



Public Works

Perspectives from International Experience



THE WORLD BANK

Social Safety Nets Core Course, 2013
Colin Andrews , AFTSE

Outline

- Objectives and trends in Public Works
- Overview of Evidence Base
- The Global View: 3 Cross Cutting Challenges
- Selected implementation issues
- Concluding thoughts

Conceptual Framework

Focuses on addressing multiple objectives around public works, especially combining **safety-nets and (short-term) employment** perspectives:

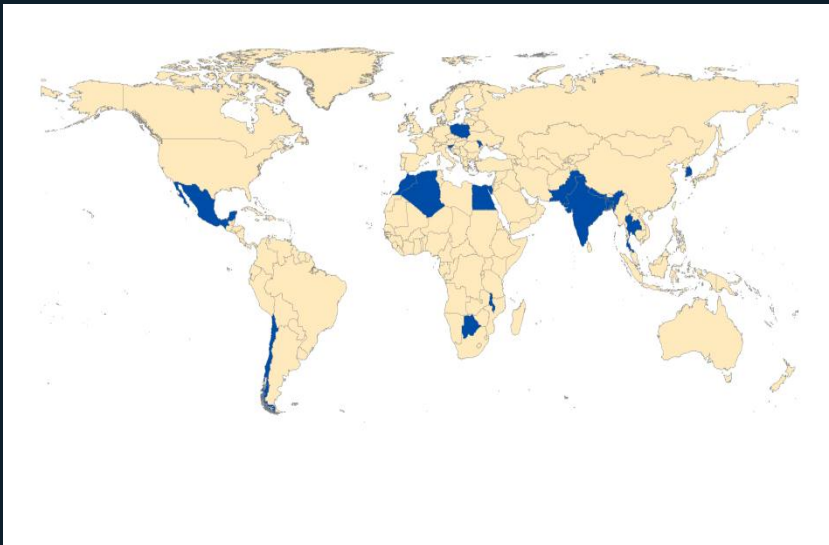
- Primary objective of PWs is to provide **source of income** through **temporary employment**, thereby smoothing consumption and reducing poverty
- Evolving “**public works plus**” approaches link basic safety net function with longer term opportunities via entrepreneurship & skills training, also provision of services.
- Public works programs also achieve important **secondary outcomes** in terms of the creation of public goods such as generation of infrastructure, land management and services.
- May have important **social cohesion effects**.



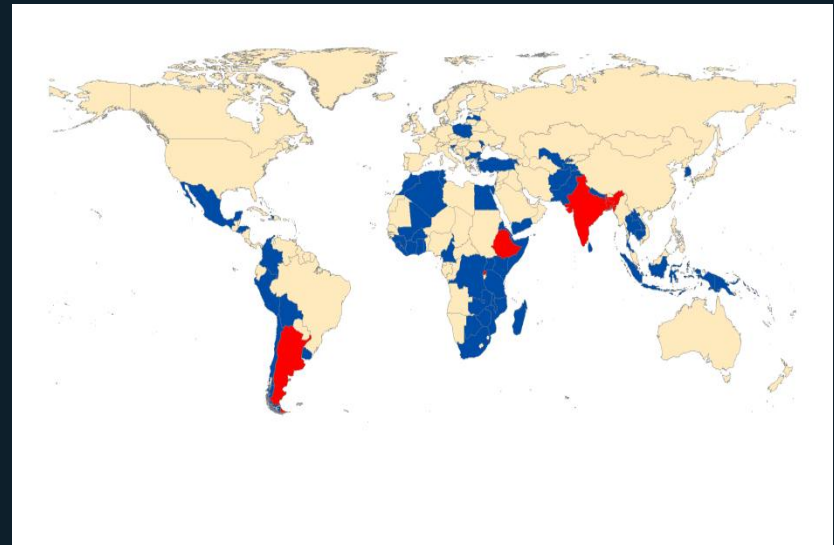
Recent Trends

- PW programs are increasingly used across the developing world as an essential part of the social protection & labor toolkit to response to risk and persistent poverty.
- In the last 10 years, the WB has supported more than **80 public works** operations in about **45 countries**.
- Recent flagships programs in Argentina, Ethiopia and India have sparked great interest in the efficient use.

PWs Pre 2000



PWs 2010s



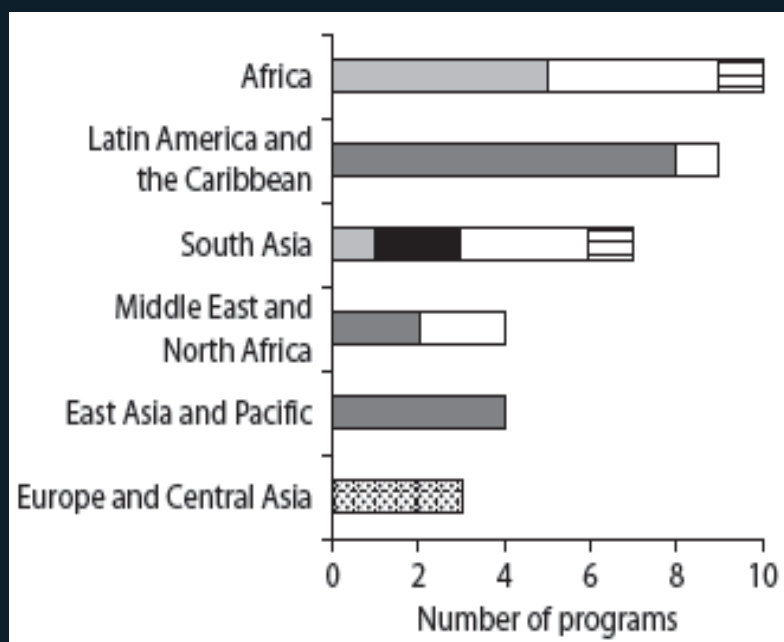
The Global View

Scale and Attributes of Selected Public Works Programs

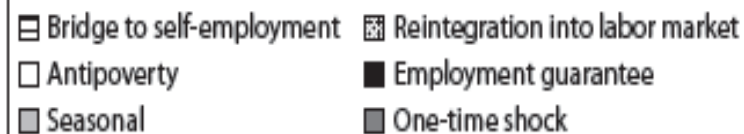
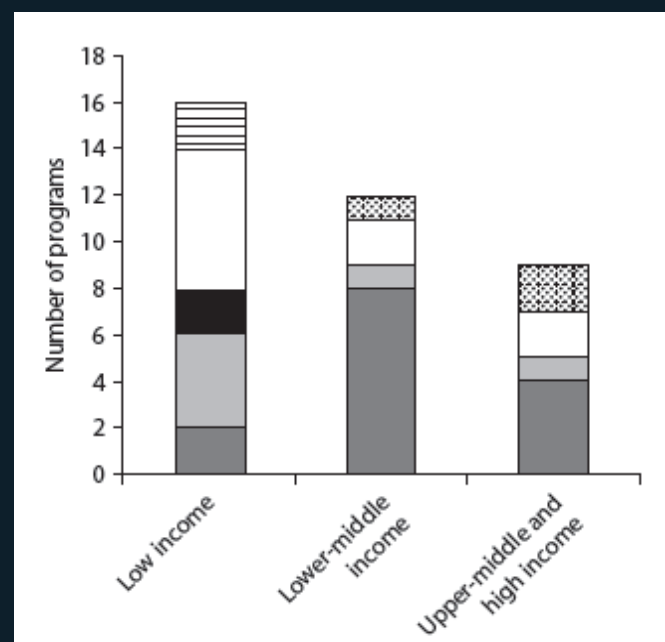
<i>Country, program</i>	<i>Status</i>	<i>Number of beneficiaries</i>	<i>Timing</i>	<i>Payment modality</i>	<i>Female participation (%)</i>
Argentina, Jefes de Hogar	Closed (2002–09)	2 million households (2003)	Year-round	Cash	71
Ethiopia, Productive Safety Net Program	Active since 2005	7.6 million people (2009)	Year-round	Cash and food	41
Bangladesh, Employment Generation Program for the Poorest	Active since 2009	120,000 people (2009)	Seasonal, 4 months	Cash	33
India, Mahatma Gandhi National Rural Employment Guarantee Scheme	Active since 2006	54.9 million households (2011)	Year-round	Cash	49
Latvia, Workplaces with Stipend Emergency Public Works Program	Active since 2009	67,800 people (2010)	Year-round	Cash	50

Program by objectives

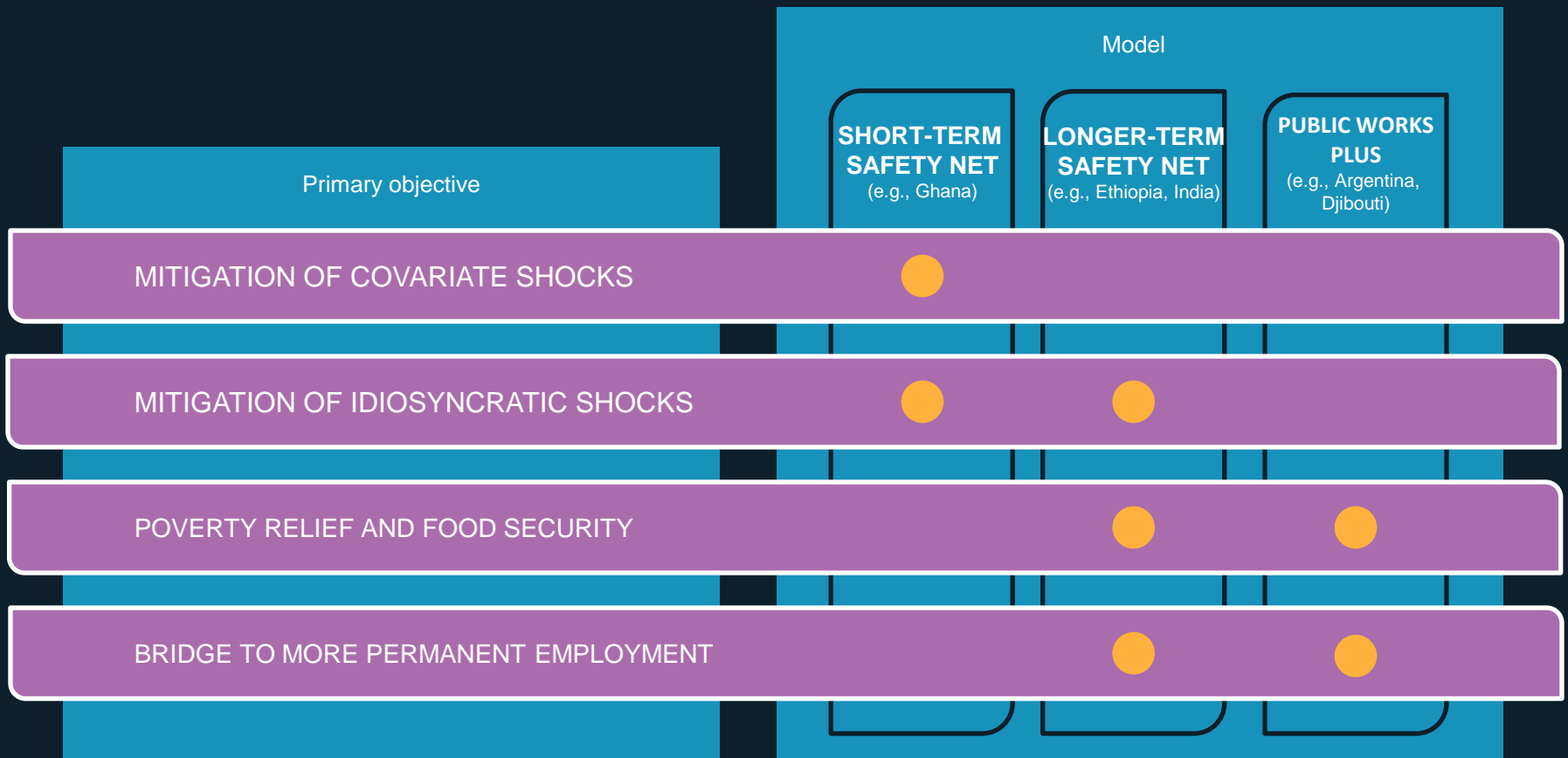
By Region



By Income Level




Correlation of public works program models and objectives



Flexibly evolving in low income settings

- A short term palliative, often to address crises.
- Instrument to support multisectoral priorities
- Typically in the form of cash, or combination of cash & food*
- Emerging efforts to combine public works *“Plus”* other interventions to address structural poverty and employment challenges
- Use in supporting social stability/cohesion objectives , efforts around transition
- Entry point to build social protection systems



Especially relevant case studies: Yemen, Sri Lanka and many African contexts

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Overview of Evidence from Impact Evaluations

23 Impact Evaluations since 1999, spread across 8 Countries (IEG, 2010, and subsequent updates).

Region	High Quality IE's since 1999	Countries (Year)
AFR	13	Ethiopia: 2003 (x2); 2005, 2006, 2008, 2009 (2) 2010 (x3); 2011, 2012 (x2)
ECA	3	Poland, 1999; Romania, 2006; Latvia, 2012
LAC	6	Argentina: 1999, 2001, 2003; Peru, 2003; Colombia: 2004, 2007
MNA	1	Yemen: 2013
SAR	3	India : 2009, 2010, 2013



Although much qualitative and light assessments also available e.g. Sri Lanka, Liberia, Sierra Leone crisis response

Stylized overview: PWs IE Evidence Base

Outcomes Of Interest	Impact	Evidence (* weak, ** moderate, *** good, **** strong)
Consumption and income smoothing	+	****
Food Security	+	***
Livelihoods	+	**
Gender Equality	+	**
Asset Generation	+/?	**
Labor Market reintegration	?	*
Social Cohesion	n/a	n/a

?: unclear

n/a : not available

Empirical Gaps

- Impact of second round effects from the created assets
- Impacts on the labor market, after factoring in both the immediate and second round benefits from the program
- Implementation and governance issues: variation in experience
- Cost effectiveness, vis-à-vis other interventions
- Effect of program design elements

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GLOBAL CHALLENGES (1)

POLITICAL ECONOMY

Pros	Cons
<ul style="list-style-type: none">• Important counter-cyclical interventions.• Popular public support as “Productive” investment• Mechanism of realizing “right” to work, and earn livelihood.• Can provide community wide benefits: asset building, cohesion.• Complement growth (via infrastructure buildings, supporting small scale contractors)	<ul style="list-style-type: none">• They can be an expensive way to transfer resources to the poor• Administratively demanding – must be well designed and implemented, materials must be selected and procured properly, and work must be supervised• Public works tend to suffer from leakages of resources• Countries may often have mixed (bad) record in implementation

GLOBAL CHALLENGES (2)

GOVERNANCE AND CORRUPTION

- Critical to develop clear roles, incentives, and legal frameworks
- Successful programs have developed mechanisms to avoid political capture
- Technology is an important driver towards transparency e.g., IT based MIS in Andhra Pradesh, India
- Successful use of bottom up, community led processes:
 - A round of social audits, A.P., India led to recovery of Rs 235 million out of Rs 1 billion in misappropriated funds
 - Community participation in Ethiopia enabled two-thirds of beneficiaries to participate for first time in neighborhood meetings

“Too much money ends up in officials’
pockets”

ECONOMIST

GLOBAL CHALLENGES (3)

PARTICIPATION OF MOST VULNERABLE?

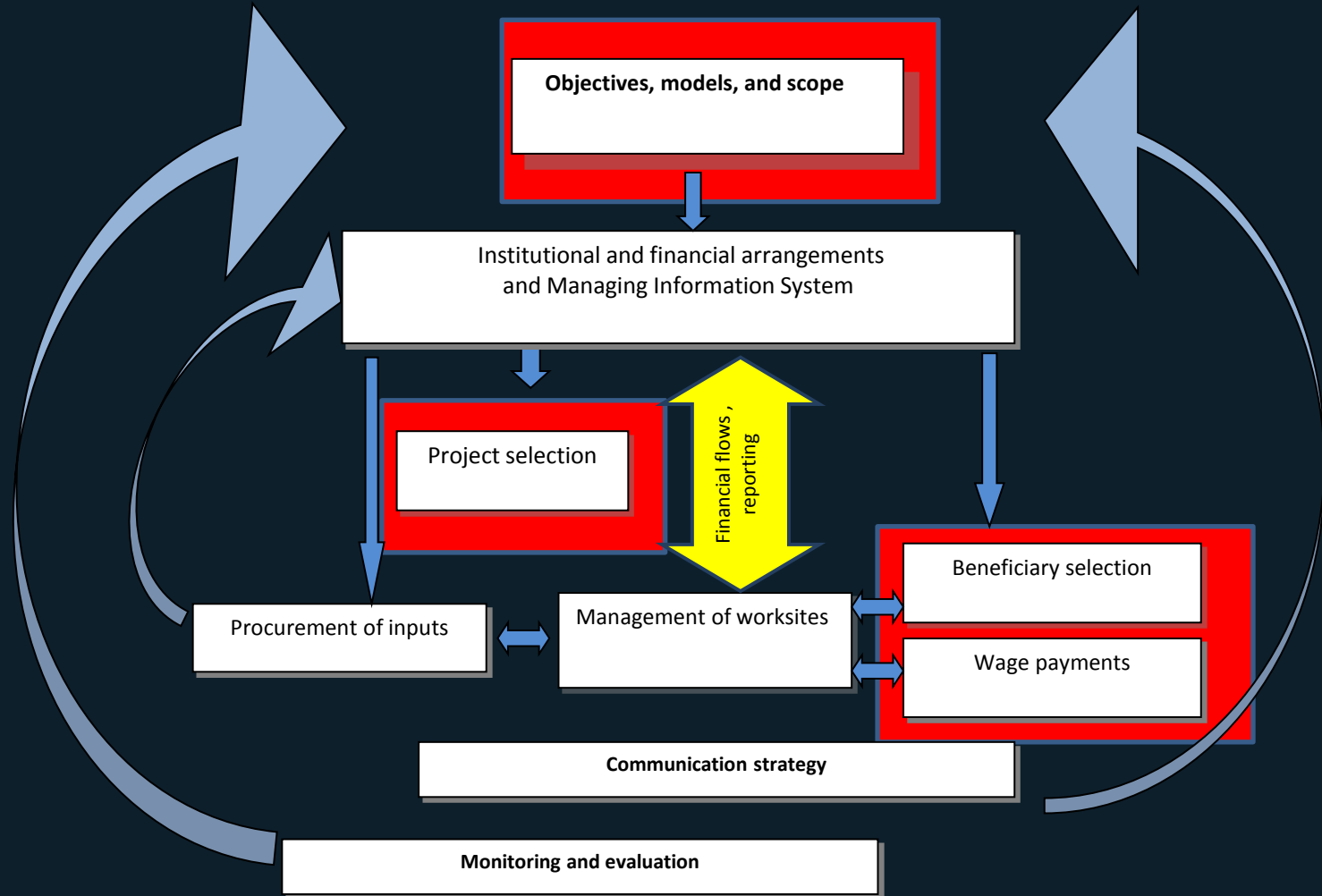
- Issue of inclusiveness implicit across many PW's. WDR 2012 on Jobs focused on PWs as mechanisms to promote social cohesion within communities via:
 - Voice, participation
 - Inclusion via labor market
 - Smoothing tension , building trust
- Some mechanisms to address this i.e.
 - Set quotas for women
 - Flexible work modalities for women
 - Equal wages amongst all participants
 - Modalities to address needs of vulnerable groups: disabled, pregnant women.
- Note :Current efforts in PSNP on Mainstreaming Gender and HIV / AIDS



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Design & Implementation: Some Thoughts Amongst Many!



1a Program Objectives, Scope and Models – Establishing & Reforming?

Elements for Feasibility Analysis

- Decision must be the result of informed political dialogue taking into account role of PWs in overall SSN system.

Issue	Questions to address
Nature of problem	Poverty, vulnerability analysis, target groups.
Current infrastructure needs	Types of projects, ability to undertake via PWs
Labor market conditions	Labor demand, seasonality, heterogeneity, wages
Fiscal space	Available resources, simulations on possible outcomes
Institutional capacity	Central, local level, international support
Related program experience	Current, past experiences. If stopped, why?

1b ...Objectives, Scope and Models

If feasible, elements to determine scope of program:

Element	Considerations
Target Group	Target population, vulnerable groups, targeting mechanisms
Benefits, Timing and Duration	Food/Cash, Seasonal/Year Round, # Employment Days
Project Selection	Rationale for projects: economic, water/sanitation social, environmental
Harmonization with other programs	Complimenting similar programs, shares administrative tools with others.\
Flexibility of instrument	Scalability in response to shocks



For more information refer to SPACS PWs Diagnostic Tool, Case Study El Salvador

2. Targeting (a)

- The level of the wage rate is critical for determining *distributional* outcomes,
- A number of options exist for determining the level of the wage rate:
 - Keep it below the ruling market wage *
 - Keep it equal to the minimum wage
 - Keep it higher than the market wage
- In case of first option, self-selection is possible and inclusion errors could be avoided, but does not guarantee avoidance of exclusion errors especially if the program is over-subscribed
- Country circumstances vary a great deal; not all countries succeeded in the first option; not surprisingly varied experience

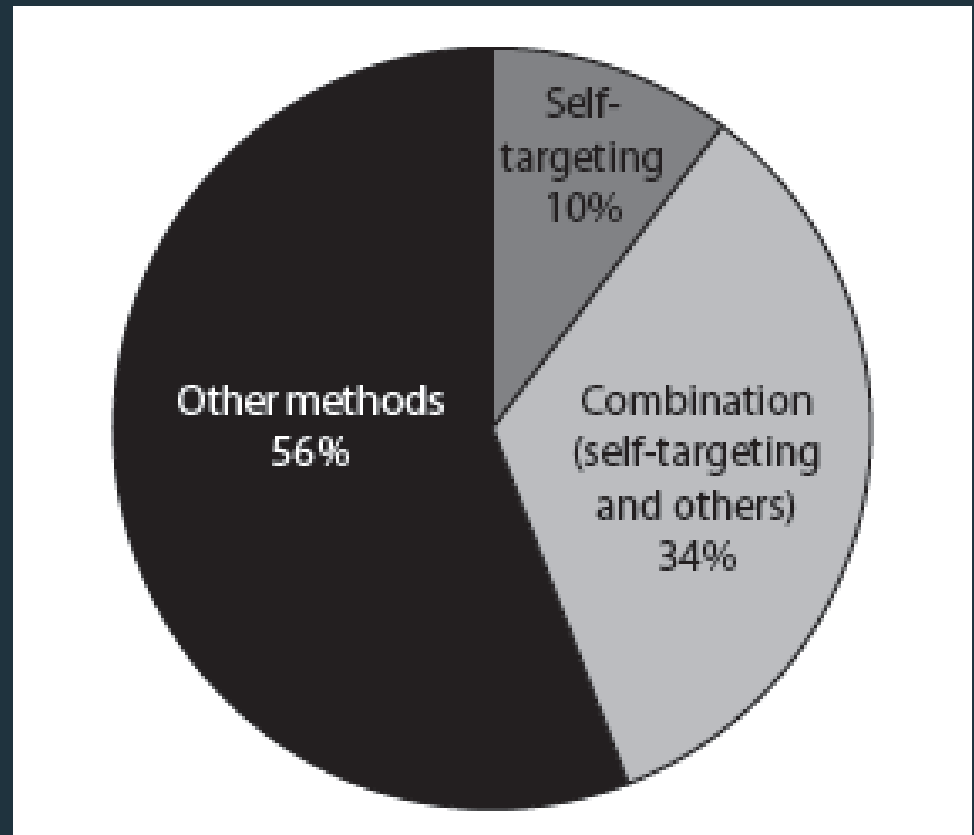
2. Targeting (b)

Relationship between Public Works wages (P), Market Wages (Mw) and Minimum wage (Min) is not straightforward.

Wage Relationship	Country, Program	Start date
$P < Mw$	Ethiopia, PSNP	2005
$P = Min$	South Africa, EPWP	2004
$P > Mw$	Liberia, CFWTEP Botswana, LIPW	2007 1992 (wage after 1998)
$P < Min, \text{ and } < Mw$	Argentina, Jefes	2002
$P < Min$	Yemen, Public Works	1996
$P > Mw, \text{ but } < Min$	Madagascar, LIPW	2000

2. Targeting (c): Excess Demand

- Multiple Targeting Methods
- Refining Geographic targeting
- Community mechanisms e.g. household, beneficiary ranking
- Focus on youth and youth groups
- Other approaches for excess demand:
 - First come, first served; rotation (shorter projects) rationing. (lottery, fixing # days)



Based on 66 Countries, 77 Programs

3. Community Assets

- Type: Infrastructure, land management and social services
- The selection of asset types depends on:
 - program objectives; desired share of labor cost; program timing and duration; and the potential for participation of vulnerable
- Based on clear eligibility/ ineligibility criteria

Evolving Issues on PWs Agenda

- Integration with broader social protection agenda
- Labor and Employment linkages, especially for youth
- Strengthening the evidence base, especially on asset creation



FOR MORE INFORMATION

www.worldbank.org/safetynets/publicworks

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