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The transformative potential of public employment programmes

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ABSTRACT

After the Great Depression in the 1930s, part of the recovery in the United States of America relied upon a massive programme of public works, under the Works Progress Administration. Its impact was not just as a stimulus; it also provided a focus of social participation and inclusion. Yet, in the context of the current Great Recession, public works have been only a limited part of the response across most of the developed world.

Instead, it is in the developing world that the most interesting innovation is taking place in terms of new approaches to public employment, including in India, South Africa and Ethiopia. These too perform the functions of a stimulus, targeted into local economies, impacting directly on employment and trickling up into the wider economy from there. They too are providing a focus of social participation and inclusion, in ways that are breaking new ground: changing rights frameworks, unlocking new forms of agency at community level, undertaking new forms of work - and placing a social value on labour even where markets are not doing so. These processes are delivering sometimes unanticipated forms of transformation and systemic change, in some cases very locally, in others at a societal level.

In the process, longstanding debates about the role of employment in society, the scope for markets to achieve full employment, and the meaning of the right to work come up for new scrutiny also.

This conceptual piece explores these issues. It draws in particular on innovations in the Mahatma Gandhi National Rural Employment Guarantee Act in India and the Community Work Programme in South Africa to do so.

The implications of this are likely to have the most traction in the developing world; in the face of failing austerity policies, however, it's just possible that this is an area in which the developed world can also learn some lessons from the south.

The School's occasional paper series seeks to stimulate discussion and share innovative ideas in the policy arena.

Contents

	Abbreviations	3
1	Introduction	4
2	Understanding PEPs as a policy instrument	8
3	PEPs, employment policy, markets and the state	10
4	The state as employer of last resort	14
5	PEPs: Reinstating the social value of labour	16
6	Enabling community-driven development	18
7	PEPS as an instrument of social policy	22
8	PEPs, the environment and green jobs	30
9	PEPs, local economic development and inclusive growth	32
10	PEPs and labour markets	35
11	Implementation challenges and the paradox of rights	39
12	Back to the big picture: PEPs and economic change processes	42
13	Conclusion: Building societies that work	44
	Footnotes	45
	Bibliography	45
	Acknowledgements	47

Abbreviations

CSO	Civil Society Organisation
CWP	Community Work Programme
EPWP	Expanded Public Works Programme
ELR	Employer of last resort
GIS	Geographic Information System
IT	Information technology
ILO	International Labour Organisation
LED	Local Economic Development
MDGs	Millenium Development Goals
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
NEDLAC	National Economic and Development Labour Council
NGO	Non-Governmental Organisation
NPC	National Planning Commission
OECD	Organisation for Economic Co-operation and Development
PEP	Public Employment Programme
PSNP	Productive Safety Nets Programme
RTIA	Right to Information Act
UNRISD	United Nations Research Institute for Social Development

How the concept of transformation is being used

In this paper, the concept of transformation is used to describe processes of systemic change that can be sustained and become new norms. The kinds of systems that are the focus of such change include rights frameworks, power relations and the institutions that frame (and often limit) peoples' access and opportunities. While the most significant transformation processes are those that impact across society as a whole, or at significant scale, forms of transformation can also take place at more local levels.

Implicit in the concept is that the nature of change is for the better; for a mix of outcomes that can include improved equity, reduced poverty, greater social and economic inclusion, more voice for the marginalised, better capabilities, less misery, more care and improved wellbeing.

1. Introduction

After the Great Depression in the 1930s, part of the recovery in the United States of America (USA) relied upon a massive programme of public works, under the Works Progress Administration (WPA). Its impact was not just as a stimulus, although it performed that function; it lives on in cultural memory as much for its impacts on morale: providing a focus of social participation and inclusion that embraced the full spectrum of unemployed people, from construction workers to artists. Yet, in the context of the current Great Recession, public works have been only a limited part of the response across most of the developed world, despite some lip-service to the concept.

Instead, it is in the developing world that the most interesting innovation is taking place in the development of new approaches to public employment, including in India, South Africa and Ethiopia. The contexts and causes of unemployment (or underemployment) differ in each case; so too therefore does the design of these public employment programmes. Yet in each context, innovations in the design of PEPs are starting to deliver sometimes unanticipated opportunities for transformation and systemic change, with implications for both social and economic policy.

These developments are moving public employment programmes (PEPs) into new policy territory: a much needed development, in a context in which there are certainly also plenty of examples of public works programmes that barely achieve poverty alleviation goals, let alone more transformative ones. Recent work by Anna McCord has highlighted the limits of many public works programmes reviewed across Africa, in which access to short-term episodes of work yields little sustainable results (McCord 2013). In addition – ironically – the definition of such programmes as part of social protection or social assistance of some form is at times used to justify abandoning minimum standards of work and also to justify the payment of what are often desperation-level stipends. Whether public employment is seen as part of social protection policy or of employment policy can lock it into a different set of discourses, with implications for design and for outcomes.

Another feature limiting the impact of public works programmes has been the tendency to use them primarily as a short-term intervention, often as part of a crisis response – whether to economic crises, to humanitarian crises linked to natural disasters or to post-conflict reconstruction. Where the context really is one of short-term crisis, this model may have merit, but too often, a model of short-term public works is used to address what is in fact a long term, structural or chronic problem.

PEPs have also typically had a strong focus on infrastructure works. While the infrastructure delivered in this way can be a game-changer in development, with systemic and transformative results on local economies and/or on living conditions, the short-term project-based nature of the work has often limited the impacts of such employment in the lives of participants.

A range of innovations in PEPs are however changing these outcomes. The most dramatic and far-reaching of these has been the introduction of a statutory employment guarantee in India, where the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), promulgated in 2005, guarantees 100 days of work per annum to each rural household.

While MGNREGA is still the only existing statutory employment guarantee, there has also been a shift in other countries towards public employment programmes that are institutionalised as longer-term interventions, and as an ongoing part of their respective institutional landscapes. These also include the Productive Safety Nets Programme in Ethiopia (PSNP) and South Africa's Community Work Programme (CWP) – a new component of the Expanded Public Works Programme (EPWP).

In each case, a different set of contextual factors informs design choices. In South Africa, unemployment is deeply structural – in large part, a consequence of legacies of apartheid that include the structure of the economy, high levels of spatial inequality, as well as inequality in access to opportunities and to human development (Philip 2010). Public employment also takes place in a context in which there is a strong labour movement and a political commitment to decent work. In Ethiopia, per capita income is less than a tenth of that in South Africa; many people live on the edge of starvation, and PSNP is an attempt to replace food aid with a more developmental response to predictable annual food shortages. In India, MGNREGA is primarily a response to seasonal unemployment and underemployment. These differences in context, coupled with political economy factors, inform different kinds of innovation.

PEPs are also going to unprecedented scale. In India, in the first five years of its rollout, the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) reached 55 million participants – making it the largest public employment programme in history. In Ethiopia, the Productive Safety Nets Programme (PSNP) reached 8 million participants over a similar period. South Africa has struggled to achieve equivalent scale, but is close to reaching a million participants per annum in the Expanded Public Works Programme, making a substantial contribution to overall employment numbers. This level of scale creates new scope for PEPs to achieve systemic-level impacts in society.

MGNREGA, PSNP and the CWP are also all area-based programmes, in which the need to create employment in a specific local area is what drives the menu of work. This means these PEPs have an ongoing presence in a given local economy, which allows their impacts to become cumulative over time. It also creates new opportunities to develop local institutions with ongoing mandates to support such work, to build and deepen the capacities of such institutions, and to achieve more systemic impacts and forms of change at the local level.

New forms of complementarity and convergence are also emerging between PEPs and cash transfer programmes. For example, PSNP offers work to those who can work, and cash transfers to those who can't – in the same programme. This recognises and responds to changing needs across the lifecycle. In Kosovo, recipients of unemployment benefits are eligible to participate in PEPs, earning a higher income for the duration of their participation,

with no loss of benefits thereafter.

New forms of work in PEPs are opening new opportunities for convergence with other policy priorities. In particular, PEPs in the environmental sector have the potential to contribute to climate change mitigation and adaptation; in South Africa, social sector PEPs are demonstrating the scope for PEPs to become an instrument of social policy, in relation to their outputs as well as in relation to the impacts on participants.

Community development approaches to the design and implementation of PEPs are unlocking new forms of agency and development participation at community level, such as in South Africa's CWP, where communities participate in the identification of the work. MGNREGA's statutory social audits make local officials accountable in new ways, and provide a framework for participatory planning also. These innovations in community accountability are also enabled by area-based approaches.

These social processes are also underpinned by new levels of transparency and information access that build on advances in information technology. In India, all performance data on the programme is entered onto an open data platform at <http://nrega.nic.in>. It is through this mechanism that payments are triggered; every wage payment – to every worker – is recorded in the public domain, as well as reports on works performed, along with all other performance data. Cashless payment systems - even in remote areas of rural India and South Africa – reduce the scope for corruption, but also drive new forms of financial inclusion.

This range of innovations provides the context in which PEPs are able to deliver sometimes unanticipated social, economic, environmental and institutional outcomes.

Summary of the main features of MGNREGA and CWP

The focus of discussion is on MGNREGA in India, and the CWP in South Africa. A brief summary of the main features of these two programmes is included here.

The Mahatma Gandhi National Rural Employment Guarantee

India's employment guarantee scheme has the following main features:

- The state guarantees up to 100 days of wage employment per annum to every rural household with unemployed adult members willing to do unskilled manual work.
- Such households apply for registration to the local Gram Panchayat (local government); they are issued with a Job Card.
- They may then submit a written application for employment to the Gram Panchayat, stating the time and duration for which work is sought – for a minimum of fifteen days.
- The Gram Panchayat issues a dated receipt for the application.

- The Act specifies that ‘if an applicant under this act is not provided such employment within fifteen days of his application seeking employment’, s/he shall be entitled to a daily unemployment allowance which will be paid by the state government.’
- While central government pays the wage costs and 75% of materials cost in the scheme, state governments that are unable to provide work within fifteen days must pay the unemployment allowance from their own budgets.
- Work is identified and planned by the local state, and must have a 60:40 wage: material ratio. Contractors are prohibited.
- Work should be provided within five km of the village or else extra wages of 10% are payable. (Summarised from MGNREGA)
- A Social Audit must take biannually. A Social Audit is a revue of all aspects of the programme by the village assembly (Summarised from the MGNREG Act).

The Community Work Programme

- The CWP was designed as a response to structural unemployment. It offers regular part-time work on an ongoing basis in the local areas where it is being implemented. This is typically two days per week, or eight days per month.
- The CWP is an area-based programme. Each local site aims to employ a minimum of 1,000 people.
- The work in CWP must be ‘useful work’, that contribute to the public good and/or to improving the quality of life in poor communities. The work is identified and prioritized through participatory community processes; it is multi-sectoral.
- The CWP is designed to achieve an average 65% labour intensity, measured at site level.
- The CWP is a government programme, implemented by non-profit agencies (or civil society organizations). This is intended to build new forms of partnership between government, civil society and communities.
- The CWP is a relatively new programme, located in the Department of Co-operative Governance since April 2010. It is a part of the wider Expanded Public Works Programme in South Africa, which also includes sectoral programmes in infrastructure, the social sector and the environmental sector.
- CWP is a relatively new programme, designed to go to scale. As at March 2013, it operated in 154 sites, with 204,000 participants – doubling in size in a year (Philip 2013). The South African Cabinet has proposed that it should scale up to a million participants; whether it does so is dependent on fiscal choices as well as on whether institutional arrangements enable such scale.

2. Understanding PEPs as a policy instrument

Public employment programmes rely on three inextricably-linked elements:

- the impact of the incomes earned
- the impact of participation in work
- the impacts of the assets and services created.

PEPs can be understood as a form of three-legged stool – if any of these three legs is missing, it is no longer a PEP – and the stool falls down. Binding the three together is an additional cross-cutting element which relates to process: to how PEPs are implemented, and with what scope, for example, for participatory community development approaches to be institutionalised.

These three legs of a PEP pose challenges in design, because often, the policy purpose of a PEP leans more heavily on one particular aspect than on others. While this is not in itself a problem, it does impact on design choices in many ways, and represents what Maikel Lieuw Kie-Song refers to as a ‘tri-lemma’ (Lieuw Kie-Song 2013). So for example, in some PEPs, the social protection functions of the income transfer function may take primacy; in others, the delivery of the assets does so.

Often, evaluations of the impact of PEPs focus primarily – or only - on the impacts of the incomes transferred and/or on the impacts of the assets or services created. This can lead to arguments that the income transfer function of PEPs can be cost-effectively replaced with cash transfers, and the assets and services delivered in other ways. This sets PEPs up as a two-legged stool – all too easy to knock over – and in the process, misses a crucial dimension of the rationale for PEPs: the social and economic value of enabling participation in work. While this is a core aspect of their transformative potential, this is the ‘leg’ of PEPs that has received the least analytical focus, particularly in the context of evaluation.

The global jobs crisis is however providing a salutary reminder of the importance of participation in work for individuals as well as for society, with mounting evidence that when employment falls below a certain threshold, the negative impacts ripple through society as a whole, making employment as much a social policy issue - and a political issue - as it is an economic one.

This is because employment is at the interface between the social and the economic in society: no other economic outcome has such profound effects on society as a whole. Societies typically place great value on work; on the need for those who can to contribute to the reproduction and well-being of their households and their communities. Making such a contribution is a fundamental part of the transition to adulthood in many cultures.

Small wonder that unemployment has such adverse effects on people’s sense of self-

worth and dignity, and of their place in society. In a wide range of international studies, unemployment is also associated with negative health impacts, depression, social isolation, a rise in drug and alcohol abuse, in gender violence, divorce and crime. The unemployment of parents has adverse effects on their children, including on their well-being, self-esteem, and school performance (SSPSI 2013). The social problems that arise from unemployment – direct and indirect – raise the costs of poverty for the rest of the economy and can translate into social and economic instability also.

Participation in work also creates a set of tacit and often under-recognised skills of work – crucial to productivity in any economy. It is well established that those who lose employment start to lose the skills, habits and disciplines of work (Irvine, 1984); those who have never been employed may never learn them. In South Africa, in the context of long-term unemployment, the progressive decline in the capabilities associated with work is leading to what economist Iraj Abedian has called a problem of “unemployability” that is compounding the unemployment challenge (Philip 2013). Those who have never worked are less likely to ever obtain employment (Banerjee et al, 2006) and those who have never been employed are the least likely to succeed in self-employment. While the social impacts of unemployment have been widely researched, the aggregate effect of all of this in eroding the productive potential of an economy as a whole is simply unknown. It is unlikely, however, to be a positive story.

A key assumption in the rationale for PEPs is that participating in work has meaning and relevance to participants and to society beyond simply the access to income or the value of the assets and services created. Not enough research has, however, focused directly on this issue. Recent work looking at how participation in the Community Work Programme in South Africa impacts on the capabilities of participants provides some indicators, however.

Across a spectrum of areas, the study found that participation in the CWP had enhanced the capabilities of participants and their sense of agency: defined as their belief in their capacity to change their own conditions. This was manifest also as improved “functionings”, using Amartya Sen’s capability framework. This included, for example, that they had a better understanding of the characteristics of formal work, a higher propensity to participate in savings clubs, to volunteer in community activities outside of CWP, to use their personal resources to enhance social services and community assets, and to use media as a source of information. They were more aware of their socio-economic rights. They participated in micro-enterprise activity and many applied skills learnt in CWP in their own lives. For example, 36 percent of CWP participants had initiated their own homestead food gardens compared to 22 percent of non-participants in the study. Many attributed this directly to skills gained from participation in CWP. Participants also highlighted how participation in work had reduced their own anti-social behaviour in relation to alcohol use, drug use, and propensity to participate in crime. (Vawda et al, 2013).

It is because work matters to society that full employment has been a longstanding social goal. The following section takes a critical look at some of the theoretical assumptions that inform debates over the scope for markets to achieve this outcome and the implications of this for employment policy and the design of PEPs.

3. PEPs, employment policy, markets and the state

The right to work is part of the United Nations Declaration of Human Rights; the goal of full and productive employment is part of the founding statutes of the International Labour Organisation (ILO), reasserted as part of the Global Jobs Pact signed in 2010 in the wake of the financial crisis. Yet part of the unwritten sub-text of these commitments seems to make the achievement of this goal contingent on market performance, when market performance is the constraint on achieving the goal in the first place.

In market economies (and also in many mixed economies) employment is mainly market-based, and the focus of employment policy is therefore on maximising employment outcomes in the private sector. This emphasis in employment policy is not being contested. Few countries, however, have achieved full employment, and many struggle with levels of unemployment that impose high social and economic costs on their societies. A focus on market-based outcomes alone seldom seems to be sufficient – and it is at this margin that the discussion on public employment is therefore focused.

Public employment – including the concept of an employment guarantee – provides a complementary instrument that can limit the damage to society from unemployment; yet it is rarely positioned as a part of employment policy; or as a counter-cyclical instrument able to assist in managing the vagaries of employment trends. Instead, the use of public employment is often seen as a temporary, short-term, last resort to be used only in the context of dire crisis. If full employment (or even just manageable levels of unemployment) is really the goal, then why is this the case?

The answers seem to lie in the underlying economic assumption that market cycles have an inherent tendency to correct over time and this will return employment to the required levels; that unemployment is an aberration in markets that good policies can fix. This assumption is partly rooted in Adam Smith's theory of general equilibrium, in which he argued that a balance between the demand and supply of labour would be the natural state in an economy that had unfettered or self-regulated markets – free of regulation by the state. This conceptualisation has in turn underpinned debate over the roles of the market and the state in relation to economic policy in general – and employment policy in particular. This debate often implicitly pits markets vs the state, and the economic vs the social. Both sides to the debate share an assumption, however, that – with the right policies – markets can and will deliver full employment.

In this process, the debate often presents the social and the economic as distinct and separate domains, with the market operating almost as a force of nature, variable and unpredictable: unlocking growth and development when treated right, unleashing havoc and destruction when its whims are ignored. Obvious as it is that economies are part of societies, much in the daily discourse feeds this notion of markets as somehow outside of society. For some, that is where they best belong: wild and free, unshackled, with a minimum of intervention of any kind (maybe just the equivalent of a game-fence separating

them from society). For others, the same analogy applies, just viewed from the other side of the fence: from where markets are a kind of negative externality to be kept at a distance from society as much as possible.

A brief digression into this debate is necessary, because it has relevance to later arguments. The focus is on how market societies developed, and what that means for how they might be changed.

Karl Polanyi's work, *The Great Transformation*, critiques neo-classical economics for its reliance on the concept of self-regulating markets, arguing that no market economy can or has developed in this way:

The road to the free market was opened and kept open by an enormous increase in continuous, centrally organised and controlled interventionism. To make Adam Smith's 'simple and natural liberty' compatible with the needs of human society was a most complicated affair...the introduction of free markets, far from doing away with the need for control, regulation and intervention, enormously increased their range. (Polanyi 2001: 140).

Such intervention, Polanyi argues, is particularly the case in relation to markets for land, labour and money, because these are not real commodities – produced to be bought or sold – but instead, are “fictitious commodities”. He argues that treating them as real commodities that must “find their price on the market” through a self-regulating system would lead to such disastrous social and environmental consequences that all societies have had to act to protect themselves from these effects in what he describes as a “double movement”: with the growth of markets accompanied by growth in the range of measures, policies and institutions designed to limit the inexorable logic of unfettered markets in relation to these fictional commodities.

This is, in a sense, a different prism through which to understand the concept of social protection: as the steps necessary to protect society from the impacts of a “pure” market system, and the mechanisms through which societies act to off-set the social impacts of treating “land, labour and money” as commodities. Polanyi's emphasis on the dire social consequences of leaving markets in these “fictitious commodities” to self-regulate has obvious current resonance: in relation to the financial crisis, the environmental crisis – and the jobs crisis.

Complementary strands of thought have built on Polanyi's arguments, including an argument that markets should be understood as social constructs:

People usually assume that what goes on in the market belongs to the economic sphere and the rest in the social sphere. However, a market can be defined only with reference to the rights and the obligations of its (legitimate) participants, which in turn are products of various (conscious and unconscious) political decisions, and not some 'scientific' law of economics. In other words, as Polanyi (1957) has so clearly shown, the market itself is a political (and social) construct, and therefore there cannot be any such thing as a neatly separable domain of 'market' that is free from 'politics' or 'social' concerns. (Chang 2001:3)

Markets don't exist outside of society; they are the mechanisms – or institutions – that

govern exchange in society; they are social constructs, operating within – and enabled by – a complex set of rules that govern the rights of participants.

This notion of markets as the institutions that govern exchange draws on Nobel economist Douglass North's concept of institutions as "the rules of the game", formal and informal. His work sets out how the development of markets relied, for example, on the development of contract law: placing limits on the scope for one party to a transaction to simply renege on their obligations. Those clamoring for labour-market deregulation are seldom found clamoring for the abolition of contract law, yet this is at the heart of market regulation, and an unfettered market would be free of these constraints too. Similarly, an unfettered market would allow free movement of labour, not just of capital. Good luck to those Somalians trying to get into fortress Europe, or Mexicans across the Rio Grande.

Even if unfettered markets could exist, globalisation means that markets would have to be unfettered at a global level to achieve a global equilibrium between the supply and demand for labour – and that seems simply far-fetched.

John Maynard Keynes remains a major influence in the debate. He argued that the two outstanding faults of capitalism are "its failure to provide for full employment and its tendency to result in an excessively unequal distribution of incomes" (in Wray, 2007b). For Keynes, the normal path of any economy is cyclical, and – far from leaving markets unfettered – government's role includes two main levers to achieve full employment: the use of public investment to provide forms of economic stimulus, coupled with welfare spending. Part of the purpose of such welfare spending is to contribute to aggregate demand.

Keynes fell out of favour in the post 1980 neo-liberal era, but the global crisis has seen the return – in some quarters – of policies focused on public investment in the form of stimulus packages. Keynes's second lever – stimulating a rise in aggregate demand – has been a far less prominent part of the current picture.

So far, the impacts of stimulus packages on employment creation appear to be highly diluted (even if their results are preferable to the bleak alternative of austerity). The context of globalisation has also impacted on the efficacy of these measures, with concerns in the US, for example, that stimulus packages designed to target the US economy are leaching out into investments in other parts of the world. Similarly, depending on its composition, a rise or fall in aggregate demand in one economy may have its strongest employment effects in another one. So, a drop in demand in Europe leads to a drop in employment in South Africa – and a rise in aggregate demand in South Africa may have employment effects elsewhere, depending on the composition of that demand. The context of globalisation has diluted the power of these instruments to achieve the goal of full employment in the economy in which they are initiated: making the achievement of full employment a more complex global good than it has ever been before.

The challenge is further compounded by changes in global production systems, which are able to produce more with less labour-content than ever before. Insofar as production systems are driven by concerns for economic efficiency – which they are – the gap between the demand and supply of labour seems set to grow, and unemployment with it: although

this effect is also unevenly distributed in the world. Will new demand for commodities or the demand for services rise enough to fill the gap? This is simply unknown.

Unemployment is nevertheless still treated as an aberration in a market economy: as if the normal or natural state should be full employment. Even if only implicitly, this assumes some version of a theory of general equilibrium – that markets that are functioning well will have an inherent tendency to achieve full employment. The evidence simply does not support this. This is not to suggest that full employment can never be achieved through market processes; however, there is no underlying logic that means markets have any inherent tendency to match the demand and supply of labour – whether they are less fettered or more fettered, well-managed or not.

The need for a balance between the demand and supply of labour within a society is not driven by any underlying economic imperative; instead, the need to do so is a social need. This recognition should inform the mix of instruments used to achieve it.

High unemployment: a market failure or a social failure?

Public employment programmes are seen as a response to a market failure to deliver full employment. The question is whether this conceptualisation is flawed. Does the concept of market failure in this context not give markets a primacy in relation to society that they should not be given?

To make an analogy: the notion that the failure to place a value on the eco-services provided by the environment is a market failure assumes that responsibility for the environment vests in markets in the first place. Instead, it's a social failure – a failure to recognise the importance of the environment for human survival and the role of social systems in protecting it – including the need to protect it from markets. Similarly, while unemployment is seen as a market failure, is it not also at least in part a social failure? If markets have no inherent tendency to balance the demand and supply of labour, and if the need to do so is instead a social imperative, then relying on markets alone to do it – in the face of all the evidence that they rarely do so – is a social failure: an abdication to the primacy of markets.

If markets are social constructs, society can't merely blame markets as if they are a negative externality (on the other side of that imaginary game fence): instead, the onus is on society to develop the necessary institutions – the rules of the game – as well as the instruments and mechanisms required to protect the public good and the fabric of society.

For as long as the commitment to full employment includes a sub-text that this is contingent on market performance, it remains a shallow commitment – and blaming market failure might just be another instance of passing the buck.

4. The state as employer of last resort

Markets have no inherent tendency to balance the demand and supply of labour, and even dynamic, growing markets can co-exist with levels of unemployment that are damaging to society. This being the case, it makes no sense for employment policy to rely on markets alone to deliver full employment - regardless of how little or how much intervention in markets is part of the equation. If the purpose is to make real headway in matching the demand and supply of labour, then in addition to market-based approaches, the policy process has to address the need for complementary, non-market instruments to achieve what markets have no inherent inclination to do.

Employment policy needs to hedge its bets: optimising conditions for employment intensive growth in the private sector – at the same time as using public employment as a complementary, counter-cyclical instrument, able to expand and contract in response to economic cycles – and social needs. The case is strongest when unemployment is structural.

This logic informs the arguments that the state should act as employer of last resort. This argument was put forward by Hyman Minsky in the 1980s. A post Keynesian, he critiqued the US's War on Poverty as a strategy that tried "to change the poor, not the economy", and argued that what was missing from government's commitment to poverty alleviation was a commitment to full employment – arguing that it is only government that can create an infinitely elastic demand for labour (Papadimitriou, 2008).

Minsky also argued that strategies to raise aggregate demand are often a blunt instrument, easily falling foul of the structure of a given economy, reinforcing existing patterns of distribution in ways that may never reach the poorest. Instead, he argued that spending should be targeted directly at the unemployed, taking workers "as they are", providing jobs that fit their existing skills, and allowing the impacts of such a stimulus to "bubble up" into the wider economy – a term he used before the debate on the limits of trickle-down economics was current. (Wray, 2007b).

This concept of the state acting as employer of last resort (ELR) is of renewed interest on two fronts. First, because the concept of the state as "lender of last resort" has been thrust directly into the public discourse in the context of the financial bailouts to the banks in Europe and the USA. If the concept of lender of last resort can apply to the banks, why is the concept of employer of last resort unthinkable in relation to unemployment? In a sense, both are examples of Polanyi's "double movement": they are both measures that societies can take as protection against the impacts of treating either money or labour as real commodities that must find their price on the market.

The bailout saved the banks, but at huge costs to society. It did not prevent or reverse the global jobs crisis, and the impacts of stimulus packages on what is increasingly being referred to as The Great Recession are often not trickling down to those who need it most. This begs the question: If the US had spent even just \$1 trillion of the \$3 trillion stimulus

(and rising) on public employment, how might the social and economic impacts have been different?

Most crucially, however, the ELR concept has moved – at least partly – from the realms of theory into practice with the inception of an employment guarantee in India. While the ELR concept argues for a universal entitlement to employment on minimum terms, MGNREGA is instead a qualified form of guarantee, rationed to a hundred days of work a year to rural households.

Qualified though it may be, it nevertheless puts into practice this concept of the state acting as employer of last resort. In the process, it shifts the content of the right to work into new terrain: no longer simply a right to work when work is available – but a right to work when work is needed. This in turn transforms the right to work from a right that is qualified by the primacy of markets, to a right that is underwritten by society: reasserting the primacy of society over markets - with potentially significant consequences for both.

5. PEPs: Reinstating the social value of labour

In the CWP, there is no sign on the gate that says “no jobs here”. Instead, we will have a sign on the gate that says: “Jobs are here! We need people!”
(King George Mohlala, Bokfontein CWP Co-ordinator, Presentation, CWP Consultative Workshop 2009)

Part of the corrosive impact of unemployment is the sense of being surplus to the requirements of society: unwanted, turned away at the gate. Exclusion is not a passive phenomenon; it is experienced as an active process, even an aggressive one. It is disempowering, alienating, diminishing. It can elicit an aggressive, aggrieved and anti-social response.

Human societies are driven by the dynamism, agency and creativity that are manifest in various ways as the power of labour. Wherever people have transformed their worlds, wherever there have been breakthroughs in social progress and in human well-being, the power of labour in its various forms has been an essential ingredient. Yet in contexts of unemployment, this societal resource is effectively squandered.

Labour not used today cannot be stored and used tomorrow. Yet often, unemployment exists in communities in which there is no shortage of work to be done to improve the quality of life, to strengthen the matrix of public goods that help enable economic activity and growth, or to enhance wellbeing. This is the assumption underlying the concept of useful work, used to define the work undertaken in the Community Work Programme in South Africa. Useful work is defined broadly as work that contributes to the public good and/or to improving the quality of life in communities. This work is identified and prioritized through participatory community processes.

It provides an example of the potential that exists for public employment programmes to unlock unused labour for social purposes: reinstating a recognition of the social value of labour even when its market value appears to be nil. Research by Langa and Van Holdt into the CWP found that because the work has been identified by communities, and is needed by them, this adds to the validation participants get from the work performed. They argue that the meaning derived from work in the CWP is amplified because the work is “de-commodified”:

A striking feature of the work provided by CWP – despite its part-time and low-wage character – is that it entails the de-commodification of labour and focuses on providing public goods as defined by the community itself. ...CWP workers emphasised that the work differs from employment on nearby farms because it is work for the community, and this makes them feel differently about the work as well – they know it has an intrinsic value for the community, and they therefore do not resent the low wages in the way they would if they were working for a private employer (Langa & Von Holdt, 2011).

Polanyi highlighted the risks to society of treating labour as a pure commodity. Societal attempts to limit the impacts of this have focused on social protection measures that have largely addressed the lack of income arising from unemployment. Crucial as this is, it has tended not to tackle the importance of economic participation and takes the commodification of labour as a given - focussing on addressing its consequences.

For as long as PEPs were short-term and small-scale, their scope to provide a systemic alternative to the commodification of labour was limited. Institutionalised as an employment guarantee, or even simply as an ongoing feature at a minimum level of scale within a local economy, might this new-generation of PEPs offer an instrument able to limit the role of markets as the sole arbiter of the value of labour?

By placing a social value on labour, the power of unused labour is released in ways that also unlock new forms of agency and inclusion at community level, institutionalised through the mechanism of a public employment programme; through processes that involve the wider community in development planning, as well as through the work undertaken.

These qualities of the CWP mean that it provides a material basis for the community to collectively imagine a different future for itself. The *choice* of what public goods should be provided is highly significant, and provides a fresh insight into what marginal communities most desire for themselves. In Bokfontein, there is a strong emphasis on reimagining a divided, impoverished and violent community as a *caring* community: the emphasis on home-based care, on ensuring that children in vulnerable families have daily access to a cooked and nutritious meal, and on establishing a crèche, provide the evidence for this....

Through these and other public goods, established with resources provided by the state, the Bokfontein community has been able to concretely imagine itself as a different kind of place, providing material evidence that they can work towards an alternative future, at the same time as the households of some 800 CWP workers are able to experience a new degree of income security. The importance of the symbolic dimension of the CWP impact is illustrated by the way the participants in the OW decided to rename Bokfontein *Ditshaba Dimaketse*, 'the nations will be amazed'. (Langa & Von Holdt, 2011)

Community participation in the identification of work adds social value to the work performed. At the same time, the public employment programme provides a resource at community level that enables forms of community-driven development.

6. Enabling community-driven development

Part of the innovation in PEPs relates to design features that integrate increased levels of local participation in aspects of the decision-making as well as in the monitoring and evaluation of PEPs, in ways intended to strengthen community ownership and local accountability, as part of strengthening the developmental impacts of public employment – and deepening democracy.

In India, the concept of a social audit has been institutionalised into MGNREGA; Section 17 of the Act requires that such audits be held every six months. This changes power relations at the local level, creating new forms of accountability of the Gram Panchayat (the local government structure responsible for implementing the programme) to the assembly of local residents. The social audit process is intended to scrutinise all aspects of the implementation process, in terms of India's Right to Information Act (RTI).

The RTI was an outcome of a social mobilisation process that started in India in the 1990's in response to the discovery of massive corruption in public works programmes that had been started to provide drought relief. The shift to a rights-based approach in relation to public employment had its roots in the same social mobilization process. The commitment to transparency and the right to information is strongly embedded in MGNREGA. Shifts in power relations embedded in the programme design therefore reflect shifts in power relations derived from this process of social mobilisation.

In 2006, a social audit in the state of Andhra Pradesh revealed serious anomalies that formal audit processes had overlooked. The state government then initiated a wider social audit process:

In this case, the initiative came from the state government which invited 31 NGO networks and civil society organisations, 1,000 volunteers from local NGO's and CSO's [Civil Society Organisations], 25 writers from the Ananthapur Writers' Forum, students, trainers, civil servants and government auditors to make an independent assessment of the implementation of the NREGA in Ananthapur District, which is one of the most drought-prone and poor districts in the country...This was perhaps the first time that a state government had asked CSO's to take a lead in detecting corruption and mismanagement using the Right to Information Act. Drawing on the experience of the Durgapur social audit, padyatras or walking tours under the banner of the "Grameena Upadhi Hami Yatra" were initiated during the ten day period. CSO's ran training programmes for government officials to understand the social audit process, which was not widely understood. Thereafter citizens groups consisting of 10 persons each visited 600 villages in 38 mandals (administrative units) where the social audit process was carried out (Burra 2008).

This is a remarkable story of a state government enabling the involvement of diverse social actors around a common anti-corruption agenda. Not surprisingly, such zeal has not always

been replicated. Burra also argues that there are risks institutionalising an approach to social audits that relies on social activism:

Given the size of the country and its population and the fact that there is very little expertise available to conduct social audits, can you cover the country in even one year? And the answer is no. And relying on informed and capable social activists from outside is hardly a reliable, replicable and institutionalised approach given the paucity of individuals with hands-on experience of conducting social audits. (Burra 2008)

The constraint identified is not, however, insurmountable; if social audits are an ongoing – and resourced - requirement, the systems for developing the capacity at the scale required can be developed over time, even if these are not immediately available. In the process, an important new instrument for local accountability and for the expression of active citizenship is being institutionalized, with implications and applications that are also relevant beyond the context of PEPs.

Burra was writing in 2008, just two years after the rollout of MGNREGS began. At that early stage, the process relied on social activists ‘from outside’. Undesirable as this may be as an ongoing solution, it does beg the question of the potential importance of such activists in seeding new practices and in transition processes. In the glare of much public critique, significant effort has gone into institutionalizing the social audit processes in MGNREGA in ways that strengthen local capacities, local ownership and leadership. A concept that was being used in a rough and ready way in the early stages of MGNREGA has become increasingly tried and tested, with good and bad experiences informing better practice over time.

Early attempts at involving communities in the identification of work in the CWP were equally uneven. In an Institutional Review commissioned by the CWP Steering Committee in 2012, one of the critiques was that processes for such participation had been inadequately institutionalized and as a consequence, as the programme scaled up, early lessons were not being replicated, with processes for ongoing learning inadequate. This catalysed corrective measures, with the creation of a Community Development Learning Forum and renewed emphasis on the development of methodologies that enable community participation in the identification, planning and evaluation of work (Interview with Hassen Mohamed, CWP Steering Committee Co-Chair, March 2013).

This course correction was particularly important in a context in which part of the rationale for the CWP was ‘to use public employment as a catalyst for community development’ (AsgiSA 2009).

The community work model's importance lies not only in its scalability, but also in the way social mobilisation is made integral to the rollout process, using non-profit agencies to implement the programme and creating new forms of partnership between government, civil society and communities. The type of public employment that the commission advocates is not just income transfer in disguise. It is about inculcating a new mindset that empowers people to contribute to their communities. (NPC, 2011)

This emphasis on community development begs the question, however, of what exactly is meant by the term. Gavin Andersson heads Seriti Institute, one of the organisations involved in developing the CWP model. He argues that ‘the last fifty years have shown, across Africa and indeed the rest of the world that external factors may help developmental process but are not sufficient to bring it about’:

Here we may take a lead from Mwalimu Nyerere, who pointed out way back in the 1970s that better roads, buildings, water connections and services were merely the results of development; development itself is an internal process of learning by people, and resulting from this, their increasing confidence and self-organisation. This view is echoed by many distinguished scholars, who suggest that social development is an ‘inside-out’ process, concerned with the ‘do-er’s’ own knowledge, grounded in experience, internal values and motivation and autonomous action. Liberation theology and Freirean pedagogy also stress this ‘own-powerment’: the shift in consciousness that is a prerequisite for any change process, or for ‘ownership’ of organisation.

If community development involves learning and self-directed organisation, this has profound implications for the way we implement the CWP. What are the methods we use, and do they take account of these insights? These are not simple questions to answer. Development at this social scale, where thousands of people are involved, requires that there is social learning; where many people learn and change behaviour at the same time. New repertoires of organisation are required, ways of responding to opportunity and challenge that are not familiar. And since each local circumstance is subtly different from the other it is not possible for any ‘development practitioner’ or official to suggest these new ways of being and doing; these have to be discovered by the very people involved in the activities that will over time weave into new cultural patterns. Truly autonomous organisation is necessary, and organisation moreover that is characterised by ongoing learning. (Andersson 2013).

The challenge, both in the context of India’s social audit and in the CWP, is how to create the conditions and to institutionalise the processes that enable and catalyse such social learning, without prescribing its form; how to create the conditions that unlock new forms of agency within communities – and what actors are best able to ignite and support such change processes. This also requires a nuanced understanding of the often loosely-used concept of ‘a community’:

[I]t may be useful to reflect that each geographical community is made up of different communities of interest (including an ‘organisational elite’) and also communities of practice. Indeed the establishment of a local management cadre in the CWP which engages in cycles of observing, planning, acting and reflecting can be thought of as creating a new community of practice.

If we accept that communities are not homogenous we can also see that in certain cases they may be sites of contestation, sometimes bitter rivalry, quiet ‘wars of position’ where there is systematic advance of some interests over others, or even open factions and fighting. In this circumstance, would it

follow that a corollary of the desired community development effort is the creation of social cohesion; where there is an appreciation of differences yet willingness to work with and learn from each other, and where there is agreement about a common set of practices and rules? (Andersson 2013).

This recognition of the dynamics of power and politics in every geographically-defined community resonates also with MGNREGA's experience with the social audit: that institutionalising processes that change power relations in ways that deepen accountability or give new forms of voice where these have been lacking are highly political processes, seldom actualised solely through bureaucratic fiat, but made real in a social context in which the opportunity created has to be translated into change in how things are done – by those involved in doing them.

7. PEPS as an instrument of social policy

PEPs have the potential to contribute to social policy outcomes in relation to all three of the 'legs' of the PEP stool. The incomes contribute to social protection goals; participation in work contributes to addressing a range of social challenges arising from unemployment, including depression, social alienation, and alcohol abuse; examples here will also illustrate their scope to contribute to reducing violence against women. The work undertaken can contribute to delivery of community care, child nutrition, and strengthening social institutions such as schools and clinics. This section will elaborate on this potential and explore new opportunities for PEPs in relation to each of these legs.

7.1. Employment guarantees and social protection for the unemployed in the developing world

There has been debate over whether PEPs should be considered part of social protection or not, with an argument that unless there is a form of entitlement to participate based on need, they cannot be considered a part of social protection. In practice, different design features of PEPs can have highly variable impacts in this regard. Whether understood as part of social protection or not, the existence of a PEP will however affect the scale of need for such protection. Rather than engaging in this debate, however, the purpose here is to explore their potential role in social protection from a different angle, focused on India's precedent of an employment guarantee.

In the developed world, social protection for the unemployed is based on a Keynesian logic, that argues that unemployment is not the fault of the individuals affected, that it is a function of economic cycles and dynamics outside their control, and that the costs of unemployment should therefore be treated as social costs, and be borne at a societal level rather than shouldered by the individuals, households and communities directly affected. This underpinned the rise of the welfare state in Europe, with its strong systems of social protection for the unemployed.

In the developing world, social protection for the unemployed is far more rare, raising vulnerability significantly. In practice, in the absence of social protection measures, the costs of unemployment are borne by those affected, as well as by their households and wider communities. As this burden is often carried by the poorest segment of the population, it further impoverishes households that are already poor. It also has disequalising effects: better-off households have fewer dependants and are more able to save, invest and accumulate assets, while the more limited resources in poor households are spread that much further. Yet social protection for the unemployed remains a gap in much of the developing world.

This is often seen as primarily a fiscal issue – that poor countries can't afford social protection for the unemployed. The argument here is that there is an additional constraint confronting developing country policymakers that relates to the stage of development of

such countries.

In the developed world, where market economies are well-established, the category of unemployed is clearly defined, and whether people are employed or not is relatively easy to ascertain; nor is there a large informal and/or subsistence sector to confuse matters. No such clarity exists in developing countries, particularly where the transition to a market economy is not complete and/or regulatory systems are weak. In India, for example, with about 92 percent of enterprise informal, the challenge of targeting the unemployed – and being sure to differentiate them from the self-employed or informally employed – would be immense, if not impossible, with massive scope for inclusion errors and hence corruption.

Inadvertently, perhaps, MGNREGA provides a different way of addressing this problem. Instead of socialising the costs of *unemployment*, India has instead socialised the costs of *a minimum level of rural employment* through the creation of an employment guarantee for rural households. This avoids having to ascertain who qualifies as unemployed: if they are willing to work at the minimum conditions MGNREGA offers, their alternative livelihood options are presumably worse – and that self-assessment becomes the criterion for receiving the benefit.

Could an employment guarantee of this kind provide an alternative instrument through which developing countries can address the social protection gap confronting the unemployed, in ways that overcome the targeting problems identified – and with the added benefits of economic inclusion and the delivery of community assets and services?

In the developed world, where unemployment benefits are a norm, the addition of a work component is seen as an erosion of the existing entitlement – rather than as offering something additional. Given the psycho-social impacts of participation in work, however, might offering an employment guarantee – or an opportunity to work – enhance existing models of social protection for the unemployed, addressing the social consequences of unemployment in a more developmental way? There does not have to be a binary choice between the two instruments. In Kosovo, for example, unemployed people have the option of participating in public employment, earning more for as long as they do so, and with no loss of benefits thereafter. Many take up this option.

7.2. Reducing violence against women and children

In December 2012, the gang rape of a young woman on a bus in India caused public outcry. Shortly thereafter, the brutal rape and murder of Anene Booysens in South Africa focused public outrage on the country's excessively high levels of violence against women and children. While much of the public debate focused on legal justice issues, the wider question posed in both instances was about the underlying causes of such violence – and the dearth of integrated policy responses.

PEPs might seem an unlikely candidate for this role, but one of the unanticipated outcomes of the CWP in South Africa appears to be an increase in community safety, along with reductions in crime and violence against women and children – although there have also been examples in which women have attributed increased domestic violence to their

participation in CWP, as a result of the changes in household power relations that such participation can cause.

Effective community participation is a crucial ingredient in these outcomes, not least because this process often starts with identifying the problems in the community, and this includes identifying social challenges. In the first CWP site established, in a community called Munsieville, the need to address violence against women and children was raised at an early stage by participants. Could strategies to address a social challenge of this kind be converted into work? The Munsieville community certainly thought so. The associated work agenda that the participants developed included posting community guards at known points of vulnerability for women, as well as clearing the bush alongside pathways to the taxi ranks. In rural areas, communities have done the same along the paths women use to collect water.

Many dimensions of useful work have the potential to contribute – directly and indirectly – to enhanced community safety and to reducing crime and violence against women and children. Many sites have taken on community safety activities that include supporting community policing forums as part of their work. Involving youth in the programme creates a focus of activity for them. The work activities also focus on creating youth recreation, including organising sports activities, creating recreation facilities and improving public spaces, as well as various avenues for creative expression, including forms of public art, drama and dance. Support to early childhood development centres creates a safe space for young children; support to homework classes after school does the same for older children. Care work creates a linkage into support networks for some of the most vulnerable and marginalised, which might in turn reduce their vulnerability even within the home.

Many participants highlight how participation in work has reduced their own anti-social behaviour, including their abuse of alcohol and drugs, and their propensity to be involved in crime. There is also evidence that reduced stress impacts in the home environment also.

‘I’m fine with my job and it’s better than being at homeeven your mind as well, you don’t get tempted to do crime because you spend a lot of your time working and not thinking other things’. (Bushbuckridge CWP)

‘It is good to have a job, it protects one from having anger in her heart and they start thinking bad things, like if I can rob someone, yet when you are working, you become loving, even at home you can support the kids at home.’ (Randfontein CWP).

‘There’s no domestic violence at home, because it’s a lack of money that causes it most of the time.’ (Randfontein CWP)

‘For instance, I cannot go to work drunk, I have to respect my job by not drinking when going to work, even if I drink, I will drink Saturday and Sunday, but not during the week.’ (Randfontein CWP). (Vawda et al, 2013)

Domestic violence has arisen as an issue that strongly affects participants in CWP, and this has affected the work context. A particularly powerful example comes from Alexandra township in Johannesburg, known as Alex. A CWP participant was found gruesomely

hacked to death by her husband, in a horrific case of domestic violence. This cast the spotlight onto an issue that had remained unspoken until then: the extent to which women in Alex were coming to work in the CWP with injuries sustained at home. There was a day when 12 beatings, two hospitalisations and one near death were reported in the CWP, and the site has had three cases of women who have endured serious injuries and broken bones during domestic attacks. Some of the perpetrators are also CWP participants, thrusting the CWP co-ordinators into unanticipated and often difficult roles. (TIPS, 2011).

After the murder, CWP participants marched to the Wynberg Magistrates Court in protest at violence against women, and it was against this backdrop that the CWP in Alex initiated its violence against women and children campaign. This in turn links up with another initiative in Alex, in which the CWP is part of Phuzza Wize, a campaign of the Department of Social Development focusing on the use and misuse of alcohol. In Alex, the CWP hosts a radio show on the topic that reaches more than 1.2 million people through Alex FM. (TIPS 2011).

While PEPs have no intrinsic tendency to reduce violence against women and children, these examples illustrate how design choices can yield such results: from the work performed, from the impact of participating in work, from the kind of awareness raising that takes place within the programme, and from the kind of leadership provided – with the scope for awareness raising on social issues to become part of the work of such a programme. In a context of a dire need for interventions that address the underlying causes of such violence, there appears to be untapped scope for PEPs to play a transformative role at this level.

Beyond violence against women and children, evidence exists of CWP enhancing wider community safety and mitigating the incidence of collective violence. In a study of collective violence in South Africa that focused also on the outbreaks of xenophobic violence in 2009, a case study was done of the community of Bokfontein, where such violence did not take place, despite this informal settlement sharing the conditions evident in communities adjacent to it – where such violence was rife. The presence of the CWP was identified as a crucial factor differentiating Bokfontein from the communities around it, coupled with the fact that the implementation of the CWP was strongly community driven: an outcome enabled by the use of a particularly powerful community development methodology called the Organisation Workshop (Langa & Von Holdt, 2011).

7.3. Useful work to address social policy priorities

The work in CWP includes care of children, the elderly and the sick; community safety initiatives, food security work, literacy training, and a range of forms of support to schools as institutions at the heart of community life: from cleaning the toilets to assisting in libraries and organising homework classes after school – significantly enhancing the learning environment. The work includes renovation and greening of recreation spaces and play parks; as well as activities involving public art of different forms: murals in public spaces and using drama to promote public awareness. Youth recreation activities are organised, including for example, sports leagues.

All of these forms of work impact not only on the participants, but create new avenues for

participation and engagement that involve the wider community also. They illustrate the potential for public employment programmes to build social cohesion and to act as an instrument of wider social policy.

Within the spectrum of innovation in the types of work being undertaken, this section highlights the scope to use PEPs to address the deficit of care in communities and to promote food security.

7.3.1. Addressing the deficit of care in communities

Work in the social sector in South Africa began with a focus on care at two levels: with support to early childhood development centres, and with identifying a scope of work around home-based care, targeted initially at people with AIDS and/or tuberculosis (TB); often bedridden and without adequate support. Against a backdrop of official HIV/AIDS denialism at the time, the programme was a brave initiative from within the South African government, to provide a new form of social assistance to those infected and affected by one of the world's worst HIV epidemics, in a context in which stigma coupled with the sheer weight of the crisis were leading to a breakdown in the social support systems required. Non-governmental organisations (NGOs) were used as the implementing partners in the process – also an innovation in public employment.

Community mapping processes at a CWP site level have highlighted a wide range of additional contexts in which there is a deficit of care, not only for people who are sick, but also for elderly people and child-headed households.

The work can include cleaning the house, the bed-linen and the patient; food preparation; providing labour to maintain food gardens and hence food security; care of smaller children to release older children to go to school, to do homework – or just to play – in contexts of child-headed households; and collecting medication from the clinic. It can also include auxiliary health services, under the supervision of the clinic and with appropriate skills development. Involvement in such work has provided one of the strongest career paths out of CWP and into formal work in health services.

In addition to the support provided by the programme, the CWP identifies gaps in existing service delivery and support systems, providing a source of information and an institutional link to wider social services, with the potential to assist in crowding these in. The CWP has, for example, facilitated access to social grants for community members who have been unable to navigate the applications processes: strengthening social protection in the process, and providing a vital communication link with the clinics.

There are risks, however. Is public employment in the social sector being used to erode formal systems of care and displace better and more permanent work? Insofar as this is the case, the net effect is negative for development (and for the reputation of PEPs).

Alternatively, are PEPs being used to provide a new layer of care, giving social and economic recognition to a real need that is currently unmet – or that relies on unpaid and voluntary work? Making sure that it is the latter is an important policy and design issue.

This work brings new challenges also. While the form of employment might be part-time,

care often cannot be, with implications for scheduling and job-sharing. Care work also requires informed oversight and supervision, because there are risks of abuse of vulnerable people. Ensuring quality of care requires close links to relevant social services and health systems, with mechanisms to set minimum standards and provide quality assurance. At the same time, this work can expose participants to health risks, requiring effective training and effective safety procedures. This work also exposes participants to distressing and traumatic circumstances, requiring support systems that counsel and support the carers.

While access to networks and social inclusion are outcomes for participants, social sector PEPs take these effects to another level within the community: because the regular contact with PEP workers contributes to overcoming the isolation and social exclusion that often affects households coping with chronic illness or other forms of vulnerability – particularly when stigma is an added factor. The work undertaken reaches some of the most socially marginalised, with community-wide impacts on social inclusion and on the capacity for a community to create networks of care.

PEPs: an instrument to socialise the burden of unpaid care work?

The deficit of care in communities has a strong gender dimension. Care work often forms part of a wider spectrum of unpaid work in the home that is traditionally undertaken by women. This burden of care has been heightened in the face of the HIV/Aids epidemic, which has also changed the composition of who needs care: with women in the prime of their productive lives the worst affected by the epidemic. (Budlender & Lund, 2011). Cuts in social services in many countries have also worsened the situation.

In a study of unpaid care work in eight countries undertaken by the United Nations Research Institute for Social Development (UNRISD), South Africa was found to have the highest gender gap, with men doing just over a tenth of the amount of person-care carried out by women: a pattern explained in part by an apartheid history of family disruption and by the current fractured family set-up, with only about 35 percent of children living in the same households as their fathers, and many women not living with their partners (Budlender, 2010).

The impacts of this are compounded by the fact that many women are unable to rely on financial support from the fathers of their children, making them breadwinners as well as caregivers – yet their caregiver function limits their scope for wider economic participation, creating a poverty trap. That no economic value is placed on such work, even though it produces equivalent or even better services than those sold in the market in the form of inter alia paid domestic work, health and education services and laundry services also masks the real economic contribution of women.

What, then, are the policy options available to address this issue? Might PEPs in the social sector offer a new instrument through which to provide payment for care work – albeit at less than its market worth – to some of those who provide it? Might PEPs be a mechanism to socialise aspects of this burden of care, in ways that impact at a household and community level, introducing a new layer of support to care?

Might this create potential for systemic impacts on the overall landscape of care options, on how care is institutionalised across the society and on the spectrum of forms of care that are available – particularly to the poorest?

Even when the PEP itself is not a guarantee, an area-based PEP may be able to guarantee a minimum level of care to those who need it within a given area, and enhance access to other forms of social service in the process.

7.3.2. PEPs and food security

Nutrition is a crucial part of care, and food is often lacking or inadequate in contexts of vulnerability. A strong complementary work agenda in the CWP has focused on food security: maintaining food gardens for households identified as vulnerable, including child-headed households, as well as at schools, crèches, and clinics. While the work itself is not social sector work, its impacts are on zero hunger as a priority goal of social policy, improving child nutrition in particular. PEPs can be designed to be integrated into a zero-hunger strategy – and support aspects of market development in this area also.

The most basic impact is through the incomes earned by participants. This influences household nutrition, with potential multiplier effects on the supply side as increased local consumption supports local producers, enhancing the sustainability of local food production. In addition, PEPs enhance food security through the direct production of food for those in need.

Participation in food production as part of the CWP programme has been accompanied by the increased likelihood of participants planting food gardens at their own homes, using the skills they have learnt. (Vawda et al, 2013).

PEPs also enhance local agricultural productivity through the assets and services created such as the construction of irrigation canals, village dams, land rehabilitation, watercourse management and other environmental services.

Procurement strategies for PEPs can also create economies of scale and enhance the viability of local production. An example from the CWP arises from the programme's high demand for vegetable seedlings. At a site run by NGO Lima Development, a local entrepreneur was supported to establish a seedling nursery. This venture was made viable by the predictable scale of the CWP's own needs. In the process, however, other local producers were also able to access seedlings locally and more affordably, enhancing the viability of local food production.

PEPs: A response to the structural drivers of HIV/Aids?

The HIV epidemic in South Africa has devastated the lives of huge numbers of people, particularly poorer populations and young women. Within the discourse on the epidemic, emphasis has been placed on the role of social and economic relations that give rise to gender inequality, entrenched poverty, isolation and marginalisation.

These structural factors have attracted increasing attention in the literature on HIV but incorporating them into effective responses and interventions has proved extremely challenging.

An argument has been made that the CWP in South Africa is a response that addresses the key determinants of the causes of vulnerability to a range of health issues, including HIV. This derives from its participatory approach to community development and priority setting, alongside a mechanism for supporting sustainable livelihoods through public employment, in a context in which the work undertaken also impacts on the structural drivers identified: including addressing food security, undertaking care work, involvement in community safety, improving the quality of life in communities, and organising youth recreation and awareness-raising activities – with potential impacts also on violence against women and children. (O'Brien, 2011).

8. PEPs, the environment and green jobs

A number of different policy agendas converge around environmental issues. There is increasing recognition that environmental degradation exacerbates poverty, and that improving the natural resource base enhances livelihoods and improves people's quality of life (ILO, 2007). At the same time, it is recognised that climate change will hit the poor the hardest, and that strategies to limit these effects is needed. In the face of climate change, the value of natural capital has also become much more explicit than before – both its invaluable role as a necessary condition for life, as well as its value in more direct economic terms: translated into direct costs and benefits, and recognised as a crucial factor enabling or constraining growth. At the same time as the economic value of natural capital is increasingly recognised, so is its public character – as a global public good – and the need for public investment to protect and maintain it.

In this debate, the potential for PEPs to provide a form of public investment in the development, maintenance and rehabilitation of natural capital, institutionalised at local levels with local participation has not penetrated far. Yet there is much in the track record of PEPs and in current innovation that suggests scope to use PEPs to mainstream environmental services at local levels, and to integrate greater local ownership of such processes.

There are many examples of the environmental impacts of PEPS. In India, there are estimates that between 50 to 67 percent of all works are water-related in some form, including construction of village dams (or ponds), rehabilitation or construction of irrigation canals, and land rehabilitation that can affect the water table and therefore agricultural productivity for the village as a whole. Arguably, it has become the world's largest rural water program (Verma, 2011).

In Ethiopia, much of the work in PSNP is focused on the land rehabilitation and water infrastructure required to enable sustainable agriculture.

The need for access to water and the scope to use PEPs to address these needs is a common theme in relation to CWP work. It's vital for the 45,000 home food gardens and 5000 community, clinic, crèche or school gardens; in maintenance activities such as the repair of leakages; in cleaning of irrigation canals; in nutrient recycling through composting and waste management; in water and land conservation and soil erosion prevention such as gully treatment and managing grazing and watering of livestock; in local bridge construction and in the small water-dependent businesses that people start with the wages earned.

In South Africa, a suite of environmental PEPs under the Natural Resource Management Programme in the Department of Environmental Affairs provide a range of environmental services, such as the Working for Water programme, which removes invasive alien species from water courses, with substantial impacts on improving water flows in a context of water

scarcity (De Lange & Van Wilgen, 2010). Working on Wetlands focuses on the restoration and rehabilitation of wetlands; Firewise uses public employment to limit fire threats to the environment and communities.

PEPs have the scope to build and sustain community-based approaches to natural resource management, identifying priority needs and locally-appropriate solutions in an integrated, area-based way. The challenge is to ensure more effective convergence with climate adaptation agendas in this area.

9. PEPs, local economic development and inclusive growth

The concept of inclusive growth is a response to the failures of trickle-down economics, and arises as a policy concern in contexts of high inequality and unemployment. The emphasis on inclusion relates firstly to the distributional outcomes of growth, and secondly to the process of growth: to the levels of participation – or inclusion – in that process: with employment a primary measure of such inclusion. As such, the concept introduces what might be considered social dimensions into the growth debate: a recognition that economic growth needs to be good for society as a whole.

Part of the challenge therefore is to find forms of stimulus and of investment able to shift existing patterns. While it is certainly no silver bullet, how far can public employment go in contributing to this process?

As a form of stimulus, PEPs offer the prospect of trickle-up economics: placing resources in the hands of poor people and poor communities and allowing the impacts to trickle up into the wider economy from there, with area-based approaches enabling spatial targeting. PEPs trajectory of impact on inclusive growth is via its impacts on the local economy, making it a potentially important part of the local economic development (LED) policy mix. Area-based programmes such as the CWP can also be implemented and have impacts in a local context – even in the absence of a national programme,

DK Jain, Joint Secretary for Rural Development in India (in charge of MGNREGS), provides an interpretation of the conditions for inclusive growth that reinforce this local focus:

For growth to be inclusive:

1. It should use factors of production that the poor own;
2. It should use skills sets that the poor have;
3. It should take place in sectors which are sources of livelihood for the poor, and
4. If it is infrastructural, it should occur in areas where the poor live.

(Presentation, UCT/ILO Course on Innovations in Public Employment, Cape Town 11 March 2013)

This definition focuses the inclusive growth agenda at the level of livelihoods of the poor, and fits well with Minsky's emphasis on the need to take the poor "as they are" rather than focusing on anti-poverty strategies that rely on first changing the characteristics of the poor as a condition for their inclusion in the economy. It also draws attention to the factors of production to which the poor have access, to their existing livelihood strategies and to the spatial dimensions of inclusion.

Impacts on the local economy derive from the same three elements through which PEPs achieve impacts in general – from the incomes earned, from participating in work, and from the assets and services delivered. LED impacts will vary depending on design features related to these.

The assets and services provided by PEPs are probably the best understood trajectory of such impact, with a range of examples of PEPs seeing systemic change in productivity in the local economy. The role of infrastructure development as a game-changer has been noted. In India, South Africa and Ethiopia, assets created by PEPs contribute to enhanced agricultural productivity, through the rehabilitation of irrigation systems, the fencing of grazing areas to prevent the encroachment of cattle and goats onto cropland, the rehabilitation of degraded land, the construction of dams, canals and wells, the construction of contours, the maintenance of fire breaks, and much more. This scope is enhanced when PEP outputs form part of area-based development planning.

The injection of a sustained rise in incomes creates sustained increases in consumption spending also, thickening local markets in ways that are more viable than when such incomes are short term and project-based. PEPs also have a role to play in increasing the circulation of funds within the local economy, to maximise their multiplier effects, but this requires active strategies that help build awareness of the importance of increasing local spend, identifying opportunities and gaps in the local economy and tracking local multiplier effects. There are also examples of PEPs facilitating local buying co-ops among participants.

PEPs can also strengthen local procurement of tools and materials, and economies of scale can be leveraged to create wider local benefits, as demonstrated by the example of seedling production discussed in the section on PEPs and food production.

PEPs also have a range of potential roles in enterprise support – although there are risks in assuming that they can function as enterprise development agencies. Developing community contractors as implementing agents has, however, been part of the operating model of many PEPs. There is also potential to incubate certain activities in ways that allow these to be spun off as enterprise activities. For example, waste collection and the sorting of waste began as part of community clean-ups in some CWP sites; as the scale and scope of this waste collection grew, the potential for it to be organised as an enterprise activity became apparent. Establishing systems and practices for organising the process within CWP mitigated the risks of doing so, and gave participants skills and confidence to make the transition into enterprise activity. A transition into market-based activity has been common where participants apply skills in agriculture into their own livelihood strategies.

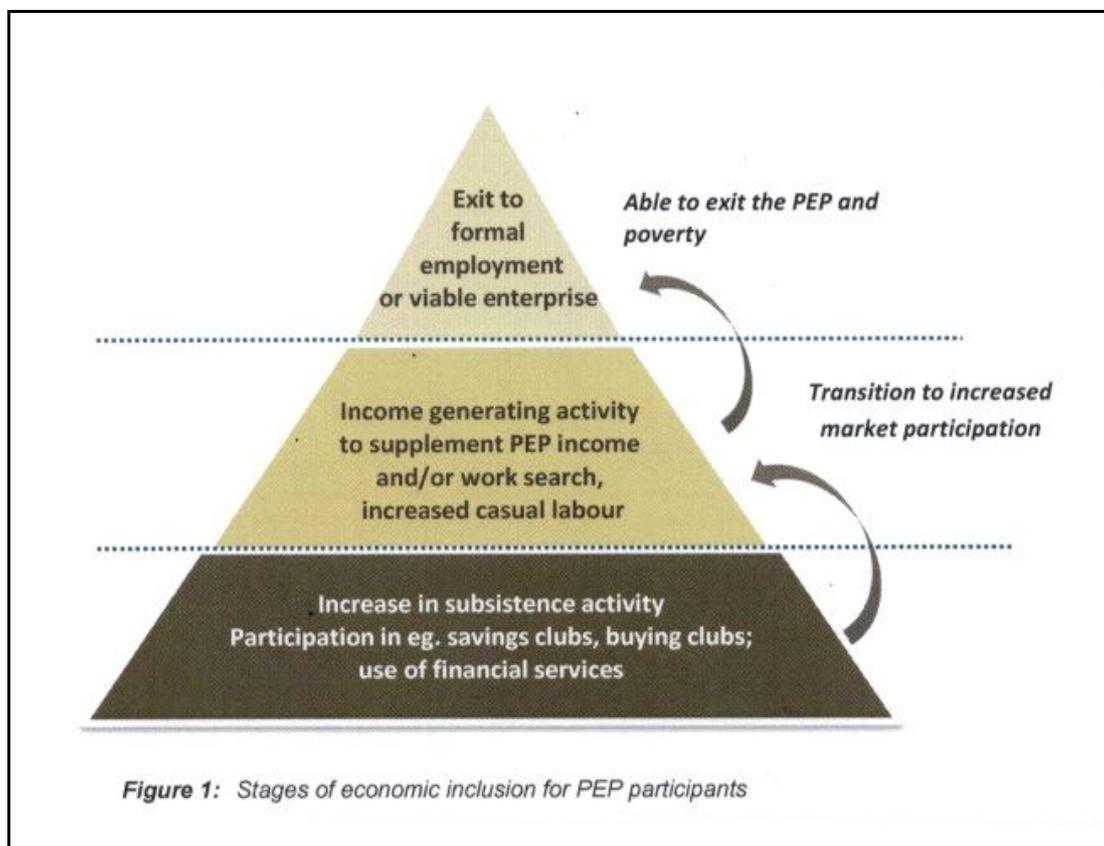
Where PEPs are involved in enterprise development and/or become trading entities, this raises policy issues around risks of capture, scope for market distortion, the implications of providing subsidies to enterprise activity and issues of equity related to who captures these gains. Despite these risks, the importance of developing enterprise pathways for participants makes it important to tackle these issues.

The opportunity to work also provides participants with new skills and capabilities. How far does this assist them to transition out of PEPs and into other forms of economic activity? For many, this is the litmus test for public employment programmes: if they can't achieve this outcome, they are not a good investment. The outcomes at this level depend less on the public employment programme itself, however, than on whether economic opportunities are

growing at an overall level. If the labour absorption capacity of the economy is not growing, there is little a public employment programme can do to ensure that participants are able to exit into wider opportunities.

At the same time, if the programme effectively targets the poorest and most marginalised, then, even when opportunities do open up in the wider economy, a sizeable proportion of PEP participants will be last in the queue of people who are able to access such opportunities.

Instead, a more nuanced understanding of changes in economic inclusion is needed, with recognition of the more incremental shifts that participation in public employment may enable and with value placed on all of them (see Figure 1). This also needs to recognise the complexity of people's livelihood strategies; a PEP will have a greater impact on poverty when it supplements rather than replaces these strategies.



Upward movement at each level represents an advance in economic participation and inclusion and also in reducing poverty – over and above the direct benefits of participating in the PEP. However, these more nuanced impacts on economic participation are not being measured effectively in most public employment programmes, with the result that anything less than a transition into a full-time job counts as a failure of the public employment programme. This underestimates the complexity of processes of enabling economic inclusion.

10. PEPs and labour markets

10.1 Eroding labour standards – or creating a labour standards floor?

While part of the theory of change for PEPs includes the benefits of participating in work, this is highly contingent on the nature of the work – and the conditions under which it is undertaken. Participation in work can improve workers' health, sense of dignity and agency, but if the work is degrading and disempowering, and the conditions are a threat to their health, this theory of change breaks down.

A longstanding debate explores the principles that should underlie wage-setting and working conditions in PEPs. At one end of the spectrum is an argument that wages should be at or below market-rates, to enable self-targeting and prevent labour market displacement effects. The problem that arises is that public employment typically takes place in contexts of dire need. People are desperate – and they will work for desperation wages, even when these do not even cover the calorific outlay involved in their participation, let alone support the basic needs of a family. By this logic, how low can you go? In some PEPs, the answer has been very low indeed.

The rationale for abandoning minimum standards in PEPs has been compounded at times when they are positioned as a part of social protection, with this supposedly justifying treating the work as not really work at all; wages become stipends, and established norms for minimum rights and conditions at work are ignored. This raises real questions over whether it is desirable for PEPs to be defined as part of social protection at all - rather than as part of employment policy, and although this need not be a binary choice it often takes this form in practice, with implications for the policy logics then brought to bear. Treating the work in PEPs as not really work defeats the purpose of offering work – kicking away participation in work as an important leg of the three-legged stool. Under these circumstances, a cash transfer probably is a preferable policy option.

By contrast, it can be argued that wages and working conditions in PEPs should reflect the minimum acceptable levels in a society: so that they set a level below which no-one should have to work - even if this is above market rates. Applying this in practice is not easy either. What is the minimum acceptable level in a society and how is it decided? How are potential labour market displacement effects addressed – because who wouldn't want to leave an existing job if the PEP offered higher wages? Does it matter if they do? How does part-time work affect this? The net wages from poorly-paid full-time employment would probably still be more even if the daily rate in the PEP was higher. If the work is short-term – what happens to them when it ends? (For more discussion on this debate, see Lieuw-Kie-Song et al, 2010).

MGNREGA has, however, changed the terms of this debate, providing evidence that in the context of a guarantee, PEPs may provide an effective additional approach to the establishment of a labour standards floor in society: by creating an alternative to exploitative

or degrading work. The existence of such an alternative changes the choices available to the most vulnerable, and in the process, influences wider market outcomes.

[MGNREGA] has caused real wages to rise, gender gaps to come down and open unemployment rates of women to decrease. Before the scheme was implemented, these were not really anticipated as likely outcomes. But this positive impact may well have longer-term beneficial effects on social and economic dynamics in rural India. (Chandrasekhar & Ghosh, 2011)

In India, market-based wages in the agricultural sector are often lower than the agricultural minimum wage, which is set at state level. In MGNREGA, wages have been set at a minimum level that is often higher than these market-based agricultural wages. As a result, in certain states, employers have complained bitterly of labour shortages in harvest season, as workers take advantage of having an alternative to the highly exploitative conditions of work in rural India. The net effect has placed upward pressure on market wages in such states. In the eyes of some, this is a market distortion; in the eyes of others, it represents a policy breakthrough in addressing working poverty and asserting minimum labour standards (Chandrasekhar & Ghosh, 2011).

A similar dynamic exists with the gender wage gap. While women should earn equal pay by law, this is honored mainly in the breach in rural India. But in MGNREGA, this gap has significantly closed – even if there are still instances in which task-rates are used to maintain discrepancies. This is certainly one of the factors that makes MGNREGA the preferred workplace for rural women; it does also have ripple effects in the wider labour market.

The existence of an employment guarantee (rather than less predictable access to public employment) is a critical factor, because even though MGNREGA does not offer full-time work, the entitlement to a minimum level of work at improved conditions allows people to make choices and trade-offs in relation to the basket of available livelihood options available, and to exclude the most exploitative – including forms of self-exploitation. This applies, however, only where the guarantee is operating effectively; in some states, demand still exceeds supply, which reduces these effects (Dutta et al, 2012). In addition, real wages – and minimum agricultural wages – vary across the states of India. Not surprisingly, where MGNREGA's minimum wages have been lower than market-based wages, the program has not readily taken off (Verma 2011) – which should not be seen as a problem.

Evidence from India therefore suggests that when a guarantee is operational, it is a potentially effective instrument for ensuring wider compliance with minimum wages. Enforcing minimum wages is often made difficult when people are desperate; they will accept work at conditions below the prescribed minimum levels – making them effectively complicit in the erosion of minimum standards. An instrument that offers workers a secure alternative – even a partial one – means that instead of compliance with minimum wages relying on enforcement mechanisms, workers are instead empowered with the option of refusing such work. How this affects the demand for labour over time is, however, yet to be seen. At what point and to what extent might replacement of labour with capital become attractive to agricultural employers?

PEPs and the displacement of existing jobs

Most of the debate about the scope for PEPs to displace existing jobs relates to the wage-rate issue, and the argument that if wages in PEPs are higher than market-wages, this will displace existing employment – and that this should be avoided no matter how exploitative such jobs are. There is however a different risk, which is that PEPs are used as a form of cheap labour in the public sector, allowing local government in particular to shift such work off its payroll and into a public employment programme – typically with much lower wages and benefits. In South Africa, for example, in wealthy municipalities, municipal workers (or workers employed by contractors) clean the streets; in poor neighbourhoods, public employment programmes often do so instead.

This defeats the purpose of a PEP, and needs clear rules - and mechanisms to enforce them; the involvement of organised labour in the process of identifying work that adds to the public good without encroaching on public sector work is part of this, but organized labour is not present in all contexts. The scope of public sector work also varies substantially from country to country, making this is an area for contestation.

10.2 A labour standards floor – at what level?

Despite MGNREGA raising rural wages in India, these wages are still significantly lower than in equivalent programmes in South Africa, and so are working conditions. For example, in South Africa, workers are provided with work-gear, typically consisting of an overall and boots, while workers in MGNREGA work in their own clothes: at times undertaking construction work barefoot. Minimum standards for what represent acceptable conditions of work vary considerably in different countries. Rather than being an absolute, the ILO's concept of decent work relies on the principle of "progressive realisation". Low as they may be, conditions in MGNREGA are an improvement on existing labour standards in rural India and thus are considered to contribute to decent work; the logic of progressive realisation means, however, that the trajectory of improvement should continue, rather than these low levels becoming the new norm, legitimised simply by their status as better than what existed (and still exists) outside the programme.

In South Africa, working conditions in EPWP have improved over time. Although with some variances (set out in a Ministerial Determination) workers in EPWP have been covered from the start by the Basic Conditions of Employment Act, and also by a Code of Good Practice agreed through the tripartite National Economic and Development Labour Council (NEDLAC). Fair conditions for hiring, firing and disciplinary procedures are set out. Workers are also covered by health and safety legislation, and qualify under the Compensation for Occupational Injuries and Diseases Act. These conditions were later strengthened by a Ministerial Determination in 2010 that sets a minimum wage, pegged to roughly the equivalent of the disability grant, that rises annually. This determination also made EPWP workers eligible for unemployment insurance.

Arguably, conditions in EPWP are set at the minimum acceptable level in the society – with more protection and higher wages than many in the informal sector or in casual work enjoy, and at a level that aims to reflect the minimum acceptable level for a labour standards floor.

Yet what is considered an acceptable minimum even within a given society is far from static. So, in 2012, the minimum EPWP wage was R63.50 a day: just below the minimum wage for farm-workers that caused waves of strikes and public condemnation in late 2012, leading to a new minimum wage of R105 a day being promulgated in agriculture: now leaving the EPWP minimum far behind (along with other sectors such as domestic work); prompting debate over whether this is indeed an acceptable minimum.

PEPs: Changing the social construction of labour markets?

An employment guarantee offers the possibility of a fundamental shift in the basket of rights in labour markets: introducing a right to work with a new materiality. Up until now, the right to work has meant a right to work when work is available. This is a weak right, subordinate to the capacity of markets to absorb labour, and with no scope for the right to be realised outside of the capacity of markets to enable it. In the context of an employment guarantee, however, the content of this right is transformed: from a right to work when work is available, to a right to work when work is needed.

In making the case that markets are social constructs, and in critiquing the way the concept of intervention in markets is understood, Ha-Joon Chang used labour markets to illustrate the point. He argues that labour markets embody an underlying set of assumptions about a basket of rights that change over time, and that the concept of intervention in markets involves change to this accepted basket of rights. (Chang, 2001)

For example: ending slavery was once seen as an unacceptable level of state intervention in the market: bad enough for the US to fight a civil war over. Today, even the most die-hard proponent of labour-market deregulation would balk at defending the abolition of slavery as an unacceptable state intervention; this is part of the existing basket of rights, and as such, is not seen as an intervention at all, but “the way things are”.

The prohibition on child labour provides a more nuanced example, which illustrates the point. In some developing countries, this is still an unacceptable state intervention: but in others, it is an unassailable part of the basket of rights – of the way things are - and is not seen as a distortion of a free labour market.

If markets are understood as social constructs, then part of the challenge is to identify how they might be constructed differently – to achieve a different set of outcomes in terms of poverty, inequality, and human dignity. Might an employment guarantee offer an instrument able to achieve exactly this: impacting on the social construction of labour markets by changing the basket of rights within them, in a way that at least partially delinks access to employment from market performance?

In what as yet inconceivable ways could it change outcomes in society if people had a right – a real right – to a minimum level of employment on decent terms? A right no longer subordinate to markets, but a social right, underwritten by society at large – through the mechanism of an employment guarantee?

11. Implementation challenges and the paradox of rights

Regardless of their differences, all PEPs share a predictable set of core implementation challenges that present no great mystery. Central to these is the establishment of an efficient, effective, highly audit-compliant payment system, both for wages and for the associated costs of delivery, coupled with systems to report and monitor outputs. These technocratic systems are enhanced by processes such as the social audit, which provide a mechanism to ground-truth reported outcomes.

Many PEPs are short-term and operate in crisis contexts, including natural disasters and post-conflict situations characterized by a break-down in existing institutions, systems and the rule of law. Many are still reliant on cash payments. These conditions create real challenges and open significant opportunities for corruption. While corruption always remains a risk – as in any programme disbursing large amounts of public funds - PEPs that are institutionalised as long-term programmes can plan far better to contain it, with management information systems allowing for large volumes of information to be processed in ways that enhance monitoring and evaluation and inform decision-making. In addition, even in rural India and South Africa, cashless systems of payment now enormously reduce risks of leakage and enhance audit trails. These advances have created conditions for enhanced efficiencies, increased transparency and reduced risks at the operational level.

Administrative efficiency is important if transformative results are to be achieved. No matter how developmental the design of a PEP may be, if the administrative systems required to pay workers on time do not do so, the benefits of the income transfers and of participation in work are sabotaged; the chances also are that workers will take to the streets to demand payment. If payment and procurement systems required to ensure that the tools and materials necessary to deliver quality work outcomes do not function, then quality outcomes will not be delivered. Instead of being meaningful, the work risks becoming drudgery.

Efficiency of core systems is necessary but not sufficient in the rollout of such programmes, however. These systems have to interface with the more complex challenge of building implementation capacities at local level. In the case of a rights-based programme, the process also includes empowering rights-holders to demand such rights in the face of a sometimes reluctant local bureaucracy.

This creates what former Joint Secretary of MGNREGA, Amita Sharma, calls “the paradox of rights” in MGNREGA: that a right to work has been created, but – as with all rights-based programmes - accessing that right is not always a straightforward process.

According to Sharma, “The most significant features of MGNREGA are that it creates a rights-based framework and that it is a law” (Sharma, 2010). This in turn creates an implementation paradox: work is an entitlement, but accessing that entitlement requires a certain level of information and organisation of rights-holders.

As she explains:

Exercising rights, making choices, wresting entitlements from entrenched systems requires capabilities and most wage seekers lack these. How can they avail of the rights invested in them by the Act? There are no simple solutions (Sharma, 2010).

Access to work on MGNREGA requires participants to register, and to demand work. The rollout therefore relies on demand from below, in a context of uneven capacity as well as uneven willingness to deliver the programme at local government level. Sharma emphasises that the outcomes from “four breathless years of rapid expansion” are uneven, that in many respects it is too early to say with certainty what the impacts and implications of MGNREGA will be, and that outcomes need to be viewed as “processes set in motion” (Interview with Sharma, 2010).

A recent World Bank study on MGNREGA (Dutta et al, 2012) finds that as everyone who wants to work on the scheme has not been able to access it, it does not really constitute a guarantee. While no doubt technically correct, it nevertheless seems a little churlish, in relation to a programme only six years old, that has reached more than 55 million people, making it the largest public employment programme in history. As the World Bank might well reflect from its own experience, there is no magic wand in development. Development processes are slow, progress is incremental – and innovation, in particular, is hard, because it requires those responsible for implementation – and also the beneficiaries – to change the way they do things. This needs new organisational forms, new practices, new roles, new access to information, and new mechanisms of accountability. The process of embedding such change is also typically contested and the outcomes of such contestation don't always deliver optimal outcomes. The political economy of any given change process is a vital factor.

This takes us back to North's work on institutions – on the rules of the game, formal and informal. He argues that the reason the outcomes of revolutions are never as revolutionary as their participants expect is because although formal rules can be changed overnight, changing informal rules takes far longer (North, 1994). MGNREGA is an example of the formal rules changing overnight; yet the morning after the Act was passed, nothing had changed for those who had become rights-holders: the process of realising those rights had only just begun.

Development processes take time, and have to be measured over time. Are there implementation challenges in all of these PEPs? Certainly – there are many. Sometimes what matters most in development is simply to get started, and allow the exigencies of the process to drive learning as well as systems development. No matter how good the planning, contexts of rapid scale-up will always place capacities under pressure. Innovation always takes place under conditions of uncertainty, and involves trial and error. These are inherent tensions within any implementation process; the question is how they are managed – and what the trajectory is in addressing the kinds of problems that are sure to meet the process along the way. The development process is a problem-solving process, and often, the lack of problem-solving capacities is part of the development problem. In addition, a solution to one problem may well raise a new set of challenges. The process is

iterative and ongoing, and so it should be.

In India, the statutory social audit, for example, has institutionalised a new form of accountability for communities. But this has been characterised by uneven performance, resistance to the curtailment of power it represents by some government officials, weak oversight where communities don't have the skills to provide the anticipated levels of scrutiny, and contestation over the roles of civil society in bolstering such capacity. This turbulence is part of establishing new norms and new rules of the game – which, over time, have become increasingly embedded.

Outcomes in CWP have also been highly variable: with processes that can be called “norming and storming”, as roleplayers work to recast the way things are done – or to resist such change. This can be enabled by good systems, clear mandates, the right sets of incentives and systems for shared learning; but there is no short-cut for the messiness of developing new ways of doing things, for changing the way things are done. What matters in all these programmes is the trajectory over time. Do best practice models start to emerge? Does wider practice start to learn from these experiences? Do the roles of stakeholders clarify over time? Do new competencies for these roles develop? Do outcomes improve?

This recognition of development as a trajectory seems absent from Dutta et al 2012; as does an understanding of Sharma's insight into the paradox of rights. This perspective is however important for evaluation processes, which inform policymaking – and can risk seeing a snapshot in time as the total measure of impacts, without understanding where that snapshot fits into a trajectory of change. Evaluation that tracks change processes needs to complement the focus on performance indicators and time-bound outcomes – important as these are.

12. Back to the big picture: PEPs and economic change processes

To zoom back out to a much wider view, the work of North provides an analysis of the history of economic change, and of the institutions needed to enable such change – and why most societies fail at it.

He argues that the ability of certain societies to effect economic change has been as much because of the success of their political and social institutions as their economic ones. In particular, he highlights the radical social changes that accompanied technological change in “the second industrial revolution”, including rapid urbanisation, specialisation and division of labour in the workplace, and the significant shifts in the role of the family in relation, for example, “to education, employment (the family enterprise) and insurance”. (North, nd:8)

For North, the relative success characterising the developed world has been its ability to develop new forms of organisation and new formal rules to replace the traditional social institutions swept away by economic change. He argues that “to realise the advantages of this technology has entailed a fundamental restructuring of economic activity and more than that of the entire society” (North, nd). He describes this adjustment as “a total societal transformation”.

In societies that demonstrate the “adaptive flexibility” required to effect such transformation, government has played an increased role: ensuring that core social functions placed at risk by economic change processes are delivered in new (and sometimes more effective) ways, with new forms of organisation and new formal rules created. (North nd).

This adaptive flexibility limits the risks to those affected by change, and by limiting uncertainty, enables the process of economic change.

In the rise of market economies in the developed world, a key factor has been the inter-relationship between the following two dynamics: the economic change processes required to unlock increased productivity and enable growth, and the rise of institutions that compensate for the social costs of such change: *inter alia* in the form of social protection systems.

These social institutions have been critical in retaining the social consensus required to enable economic change within a democratic context. This insight is reminiscent of Polanyi’s notion of a “double movement” in society, in which processes that unlock economic dynamism and the power of markets are counterbalanced with measures aimed at protecting society from the potentially disequalising and negative consequences of these.

This need for social consensus in order to effect economic change does not constrain dictatorships, but it does affect the scope for economic restructuring in democracies. Mushtaq Khan argues that this is one reason why the Washington Consensus was such a

disaster for Africa. By removing the state's ability to use social policy to enable market development processes within transition economies, it removed their ability to off-set the social costs of the economic change processes required to build market economies – ironically placing both the future of such market economies and of democracy at risk in the process (Khan, 2002).

In South Africa, there is a clear tension: the sustainable solutions to unemployment require structural economic change, they will have winners and losers within the current economic context. Such a process will also take time to yield results: but current levels of unemployment are socially and economically unsustainable right now. Part of the rationale for an employment guarantee is that it allows the country to address the burning issue of unemployment in the short term – while longer-term policy solutions kick in.

That is the more self-evident part of the argument. Drawing on North's insights into the importance of social institutions in providing the necessary conditions for economic change, might the lack of social protection for the unemployed be a major impediment to such change – and might an instrument such as an employment guarantee therefore be a necessary condition for the kinds of wider structural change required in the economy? At present, high unemployment coupled with the lack of social protection for the unemployed mean that the stakes in relation to economic change processes of any kind are extremely high for all affected. Any kind of economic change involves high risk to anyone with even just a small existing foothold in the economy: because if they happen to be adversely affected, they risk losing even that foothold.

Without a policy that radically reduces economic vulnerability and provides a meaningful employment safety net – or some form of economic protection – resistance to the economic change processes required to restructure the economy onto a more inclusive and labour absorptive growth path might make it impossible to achieve the necessary social consensus for this to happen. At the same time, the absence of change is likely to lead to heightened social conflict, to heightened conflict over economic policy and an increased risk of policy designed to 'make' the economy deliver employment outcomes – creating conditions in which the private sector becomes even more reluctant to do so.

In the South African context, might a form of employment guarantee therefore be a necessary condition to enable the economic restructuring processes required to increase the labour absorptive capacity of the economy – in the process, reducing the scale of need for such a guarantee? Might a similar logic apply in other developing, and even developed, parts of the world?

13. Conclusion: Building societies that work

Innovations in the design of public employment programmes have opened new opportunities to achieve both social and economic policy outcomes, able to contribute in sometimes remarkable ways to building societies that work – in all senses of the term. At their most ambitious, such change impacts on rights frameworks at a societal level – such as in India. By contrast, the CWP model can enable transformative impacts even when applied simply within a given local context, achieving aggregate effects as these are replicated.

Certainly, there are PEPs that are not achieving transformative results; it is also unlikely that even the most ambitious of PEPs can achieve *all* of the kinds of transformative potential outlined here. Rather the purpose was to explore how changes in the design of public employment programmes have changed their scope, to highlight the sometimes unanticipated outcomes arising as a result, and in the process, to explore new ways of looking at their transformative potential.

A criticism of PEPs voiced in South Africa has been that they can be overburdened with too many objectives. Yet PEPs cannot escape from the three elements intrinsic to their make-up: the transfer of incomes earned as wages; the opportunity to participate in work, and the delivery of assets and services – together comprising the ‘three-legged stool’. The impacts of these are in turn affected by the cross-cutting issue of process – of how such programmes are delivered. While the arguments here have highlighted multiple transformative opportunities that might be deemed as complicating the objectives of PEPs, all of these derive from the opportunities presented by the three essential ‘legs’ of PEPS – and from their scope to deliver them in ways that build new capabilities and new forms of agency and ownership.

At a conceptual level, the starting point in the arguments presented was the recognition that employment matters too much to society to leave to markets alone; that no other economic outcome has such deep effects on society: placing employment at the interface between the social and the economic. Public employment is at just this same interface.

While Minsky’s concept of the state acting as employer of last resort might have seemed an implausible and idealist prospect at first, recent events have taken the debate – and the reality – into new territory. Creating a right to work in India – qualified though it may be – was radical and brave policymaking, which has changed the materiality of the right to work: from a right to work when work is available, to a right to work when work is needed.

Even without the backing of a legal guarantee, however, innovations and design choices in PEPs illustrate the scope to carve out spaces in which economic inclusion is not contingent on markets and in which society places a social value on labour even where markets do not - in ways that start to unlock its transformative power. In the process, new forms of social participation and agency are emerging also.

Footnotes

1. The term 'public employment programmes' is used to cover the full spectrum from public works to employment guarantees.
2. For more discussion of these design implications, see Lieuw Kie-Song et al.

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