy term for exiting.

Others see the origins of graduation coming out of the objective of improving the predicament of participants in these programmes. In this sense the graduation process represents the cumulative progress made in improving the conditions and livelihoods of participants. Its origins lie in the recognition that for many of the poor, but especially the ultra poor, a range of simultaneous and ongoing forms or support are required if there is to be a long-term improvement in their situation (CGAP 2009)- and as a result no longer need the employment and income from a PEP. This view comes out of the experience, that the “ultra-poor” are often not in the position to even take advantage of existing anti-poverty measures. From this perspective the objective is not so much on moving people out of social assistance, but rather on graduating them *into* an improved condition, for instance a condition in which their households are food secure, even in times of shock or crisis. Another option may be that some people are transferred into a type of follow up programme that provides support that is more suitable to the households’ current conditions.

These two views, one of graduation being about pushing people out of social assistance, and the other of graduation pushing people into better conditions and opportunities need not necessarily be contradictory and can even be complementary. The problem arises when programme policies are not aligned with the views of participants and the programme rules indicate that a participant is ready to graduate, but the participant does not agree.

This debate is important for PEPs since there is a strong tendency to see PEPs mainly as social assistance programmes which shapes the public opinion about them. The question whether to push participants out (exit) - or leaving them free to leave on their own accord (graduate) is a fundamental one for the design of PEPs as it will determine many of its features. Furthermore the expectation that PEPs will change, or at least contribute to a change in the conditions of households so they can then graduate is also prevalent.

Having provided definitions and some background, we are now able to turn our attention to exits - a concept that perhaps appears less ambitious - but is no less controversial than graduation.

(Formulating conditions for) Exiting

As exiting is defined as a programme decision, it is up to the programme to define its exit policies and conditions. Sometimes these are already determined by other characteristics of the programme, most obviously in the case of time-bound programmes. If the duration of participation is standardized, then the exit policy is that participants exit after this period. If the duration is not standard, but determined by for instance the time required to complete a certain project, then the exit policy is also in essence decided on. PEPs are often criticized for such exits as participants are often exited into the condition they were in prior to the PEP and it is questionable as to whether the PEP really made any long-term impact on the individual or household.

The implications of such time bound exits will be determined by the context in which the PEP is being implemented however. If the PEP is in response to a specific crisis or disaster which affected the livelihoods of participants, then time-bound participation may well be a deliberate choice. This choice may be determined by balancing a limited budget, the need to reach as many of those affected as possible, as well as the duration of participation that can enable participants to return to their livelihoods prior to the disaster. In such context PEPs can play an important role in helping participants bridge a particular difficult period. At the same time they can also assist with the reconstruction of other efforts required to recover from the particular crisis.

Where time-bound participation - and therefore forced exits - are more controversial is in contexts where participants are exited into the same condition that their participation in the PEP was meant to address. Various factors such as budget or operational constraints may in some circumstances make this unavoidable however. But it is important to be aware of this try to address this challenge at the time of programme design in order to minimize this kind of outcome.

In many PEPs, more sophisticated exit strategies have been introduced that also consider what happens to participants after they exit and aim to ensure that participants are in a better position when they exit the programme. It is in this area that exit strategies are starting to converge with graduation. In such circumstances participation in a PEP must come to an end when they no longer meet a set of criteria. An example of this is the Productive Safety Net Programme (PSNP) in Ethiopia where households that are assessed to be food sufficient must leave the programme. PSNP refers to this as graduation, even though it is not voluntary².

² And while PSNP makes provision for participants to appeal the decision of whether they must graduate, the appeal focuses on whether the condition of the households was assessed correctly in terms of the agreed upon graduation criteria, not on whether the household actually agrees to leave.



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Depending on the criteria used to exit participants, there may well be improvements to the condition, but people may still not want to leave for a number of possible reasons. They may for instance disagree with the validity of the criteria, the accuracy of the assessment of these criteria by the programme, or fear of losing the security provided by the PEP, or that their household may still have surplus labour which they are not able to use elsewhere.

The criteria used for this type of exiting can be defined in various ways and will partially also be shaped by the programme's objective. If the programme's main aim is to address food security, then it is likely that exit conditions from this programme will be defined in terms of some measure of food security having been achieved. Similarly, depending on different programme objectives exit criteria could be defined as participants entering into other employment, achieving some type of sustainable livelihood, being in position to access micro credit or achieving some measure of reduced vulnerability to external shocks. In most instances such households will still be poor and have not "graduated from poverty".

Forced exits are likely to remain a difficult and complicated issue for many PEPs to deal with - many will face budgetary and operational constraints that make such exits unavoidable. This does not mean however that forced exits inevitably mean that participants are in the same conditions as when they entered the PEP. The PEP may well have been able to address some of the worst problems of deficiencies- yet participants may still not want to exit- precisely because of the benefits gained from the PEP so far.

Box: Challenges in defining and measuring exit criteria

There are several approaches for trying to measure whether a household has achieved the required exit criteria. If the criterion is defined as achieving food security, this could be by measured whether food consumption of a household has passed a certain threshold for a certain period of time. But this says little about conditions of the household that may affect food security and whether this improvement in consumption is only temporary and what the role of the PEP has been in increasing consumption. Exiting the PEP could easily result in the household falling back below these food consumption levels after income from the PEP is no longer available. This can easily happen when exit criteria are based on targeting criteria.

At worst, this can lead to a circular process as was initially the case in the Vision 2020 Umurenge Programme' (VUP) in Rwanda. In this programme participants were re-evaluated after six months and if it was found they no longer met the targeting criteria they were forced to exit. But for those whose improved conditions was in large part due to the income derived from working in the VUP, it was found that they would meet the targeting criteria again after graduating only to be included again in the next evaluation cycle.

Similarly concepts like achieving a sustainable livelihood' or 'moving out of poverty' are also notoriously difficult to measure. Even exiting into other employment which at first glance seems fairly straightforward, creates difficulties in that participants may graduate into some type of temporary employment, and once this comes to an end may be in need of employment in a PEP again. There are also potentially severe consequences of exclusion errors and forcing households to exit too early.

Promoting and enabling graduation

If forced exits are controversial and often criticized, voluntary exits - or graduation would appear to be the preferred policy route for PEPs. Experience has shown however that achieving high rates of graduation from PEPs, but also from social assistance programmes like cash transfers is also difficult. This is not surprising, since the deficiencies that make PEPs and social assistance necessary are the same as those that make graduation difficult.

Conceptually it is easy to argue that graduation requires significant change(s) in the circumstances of the individual or household concerned. While the nature of this change can take various forms and can be internal and/ or external to the household, there is no reason to believe that an individual or household will voluntarily leave the programme without such a change. If no such changes were required, then why did the household



chose to participate in the PEP in the first place? These required changes will be referred to as a *substantive shift*, it implies a real change in circumstances and needs to be sufficiently large to enable the individual or household to enter into the condition that graduation implies.

How to promote and enable graduation is an evolving field, and there are still many questions that remain. A number of interventions have been identified however that can promote graduation, and have been used in multiple contexts. In this sense it is useful to think about concrete programmatic interventions in terms of different *enablers* for achieving a substantive shift. This recognises that the interventions themselves are not going to create the desired shift, but in effect can only enable it. Furthermore depending on both *the starting point* of the household, as well as *the context in which* this household is located, the nature and scope of the type of *substantive shift* required for graduation will vary.

For example provision of livestock through a complementary programme should only be seen as a possible enabler. Whether the household already has some livestock - or at least experience with rearing livestock will be important in determining how much of an impact this makes. Either way, it may need to be accompanied by interventions to ensure access to land/ food for this livestock and possibly training on taking care of livestock as well as . Furthermore, and as important, it requires a commitment from the household to see the livestock as a long-term livelihood option- a change that interventions can only enable but ultimately the households needs to make. Together all of this *may* result in a change in the household that will put them on a path to more sustainable livelihoods and make them decide to leave the PEP. In some cases additional interventions may be required. And in some cases livestock may not be the answer.

Graduation models emphasise two important aspects for graduation to work: the right types of interventions to build the ability of the household or individual to graduate as well as the sequence in which these interventions are implemented (CGAP 2009, World Bank 2010). For examples if a household that has no food security acquires an asset under the assumption that it will increase productivity and support graduation, it may end up selling the asset to buy food. In this case there was a change in the food security required *before* the asset was provided for these interventions to be effective.

Table 1: Enablers of graduation with examples

Enablers Internal to Households	Example
Stability and Security	Household achieve a level of food security that enables increased risk taking and prevents distress sale of assets. Security enables some saving for funding other activities such as job searches
Acquisition and development of new productive assets / technology	Land for farming or raising livestock, farming equipment, tools, livestock, stock for trading etc,
Acquisition of Skills and Work Experience	New farming skills, technical (e.g. artisanal) skills, business skills, financial management skills
Improved Health	Improved health of working age adults could increase household productivity. Improved health of non-working age members can free up time and resources for other uses
Information/ Access to networks/ Agency	Information about other work or social assistance schemes, access to network for trading, registration/ receipt of identification card/ numbers that can enable access to rights to education, health care or other forms of social assistance
Dignity/ Self Esteem/ Hope / Motivation	Increased dignity and self esteem can assist with finding employment or taking new risks. Hope is necessary for working towards and investing in a better future
External enablers	
Employment growth	A new food processing facility might offer employment to participants enabling them to graduate
Improved natural resource base	Improved soils or water quality and conservation, reduced erosion, improved grasslands can enable more productive agriculture
Improved infrastructure	Improved roads may lower transport costs, improved access to basic services (water, health, education) reducing access time, and access to markets (which can have direct and indirect multiplier effects) increased agricultural production
Improved market access	Refrigerated storage facilities for fish and produce may enable producers to get a better price through a better negotiating position, measures to enable rather than restrict informal traders may allow more people to enter into a trades
Increased local demand	Increased local demand for meat due to increased local incomes may make livestock rearing more profitable
Access to financial services	Access to micro credit, savings services and insurance may enable increased investments and risk taking
Improved institutional capacity/ Placement services	Strengthening institutional capacity , including possible linkages to public employment services to strengthen links between the unemployed and job opportunities through placement
Social protection	Complementary public health or social assistance programmes other than the PEP may improve circumstances of families



Table 1 provides an overview of different enablers that can enable graduation individually, but more commonly in combination with each other. Many of these are self-explanatory, and the difficulty lies more in determining which combination of enablers is appropriate for a specific context and household condition, and who should be responsible for interventions that address these enablers- the PEP, other complementary programmes or broader economic and social policies. It is also important to stress that a programme should have realistic expectations with regards to the graduation rate even if a comprehensive approach to graduation is taken. The reasons for this are many: the ability of the household to take full advantage of the graduation interventions, shocks and crisis to which participants are subject to and the limitations of any programme in being able to address the external enablers.

Furthermore for each enabler, there may also be an opposite trend whereby the potential enabler becomes a new constraint. If participation in a PEP leads to stigmatising for instance then this may lead to less self confidence and become a constrainer rather than enabler. Similarly with the external enablers, the closing of a local food processing plant will make successful graduation into local employment even less likely. Graduation programmes may therefore also have to monitor the emergence of possible constraints along the way and find ways to address or circumvent these.

Where and how can PEPs contribute?

PEPs are used in a wide range of contexts and graduation strategies and interventions will to a large extent also be shaped by this. Graduation is likely to look very different in rural Ethiopia, urban South Africa or in a post-conflict country like Kosovo as the profile of participants as well as the conditions into which participants must graduate to are very different.

The degree to which the PEP and any complementary interventions can enable to shift will also vary, but where this is deemed possible the objective of graduation interventions and support is in essence to enable this substantive shift to take place.

Two important factors may support the view whether it is feasible to include graduation objectives in a PEP:

- increased economic opportunities through forecasted local/ sectoral employment and economic growth – whether post crisis or part of the general development path
- existing or potential programmes that can be complementary to the PEP and can address constraints to employment and income generation
- In such circumstances graduation will need to be worked out from a conceptual into an operational model. This will also need to be monitored to see whether these interventions are in fact effective.

We now turn our attention to the question of the enablers for graduation that PEPs can contribute to. Clearly they are better positioned to contribute to some enablers than to others. However, just because they are in a good position to contribute, does not mean that they can be assumed to be doing so. In many cases specific design features are required to ensure that the PEP contributes to a specific enabler. Furthermore, there needs to be an assessment to ensure there are realistic expectations- as to the contribution to the various enablers a PEP can make in relation to the degree of the shift required to enable graduation³. So for instance while PEPs can contribute to the accumulation of assets, the degree of accumulation required will also vary from households to household, and in different contexts. Because of these, it is better to view PEPs as contributing to the graduation *potential* of individuals and households. Finally it is worth emphasizing that where PEP are able to make contributions to these enablers, it is often only for a limited number of participants.

However PEPs can also be complemented by other measures to assist in addressing the various enablers simultaneously. Given the specific expertise required to implement interventions such as training or guidance on the choices of productive assets, and the need to do this in an integrated manner it is usually preferable to structure these as complementary interventions- and maintain a more limited focus on the PEP. The various individual enabling factors where PEPs can contribute directly and the role of complementary interventions will be discussed below.

Stability and Security: providing regular and predictable income, enabling risk taking

PEPs can provide stability to a household by providing regular or predictable income, or some assurance that work will be available when required. This can stabilise consumption and create basic security. It is important that the PEP is deliberately designed to do so however. Programmes that only provide a short work opportunity typically do not provide such security. Furthermore, the PEP needs to ensure that work offered, and payments made are both regular and with minimal delays. If these conditions are met however, they can provide a platform onto which other graduation activities through complementary programmes can be attached.

The duration over which the PEP needs to ensure this type of security to make graduation feasible will depend heavily on the condition of the household, the intensity of the complementary interventions and the overall social and economic context. Furthermore, progress of many households is

³ For example in PSNP four categories of households were identified based on their graduation potential. Some household types were deemed unlikely to ever graduate and with others it was concluded that notwithstanding PSNP and its complementary interventions “graduation would take a long time” (Slater et al 2006)

not likely to be linear and many will face setbacks, which will lengthen the time required for stable PEP income.

In many contexts this is a critical function of PEPs, regardless of its importance to also support graduation. PEPs are increasingly able to do this through features such as universal access, planning for regular and predictable work, improved reliability and regularity of payments and viewing PEPs as a long-term strategy.

Acquiring and developing productive assets/ technology/ investments in income generating activities

Access to, or ownership of new assets is one area to which PEPs can make a contribution, albeit in practice this is often limited. The most immediate way in which PEPs can contribute to the acquiring of assets is through the income it provides. If the household is able to save some of the increased income gained through the PEPs this may enable it to invest in such an asset. Evidence from many PEPs⁴ has shown that a small, but not insignificant share of participants in PEPs are able to save some of their earnings to acquire some assets afterwards or invest in income generating activities⁵. The degree to which these assets enhance graduation potential again depends on a number of factors, including the households' original stock of assets.

Even programmes that provide once-off short-term work can be able to contribute to enabling households to acquire some assets that can support graduation- in particular in post crisis contexts. In such circumstances households may have lost productive assets due to the crisis and this loss prevents them from returning to the prior activities. In such circumstances PEPs can be structured in such a way that participants are able to re-acquire such assets⁶. This of course depends on the conditions of the households and the wages paid in the PEP. Where wage rates are low, most of the income may just go to consumption, temporarily improving situation

⁴ For example in Liberia where 14.2 per cent of participants used their PEP income to make some investments, even though employment was provided for only a 40 day period, albeit at a relatively high wage rate. 8.2 per cent made farming related investments, and the most common investment by others was in stock for trading (LACE 2009). In South Africa it was found that 14per cent of Gundo Lashu participants and 12per cent of Zibambebe stated that they used their income to set up small businesses or invest in income generating activities. In Gundo Lashu households were primarily focused on small- scale trading (54per cent), service provision (30per cent), agricultural production (9per cent) and household production (7per cent). Among the Zibambebe households small-scale trading was also the most common (50per cent), followed by agricultural production (26per cent), service provision (12per cent), and household production (10per cent). (McCord 2004)

⁵ These numbers also need to be understood of the context that not everybody can be expected to be an entrepreneur and that the investment opportunities in rural South Africa for example, are very limited.

⁶ Bangladesh- victims of cyclone XXX included many artisans who lost their tools and could therefore not return to their previous trades (Ref)

but not contributing to asset creation. PEPs can also contribute in other ways to acquiring some assets.

Another way is for those working to gain access to tools and equipment used in the PEPs-although a suitable arrangement for doing so needs to be worked out⁷. Typically such tools and equipment can be used in farming or local construction related work..

Finally one important feature of some PEPs is that it allows for the programme to make investments in the improvement of private assets of particular categories of households (the poorest, most vulnerable), in particular land in order to make it more arable or productive. This can potentially increase the value and productivity of these assets contributing to graduation potential of households.

From the perspective of designing a PEP, the question therefore is not so much whether it can contribute to the accumulation of assets, but whether this objective should be incorporated into the PEP somehow. Design elements that would support the potential to accumulate assets would be higher wage rates, longer durations of employment and universal access-allowing those who want to accumulate assets to continue working in the PEP after their basic consumption needs are met enabling them to save.

With regards to the nature of the asset, for it to be an enabler it needs to somehow increase the productivity or income of the household and in this context the most appropriate asset to invest in will be highly context specific. Advising households on which asset to invest in would normally not be in within the scope or competencies of PEP staff however, but rather be structured as a complementary activity to be handled by staff and organizations with such expertise.

Acquisition of Work Experience & Skills

The acquisition of skills and work experience is often an important reason why a PEP is chosen as a policy option. It is believed that work experience and “the experience of work” are valuable in of themselves and make contributions to the development of participants at various levels. Working (in a PEP) develops self-confidence, work place behaviour, discipline and the ability to work with other people. PEPs can also assist participants to confront new situations that will require them to learn how to deal with new income, banks, work contracts and local authorities. These are all important enablers for graduation. In addition in some countries or contexts, access to a “first job” and/ or previous work experience can increase the likelihood of

⁷ In the Zibambele programme in South Africa, where participants are expected to work for the programme on an ongoing basis doing routine road maintenance in their area, they keep the tools at home and are free to use these for other purposes as well.

finding other employment and PEPs can provide this first job and work experience.

The acquisition of new skills can also enable participants to be more productive in their existing livelihoods or allow them to enter into new economic activities. PEPs can typically help specific technical skills associated with the work to be done, and these can contribute to both these possible outcomes. For example in the PSNP in Ethiopia it has been reported that many participants were able to apply soil and water conservation skills to their own land, thus increasing their own agricultural productivity⁸. In many programmes that involve construction activities, participants can use their construction skills to find other similar employment

PEPs that want to emphasize these enablers may want to focus on emphasizing these particular elements. They should pay attention to enhancing the “experience of work” through measures such as working in teams, emphasizing proper work place behaviour-timeliness, completion of work-, formalization by issuing written contracts and payment through bank accounts. At the same time they can aim to ensure that real skills transfers take place during work, by providing proper guidance and explanations regarding various activities.

Improved Health

Illness and bad health can be important disablers of graduation. If adults in the household are sick and unable to work this will affect the household income. If children or elderly are sick these will require care by adults, taking up time but possibly also other resources to cover the costs of medical care.

In such circumstances, a PEP could improve this situation by providing income that can be used to access health care, purchase medicine, or improve nutrition. One important constraint may be however that the adults in the PEP are too sick to work and thus not able to earn income from the PEP. Some PEPs⁹ are able to provide transfer when adult household members are sick.

Through the work activities some PEPs can also contribute to improved health and wellbeing in the community where it is active by providing auxiliary health care services, maintain food gardens to feed elderly or school children, provide home based care and maintain security in communities that have high rates of crime or accidents.

⁸ Campbell reports that 54 per cent of participants indicated that they were able to use the Soil and Water conservation skills acquired on PSNP on their own land.

⁹ In PSNP in Ethiopia, transfers to households continue if there are no adult members in the households available to take up the work due to illness or temporary disability (World Bank 2010)

Information / Access to Networks / Agency

Many PEP participants lack information and access to networks that can provide this information. This often has further negative consequences for them. They may also not have been able to obtain ID cards. For this reason they do not “officially exist ” and are unable to access services or social assistance to which they are otherwise legally entitled. In other contexts they may not have been able to register with the relevant government administration because they are illiterate or have not been able to travel to the nearest offices.

PEPs can play an important role in fostering inclusion of these people. Participants can be issued ID cards, whether programme specific ones¹⁰, or official government ones¹¹ depending on the circumstances. They can be entered into PEP databases and assisted to access financial services through banks or post offices.

Through their working with other people in the community they may also be able to strengthen their local networks and establish relationships with peers. This is important as these peer relationships can function as support networks. They can also create “vertical” relationships, in that participants may get to know more influential members of their community, for instance through participation in local project selection committees.

PEPs can include components that assist participants with other government services and entitlements. This can be a specific part of the programme, or can be done in cooperation with other government departments. They can also actively encourage the formation of peer networks through encouraging the organization of participants¹². or through the various committees and structures that are part of programme implementation: committees that identify projects, select participants or the use of social audits.

¹⁰ For example PEPs in India, Ethiopia and Liberia all issue a programme level form of identification to participants. This identification is generally an integral of the programme required to collect wages or demand work creating a formal relationship between participant and the programme.

¹¹ In the Zibambele and Community Works Programme in South Africa participants who do not have an official government ID are assisted in applying for one. (MCord 2004, Philip 2010)

¹² The Zibambele programme in South Africa organised participants into savings groups that had regular meetings. The meetings also serve the purpose of building relationships among participants and provide a forum for the provincial government to interact with participants-providing information etc.



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Dignity / Self Esteem / Hope / Motivation

Many of the poor PEP participants have lost hope and are in despair about their future. Those without hope or the ability to see a better future are unlikely to be able to exit or graduate from their precarious situations and this will also need to be addressed. PEPs can contribute to this by providing a mechanism for engagements with activities that can change a person's circumstances. Furthermore hope for better prospects can also be created through new experiences: acquiring an asset, working together with peers to improve the local environment, a first employment contract, first regular salary or a first payment through a bank¹³.

Furthermore PEPs can increase self esteem and dignity by giving people the opportunity to improve their own community. Productive work helps build all of these characteristics and shows people they can contribute to bettering their own circumstances and that of their communities. These characteristics are hard to measure and it is even more difficult to quantify exactly what role they may play in eventual graduation, but it is generally understood that they are critical for graduation to happen.

¹³ For example in the Liberia Community Empowerment Project, 94per cent of participants in the public works component reported that their payment of salaries through a bank was the first time they ever did business with a bank. (Andrews at al 2011)

Complementary programmes

Many of the programmes and interventions that can support graduation can be structured to be complementary to PEPs, rather than as part of them. This implies that they are managed by a different institution, or at least a different management team. This is usually the case because the expertise and operational framework for effectively managing a PEP are very different from the complementary programmes that focus on supporting enablers. Designing and implementing complementary programmes remains challenging none the less, with good coordination and cooperation required between a wide range of actors¹⁴. Table X provides an overview of the different types of complementary programmes and also provides some examples.

Enabler	Complementary Programme	Examples
Stability and Security: providing regular and predictable income, enabling risk taking	Social Protection such as (conditional) cash transfers	PSNP, Child Support Grant in South Africa
Access to or ownership of new productive assets/ technology/ investments income generating activities	Extension services, micro credit, land reform	PSNP HABP
Acquisition of Work Experience & Skills	Formal and informal training, placement	EPWP Social Sector Programmes and National Youth Service Programmes
Health	Enrolment in health insurance, access to health programmes, training on prevention of communicable diseases	India, CWP
Information / Access to Networks / Agency	Employment services and placement, career guidance	Training and Employment Insurance (SCyE) Argentina
Dignity / Self Esteem / Hope / Motivation	Guidance, entrepreneurship support, coaching	

Training programmes are some of the most common programmes complementary to PEPs although there are often serious challenges in implementation at the scale of the PEP. This because of the cost of providing formal training and the logistical challenges of providing such training to participants close to their areas of residence. In most instances it is more realistic that a limited number of carefully selected participants are placed into formal training programmes that provide some level of

¹⁴ See for instance Slater et al 2006 for some of the complexities and challenges encountered in aligning policies and programmes to support graduation on PSNP in Ethiopia.



certification¹⁵. The training can be related to the work to be done can often be made more extensive and formal than is necessarily required for doing the work. The provision of life skills related training such as basic health education and prevention of communicable diseases, financial management, etc is also a common activity but also need to be catered to the local context and profile of participants¹⁶. Although such training may be less costly to provide, many of the logistical challenges in providing it often remain.

Complementary training can also include training for skills that are not directly related to the work to be done, but are related to improving existing incomes and livelihoods. The provision of farming extension services¹⁷ or training on new agricultural production methods is such an example¹⁷.

With regards to assets, complementary activities can support the acquisition of these assets through savings initiatives and services, as well as microcredit schemes. With regards to the questions of what kind of asset the household should invest in requires specific expertise, not only about such micro investments but also about the local contexts and markets. Households may or may not be in the position to make such decisions on their own. If they are not, guidance can be given, but this often needs to be structured as part of the household larger “graduation plan”.

In order to improve the security and stability of households other social protection measures can complement the PEP, for instance through facilitating access to health care for participants. PEPs can be used to identify households to be targeted for health care schemes and this is happening for instance in the Mahatma Gandhi National Rural Employment Guarantee Programme (NREGA) in India. Other interventions that would enhance stability could be access to certain grants. The Zibambele and Community Works Programmes in South Africa for instance assist participating households with registering for child support grants which they are entitled to, even if working and earning in the programme.

¹⁵ This was done for instance in the first phase of the Expanded Public Works Programme (EPWP) in South Africa. There were serious difficulties in providing training to the scale required, and many participants did not receive training, even though they were officially entitled to do so. Furthermore there were considerable challenges in coordinating the training between the EPWP and the Department of Labour that was actually responsible for the provision of training through contracting training providers. Surveys did indicate however where training was provided it was largely considered useful.

¹⁶ Life skill training was also provided in the EPWP although not at the scale initially planned. Where it was provided its impact is not clear. In Liberia the provision of life-skills training was incorporated into the Community Works Program

¹⁷ Through the complementary Household Asset Building Programme (previously Other Food Security Programme) a limited number of households in PSNP have access to assets.

Follow up programmes

An interesting and important part of successful graduation is the availability of follow-up programmes. These may be similar to the complementary programmes, but participants maintain access even after they have left the PEP, or may have to leave the PEP in order to access the programme. An example of such a programme is discussed below in the example of Argentina. But they may also be entirely different programmes. Bursaries for participants to pursue further education or training is one example. Or programmes that provide small business support. Furthermore from a social protection perspective it is important that there are also other social protection measures that are available other than the PEP: unemployment insurance for instance if graduation is into some kind of formal employment.

Follow up programmes can be important factors in graduation, participants may be more likely to leave a PEP voluntarily if they know they enter a different programme that offers support or income that is more tailored to their improved condition, yet at the same time recognizes that graduating a PEP does not imply graduating from poverty or that households are no longer vulnerable to shocks.

External factors

In many contexts external factors are critical for graduation to take place. In contexts where agricultural land is scarce or degraded for example, successful graduation into agriculture will be much more difficult thus reducing possible graduation options. Similarly graduation into the production of locally consumed products requires that there is a local market for such products and that this market is not already dominated by large producers¹⁸ (South Africa).

In many instances PEPs have limited influence on many of the external factors that enable graduation, especially if the programme is small-scale or short-term. PEPs that are planned for the medium or long-term should take seriously external factors that enable graduation however, as they can have a significant degree of influence, in particular through the creation of assets¹⁹.

Other external enablers/ constraints that can be addressed are improving local infrastructure and stimulating local demand through local procurement and using local resource based approaches, thus increasing the local economic multiplier effects. More work needs to be done on how exactly PEPs can maximize and sustain these effects and addressing these in detail is beyond the scope of this paper.

¹⁸ This was found to be the case in South Africa (Philip 2010) thus limiting the options for local production as income generating activity and thus graduation option.

¹⁹ Large-scale programmes like PSNP and NREGA are doing this, by focusing on natural resource rehabilitation which will enhance local agricultural productivity

Graduation and different kind of PEPs

Graduation in programmes that provide short-term employment

Programmes that only provide short-term employment face their own challenges when it comes to graduation. Given the intensity, duration and range of interventions required for graduation, it is unlikely that these can be incorporated into these types of programmes. This does not mean however that PEPs that provide short-term employment should not consider interventions that can support participants to potentially graduate.

Short-term programmes should recognize their own limitations in that all participants will have to exit the programme. Specific measures could then focus on having participants in a better position post-programme. The nature and combination of these measures will be very context specific however. On the job training complemented by classroom training for a selected number of participants to improve either the management of projects or the quality of the assets created is often integrated into such programmes. If for instance opportunities for vocational training exist in the area, and participants will have a better chance of being employed by having received such training, programmes may want to direct participants into such training programmes.

An important point is programmes that offer mainly short-term work opportunities are more common in situations where there has been a recent shock or crisis that has impacted negatively on employment and livelihoods. In such circumstances participants are often able to leave the PEP after the crisis to return to their prior livelihoods- for instance farmers after a drought. In circumstances where the crisis led to the destruction of jobs, it is often more difficult for participants to simply return to their previous jobs once a recovery sets in. The crisis may have bankrupted companies or the particular jobs have been destroyed permanently. New employment may be created after the crisis, but PEP participants need to be able to access these new opportunities. In this context, employment services like “placement” and “access to retraining” become particularly important in enabling graduation.

Graduation from universal PEPs and Employment Guarantee Schemes

Programmes that are not targeted but universally accessible or incorporate a rights based approach will have a different perspective on graduation (Lieuw-Kie-Song et al 2011). Participants cannot graduate from having a right and the programme should also not be seen to discourage people from taking up this right. This then raises some question on how graduation may be promoted in such universal programmes.

On the one hand an EGS can focus on ensuring that people are able to take up their right to work, should they want to and not be too concerned with the reasons why people do or do not take up their rights, as this is largely outside the influence of the PEP. On the other hand however, an EGS will be employing people with the intention to do work that will benefit the people working in the EGS, whether it is creating assets or providing services. It could be argued that these should ultimately contribute to a situation where fewer and fewer people need income from the EGS. And so to some degree the impact of the EGS should be judged by its ability to contribute to reducing demand- is to graduation of those in the programme.

However the particular EGS deals with these questions, it remains that in these types of programmes participants are not forced to exit involuntarily and graduation can only be voluntary. Furthermore, participants can also not be prevented from returning. Whether or not a household has graduated in this context is decided solely by the household and expressed through its decision not to take up work. Furthermore, if a household decides that graduating was a mistake they can return to the programme. Graduation measures are still relevant and can be part of the programme, but they cannot incorporate elements that limit the period of access to the PEP.

Because of these features universal programmes can actually be part of a household's livelihood or coping strategy. A household may for instance be able to sustain themselves through a combination of several income generating activities, as long as it is able to complement this with PEP income for a certain number of days a year. PEPs can also be part of the household livelihood/ coping strategy in other ways. Even if it does not access the PEP regularly, the fact that the PEP will be there when necessary can be an important source of security for the livelihood strategy of a household²⁰.

Graduation and exiting in targeted programmes

PEPs that use targeting measures to select participants but are not time bound in their participation face some particular challenges in terms of exiting and graduation. Because targeting introduces a set of criteria that define whether or not a person or household can participate, the logic would be that when these criteria are no longer met, participation should come to an end. Yet participants could get into a position where they no longer meet the targeting requirements but may not want to leave the programme. These programme often use the term graduation, even when exiting the programme is not voluntary. Approaches and challenges in these programmes have already been discussed in the section on exiting.

²⁰ It is interesting to note that while more than 119 million job cards have been issued to households in NREGA, only around 55 million household have demanded work. This seems to support that notion that many have registered for the job card as a kind of security policy in order to be able to demand work, if necessary.



When households instead of individual are targeted this can get even more complicated. This because a household may contain several members who could work in the PEP, and so if for example the household member that worked in the PEP finds other work, other members of the household may want to take his or her place, but the increased income may “disqualify” them from doing so.

Another feature of targeted programmes is to what extent the targeting takes the likelihood of graduation into account. This would mean that in the targeting households that are likely to be in a good position to graduate are identified. Those with labour availability/ surplus, land or other assets may need less support and fewer interventions to be able to graduate. On the other hand those with no land or productive assets available at all, are the least likely to graduate. Those more likely to graduate could then immediately be provided with graduation support so as to be able to graduate more quickly. Furthermore they could also be disaggregated further into categories that require similar types of support. It is likely for instance that a couple in their fifties with no more children to support will require very different support from a household with young adults and small children. This would require sophisticated targeting and participant administration however, as well as responsive graduation interventions. All of these are generally challenging to implement in many contexts where PEPs are required and may go beyond the design features of a PEP.

Graduation from PEPs into other employment

In some PEPs the primary graduation strategy may be to have people take up the PEP, which is very different from graduating into a sustainable livelihood for example. This of course requires that there are vacancies in the economy to graduate people into. This is common when unemployment is cyclical, and PEPs are instigated or expanded in times of crisis or recession and employment picks up again when the crisis or recession ends. However when unemployment is structural, it is unrealistic to expect that large numbers of PEP participants will be able to graduate into other types of employment. PEP would need to be accompanied by a set of policies to accelerate employment intensive economic growth for this to be feasible, and at the same time be able to offer employment over longer periods of time.

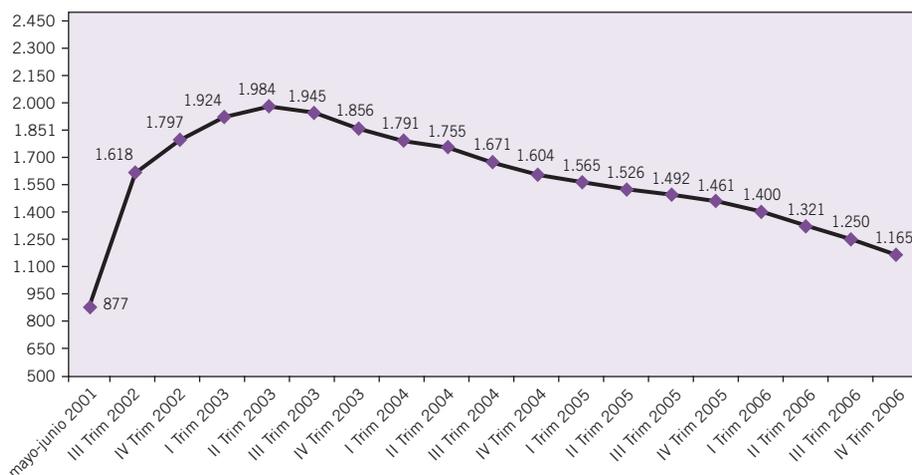
Examples of graduation and exiting in practice

Graduation from Programme Jefes de Hogar in Argentina

The *Programa Jefes de Hogar* (PJH, Head of Households) programme in Argentina was in response to the severe financial crisis that Argentina faced in 2002 and its experience with graduation presents a good example of graduation from a programme that was primarily a crisis response. The programme was supposed to provide part-time work to heads of households who lost their employment due to the crisis. But in practice also provided work to non-heads of households and based on an assessment in 2003 it was estimated that about half of the participants were previously inactive in the labour market (Galasso and Ravallion 2003). This would have important implications for graduation from the programme.

As the economy started to pick up again from 2003, participants started to graduate as shown in Figure 1. The most employable are the ones that tend to leave the soonest: those who had work experience and skills (Kostzer 2008). It should be noted that these were the intended target group of the programme. Three years after the worst of the crisis was over, more than half of those who entered the programme were still in it, disproportionately those who were previously inactive and had no work experience. From 2004 the Argentinean government started planning some complementary and alternative programmes to support graduation.

Figure 1: Evolution of Plan Jefes Beneficiaries—Quarterly Average (in thousands)



Source: Kostzer 2008

One such programme was the Training and Employment Insurance (*Seguro de Capacitación y Empleo* - SCyE) which was started in 2004 and was designed to support Jefes workers in finding employment, update work

skills, and hiring. The first benefits were granted in May 2006. Estimates by the Ministry of Labour considered that close to 300,000 beneficiaries could choose transfer to the Training and Employment Insurance. As of July 2009, 127,266 persons had in fact transferred to this programme (Betranou and Mazonra 2009).

SCyE provides a monthly allowance of \$225 (\$ 75 more than under the PJH). In addition to the allowance, beneficiaries have access to job guidance and support in finding employment, job brokerage matching employer requirements and unemployed worker skills, education, capacity building, and training, completion of primary and secondary schooling, and support for individual and joint business ventures, and referral to social services as necessary.

The transfer from PJH to SCyE is upon application and is voluntary; that is, persons failing to state their explicit wish to transfer continue to receive the PJH allowance. In addition, the maximum duration for SCyE was set at two years. However, given the reduction in job opportunities owing to the international crisis, a temporary extension to 31 December 2009 was given for beneficiaries who had still not joined the labour market and whose 24 months of benefits were over.

Other beneficiaries were transferred to the Families for Social Inclusion Plan, in the purview of the Ministry of Social Development. The latter are considered the most vulnerable population, especially women and men with children in their care, and with the most serious employability problems. Eventually the PJH was phased out.

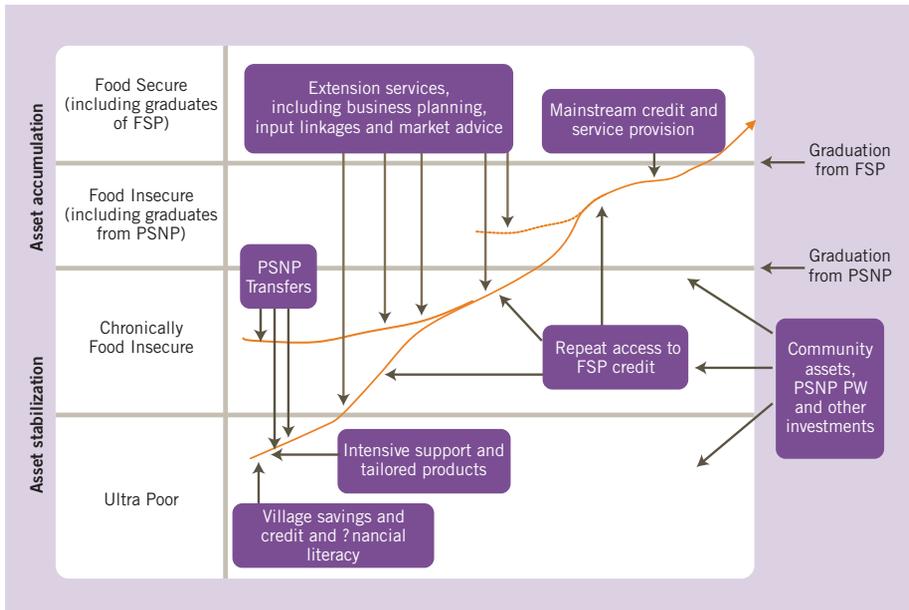
The experience in Argentina shows how when a PEP is primarily a response to a shock or crisis, graduation starts to happen when the crisis comes to an end, but even then, there are likely to be participants who will find it difficult to graduate and may need specific types of support to be able to do.

PSNP/ HABP Graduation Model

The graduation model used in PSNP involves a number of complementary interventions implemented through the Household Asset Building Programme (HABP), previously the Other Feed Security Programmes (OFSP)²¹. One of its main differences is that in PSNP they not only target the ultra poor, but all participants in PSNP, also those slightly better off, (but still chronically food insecure.) So far these households have been more likely to graduate and the majority of the approximately 55 000 households graduated between 2007 and 2009 were in this category (World Bank 2010).

²¹ Details of the model as well as the various challenges experienced with graduation in PSNP are discussed in great detail in section 4.5 of the Lessons learned from PSNP publication (World Bank 2010)

Figure 2, Pathway to graduation for PSNP and overall FSP



(Source World Bank 2010)

Graduation support in PSNP is provided through the Household Asset Building Programme, which provides a “package” of micro credit, agricultural extension and business planning services and support to PSNP households. While the original intention was that households should be able to graduate after having received one “package”, practice has shown that most households require multiple packages (World Bank 2010). PSNP/HABP also deliberately addresses the external environment by providing community assets that are able to increase productivity and act as external enablers for graduation.

PSNP also fits within the larger Food Security Programme and graduation from PSNP does not mark the endpoint, and that a continued graduation path of graduating into “full food security” is required. In this sense it recognizes that graduation from chronic food insecurity does not mean entering into food security and that a phase of intermittent food insecurity is likely before households can be classified as food secure.

With regards to the expectation around graduation, it is also interesting to note that one study on PSNP identified four categories of households based on their graduation potential. Some household types were deemed unlikely to ever graduate and with others it was concluded that notwithstanding PSNP and its complementary interventions “graduation would take a long time” (Slater et al 2006)

One of the more interesting outcomes of PSNP's graduation efforts is that households that have access to land and labour supply are significantly more likely to graduate if they have sustained access to PSNP and OFSP simultaneously. The regular and predictable income from PSNP, combined with access to credit and guidance on investments, appears to increase the food production of these households, as reported by Gilligan et al. (2009):

A different story exists where we consider households receiving both Public Works transfers and access to OFSP irrigation services. There is a yield increase of 236.3 kg/ha, approximately a 25 percent increase in yield and a large increase in the proportion of households reporting that they invested in stone terracing.

These were figures found for households growing wheat, but similar results were found for those growing maize. These results are encouraging, since there seems to be a realistic pathway for graduation for some households—those that have access to land, sufficient labour supply to work the land, and sustained access to PSNP and OFSP simultaneously (Lieuw Kie Song 2011)

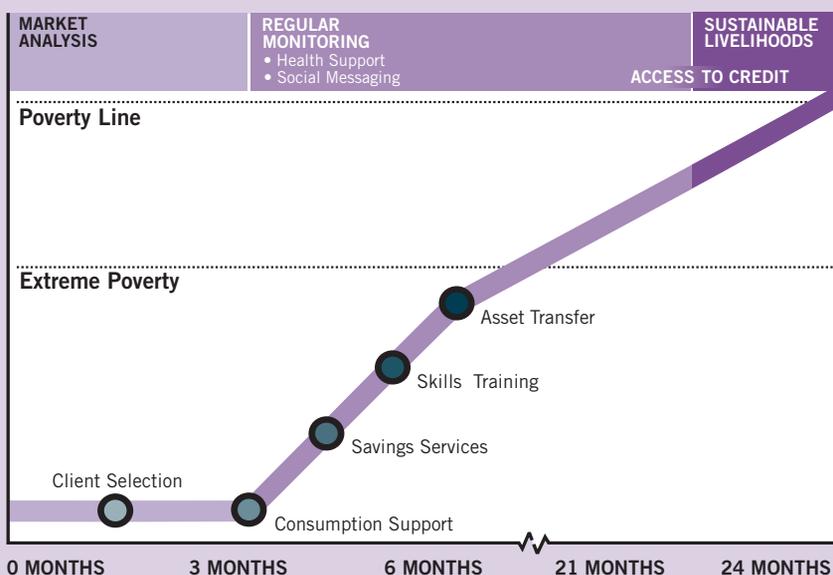
Box 2: The BRAC Graduation Model²²

Perhaps the most successful and best documented graduation models is the one developed by BRAC in Bangladesh. Even though it was not used for graduation from PEPs but from other safety nets, it is worth mentioning because of its achievements and current efforts to also apply it to PEPs, most notably in Ethiopia. In this model the term “graduation” refers to participants moving out of safety net programs and “graduating” into income-earning activities that let them sustain themselves without external subsidies. Over the past five years BRAC's Specially Targeting the Ultra Poor programme has reached 800,000 households—over 70 percent of them are currently food secure and managing sustainable economic activities. (CGAP 2009). The model is currently being piloted in different contexts in ten locations around the world, including on the PSNP in Ethiopia. While in all other instances consumption support is provided through grants in, PSNP the consumption support will be provided through the public works component.

The model is graphically represented in Figure 1 and consists of a sequence of interventions: consumption support, savings services, skills training, and asset transfers. Participants are coached throughout the process by “case managers” who are of enormous importance to the success of participants (Huda and Simanowitz 2009). ‘Since the model is based on household-level economic activities, only people who are physically or mentally able to manage small enterprises can be included.’ (CGAP 2009). The model considers the households ability to take up micro credit an important mile stone and enabler for sustainable graduation. It is not clear there whether the model could work in areas where there is no access to micro credit or where local economic conditions make micro credit ineffective. The model has also been criticized for its “linearity” (RHVP) in that it appears that from entering the programme, the condition of the household will improve steadily until graduation. In reality, setbacks, slow progress or some level of stagnation are also likely.

²² See www.cgap.org for more details on the model.

Figure 3: BRAC Graduation Model



(Source CGAP 2009)

The attempt to adjust and apply the BRAC graduation model to a PEP, as is the case in PSNP, is interesting and worth observing.

What the BRAC model makes clear however is that in order for it to work, a comprehensive package of complementary interventions is required, and that providing this package requires specialized expertise and needs to be in place for an extended period of time. Implementing such packages as complementary interventions to a PEP would have important budgetary, logistical and operational capacity implications. If it were to be done at scale it would most likely involve important trade-offs with other objectives of the PEP.

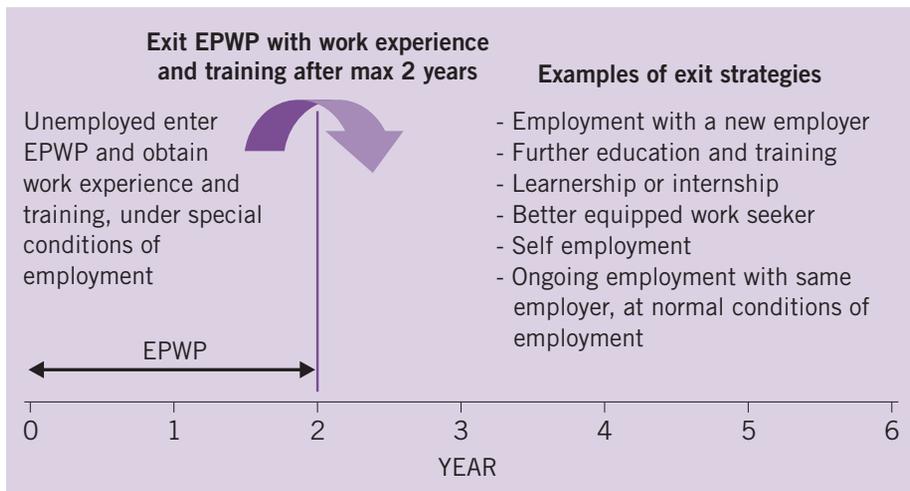
The experience of PSNP shows that complementary programme can be effective, even for only a limited number of participants in PEPs. Especially for households that are relatively well-off, because they have access to for instance assets or land, graduation can be feasible. At the same time, it also shows that for other participants graduation is extremely difficult and unlikely. These households are likely to require participation in a PEP for an extended duration of time, even if they are provided with support through other complementary programmes.

EPWP Exit Strategies

The Expanded Public Works Programme (EPWP) in South Africa is one programme that included exit specific strategies even though its main focus was the provision of infrastructure and services. This is one reason the EPWP provides almost exclusively short-term work²³. In this context, the use of the term exit strategies instead of graduation recognizes that all participants will exit. In this regard the objective of the EPWP was to “increase the ability of the participant to earn an income” after exiting (DPW 2004)

The EPWP has identified six possible exit options which it would consider to be “successful”: 1-*Employment*, with a new employer, 2-*entry into further education or training*, 3- *self-employment*, 4- *learnerships* (a type of internship that combines training and work), 5- *employment with the same employer* but under normal conditions of work (i.e. not public works conditions). In addition there was the option that a participant could become a “*better equipped work seeker*”. The last one is based on the notion that some participants that exit may not be able to enter into other employment immediately post EPWP, but may still be in a better position to look for work, primarily because they may have gained some work experience and related skills. The programme had a target that 14 per cent of participants should exit into one of the first five exit options. Figure 3 below describes the exit strategies for the EPWP.

Figure 3: Exit strategies in the EPWP in South Africa



(Source DPW 2004)

²³ Another reason for this lies in the specific labour legislation for special public works programmes that was promulgated in 1998 and which restricts the participation in such programmes to a maximum period of two years in a five year cycle. Because of this all participants must exit the EPWP after a maximum of two years, but in practice most exit after a much shorter period of time.

From the EPWP side the main interventions to increase the success rate of those exiting is to assist participants to access other programmes like formal training programmes, learnerships, access to employment services and the provision of life skills. Furthermore there was an assumption that economic growth, and in particular growth of the construction sector would absorb many EPWP participants. Some sub-programmes had more structured approaches to this whereby from the beginning participants were recruited to enter into a learnership.

The EPWP has no specific objective of targeting the poor, but rather the unemployed. The exit strategies therefore focused in getting people out of unemployment, and not out of poverty or into a more sustainable livelihood situation.

The results of this approach in South Africa have not been studied in detail, and it is unclear to what extent these interventions have actually increased the chances of those exiting also “graduating”. The results from the programme evaluation so far have indicated that there is an increased chance of being employed post EPWP²⁴, but it is not clear whether this is due to the activities to support the exit strategies or due to other factors. Surveys of participants did indicate however that these complementary programmes, especially those related to training were highly appreciated.

In general however the exit strategies remain one of the most criticized and controversial elements of the EPWP. They are to a large degree determined by the time-bound nature of employment in the EPWP which in a context of extremely high and chronic (structural) unemployment is certainly questionable. Yet there is limited scope for the programme to exit people successfully given the economic conditions in South Africa, and offering work on an ongoing basis would seem to be the only option for dealing with this constraint.

²⁴ The EPWP cross sectional and longitudinal surveys conducted by DPW indicated that 72.1 percent of workers in the EPWP were unemployed before joining. In addition 7.7per cent had left part time jobs and 4.2 per cent had left full time jobs to work in EPWP. When respondents were surveyed subsequently it was found that 13.5per cent of beneficiaries have full time employment post EPWP as opposed to 4.2per cent before. For those in part-time employment the improvement is from 7.7per cent to 13.5per cent. While these results are positive, it must be noted the surveys were done over 2005- 2007, a period of moderate employment growth and it is therefore not possible to attribute this to the EPWP alone. (ILO-IPC 2011 forthcoming)

Conclusions

The first conclusion to make is that what is meant with exits and graduation needs to be carefully defined in the context of each individual PEP, otherwise this is left to too many different interpretations.

With regards to short-term programmes for instance exiting is inevitable and PEPs may want to position themselves to maximize their contribution to some enablers and in that sense increase the chances of participants being in an improved condition with they exist. There are inherent constraints for short-term programmes to include a comprehensive approach to graduation, but that does not mean they cannot make a contribution, in particular for groups that may only require limited enablers to be improved. But even in long term PEPs a range of complementary interventions will be required if graduation of a share or category of participants is to be made an explicit objective of a PEP. With regards to universal programmes or EGS's, where there are not forced exits, the role of the PEP in providing an ongoing income security and diversification role is particularly important- as these can become part of the household's graduation and ongoing livelihood strategy.

Depending on their characteristics, PEPs can be in a position to contribute to some of the enablers that will allow participants to leave the PEP voluntarily- and graduated from the PEP.

PEPs can also make contributions to the external enablers, especially in the case of large-scale long-term programmes. In these contexts addressing external enablers should be a deliberate policy of the PEP and efforts should be made to identify these and design them into PEPs to be able to address these.

The limited evidence available to date suggests that the graduation from PEPs can be supported, albeit for a limited share of participants. This requires specific design features of the PEPs and complementary interventions that are available simultaneously. And while more work in this field is required, it would appear that the success of graduation initiatives depends heavily on the capacity and the expertise to design and implement these interventions. The most sophisticated models, are also the most difficult to implement

The scale at which graduation can take place- i.e. the proportion of participants that are able to actually graduate because of interventions within or linked to the PEP remains limited however. In the end the most important factor that will enable graduation is an improvement in the economic and social conditions that necessitated the PEP in the first place- a task that neither a PEP nor its complementary graduation interventions can tackle by themselves. But having said this, as some of the graduation models discussed show, when proper assessments are done, pathways for possible graduation are well understood and support with graduation is structured accordingly, PEPs can make an important contribution to graduation.

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Checklist

Graduation and Exits from Public Employment Programmes	
Respond to the following questions	<input checked="" type="checkbox"/>
<p>Is the focus of the PEP in which you are involved in one that is short-term or an emergency response - e.g. a post-conflict situation, a humanitarian crisis, a context of weak governance - or does it have a long-term focus?</p> <p>If it is an emergency response - are people likely to return to their previous job or livelihood after the emergency?</p> <p>If it is long-term what sectors or areas of the economy is it possible to exit into?</p>	
<p>Are participants allowed to work in the PEP when they choose to, either on a part-time or seasonal basis? Can participants return to the PEP without graduating, so they continue to view the PEP as an alternative source of income when other income generating activities fail or come to an end?</p>	
<p>Does the PEP either implicitly or explicitly require participants to "exit" or decide when they should leave the programme? If so, what is the exit requirement:</p> <ul style="list-style-type: none"> • purely time-based; • based on the time required to complete a certain project; • based on a set of indicators or criteria; <p>Are these exit requirements in line with your exit or graduation objectives and overall programme objectives?</p>	
<p>In the case of a time-bound exit, have you assessed the need to balance between:</p> <ul style="list-style-type: none"> • available budget; • the need to reach as many of the defined target group as possible; • the possibility of providing a level of income that allows for investment. <p>Will participants exit into the same condition that their participation in the PEP was meant to address? How can you minimize this happening?</p>	
<p>What was the main objective of the PEP? Does achieving these objectives create conditions for exiting?</p>	



Graduation and Exits from Public Employment Programmes

Respond to the following questions



Do participants "graduate" from the programme by leaving on their own will and based on their own decision and assessment of 'opportunity costs'? If they leave voluntarily, is there a way for them to return if necessary?

In order to "graduate", a change in circumstance has to occur that is sufficiently large to enable the individual or household to enter into the condition that graduation implies. Has this been taken into consideration in the design? Is there a baseline against which one can measure any changes?

Have the right types of interventions and "enablers" been included into the PEP, or through other complementary programmes and policies to build the ability of the household or individual to graduate?

Internal enablers for the household:

- Stability and security;
- Acquisition and development of new productive assets / technology;
- Acquisition of skills and work experience;
- Improved health;
- Information / Access to networks / Agency;
- Dignity / Self Esteem / Hope / Motivation

External enablers:

- Employment growth;
- Improved natural resource base;
- Improved infrastructure;
- Improved market access;
- Increased local demand;
- Access to financial services;
- Access to land
- Improved institutional capacity / Placement services;
- Complementary social protection measures

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