



Safety Nets Primer

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How to Make Public Works Work: A Review of the Experiences

Public work programs (PWP) have been an important safety nets instrument used in diverse country circumstances at different points in time in both middle income and low income countries. Well-designed and implemented PWP can help mitigating income shocks; the programs can also be used to reduce poverty.

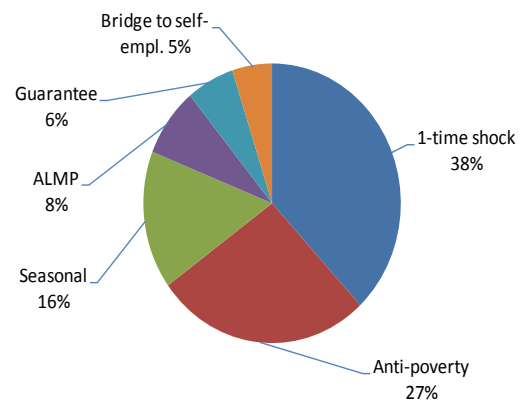
This paper reviews the experience with PWP in several countries over the past 20 years to delineate use patterns and to determine the factors contributing to its use as a successful safety net program. This is done by reviewing cross-country variations in the design, implementation procedures and delivery models followed by an assessment of methods for monitoring and evaluation specific to public works.

Objectives and rationale of PWP

PWP are launched with various objectives in mind. Providing to poor households a source of income by creating temporary jobs is the most important motivation. In practice the objective of raising the income of the poor can be achieved by a number of specific objectives. These include: mitigation for covariate shocks (both unexpected and seasonal), mitigation for idiosyncratic shocks, anti-poverty, and workfare as a bridge to more permanent employment. In addition PWP also have complementary objectives of generating infrastructure for the community, which may in turn lead to secondary employment/income benefits or otherwise raise welfare.

Figure 1 shows the distribution of programs by objectives. Out of 37 PWP for which we have information on objectives, 38 percent of projects were initiated to counteract the negative effects of one-time covariate shocks (such as macroeconomic crises or natural disasters), 27 percent as an anti-poverty instrument and 16 percent to counter seasonal unemployment. All other motives appear to be minimal.

Figure 1: Workfare Program Objectives



Source: Author's calculation. Note: This analysis is based on 30 countries implementing a total of 37 PWP.

Design features and implementation

The design features of a workfare program fall into four broad groups:

(a) Key features that reflect the core characteristics of the program wage and which significantly influence its overall cost and labor absorption potential, such as the level of the wage rate, and the degree of labor intensity of works undertaken. In general, most of the countries reviewed did succeed in maintaining the program wage relatively low, among which some countries fared better than others. In countries where the program was kept lower than the market wage, a certain degree of self-selection of the poor into the program may have occurred. In almost two-thirds of the projects for which information is available, labor intensity is higher than 60 percent clearly reflecting the fact that PWP do provide significant benefits by way of short term employment to workers.

(b) Features that strongly influence the effectiveness of the program as a safety net, such as targeting method, and seasonality of operations. In the review of PWP, the most popular targeting method is a combination of self-selection and other (such as geographic or community targeting) whereas the least popular method is self-selection alone. The use of multiple targeting methods may render the identification of the neediest more accurate, improving the targeting performance. Country experiences differ a great deal with respect to the seasonality of works activity. Some countries have opted to run the program only during the agricultural slack in which the program would serve “consumption-smoothing” function. Some countries have opted to run the program throughout the year with varying degrees of intensity providing both “insurance” and “consumption-smoothing” for poor households.

(c) Financing and implementation modalities. Across regions the sustainability of the program and its implementing apparatus varied a great deal depending mostly on the availability of funding. For example, the unpredictability of donor funding, and the stop-and-go nature of the program in many African countries has hampered efficiency and reduced its effectiveness in accomplishing its main objectives. In much of South Asia, on the other hand, the program is largely domestically funded, is sustained over time, thus creating significant within country capacity to expand or contract the program as needed, and virtually playing the role of unemployment insurance.

(d) Features that impinge on the quality of the assets created and maintenance. In most of the PWP reviewed, no practical arrangements were put in place to ensure supervision and maintenance. This neglect can be attributed in large part to the lack of a sense of local ownership of the projects, since community involvement in project design was not actively sought.

Monitoring and evaluation of PWP

Strong monitoring systems are necessary to support credible program evaluations and to provide feedback for

improvements in effectiveness and impact. Evaluation of public works are necessary to: a) provide feedback during the life of the program to help improve its effectiveness; b) make projects accountable to the public; and c) help inform government decisions about spending allocations. Despite their value, effective M&E systems for public works programs have been rare. The Productive Safety Net Program in Ethiopia provides an illustration on how to set up a good M&E framework clearly delineating objectives and its monitoring indicators.

The findings from available evaluations show that PWP were able to target poorer households and positively impact their income and well-being in Argentina, Ethiopia, India, Peru, Colombia, and a few other countries. PWP also had several secondary and indirect effects on communities through assets created and employment benefits.

Concluding observations and way ahead

This review suggests that, for PWP to be successful, it is important firstly to: a) have clear objectives; b) select projects that can create valuable public goods; and c) ensure predictable funding. Secondly, the success of the program depends critically on careful design and incorporation of all the key design features. Finally, a credible monitoring and evaluation system designed right up front, prior to launching of the program can allow for mid course corrections and to respond to sudden changes which can inhibit effective implementation.

The potential of the PWP is enormous both in countries that have experiences with these programs and especially in countries that never used them. However, more research is needed to better understand the impact of PWP, such as second round effects from the created assets, the impacts on the labor market, and their cost-effectiveness after factoring in both the immediate and second round benefits from the program.

The World Bank Social Safety Nets Primer series is intended to provide a practical resource for those engaged in the design and implementation of safety net programs around the world. Readers will find information on good practices for a variety of types of interventions, country contexts, themes and target groups, as well as current thinking on the role of social safety nets in the broader development agenda.

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