
PUBLIC WORKFARE:
What we do know, what we
do not know and how we are
going to learn about it

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What are Public Works?

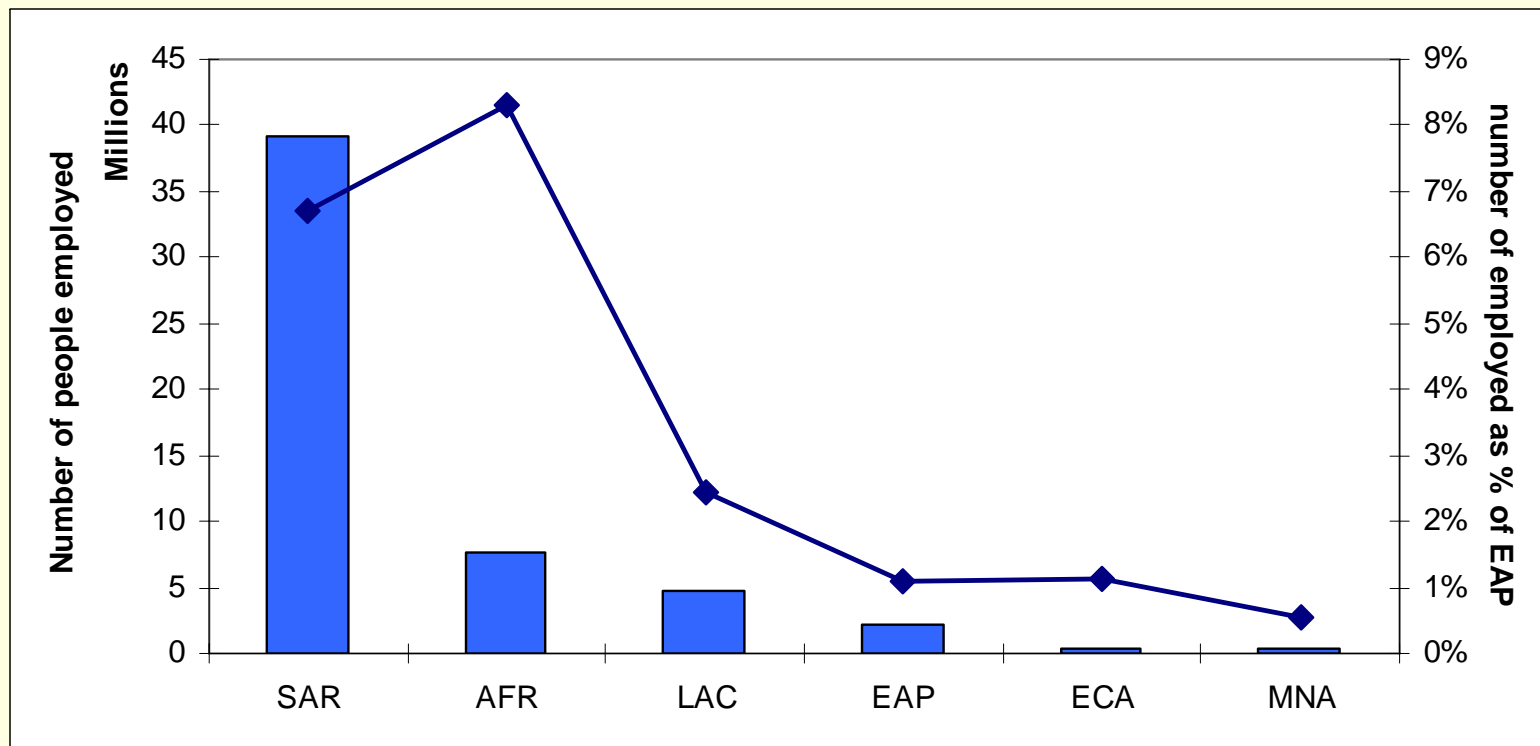
- Public works programs (also known as workfare programs) provide temporary employment at low-wage rate to unskilled manual workers on labor-intensive projects such as road construction and maintenance, irrigation infrastructure, reforestation, and soil conservation, and more...
- **Objectives**
 - Provide income support to the poor at critical times
 - Thus helping the poor to cope with
 - Co-variate risks associated with climatic and systemic shocks
 - Idiosyncratic shocks
 - Poverty
 - Access to employment
 - Construct or rehabilitate much-needed infrastructure
 - Other social objectives

Issues we are trying to address..

- In public workfare programs, disaster stories outnumber success stories....yet evidence suggests that the program, if well designed and implemented, could confer both transfer and stabilization benefits at critical times
- Failures cannot entirely be explained by non-compliance of one or two design features
- Need to test alternative hypotheses –
 - what accounts for success (failure) comparing intra-country and inter-country (regional) experience
 - Why isn't there a demand for such a program in countries it might be very helpful (e.g., Tajikistan)

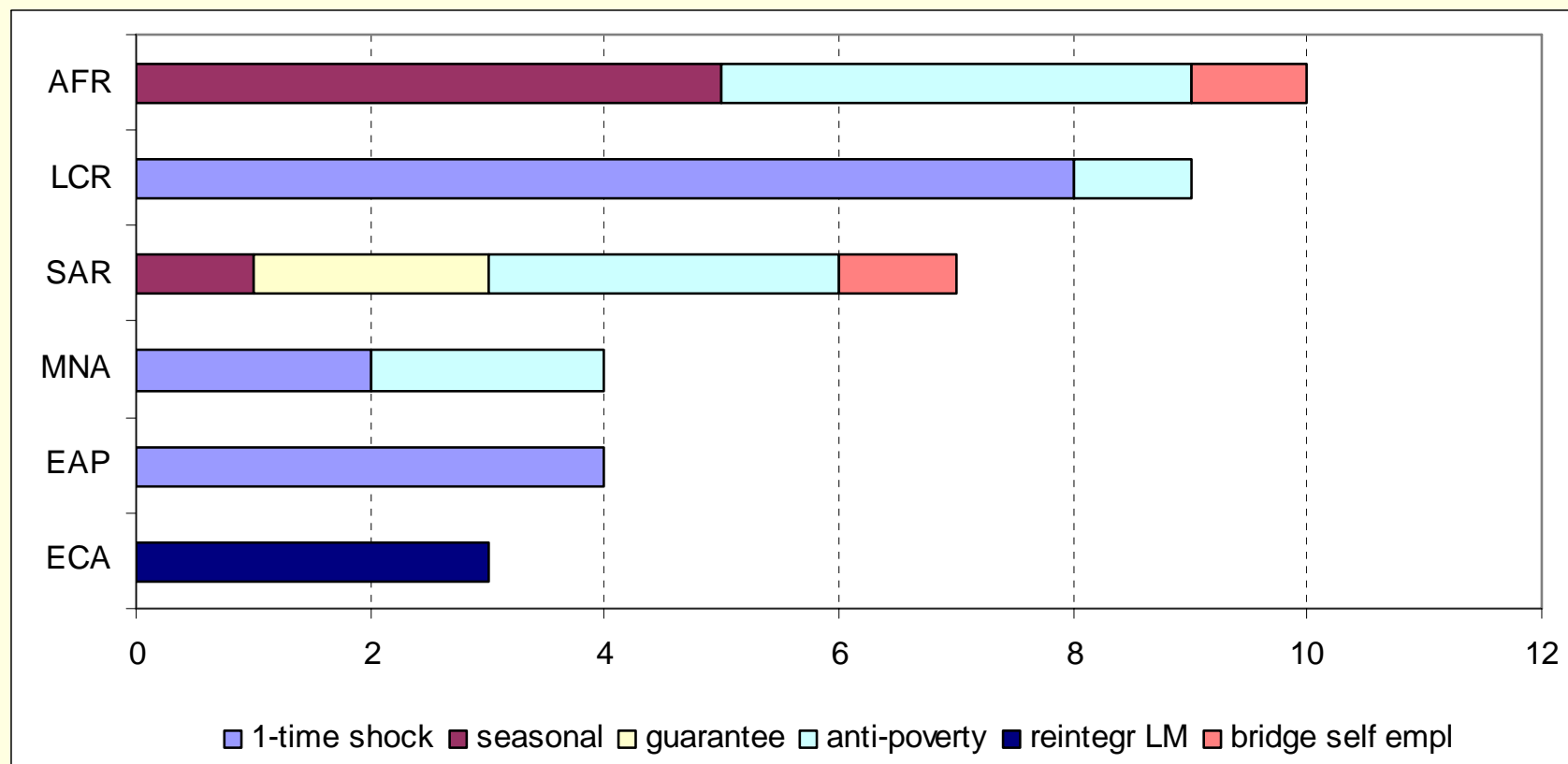
Where do we find them?

Participation (as absolute number of yearly participants, and as share of the economic active

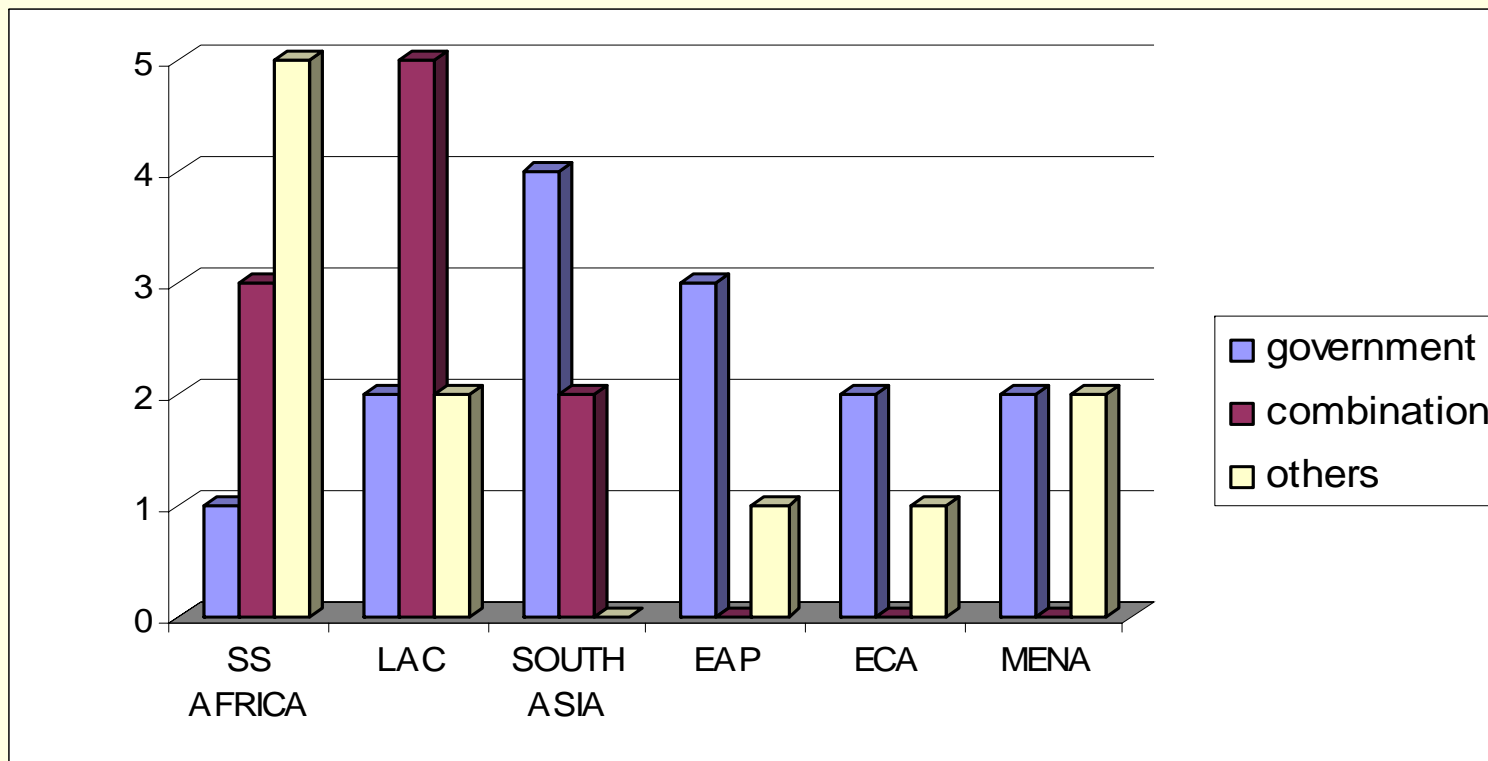


Based on various sources of information. Note: data on participation are available for 43 countries and 49 PWPs.

Difference in objectives



Implementing institutions



Countries also differ in implementing strategies

- In **South and East Asia** – mostly run by government as part of overall poverty reduction strategy; strong domestic budgetary provision with some donor support (food); year-long with seasonal swings
- In **Africa**, mostly donor-driven with little domestic commitment and almost no domestic budgetary support; sporadic often immediately after a drought; little donor coordination: in one country 4 donors operate four separate workfare programs each with a different wage rate/mode of payment
- In **SSA**, some are implemented under SF projects (e.g., Ghana) well documented by L.Frigenti and A. Harth 1998

Countries differ

- In LAC much variation –
 - Earlier experience of Chile entirely government run (like in South Asia)
 - some implemented via social funds with WB involvement (Bolivia, Honduras, El Salvador, Peru, Panama, Nicaragua)
 - In Argentina a self-standing Bank project (supporting Trajabar program)
 - Recent progress in Colombia, Bolivia and Peru

What do we know from this varied experience?

- Undoubtedly **provided transfer** benefits and consumption-smoothing during natural calamities
- Effective use in **post-crisis situations** (e.g., Korea, ongoing post-tsunami in Sri Lanka)
- Encouraged **women's** participation (even in Afghanistan)
- Successful in: **Korea**, India (MEGS), Argentina (Trajabar), Chile, Malawi, South Africa, Bangladesh, Burkina Faso, Senegal and Sri Lanka
- Wide variation in **targeting effectiveness**, cost-effectiveness
- **Poor record** in the Philippines, Tanzania, Botswana, Kenya, Pakistan, India: nationwide program, Ethiopia

Design features do matter for success.....

- A **wage** level slightly lower than the prevailing market wage for unskilled labor to promote self-selection for a day of work
 - Effective wage rate may vary if people work less than 8 hours
- **Labor intensity** – low enough to transfer funds to poor and high enough to get good work done
- **Targeting:** Self targeting, other, a combo
 - Poverty mapping for geographical targeting and then use communities for individual selection

Design features do matter for success.....

- **Seasonality:** Launch at times when the opportunity cost of labor is low (agricultural slack seasons)
- **Gender sensitivity:** Set targets and adapt design features to encourage female participation
- **Community involvement** in selection of projects

Other important elements

- *Financial flows and payment delays*
- *Non-wage funds*
- *Weak capacity and the role of contractors*
- *Political economy of local government involvement*

- Asset creation and maintenance

What we don't know....

- Monitoring and evaluations have been limited to few programs and even fewer outcomes
- Quantitative impact analysis of PW began with India (MEGS) and Argentina but now available for South Africa, Bolivia, Peru, Colombia – yet not mainstreamed in all public workfare programs (especially for national programs e.g. no impact evaluation for India's nationwide program)

We need better monitoring and more evaluations

- To plan monitoring and evaluation need
 - Good understanding of programs goals and objectives
 - How the program is planning to use the inputs to generate **outputs** and achieve the intended **outcomes**.
- Define the indicators to track results
- Collect the indicators

Outputs

Outputs	
Public works Beneficiaries	
Appropriate payments (food and/or cash) delivered to targeted beneficiaries in a timely and predictable manner	<ul style="list-style-type: none"> ● Percentage of participants receiving food and/or cash resources per month versus the planned number supposed to receive food and/or cash ● Percentage of food and/or cash delivered per month versus the amount that was planned to have been delivered
Community assets	
Appropriate and good quality public works constructed	<ul style="list-style-type: none"> ● Number of public works constructed, including kilometers of roads constructed or maintained per targeted district ● Number of structures constructed per targeted district (health posts, classrooms, grain stores, market structures, latrines)
Management systems for community assets established	<ul style="list-style-type: none"> ● Percentage of communities with guidelines or bylaws developed for the management and protection of community assets ● Number of visits to sites by a technical task force team per district per year

Outcomes

<p>Chronically food-insecure households have ensured food consumption during the program period</p>	<ul style="list-style-type: none"> ● Percentage of program beneficiaries who report 12 months of food access from all sources including the program ● Average number of months of household food shortages covered by the program
<p>Household assets protected (households' short-term vulnerability to shocks reduced)</p>	<ul style="list-style-type: none"> ● Percentage of the average change in asset levels of chronically food-insecure households ● Percentage of households reporting distress sales of assets ● Percentage of households reporting consumption of seed stocks
<p>Community assets used productively and managed in a sustainable manner</p>	<ul style="list-style-type: none"> ● Percentage of households reporting satisfaction or direct benefits from the community assets developed ● Percentage of households regularly using three or more community assets developed by the program ● Percentage of public works for which an ongoing management mechanism has been established

Evaluation: Process

- The objective of process evaluation is to find out if the program is implemented as designed.
- The information needed to conduct process evaluation can be collected from several sources including: a) administrative records; b) interviews with implementation staff, program officials; c) focus groups interviews; and d) beneficiary surveys

Evaluation: Targeting

- Is the program reaching the right people?
- Reaching the right areas?
- Reaching the poor
 - Not in the right places in SA
 - Yes in Argentina
- Most common type of evaluation done

Evaluation: Outcome

- The Direct impact on the beneficiaries
 - Higher income as result of the income transfer
 - the wage rate (cash and/or food),
 - Take into account the transaction cost (transport...) lost opportunity to work – i.e. net wage gain is higher of what they could have received with informal jobs?
 - Smoothing consumption – received the transfer when needed?
 - Getting people out of poverty?

Evaluation: Outcome

- The indirect impact of program on community
 - Positive effect from assets created (school, road, etc.)
 - Negative impact on labor market – can push salaries downwards, create labor shortage
- This is very important because the cost of transferring one dollar of income to a poor household is larger than a simple transfer, therefore one of the key justifications of having public works

What we don't know....

- Short-term direct transfer benefits known, but **indirect benefits not clearly known** (e.g., a water tap created by PW activity may have generated a few days of work for some, but actually may have significant indirect medium term benefits – lower infant mortality, more leisure time to women and children, etc.)
- Potential **labor market effects** of large workfare programs – little is known
- Almost no information on **second-round employment effects** – so cost-effectiveness calculations based on first round benefits suspect

What we don't know....

- To what extent **community involvement** improved program effectiveness? No idea
- **Social gains** – women's empowerment, better nutritional outcomes of children of women engaged in public works etc. – little is known
- Do **small-scale works** (under SIFs for example) fare better than national programs – don't know

What we don't know....

- **Maintenance of assets** created – little is known
- Does public workfare serve adequately the function of **employment insurance**? Does it enhance workers' bargaining power in the labor market and put an upward pressure on market wages rate – little is known
- Do **PW works projects get integrated** with regional developmental plans and receive appropriate budgetary support in line ministries – little is known