“Employment-intensive public investments: a catalyst for poverty reduction: Creating jobs through employment, environmental and social protection policies and strategies”

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Conference Room A
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• 201 million unemployed in 2017
• 2.7 million more in 2018
• 1.4 billion (42% of total employment) considered to be vulnerable forms of employment
• 70 million youth unemployed in 2017 (1 in 8 youth in LAC, Caribbean and Sub Saharan Africa)
• 80% lack social protection and working poverty
INEQUALITY GAPS IN THE FUTURE?

• Economic performance in 2016 with global GDP growth hitting a six-year low at 3.1%

• Inability of economy to

  • (i) generate sufficient number of jobs,
  • (ii) improve the quality of employment for those employed,
  • (iii) ensure that the growth is inclusive
FURTHER EXACERBATED BY

- Climate Change (rapid / slow onset disaster)
- Protracted conflicts (stemming food and water security)
- Technological changes and Future of work
- Donor fatigue
- Culture of dependency
Increasing economic, social and environmental inequality leading to social unrest
WHAT DO WE NEED TO DO?

• Good practices:
  • Address un(der)employment and discouraged workers;
  • Address root causes;
  • Strengthen economic, social and climate resilience;
  • Strengthen and build local and national capacities (from design to monitoring);
  • Direct budget support and national programmes;
  • Integrated strategies
  • Coordinated and joint programmes to deliver on collective outcomes (globally and locally);
Design Ell multi-sectoral national public employment programs (PEP)
WHAT DO WE MEAN BY PEP?

• An (LI/LB) employment-intensive investment approach;
• Nationally financed PWPs (e.g. humanitarian-development);
• Multi-sectoral (e.g. agriculture, environment, infrastructure, social);
• Addressing the effects AND root causes of inequality;
• A rights-based approach (e.g. Employment Guarantee, Social Protection Floor);
• Addressing many SDGs at the same time;
• Complementarity between employment-social protection;
• Better targeting of vulnerable;
• CB for employability and sustainability through EI approaches;
• Not the expansion of civil service.
THE ROLE OF THE STATE / GOVERNMENT?

PEPs are based on the belief that government has an active role to play

- **In addressing un(der)employment**
- **Work as a right** that government has to realize – consistently offering stability and predictability…
- Role of government to be dynamic: **responsive** to poverty, economic cycles, crises and disasters
- Provides a **legal (or implicit) guarantee** of work
- **Work at minimum conditions** (minimum wages and standards)
- A permanent alternative: no one will take up work at worse wages and conditions
- Individuals or households can participate over extended periods – **predictability and stability**
- Aims to “distort” the labour market by creating a floor
- Acts as “quasi” unemployment insurance (informal sector, minimum wage earners)
PEPS AS PART OF THE SOCIAL SECURITY

Higher levels of protection

NATIONAL SOCIAL SECURITY SYSTEM

SOME KEY PRINCIPLES:
• Universality of protection, based on social solidarity
• Progressive realization
• Adequacy and predictability of benefits
• Coherence with social, economic and employment policy

HOW?
• Diversity of schemes:
  • contributory – non contributory,
  • based on employment, based on residence,
  • universal-targeted, conditional- unconditional, categorical, etc.

NATIONAL SOCIAL PROTECTION FLOOR:
• nationally defined basic social security guarantees

access to essential health care including maternity care
basic income security for children
basic income security for persons in active age unable to earn sufficient income
basic income security for persons in old age

can be achieved through different means, including through employment guarantee and other public employment schemes

Current reality: Very limited access: around 80% of world population have no access to adequate social protection -> ILO campaign
PEPS AS PART OF SOCIAL PROTECTION FLOOR (SPF)
PEPs and Sectoral Public Investments

- Networking, skills and facilitates search for jobs, riskier decision-making
- Green Works
- Increases local consumption and aggregate demand
- Access to basic services
- Accessibility to schools - alternatives to child labour
- Greater access to markets
- Promotes productive employment and entrepreneurship
- Supports NRM, Climate Change Adaptation
- Supports crisis response and structural change
- Food and water security, health services - better nutritional status
- Lessens social tensions and conflict, displacement
- Builds political stability
- Promotes local economic growth
- Improved health
- Increases human development and productivity
- Environmental rehabilitation, Climate resilience

Employment, livelihoods and stable and predictable income security for households

Inclusive growth and human development

Reduces poverty, inequality and migration

Increases human development and productivity

Supports crisis response and structural change

Food and water security, health services - better nutritional status

Lessens social tensions and conflict, displacement

Builds political stability

Promotes local economic growth

Improved health

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Access to basic services

Networking, skills and facili
Cost of the total benefit package as % of GDP

- Children
- Orphans
- Older persons
- Unemployed
- Persons with disabilities
- Maternity

*The assumption for administration expenses is of 15% for universal benefits in a standard year of operation. Such expenses are significantly higher in initial years of implementation. For targeted benefits, administration charges are assumed at 30% of benefit expenses based on relevant evidence (Cf. guidebook for additional explanations).
PEPS AS AN AGENT FOR TRANSFORMATION

**Providing Employment** (work for participants)

**Social Protection** (income/cash transfers for participants)

**Public infrastructure** and/or social goods and services

**Green Works** natural resources management, regeneration and rehabilitation, increased biodiversity

**Design is key:** The starting point or main priority has important impacts on the form the programme takes

Addressing all through **public investments**, potential for better synergies and impacts, and a more rationalized use of limited national funds
PUBLIC EMPLOYMENT: AN INSTRUMENT OF SOCIAL PROTECTION

Impacts from the incomes earned
Impacts from the assets and services delivered.
Impacts from participation in work

The element of income transfer often seen as the main link to social protection.
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But enabling participation in work also protects society from the negative social impacts of unemployment.

And with good design, public employment can directly support key areas of public/social policy.
Mahatma Ghandi National Rural Employment Guarantee Act (MGNREGA)
- **Rationale:** providing wage employment opportunities in rural areas (policy of inclusive growth);
- **Scale:** Programme and budget need to grow and shrink with demands for employment of rights holders (55 millions HH in 645 districts in 2011/12)

Expanded Public Works Programme (EPWP 3)
- **Rationale:** draw unemployed in productive work + skills
- **Scale:** Programme size based on investment requirements to address “backlogs” (Infrastructure and service deficits), not employment or social needs (1m job opportunities in 2004-08, 2nd Phase 4.5m job opportunities 2009-13, 3rd Phase 6m job opportunities 2014-19)

Productive Safety Net Programme (PSNP 4)
- **Rationale:** Smoothen household consumption – to bridge production deficits in chronically food insecure farming households
- **Scale:** Aims to cover all chronically food insecure, no more no less (8 million people up to 2020)
**Typology**

**Social Protection**
- Typically outside of PEPs: e.g. contributory social security systems, cash transfers, social health protection

**Infrastructure, assets, and services through sectoral investments**
- Typically outside of PEPs: e.g. Energy / Electricity, ICT, large public works

**Employment**
- ALMP
- Reducing Un(der)employment
- Typically outside of PEPs: e.g. Social Finance, Multinational Enterprises, etc.

**Focus on employment impact and income security without compromising quality of built infrastructure, assets, or services**

**Focus on local multi-sectoral investment and basic income security without compromising employment or conditions of work**

**Focus on type of sectoral investments and their employment impact without compromising quality of investment in human capital**

**PWP / PEP TYPOLOGY**
1) Poverty is not the fault of the poor

2) Inequality brings down growth: *More Equal Societies Almost Always Do Better*

3) A country grows on the strength of its domestic market
MGNREGA: A MAJOR POLICY INNOVATION

From a right to work when work is available to
A right to work when work is needed.

Shifts the focus to putting the needs of people first: which is what rights are supposed to do.

Shifts the onus of employment creation from the economy to society
A significant contribution to the decommodification of labour
PEPS AND INFRASTRUCTURE
PEPS AND ENVIRONMENT
PEP AND EARLY CHILDHOOD DEVELOPMENT, YOUTH, ARTS

When community works: early learning playgroups in the North West
PEPS AND THE CARE SECTOR

The uneven burden of care: an unresolved gender issue

Paying for such work in PEPs gives it social recognition – and an economic value.

Institutionalizing community-based care, augmenting often-stretched health systems.

With strong career path opportunities into the health system.

Strengthening the social dimension of social protection…
PEPS AND THE REFUGEE CRISIS

1. Providing work for locals — to augment support services and infrastructure in areas with high concentrations of refugees
   - Greece
   - Egypt

2. Providing work for locals and refugees together
   - Jordan
   - Lebanon
### Time to Scale Up: MGNREGA

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<tr>
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<tbody>
<tr>
<td>Expenditure in billion US$ (expenditure)</td>
<td>1.4 (73%)</td>
<td>4.5 (73%)</td>
<td>6.2 (76%)</td>
<td>6.5 (73%)</td>
</tr>
<tr>
<td>Number of districts covered</td>
<td>200</td>
<td>619</td>
<td>619</td>
<td>645</td>
</tr>
<tr>
<td>Number of households</td>
<td>21 million</td>
<td>45 million</td>
<td>53 million</td>
<td>55 million</td>
</tr>
<tr>
<td>Number of WD in millions</td>
<td>90.5</td>
<td>216</td>
<td>284</td>
<td>257</td>
</tr>
</tbody>
</table>
## COSTS OF ADAPTATION

### TABLE 1. Annual Adaptation Costs in Developing Countries

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Annual Cost</th>
<th>Year</th>
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<tbody>
<tr>
<td>UNDP 2007</td>
<td>$86 billion</td>
<td>2015</td>
</tr>
<tr>
<td>UNFCCC 2007</td>
<td>$28–67 billion</td>
<td>2030</td>
</tr>
<tr>
<td>World Bank 2006</td>
<td>$9–41 billion</td>
<td>present</td>
</tr>
<tr>
<td>Oxfam 2007</td>
<td>$50 billion +</td>
<td>present</td>
</tr>
<tr>
<td>Stern Review 2006</td>
<td>$4–37 billion</td>
<td>present</td>
</tr>
</tbody>
</table>

Source: WRI

Sources: UNDP (2007, p. 192-194); Agrawala and Fankhauser (2008, p. 69)
## COSTS OF IMPLEMENTING A PEP

<table>
<thead>
<tr>
<th>Programme</th>
<th>Expenditure (millions USD) for given year</th>
<th>Expenditure as % of GDP</th>
<th>Nr of work opportunities</th>
<th>Work opportunities as % of Labour force</th>
</tr>
</thead>
<tbody>
<tr>
<td>NREGA (India 09/10)</td>
<td>7 587</td>
<td>0.46%</td>
<td>52.6 million</td>
<td>9.7%</td>
</tr>
<tr>
<td>PSNP (Ethiopia 08/09)</td>
<td>360</td>
<td>1.2%</td>
<td>1.5 million</td>
<td>4.8%</td>
</tr>
<tr>
<td>EPWP (South Africa 09/010)</td>
<td>3 952</td>
<td>1.1%</td>
<td>643 000</td>
<td>2.8%</td>
</tr>
<tr>
<td>KKV (Kenya 09)</td>
<td>43</td>
<td>0.12%</td>
<td>300 000</td>
<td></td>
</tr>
<tr>
<td>CfWTEP (Liberia 09)</td>
<td>1.5</td>
<td>0.17%</td>
<td>8 500</td>
<td>0.8%*</td>
</tr>
<tr>
<td>Jefes (Argentina 2003)</td>
<td>3 056</td>
<td>0.9%</td>
<td>2 210 000</td>
<td>13.0%</td>
</tr>
<tr>
<td>Kosovo 2010 (projected)</td>
<td>3</td>
<td>0.1%</td>
<td>5 000</td>
<td>0.6%</td>
</tr>
<tr>
<td>FAIMO (Cape Verde)</td>
<td>10.8 (1998), 19.7 (1992)</td>
<td>Between 2% (1998) and 5% (1992)</td>
<td>15 000 to 20 000</td>
<td>11.5% (2000)</td>
</tr>
</tbody>
</table>
RECOMMENDATIONS

1) Support countries to achieve **Full Employment** through multi-sectoral PEPs
   - UN’s 1st Expert Group Report «*National and International Measures for Full Employment*» (ECOSOC resolution 290 (XI), 15 August 1950)
   - ILO Employment Policy Convention, 1964 (No.122) on Full Employment – 111/187 countries ratified
   - Employer of Last Resort (ELR), Employment Guarantee Scheme (EGS), Social Protection Floor (SPF), SDGs – legal predictability, transparency and stability

2) Build policy coherence: effective integrated multi-sectoral strategies (economic, social and environmental empowering and impacts)

3) Strengthen local and national institutions

4) Local resource-based approached (LRB): local multipliers through ownership, participation, materials and indigenous / traditional knowledg

5) Self targeting most vulnerable or through single registry
INTER-AGENCY SOCIAL PROTECTION ASSESSMENTS (ISPA) supported by the following partners
THE ISPA CONSTELLATION

Over the next 5 years, over 20 ISPA tools are proposed to be developed, covering social protection SYSTEM, PROGRAM & DELIVERY mechanisms.
# ISPA tool application process

## Request for the assessment and preparatory phase:
- Inception meeting
- Stakeholder analysis and coordination of development partners

## Getting started:
- Formation of the assessment team and steering committee
- Training on tool application and adaptation of the tool

## Launch of the assessment:
- Orientation meeting: agree on objectives and process

## Data collection:
- Desk review, pre-population of the questionnaire
- Stakeholder consultations, site visits, focus groups discussions

## Assessment:
- Completion of assessment matrix and drafting of country report

## Finalization:
- Consultative workshop
- Revision of matrix and report, delivery to the government
COUNTRY EXPERIENCES:

The currently available ISPA tools have already been piloted in various countries.
WHAT WORKS AND WHY?

«Multiple WINs»

- Based on collaborative and **transparent** approaches to building systems
- **Harmonization** of indicators, language and understanding of multiple objectives of PWPs
- Stronger **collaboration** between agencies and stakeholders
- **Consistency** between global and local actors
- **Flexible** ‘living’ version to be adapted and updated based on national context and needs
- **National ownership**
LEARN MORE:

ISPATools.org/public-works

Please navigate to the ISPA website, where you can learn more about the ISPA initiative, the ISPA tools, and how to get involved with improving social protection for all.
HIGHLIGHTS OF SOME ILO PUBLICATIONS related to Employment-Intensive Investment Approaches
EMPLOYMENT INTENSIVE INVESTMENT PROGRAMME (EIIP)

- Green Works
  - Promoting forestry, irrigation, soil, water & food protection at the heart of recovery and reconstruction

- Community and LRB Approaches
  - Addressing local needs and local resource-based appropriate technologies

- PEPs (Public Employment Programmes)
  - Short-term programmes to Employment Guarantee Schemes (EGS)

- Public and Private Sector Development
  - Development of construction industries and employment intensive infrastructure investments

- Employment Impact Assessment
  - Analysing the employment impact of public investment and sectoral policies


Local investments for climate change adaptation: Green jobs through green works, ILO Regional Office for Asia and the Pacific (2011)


ON HUMANITARIAN RESPONSE

• ILO’s response on Conflict & Disaster Settings: Guides & Tools, ILO Geneva (2010)

• ILO/FAO Livelihood Assessment Tool, ILO Geneva (2009)

• Livelihood and Employment Creation: Food for Work, ILO Regional Office for Asia and the Pacific (2005)

• Working out of Disaster: Improving Employment and Livelihood in Countries Affected by the Tsunami (2005)

• Guidelines on Food for Work Programmes, ILO Geneva (1997)
SOCIAL JUSTICE AND DEVELOPMENT THROUGH SOCIAL PROTECTION AND PUBLIC EMPLOYMENT PROGRAMMES!