

Linking Social Protection to Sustainable Employment: Current Practices and Future Directions



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March 2018

Published by: Social Protection for Employment Community (SPEC)

Acknowledgements

The author thanks the senior programme managers who presented the nine case studies explored in detail in the South-South Knowledge Collaboration Workshop held in Manila in May 2017 and participants from the other countries who shared the experiences which form the core of this report; colleagues from GIZ, DFAT and Development Pathways: Cecilia Chavez, February Curry, Lea Derr, Lisa Hannigan, Triashtra Lakshmi and Nikos Nikolidakis, with particular thanks to Juliet Attenborough and Fazley Mahmud; and the staff of the Sustainable Livelihood Programme and the government of the Philippines who so generously cohosted the event, along with the Honorable Secretary Judy Taguiwalo, Department of Social Development and Welfare (DSDW), the Philippines who kindly provided the welcome speech. The author also thanks February Curry, Lisa Hannigan, Jakob Lessin, Fazley Mahmud, Nikos Nikolidakis and Viktoria Rabovskaya for their comments on earlier versions of this report.

Caveat

This report draws on the South-South Knowledge Collaboration Workshop on Designing and Implementing Social Protection Programs for Employment', held in Manila, the Philippines. The workshop was hosted by the Governments of the Philippines, Australia and Germany on 9-12 May 2017. The report does not aim to provide comprehensive summaries of the case study programmes, rather it sets out the information shared at the workshop by programme managers, and the issues raised by participants in the ensuing discussions. Similarly the report does not attempt to evaluate the relative merits of different types of social protection instruments or programming approaches in promoting employment, such analyses can be found elsewhere. This report rather describes the implementation lessons emerging from the case study programmes and identifies common themes and insights which may be of value to programme implementers more widely in their work to enhance the employment impacts of social protection interventions.

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Executive Summary

This report documents the discussion and sharing which took place at the South South Knowledge Collaboration workshop on Designing and Implementing Social Protection Programs for Employment, hosted by the Government of the Philippines, German Development Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ, on behalf of the German Federal Ministry of Economic Development and Cooperation), and DFAT in Manila in May 2017. The workshop was the second in a series of events to explore social protection and employment pathways, and focussed on countries' operational experience of implementing social protection programmes for employment. The objectives of the workshop were to:

1. To facilitate information exchange on the design and implementation of employment generation programs linked to social protection;
2. To analyse, synthesize and document the experiences discussed in the event and share it through www.socialprotection.org; and
3. To strengthen the Social Protection for Employment Community (SPEC) so that the community can provide an ongoing and effective platform to facilitate South-South learning in linking social protection for employment.

The rationale for the workshop was the recognition that social protection alone is not sufficient to lift beneficiaries out of poverty on a sustained basis (DFAT, 2017) and that there is a need to improve employment and livelihoods outcomes in order to achieve sustained impacts. The workshop explored nine case studies attempting to promote employment through social protection provision using a range of different approaches; the BRAC Targeting the Ultra Poor Graduation Model from Bangladesh, the Sustainable Livelihood Programme from the Philippines, the Haku Wiñay from Peru, the Familias programme and the Intersectoral Social Protection System from Chile, the PROSPERA Social Inclusion Programme from Mexico, the Employment for Prosperity and Youth in Action (Jóvenes en Acción) programmes from Colombia, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) from India and the Expanded Public Works Programme (EPWP) from South Africa.

The interventions discussed at the workshop were:

1. public employment programmes (PEP),
2. cash transfers,
3. complementary interventions to promote employment and sustainable livelihoods outcomes (including graduation and sustainable livelihoods programmes offering microfinance, micro-enterprise training, and in-kind asset provision), and
4. Active Labour Market Programmes (providing labour market information, job placement and vocational, technical and soft skills training), which address the numerically smaller challenge (in terms of the numbers of individuals affected) of facilitating entry into existing employment opportunities.

Social protection interventions can address both supply and demand side constraints to employment and self-employment. The additional cash received at household level in the form of a transfer or PEP wage can lift labour supply constraints by enabling beneficiaries to overcome financial barriers to employment and own account livelihoods activities, providing resources for child care, job search, transport, inputs, tools etc. These effects may be amplified when complementary programmes and ALMP are provided in combination with cash transfer

provision and public employment, enabling a range of human and social barriers to labour supply to be overcome, as well as improving the quality of labour supply overall.

Interventions can also promote labour demand; PEP create additional employment directly, while the provision of cash transfers and complementary interventions can stimulate demand for goods and services, resulting in increased labour demand, as well as self-employment and increased livelihood returns.

The diversity of programming linking social protection and employment which combines labour market and social protection interventions in a variety of ways, sometimes leads to conceptual confusion, particularly when attempts are made to fit this intersectoral programming into a conventional social protection framework. In order to address this challenge a typology of the implementation modalities adopted in the case studies is put forward. It is hoped that this typology of modalities may enable the nature of a particular intervention to be easily understood and communicated, in terms of the design and implementation principles, and bring a greater degree of clarity to the future discourse. The four implementation modalities are:

1. Exclusive social protection provision
2. Linked social protection provision
3. Joint provision of social protection and complements
4. Exclusive ALMP provision

In exclusive social protection provision, a cash transfer or PEP is implemented independently. Where linked social protection provision takes place the agencies responsible for delivering social protection play a coordinating role and link transfer recipients to complementary programmes implemented by other actors, in order to promote employment outcomes. In a joint provision of social protection and complements scenario the agency delivering social protection takes direct responsibility for the provision of complementary services to promote employment. In contrast exclusive ALMP provision entails the implementation of Active Labour Market interventions (training and/or placement) which is not formally linked to cash transfer or PEP provision, other than the possible provision of cash transfers as participation incentives.

Each modality entails a different set of implementation challenges and potential solutions. The linked and joint provision approaches are sometimes described as 'productive safety nets programmes' as they entail the provision of inputs and promotion of activities designed explicitly to enhance livelihoods and employment outcomes as a complement to basic cash transfer or PEP wage provision. Joint provision approaches are the most complex to administer, requiring extensive intergovernmental coordination, as well as the capacity to provide individualised support across a range of sectors and significant financial inputs. The workshop also concluded that fiscal and institutional capacity and the specific characteristics of national and local labour markets are key determinants of the most appropriate approach in any given context.

Outcomes were found to be influenced by a range of factors, with coordination being of primary importance, given the multisectoral nature of the task. This was found to be enhanced when supported by institutional and legislative structures, clear mandates and political support. Linkage to labour market institutions is critical to ensure programmes are relevant and informed by market analysis, as is collaboration with the private sector as both trainers and employers. Gaining access to labour market analysis and establishing relationships with the private sector and labour market agencies were however repeatedly identified as challenges by implementing agencies. Reaching the poor and marginalised was also highlighted as a difficulty, as the same barriers which restrict labour market engagement can also serve to limit access to government programmes and inhibit successful outcomes, raising the need to address social and psychosocial

barriers to participation. The sustainability of programme impacts was questioned and the need to link complementary programming with ongoing large scale social protection provision noted as a prerequisite for significant and sustained outcomes on a large scale. Finally, management information systems and programme evaluation processes were found to be critical for programme implementation, learning and advocacy, but underdeveloped in many of the case studies. Case study programmes which had addressed these challenges shared their innovations which included integrated beneficiary registries, real time electronic management information systems and institutionalised evaluation processes.

The four main recommendations arising from the workshop were:

1. Refresh policy and programme design in the light of labour market analysis
2. Create an enabling institutional context
3. Extend evaluation to inform effective programming and accountability
4. Extend the scale of social protection provision so that it can form a basis for complementary interventions

The report concludes that while unemployment and under-employment are among the major development challenges of our time, there is a need for realism in terms of the potential role of social protection in addressing these challenges, recognising its limitations as currently configured in relation to profound structural barriers to employment. There is a need to engage critically with achievements to date and to stimulate new thinking regarding the conceptualisation and implementation of social protection in contexts of chronic labour market failure.

In order to progress there is a need for informed policy choice and programme design, and it is hoped that this report, documenting the rich material presented in the case studies and the associated discussions held during the workshop, will enable readers to learn from the experiences and innovations of the case study programmes, and stimulate critical reflection on social protection provision and employment programming for the future.

Glossary

Active labour market policies (ALMP) – government programmes which help the unemployed to find work, comprising public employment services, training schemes and short term employment subsidies.

Adverse incorporation – the process whereby those employed in the formal or informal economy are incorporated on adverse terms (poor working conditions, low levels of remuneration, no employment security or social protection provision) (see: Wood, 1999).

Cash transfer programmes – non-contributory, unconditional or conditional, direct transfer payment programmes, targeted on the basis of demographic, income, or geographical criteria.

Decent work – refers to employment that is productive and delivers a fair income, security in the workplace, social protection for families, prospects for personal development and social integration, freedom for workers to express concerns, organize and participate in the decisions that affect their lives, and equality of opportunity and treatment for all women and men (ILO, 1999).

Employment Guarantee Schemes (EGS) – demand driven Public Employment Programmes (described below) where employment is an entitlement and a minimum number of employment days are guaranteed per annum.

Formal employment – employment governed by national labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance dismissal notice, severance pay, paid leave etc).

Frictional unemployment – temporary unemployment resulting from job changes/short term lack of mobility preventing continuous employment, resulting from time lags, e.g. time taken to move from one job to another.

Graduation – the movement out of extreme poverty and into food security and sustainable livelihoods, described as “... raising the level or stability of the autonomous income of recipients of social assistance through linkages between the basic income support provided by social assistance and some other program elements – asset transfers, financial inclusion, training, job search assistance or the like” (Grosh, 2014).

Informal employment – employment lacking national labour legislation, income taxation, social security benefits provided by employers or entitlement to employment benefits.

Jobs – activities that generate actual or imputed income, monetary or in kind, formal or informal

Labour constrained households – households with a low number of members of working age in relation to those who are not of working age/unable to work, households with high dependency ratios.

Labour market exclusion – those who are actively or passively excluded from participation in the labour market and/or employment due to a range of social and economic characteristics (e.g. gender, ethnicity, or disability).

Life skills – a range of soft skills including social skills, decision-making, problem-solving, creative thinking, communication skills, self-reflection, empathy, and time keeping.

Precarious employment – non-standard employment that is poorly paid, insecure, unprotected, and cannot support a household (Fudge & Owens, 2006).

Productive safety nets/Graduation programmes – programmes combining social protection provision with complementary interventions intended to promote sustained movement out of poverty.

Public Employment Programmes (PEP) – programmes creating state sponsored employment which is not market based (known as Public Works Programmes, Workfare, Welfare to Work, Cash for Work, Employment of Last Resort, Employment Guarantee programmes, etc.).

Seasonal or cyclical unemployment – unemployment which occurs when workers lose their jobs due to business cycle fluctuations (booms and recessions), or cyclical employment due to annual agricultural cycle.

Social assistance – a subset of social protection, which entails the provision of non-contributory cash transfers to vulnerable groups. These may be conditional or unconditional.

Social protection – a set of policies and programmes designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to protect themselves against hazards and interruption/loss of income (Asian Development Bank, 2017). The set of instruments which make up Social Protection are variously defined, and in this report the term is used to mean social assistance, public employment programmes and active labour market programmes, following the ADB definition, but excluding social insurance, as this was not represented at the workshop.

Structural unemployment – joblessness caused by changes in demand patterns or obsolescence of technology, requiring retraining and investment in new capital equipment.

Transformational unemployment – the simultaneous occurrence of a range of different forms of unemployment due to ongoing economic and demographic transformation, resulting in chronic demand deficit unemployment.

Underemployment – the situation when a worker is either engaged in productive activity but not for the full amount of time desired (e.g. part time or on an ad hoc basis), or employed for less than the desired rates of remuneration relative to their skills and qualifications.

Vulnerable employment – workers engaged in own account, family, informal, and precarious employment without access to contributory social protection.

Working poor – those who are engaged in work but are not able to gain sufficient remuneration to meet their basic needs. This may be measured against the US\$ 3.1 dollar a day PPP for working poverty, and US\$ 1.3 for extreme poverty (ILO, 2017)

Acronyms

ADB	Asian Development Bank
ALMP	Active Labour Market Policies
CONEVAL	National Council for Evaluation of Social Development Policy (Mexico)
CT	Cash Transfer
CSR	Corporate Social Responsibility
DFAT	Department for Foreign Affairs and Trade (Australia)
ECD	Early Childhood Care and Development
EGS	Employment Guarantee Scheme
EPWP	Expanded Public Works Programme (South Africa)
FONCODES	Social Development and Compensation Fund (Peru)
FOSIS	Solidarity and Social Initiative Fund (Chile)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HBC	Home Based Care
HW/NJ	Haku Wiñay/Noa Jayatai (Peru)
ILO	International Labour Organization
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act (India)
MOU	Memorandum of Understanding
NGO	Non-Governmental Organisation
NRM	Natural Resource Management
OECD	Organisation for Economic Co-operation and Development
PDO	Project Development Officer
PEP	Public Employment Programme
PPP	Purchasing Power Parity
PPPP (4Ps)	Pantawid Pamilyang Pilipino Programme (Philippines)
PWD	People with Disabilities
SLP	Sustainable Livelihood Programme (Philippines)
SP	Social Protection
TUP	Targeting the Ultra Poor (Bangladesh)
UCT	Unconditional Cash Transfer
US\$	United States Dollar

1. Introduction to the Report

It is recognised that social protection programmes alone are not sufficient to lift beneficiaries out of poverty on a sustained basis (DFAT, 2017) and in this context attempts have been made to complement the provision of income support with other interventions to promote employment, production and livelihoods outcomes, in order to achieve sustained reductions in poverty among beneficiaries. Actors delivering social protection have developed successful implementation modalities to extend the provision of income support to the poor, and there has been a growing interest in extending this provision to include a range of complementary interventions. This has been done in a variety of ways, either using social protection structures and agents to deliver a range of complementary and labour market services, or systematically linking social protection beneficiaries to the providers of complementary interventions in order to help them to access services to enhance their productivity and employability.

A workshop South-South Knowledge Collaboration: Designing and Implementing Social Protection Programmes for Employment, was hosted by the Government of the Philippines, Australian Department of Foreign Affairs and Trade and German Development Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ) in Manila in May 2017 to explore these linkages between social protection and employment, with a particular focus on countries' operational experience of implementing social protection programmes for employment. This report documents the discussion and sharing which took place at this workshop.

The objectives of the workshop were to:

1. To facilitate information exchange on the design and implementation of employment generation programs linked to social protection;
2. To analyse, synthesize and document the experiences discussed in the event and share it through www.socialprotection.org; and
3. To strengthen the Social Protection for Employment Community (SPEC) so that the community can provide an ongoing and effective platform to facilitate South-South learning in linking social protection for employment.

This event followed a 2016 workshop which explored the options for linking social protection to sustainable employment from a theoretical perspective (DFAT, 2017). The 2017 event built on this foundation by providing a forum for cross-programme learning, based on detailed discussion of programme implementation experience, exploring challenges and achievements and sharing innovations. The focus of the workshop was practical learning but it also contextualised programming within the broader labour market context and current policy challenges.

Workshop participants included representatives from 19 low, middle and high-income countries from Asia, Central and South America, the Pacific, Africa and Europe. The workshop used a case study approach to describe implementation experiences and participating countries shared issues relating to instrument choice and design, as well as implementation modalities. Nine case study presentations from eight countries showcased a variety of implementation approaches, and

these were complemented by structured small group discussions. The case studies presented were: the BRAC Targeting the Ultra Poor Graduation Model from Bangladesh, the Sustainable Livelihood Programme from the Philippines, the Haku Wiñay from Peru, the Intersectoral Social Protection System and Familias programme from Chile, the PROSPERA Social Inclusion Programme from Mexico, Employment for Prosperity and Youth in Action (Jóvenes en Acción) programmes from Colombia, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) from India and the Expanded Public Works Programme (EPWP) from South Africa.

Structure of the Report

This report summarises and contextualises the workshop discussions, and draws out significant insights for the broader social protection community, relating to the labour market context, programme design and programme implementation. First an overview of global and regional labour market trends is provided in order to contextualise the discussion and describe the challenges which the case studies are attempting to address. Next a brief summary of how different kinds of social protection and complementary interventions (cash transfers, public employment programmes, graduation/livelihoods programmes and active labour market programmes) can contribute to employment is set out. Following this, descriptive summaries of each of the case studies are provided, together with insights relating to key implementation challenges and lessons, set out in detail in order to share programme experience and innovations. The common themes and key lessons from across the case studies are then identified, together with the implications for the sector as a whole, and finally recommendations are drawn relating to future implementation of programming linking social protection and sustainable employment.

Methodology

While the context chapter draws on external material in order to describe the nature of the labour market challenge which the interventions are attempting to address (ILO, 2017; DFAT, 2014), the remainder of the report is based exclusively on the materials presented and discussed at the workshop, drawing on power points, verbatim reports of discussions, and documentation of small group discussions. The lessons presented for each case study were drawn from workshop documentation, and frequency analysis was used to identify the common implementation issues across the case studies. The recommendations are derived from an analysis of the materials presented in relation to the labour market challenges outlined in the context.

Definitions

In this report, the term social protection is used to refer to social assistance in the form of conditional and unconditional cash transfers and public employment programmes (PEP).¹

¹ This is a subset of the full range of social protection instruments as defined by the Asian Development Bank, which also includes social insurance and child protection.

2. The Economic and Labour Market Context

In this chapter the labour market context and the emerging crisis of underemployment and the working poor is set out, drawing on recent employment data from the International Labor Organization (ILO, 2017). An outline of the causes and consequences of the crisis, and the implications for social protection provision are also provided in order to contextualise the subsequent workshop findings, and set out the nature and magnitude of the challenge.

2.1. Labour Market Trends and Challenges

The structure of national, regional and global labour markets has changed profoundly over recent decades and diverged significantly from the path anticipated by development economists since the 1950s, which perceived economic growth as the major driver of poverty reduction through improved employment opportunities. What is being found instead is that economic growth is failing to generate sufficient employment to absorb the expanding labour force, and the result is a significant and growing body of surplus labour, particularly in the bottom segments of the labour market, and increased numbers of unemployed globally (ILO, 2017). At the same time, much of the employment that is being created does not conform to Decent Work standards.²

These trends, described in more detail below, are due to combination of structural and cyclical factors. Slow economic growth is a fundamental cause of unemployment and also working poverty, with competition for employment due to an oversupply of labour driving down wage rates. This situation was exacerbated by economic recessions in 2008/9 and 2016, which have had a marked impact on the pace of structural economic transition and hence unemployment and terms of employment. Even where significant economic growth has taken place, it has not led to the anticipated structural changes in labour demand, in terms of producing sufficient quantities of employment to match the growth in the labour force or leading to improvements in the quality of employment (see Filmer & Fox, 2014). This has resulted in widespread increases in income inequality and the continued prevalence of poor quality employment, resulting in a ‘decent work deficit’, and the continued dominance of informal employment in developing countries.

The resulting unemployment currently experienced in developed and emerging countries does not conform to the traditional typology of unemployment (structural, frictional, or cyclical). It has characteristics which are the result of ongoing processes of economic transformation, combined with increasing international labour movement, internal rural-urban migration, informal sector growth, and in many developing contexts, a slower than anticipated structural transition out of agriculture into the industrial or services sectors. Unemployment is also affected by the breakdown of traditional economic structures and employment relations, and increased regional and global labour market integration.

The result is a chronic crisis of unemployment and working poverty, with workers being poorly remunerated and working in poor conditions without basic labour rights or security of employment, which is negatively affecting development and poverty reduction in developed and developing countries alike. As these challenges are linked to sustained changes in nature of global

² For a discussion of Decent Work see ILO, 1999.

economy, they are neither transient or temporary, but represent major new development challenges.

2.1.1. The Scale of the Labour Market Challenge

Two hundred million people are unemployed globally, approximately 6% of the global labour force. This number is increasing by 2.7 million annually as labour force growth outstrips job creation. Demographic factors, notably the growth of youth cohorts, are driving labour force growth in many developing countries, and unemployment is concentrated among this group. This is an issue of concern given the sustained negative impacts of early labour market exclusion both at an individual level, in terms of future labour market performance and poverty, and also on broader social, economic and security outcomes. Youth not in education, employment, or training (NEETs) are a particular concern globally due to the linkage between youth unemployment and social and political instability.

Almost half of total employment globally may be characterised as vulnerable. The percentage of vulnerable workers is decreasing only marginally year on year,³ and currently includes 1.4 billion workers. The absolute number of workers in vulnerable employment is growing by 11 million annually, with 75% of workers in South Asia and 68% in sub-Saharan Africa in vulnerable employment (ILO, 2017).

Working poverty is a major challenge. Forty two percent of workers globally are living in poverty as a result of incorporation into the economy on adverse terms (ILO, 2017). One third of the total workforce in emerging countries and two thirds in developing countries are living in poverty. From a regional perspective half of all workers in South Asia (335 million workers) and two thirds of all workers in sub-Saharan Africa (231 million workers) live in poverty (ILO, op cit). Although the rate of working poverty is declining gradually, the absolute number is expected to increase by 3 million per annum in developing countries in the years ahead. This represents a major challenge in terms of the potential contribution of employment to the attainment of the first Sustainable Development Goal (SDG), ending poverty in all its forms everywhere. It is also significant in terms of negative social processes such as social unrest and migration, which are driven by poverty and economic hardship.

2.2. Social Protection, the Working Age Poor, and Employment

We have outlined above how unemployment, particularly youth unemployment, and working poverty are among the major development problems of our time. The resulting challenge is how to include the working age poor within the framework of social protection provision and enhance their prospects for future engagement in the labour market.

In much of Latin America and Asia social protection provision is targeted to the poorest and/or households with members facing different life cycle risks, and provision for the working age poor includes cash transfers, public employment programmes and ALMP interventions. The situation differs in sub-Saharan Africa where social protection is largely targeted to labour constrained households, and often excludes provision for the working age poor other than public employment.

The conventional package of social protection instruments (contributory-based cash transfers, unemployment insurance, public employment programmes and ALMP) however, was not designed to be implemented in the contexts of mass chronic under- and unemployment, with a high preponderance of informal employment, which characterise contemporary labour market conditions in developing countries. These instruments were rather developed for

³ The share of workers in vulnerable employment is decreasing at less than 0.2 percentage points per year (ILO, 2017).

implementation in the scenarios of low and predominantly frictional unemployment in formalised labour markets, which characterised the mid twentieth century OECD experience. In these instances unemployment was primarily dealt with through the provision of contribution-based support for those in formal employment, complemented by ALMPs such as job centres and labour exchanges to address relatively small scale frictional or structural unemployment challenges, rather than mass labour demand deficit. In such contexts retraining or assistance in matching labour with vacancies was the appropriate solution. The same package of interventions characterises many contemporary social protection responses in developing countries, despite their more challenging labour market context and the high prevalence of informal employment.

2.3. Drivers of the Demand to Link Social Protection and Employment

The impetus for the current interest in linking social protection and employment was summarised in the report of the 2016 DFAT workshop thus;

“This approach represents a convergence of interest between the beneficiaries themselves (who want to find work) and their governments (who would rather see them in productive employment than as part of the social assistance caseload).” (DFAT 2017)

The 2017 workshop offered further insights, highlighting a desire to achieve more effective and sustained poverty alleviation, reducing the recurrent financial burden of social protection on the state, and promoting social cohesion. This was linked to ambitions to improve the harmonisation of development interventions overall, and to integrate social and economic policies to better address poverty and inequality, in pursuit of the Sustainable Development Goals. As a response social protection agencies have either expanded their delivery mandates or attempted to link their beneficiaries with other agencies providing labour market and complementary services.

The impetus for this extended mandate was driven by three linked concerns: efficiency and harmonisation, cost reduction and the promotion of developmental outcomes. Implementing agencies reported pressure to increase efficiency by coordinating service provision for the poor across sectors (a process described in the India case study as ‘convergence’). They also reported an expectation that social protection would contribute to reducing its own recurrent fiscal burden by promoting employment and improved livelihoods in place of continued dependence on transfer receipt. In this way an expectation has emerged that social protection should contribute to the broader developmental process by contributing to recipients’ sustained movement out of poverty through livelihoods and employment improvements.

This move to expand the social protection mandate has been complemented by the popular narratives of ‘graduation’, ‘productive safety nets’, and ‘transformative’ social protection which have promoted the aspiration to link social protection to employment outcomes in the wider development discourse. Academia and international donors have contributed to this narrative which conceptualises social protection provision as a means to promote employment and ‘graduation’ for the working age poor, as well as an end in itself, as a tool to compensate for inadequate household income. In terms of implementation, the relative success of institutions delivering social protection transfers in terms of reaching the poor has created incentives to co-opt the structures and institutions of social protection delivery for the delivery of an extended range of services, including the promotion of livelihoods, employment and local economic development, which have traditionally been the responsibility of other agencies. This has entailed increasing use of social protection institutions as delivery and/or coordinating agencies, and in

some cases of social protection workers as development agents, connecting and/or delivering a range of services to the poor.⁴

This report shares the experiences of nine case study programmes which have introduced programming innovations and a range of different implementation modalities to operationalise the social protection-employment linkage. The PROSPERA programme in Mexico illustrates how existing cash transfer programmes can be adapted to incorporate complementary and active labour market interventions, while the Haku Wiñay in Peru and the Sustainable Livelihood Programme (SLP) in the Philippines illustrate how complementary interventions can be introduced to complement cash transfer provision. The Familias programme in Chile (one component of the national 'Intersectoral Social Protection System') provides an example of how provision of both social protection and complementary interventions can be integrated through a single implementing agency (FOSIS). The Targeting the Ultra Poor (TUP) programme in Bangladesh and the South African Expanded Public Works Programme (EPWP) illustrate an alternative approach wherein both social protection and labour objectives are accommodated from the start. The MGNREGA in India stands in contrast to these programmes, as a mass employment programme, designed exclusively to create employment and income, rather than to link participants to other employment-enhancing interventions. The Employment for Prosperity and Youth in Action programmes in Colombia illustrate employment programmes that deliver exclusive Active Labour Market Policies.

⁴ The risk that this mandate expansion may risk overloading social protection actors and the institutions responsible for them, with an adverse affect on basic social protection delivery, was highlighted by presenters (reported as the 'Christmas tree' effect). It was also noted that adoption of such an expanded mandate may result in pressure to prioritise labour market and graduation activities over ongoing transfer provision or the extension of coverage. But notwithstanding these risks, workshop recipients reported a variety of practical, fiscal and political incentives to link social protection to employment.

3. How Social Protection can Contribute to Employment

As noted above, social protection can address immediate poor household needs through the provision of additional income, and it can potentially also contribute to improved labour market outcomes. In this chapter an overview of the two main types of social protection under review (cash transfers and public employment programmes) are set out, along with complementary programmes and Active Labour Market Programmes. An overview of the ways that each can potentially contribute to employment, directly and indirectly is then set out, taking into account their impacts on both labour supply and labour demand (drawing on DFAT, 2014). Finally a brief summary of international experience regarding their performance is provided.

3.1. The Interventions under Discussion

3.1.1. Cash Transfers

Cash transfers are a popular social protection instrument for meeting the needs of the poor. They are commonly poverty targeted and may also be demographically targeted in order to address life cycle needs, for example providing income to support households with children, or those unable to work (due to age or infirmity). Cash transfers may be conditional, requiring recipients to observe prescribed behaviour relating to various social goods (e.g. participation in health care, education or training), or unconditional. While conditionality may be used to promote human development outcomes, it can impose costs on both the beneficiary and the provider (in terms of individual compliance and compliance monitoring). Transfer provision may be on a needs basis, or time limited.

The extent to which cash transfers are available to working age poor varies by region, with Asia and Latin America including the working poor in cash transfer provision more widely than sub-Saharan Africa. Examples of cash transfer programmes which accommodate the working poor are Chile's Familias programme, Mexico's PROSPERA, Peru's Juntos and the Pantawid (4Ps) programme in the Philippines. Some cash transfer programmes are complemented by graduation or sustainable livelihoods programming and ALMP (see discussion below).

3.1.2. Public Employment Programmes

Public employment programmes (PEP) (known variously as public works programmes, workfare, welfare to work, employment guarantee schemes, cash for work) are focused exclusively on the provision of support for the working age poor. Under PEP government sponsored employment provides a wage in return for the contribution of labour. In sub-Saharan Africa they are frequently implemented alongside cash transfers programmes for labour constrained households, and access is strictly rationed, as they are supply- rather than demand-driven. Most PEP provide temporary employment on a time-limited one-off basis (as in the case of the EPWP in South Africa), but others provide employment on demand as in the case of the Mahatma Gandhi National Rural Employment Guarantee Scheme, in India.

3.1.3. Complementary Programmes

The term complementary programmes is used in this report to include both graduation and sustainable livelihoods programmes which provide cash transfer recipients with a package of

complementary programming inputs, with the objective of promoting sustained improvements in returns to labour through improved livelihoods and/or employment. The package typically includes: asset transfer and/or lump sum provision, access to micro-finance, micro-enterprise development skills, technical and vocational training and job skills/life skills, for a period of time. These programmes aim to reduce poverty and enable participants to move away from ongoing dependence on social protection. BRAC's Targeting the Ultra Poor programme in Bangladesh is perhaps the most celebrated example of this approach, and provides transfers and complementary services within one intervention. The Sustainable Livelihood Programme (SLP) in the Philippines is another example, providing complementary livelihoods and training/placement programming inputs to support the labour market engagement of Pantawid (4P) cash transfer beneficiaries.

3.1.4. Active Labour Market Programmes

Active labour market programmes (ALMPs) assist the unemployed to find work in the labour market. This is achieved primarily through the provision of i) public employment services, such as job centres and labour exchanges which link the unemployed to available employment, providing information on vacancies and assistance with interview skills; ii) training schemes providing a range of soft (social, psychosocial, organisational) and hard (technical and vocational) skills, which promote employability; and iii) employment subsidies, which incentivise employers to take on the unemployed. These measures do not create additional employment, but facilitate access to existing job vacancies. The Colombian Youth in Action (Jóvenes en Acción) and Employment for Prosperity (EP) programmes are classic ALMP interventions, which accommodate a cash transfer support/incentive element in addition to training, work placement and skills development.

3.2. The Link between Social Protection and Employment

The relationship between social protection and employment is summarised in the Guidance Note reporting on the conclusions of the 2016 workshop, which argues that while it is important to recognise the contribution social protection can play to underpinning sustainable employment

‘it is not the objective of social protection programs to directly generate sustainable employment – even in the case of interventions aimed at the working-age poor that require a labour contribution’

It goes on to suggest that

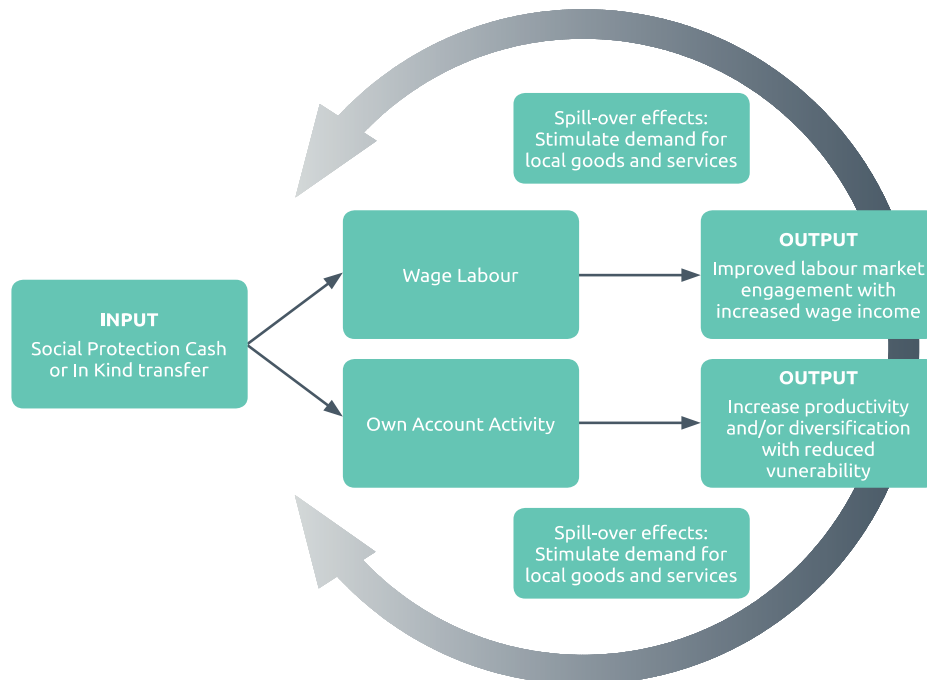
‘there is a more fundamental immediate question that is of primary concern to today's policymakers: how is it possible to get the current recipients of social protection benefits into decent employment? (DFAT, 2017)

This question is addressed in the following section, which provides a framework for the detailed case study examples which follow, drawing on DFAT, 2014).

3.2.1. How Social Protection Affects Labour Market Outcomes

Social protection interventions can address both supply and demand side constraints to employment and self-employment. At its simplest level, the additional cash (or in-kind input) received at household level can directly lift financial barriers to increased wage labour and own account livelihoods activities, by providing resources for child care, job search, transport, inputs, tools etc. This results in improved returns to labour and may, if implemented on a sufficient scale in any given area, also promote spillover effects, stimulating demand in the local economy, as illustrated in figure 1.

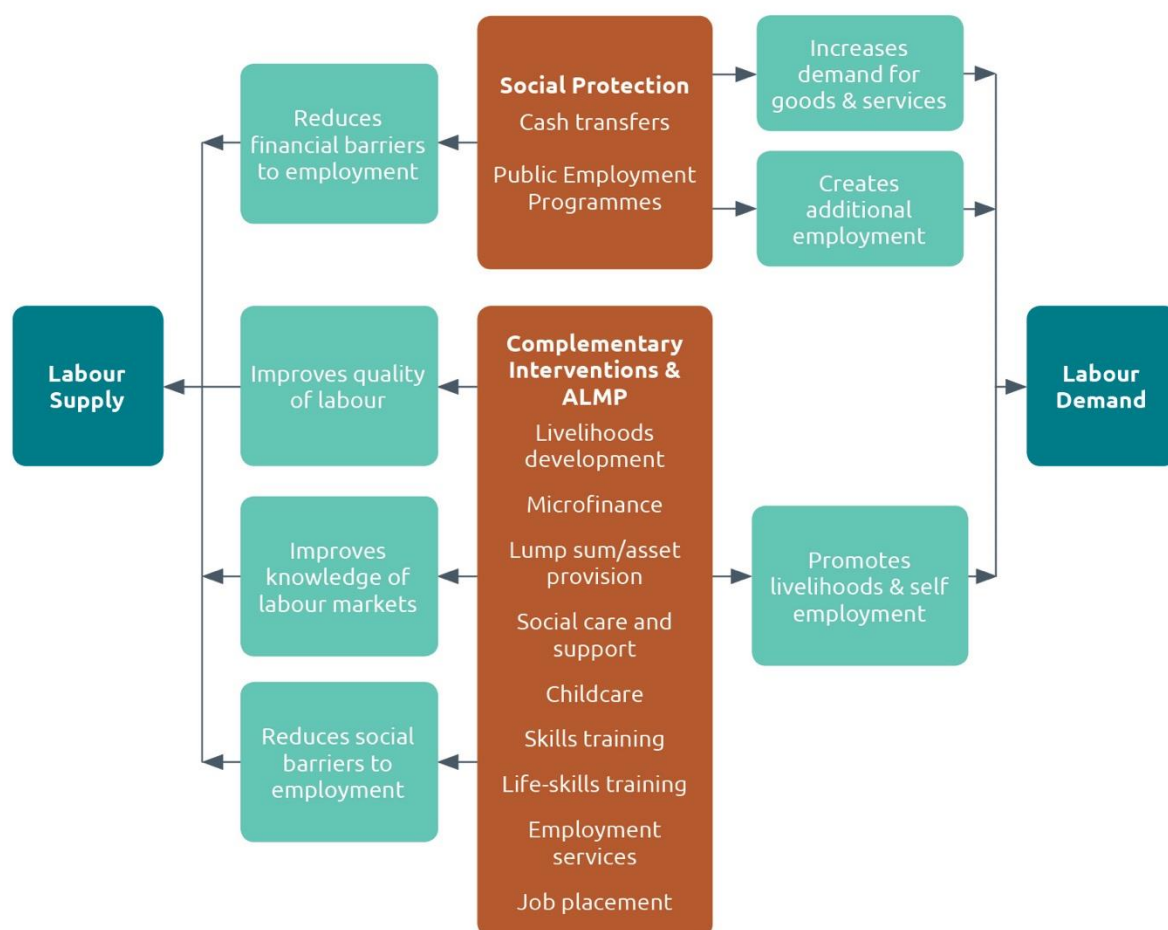
Figure 1: The labour market impact of transfer provision



Source: DFAT, 2014.

Figure 2 illustrates this relationship in more detail, taking into account the impact of financial, human and social capital effects of social protection (cash transfers and PEP), complementary interventions (graduation and sustainable livelihoods programmes) and ALMP on labour supply and demand outcomes.

Figure 2: The labour supply and demand impacts of social protection, complementary interventions and ALMP



Source: Author

While receipt of a transfer or PEP wage can lift labour supply constraints, enabling beneficiaries to overcome financial barriers to employment, these effects may be amplified when complementary programmes and ALMP are also provided. The provision of livelihoods development inputs, microfinance, asset provision, social support, child care, technical vocational and soft skills training, access to labour market information and job placement can enable a range of human and social barriers to labour supply to be overcome, and improve the quality of labour supply overall. Interventions can also impact on labour demand; PEP create additional employment directly, while the provision of cash transfers and complementary interventions can stimulate demand for goods and services (spillover effects), resulting in increased labour demand, as well as self-employment and increased livelihood returns (see Devereux and Coll Black, 2007).

There is a well developed evidence base which confirms that cash transfer and PEP provision can increase labour market participation and improve employment outcomes by reducing social and financial barriers to participation and job search (see for example Posel et al, op cit), enabling workers to increase bargaining power and improve returns to employment (Deininger et al, op cit). There is also evidence that they can contribute to increased/improved own account

employment, allow the elderly and children to withdraw from the labour market, and also have positive spillover effects in terms of labour demand (Devereux and Coll-Black, 2007). Most of the evidence relates to informal employment and livelihoods however, and the impact on formal employment is less well documented. There is however also evidence that PEP may in some instances result in the displacement of formal workers by lower cost PEP participants (McCord, 2012).

The evidence relating to the performance of ALMPs in terms of employment outcomes is mixed (Martin and Grubb, 2001) and outcomes are likely to be muted in contexts characterised by mass unemployment and working poverty, as they are primarily effective where unemployment is frictional or related to skills deficits which can be readily addressed through targeted training. In contexts of mass unemployment, ALMP may result primarily in the substitution of one group of workers with another rather than increased employment overall. This may be considered a positive outcome if increasing access to employment by previously marginalised groups is the objective.

The evidence base on the performance of the sustainable livelihoods/graduation approach in terms of sustained impacts on livelihoods and employment is not yet well developed, being primarily focused on BRAC programme. Overall, findings to date are mixed in terms of the sustainability of programme impacts (Devereux, 2017).

3.2.2. Social Protection and Labour Market Inclusion

Social protection can also address labour market exclusion. A range of factors can inhibit labour supply and result in labour market exclusion. Women and members of marginal, ethnic or minority groups may be excluded (or self-excluding) due to social attitudes such as prohibitions on travel, working away from home, or working in mixed gender teams. They may face physical barriers to employment, due to accessibility challenges as a result of distance and limited transportation options, or practical barriers linked to domestic responsibilities which represent a challenge to labour market participation, such as caring for children, the sick or PWD, particularly in households where there is limited labour and a high dependency ratio.

These factors can also limit participation in PEP and ALMP. The risk of self-exclusion from PEP among the vulnerable can be reduced through appropriate programme design and the provision of support through complementary programmes. PEP can make employment available in locations and on terms which make it attractive to marginalised groups. Practical implementation considerations such as the provision of complementary services such as crèche provision, or care for dependents can relieve domestic constraints to PEP participation and enhance labour market participation more generally. The use of PEP to provide services such as Home Based Care (HBC) or Early Childhood Care and Development (ECCD) can lift constraints to labour market participation more widely within the communities served.

Other implementation factors which can enhance PEP participation among the poorest are wage payment frequency, payment reliability (certainty of payment on due date to avoid increased indebtedness etc), adequacy of wage rate (avoidance of wage rates replicating market exploitation in the bottom segment of the labour market), transparency of selection process, single gender work groups, the provision of security for workers, limiting the distance of work provision from home base (5km is the maximum distance from home base to work site under the MGNREGA), flexible working hours, and allowing alternates to work in place of named workers in case of illness or accessibility of alternative income generating opportunities (McCord, 2012).

There is evidence that both PEP and cash transfers have promoted female participation in the labour market (Posel et al, 2006; McCord, 2012), and when implemented to scale PEP have been

found to increase the bargaining power and wage rates for poorest by creating a wage floor (Deininger et al, 2016). There is a need to take the context into account during programme design in order to identify and accommodate physical, social and economic barriers to participation in programme design, and to ensure that these design elements are respected during implementation.

3.3. Implementation Factors Affecting Labour Market Outcomes

Implementation factors can affect the impact of social protection and complementary programming on employment. The main factors identified in the literature which compromise outcomes relate to the quality of social assistance implementation (including the reliability, predictability and duration of payments), the extent to which the social protection agency, or other agencies are able to provide adequate quantity and quality of complementary interventions, and effective coordination with external service providers. These issues are examined in detail in relation to case studies, below.

3.4. Locating the Case Studies in a Social Protection Framework

The case studies discussed at the workshop encompass a diversity of instruments and approaches. They are presented in the following chapters, and have been grouped according to their function: social protection, complementary programming and ALMP. Complementary programmes have been divided across two chapters, one including the case studies which directly provide both social protection and complementary services, and another outlining the case studies which link social protection recipients to services provided by other agencies. In terms of social protection instruments, two PEP case studies are presented, but as a cash transfer case study was not included in the workshop, this instrument is omitted.

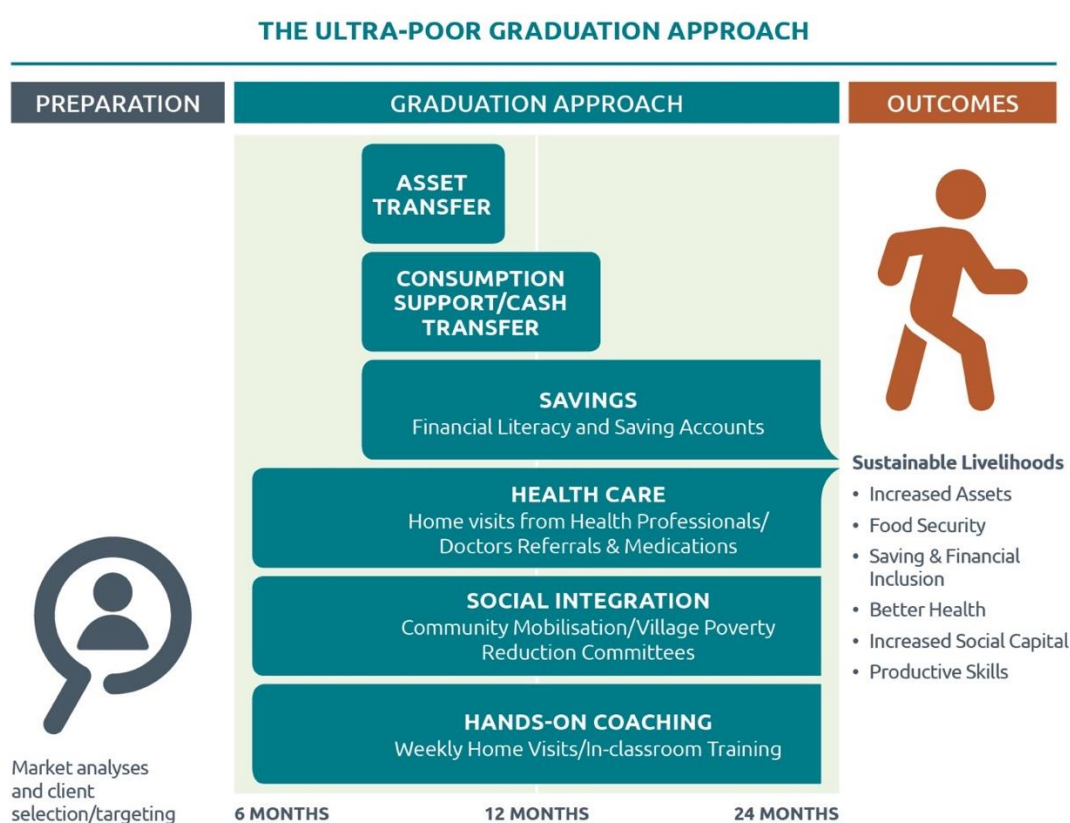
4. Case Studies : Integrating Social Protection with Graduation and Livelihood Programming

This chapter sets out three case studies which directly provide both social protection and complementary services; the Targeting the Ultra Poor (TUP) Graduation Model from Bangladesh, the Sustainable Livelihood Programme from the Philippines and the Haku Wiñay/Noa Jayatai Productive Inclusion Programme from Peru.

4.1. Targeting the Ultra Poor (TUP) Graduation Model of BRAC, Bangladesh

The Targeting the Ultra Poor (TUP) Graduation Model aims to support the poorest of the poor over a two year period to build resilience and promote their livelihoods in order to help them reach a more stable socio-economic situation and a sustainable reduction in poverty. The TUP model develops individual business strategies for each participating family using market analysis to strategically complement cash transfer provision by identifying locally appropriate pathways out of poverty which match the needs of the individual families supported.

Figure 3: BRAC Graduation Model



Source: BRAC Workshop Presentation, 2017

To achieve this the programme adds a series of complementary interventions to cash transfer provision. The cash transfer is described as a 'stipend' and enables the participant to meet basic needs while the livelihoods development activities are taking place, preventing the distress

selling of the assets. These complements take the form of livelihoods development and financial inclusion initiatives, provided using an individualised case worker implementation approach. The purpose of this approach is to provide a strategic complement to social protection programmes, enabling the poor to use the market to create diversified livelihoods.

Notwithstanding its common description as a ‘graduation programme’, the model does not provide a silver bullet for graduation out of poverty or move most participants out of poverty, rather it enables the poor to make use of microfinance opportunities and improve their livelihoods. The graduation model is illustrated in figure 3.

The programme was developed in response to the recognition by the Bangladeshi NGO BRAC, that micro-finance services were not reaching the poorest. BRAC developed the Targeting the Ultra Poor (TUP) programme in 2002 and to date it has reached 1.7 million households in Bangladesh. In addition to the cash transfer, the programme provides an asset transfer in the form of either capital or a physical asset, services for savings, health care (home visits), community mobilization for social integration and individualized hands-on coaching provided through a combination of weekly home visits and classroom teaching.

The model has been implemented in 59 projects across 37 countries. It is externally funded and implemented separately from government by NGOs in Bangladesh, but in other countries it is implemented by a range of actors including governments and UN agencies as well as NGOs.

While the programme is sometimes perceived as a ‘graduation’ programme, resulting in the expectation that participants will sustainably graduate out of poverty, the ‘graduation’ concept applies to the ability of the poorest to meet a number of criteria (food security, social inclusion and empowerment, economic resilience, – assessed as having multiple sources of income, increased value of assets and improved home condition – improved hygiene practices and

positive behaviour change) which position them on track for sustained movement out of poverty, rather than crossing a set income threshold.

4.1.1. Challenges, Lessons and Insights

- The sustainability of ‘graduation’ after participants have left the programme is a key challenge which the programme attempts to overcome by linking ‘graduates’ to private sector business and financial services.
- In order to have a significant impact at household level, access to a comprehensive package of complementary national services is required. Inasmuch as provision of these services may be limited, performance will be constrained as the programme is designed to complement and build on national provision.
- The main challenge in terms of replication is the need to adapt programme design and implementation modalities to make it cost effective and operationalisable by government at scale, enabling increased coverage while maintaining the quality of support and remaining affordable.
- An associated lesson is the need to consider the intensity of the individual case worker engagement in order to manage cost, and to promote convergence with government and other programmes for the poorest, as well as linkages with health, education and infrastructure programmes in order to increase the impact. In terms of adopting the model outside Bangladesh, the key lesson for the programme to impact on livelihoods and sustainable poverty reduction is the need for contextualisation and ensuring that the programme matches the market and macroeconomic context and the developmental context, in terms of healthcare, education, infrastructure, etc. There is a need for state management of the programme and mass cash transfer provision if the programme is to

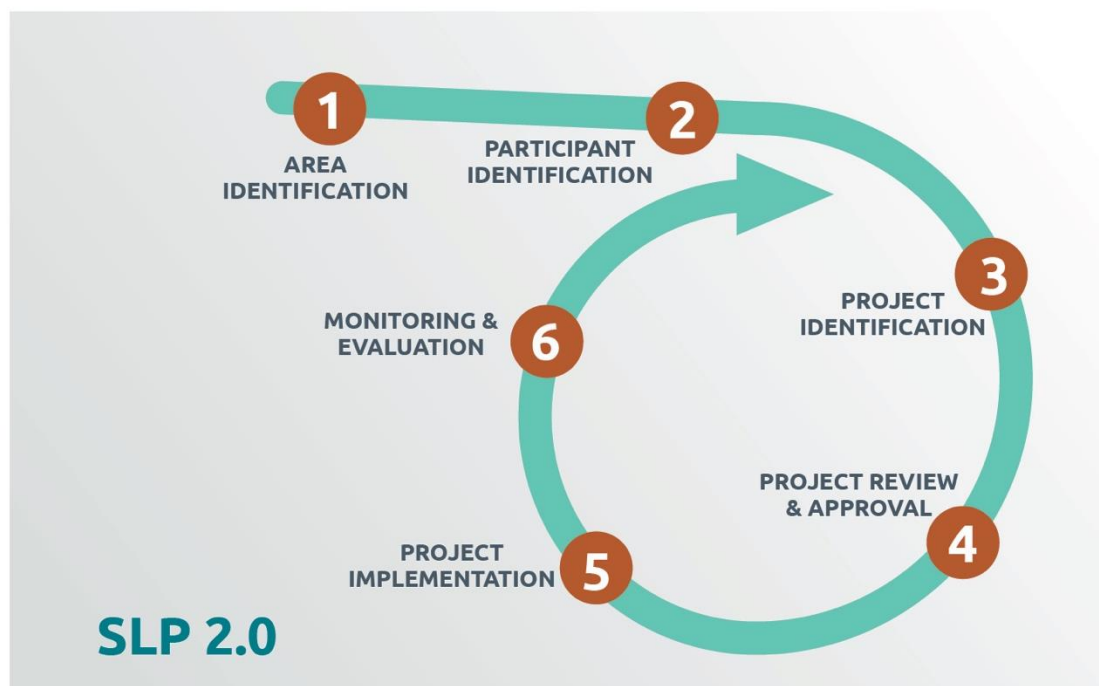
be implemented to scale as part of a national programme, rather than as a project. In the pilot stage to demonstrate the approach, all the inputs can be provided by the project, but if the programme is to be mainstreamed the inputs needs to be integrated into scaled up cash transfer provision, and adequate basic services (health and education) provided by the government. In the absence of such provision, the programme is unlikely to be successful as a national programme.

- The role of the initial needs assessment and market analysis is critical, in order to appraise feasibility and to guide implementation considerations. The market analysis identifies feasible business enterprises and employment opportunities and assesses household's technical capacity. This also enables an assessment of the cost implications of programming, the value of seed capital required to start a business and the level of support required.

4.2. Sustainable Livelihood Programme (SLP), the Philippines

The Sustainable Livelihood Programme (SLP) is intended to improve the labour market performance of poor, vulnerable and marginalized families and individuals. The SLP was established to link core social protection programmes under the Department of Social Welfare and Development (DSWD), including the national Pantawid Pamilyang Pilipino Programme (4Ps) conditional cash transfer scheme, to livelihoods promotion programmes providing a mix of employment/self-employment opportunities, technical and vocational training and capital provision. The goal of the SLP is 'to strengthen the capability of poor, vulnerable, and marginalized individuals in acquiring necessary assets to engage in and maintain thriving livelihoods that help improve their socio-economic conditions' by creating an enabling environment to improve their socio economic status. Both the SLP and the 4Ps are implemented by the DSWD. The programme is now in its second phase, and the implementation model is set out in figure 4.

Figure 4: The SLP Implementation Process



Source: SLP Workshop Presentation, 2017

The SLP has two tracks which are provided primarily (although not exclusively) to cash transfer recipients:

1. Employment Facilitation (EF) is an Active Labour Market Programme which links qualified participants to existing employment opportunities and provides technical training where required, and
2. Micro-enterprise Development (MD) and vocational training with the provision of seed capital, targeted to those with potential and willingness for entrepreneurship

Field implementers (Project Development Officers, PDOs) provide information about the two tracks and help assess participants skills in order to guide them into the appropriate track, working with the social preparation team. The MD component helps participants acquire the skills and assets required to engage in productive livelihoods. The households are supported for up to two years (the 'incubation period') after receiving inputs, with field implementers providing the necessary technical assistance in terms of promoting sustainability. During this period the productive projects are assisted to become self-reliant and they can seek support from other programmes and services. DSWD and Local Government Units (LGU) encourage SLP supported micro-enterprises and participating small businesses to engage in government procurement processes and favour bids from associations rather than big suppliers, on the condition that the association has met the requirements to be a bidder for publically procured goods.

In the EF track 20,000 peso (approximately US\$ 400) is allocated to fund skills training for each participant, who is trained at private technical vocational institutions or through the governments' Technical Education and Skills Development Authority (TESDA). During the training period participants are paid 75% of minimum wage.

The MD track is more popular than the EF component due to the employability constraints faced by many participants (related to age, skills and mobility constraints), the limited number of employment opportunities available, and the provision of seed capital which is part of the micro-enterprise package of support. Men dominate in the formal employment track, while 87% of participants in the micro-enterprise track are female.

The programme is targeted to the adult poor, and encourages youth employment and entrepreneurship; eligibility is 16 plus for the MD track and 18 plus for the EF track. Pantawid recipients are prioritised for participation, but marginalised and vulnerable community members referred by other government agencies are also eligible. Participants are selected on an individual basis for the EF track, and organised into groups to form SLP associations for the MD track. Targeting is done on an individual basis, but limited to two per household due to budgetary constraints, using the National Household Targeting System for Poverty Reduction (NHTS-PR), a data base containing details of those eligible for various DSWD programmes.

The SLP is implemented nationally in all provinces where the 4Ps cash transfer programme is operational and has supported 1.3 million households since it was initiated, 80% of whom are 4Ps beneficiaries. The programme is primarily centrally funded, with local government contributing 25% of the cost.

The programme requires the inputs of a range of actors, and the responsibilities of each are set out in a Field Operations Manual (FOM), which describes responsibilities in a structure which goes from the national down to the local level. The National Programme Management Office sets the direction and oversees the programme while the Regional Project Management Office is the implementing arm and takes responsibility for project approval, with office- and field-based technical staff, and field workers in the target municipalities.

The LGUs are partners and co-implementers, with responsibility for the social and community mobilisation and organisation aspect of the SLP, although not all are fully engaged or have sufficient manpower to manage these responsibilities. LGU 'livelihood' workers assist in

monitoring and implementation and hold regular community meetings with the PDOs at municipal level, but decentralization limits the extent to which these workers can be controlled or monitored. The programme also engages with NGOs for the micro-enterprise development training.

Skills training for EF track is provided through a range of partners, with a preference for partners able to provide guaranteed employment after skills training. The private sector has a key role as both employer and trainer. The incentive for private sector engagement is the provision of skills training subsidies as the programme provides funding for each trainee. Other agencies take on trainees as part of their corporate social responsibility (CSR) activity. Memorandum of Understanding (MOU) are developed with partners which specify that the business will guarantee to employ the trainee if they complete training and pass a test.

An evaluation of the EF component in 2016⁵ highlighted the need to improve targeting, identify potential employment partners, link the 4Ps to other government labour employment programmes, and for the DSDW to reassess its role in employment facilitation, reflecting the issues emerging during workshop discussions and listed below.

4.2.1. Challenges, Lessons and Insights

- Provision remains small scale compared to number of Pantawid beneficiaries, and the main reason for this is the limited budget available. Given the limited budget, the DSWD strategy is to focus resources on the poorest by working through Pantawid institutional channels and target support to the 4Ps beneficiaries, the most vulnerable among the poor. The department is mandated to direct 90% of the SLP budget to 4Ps beneficiaries. However, implementation through Pantawid institutional channels (Family Development Sessions) limits the opportunities for the field staff to introduce the SLP and orient potential beneficiaries.
- The financial and staff time cost of the individual mentorship model also has implications in terms of programme coverage and the potential for expansion.
- In order to better understand market demand and opportunities and ensure the programme is appropriately designed, there is a need to increase formal coordination with the Department of Labour and Employment (DOLE) which is mandated to implement the government's national employment facilitation programme. Currently there is no formal arrangement (eg national MOA or Joint Circular) for inter-departmental data sharing regarding external market opportunities at national or local levels, between government employment offices, DOLE, or the Department of Trade and Industry.
- Despite setting up an online system to provide data on the skills profile of Pantawid participants, provincial data entry challenges and shifts in programme priorities mean that the platform is not fully functional, and as a result there is no readily accessible data on the skills profiles of the cash transfer recipients.
- Due to time and resource constraints some EF track participants are not able to develop sufficient soft skills (social, interpersonal and life skills) required to enter gainful employment, during their period within the programme. Some eligible participants fall short of the entry specifications of large corporations for training and employment and so cannot be accommodated in the programme.
- The success of the programme is dependent on the availability of sufficient numbers of training partners to capacitate participants, and there is a need to build partnerships with private sector organisations and NGOs in order to strengthen the quality and range of training provided, and expand opportunities for subsequent employment, as the SLP can

⁵ Philippine Institute for Development Studies (PIDS) 2016, <https://www.pids.gov.ph/publications/5673>

only promote sustainable poverty reduction if it can link beneficiaries to mainstream livelihood opportunities.

- To improve the quality and scale of programming there is a need for greater engagement by the LGUs to support implementation, together with increased numbers of PDOs and an increased budget to ensure adequate implementation and mentoring.
- The prioritisation of programme operationalisation and the intensive nature of the engagement by the field officers in programme implementation has meant that the monitoring system is not yet fully developed and management data on key performance indicators such as employment rates, gender analysis of participants or the sustainability of micro-enterprises has yet to be gathered.
- Overall performance of the EF component is constrained by the limited job opportunities available, with few openings in rural areas where unemployment is concentrated.

4.3. Haku Wiñay/Noa Jayatai Productive Inclusion Programme, Peru

The Haku Wiñay/Noa Jayatai (HW/NJ) Productive Inclusion Programme is part of the National Strategy of Social Development and Inclusion 'Include to Grow' (ENDIS) established by the Ministry of Social Development and Inclusion (MIDIS). It was piloted in 2012 and is implemented under the Cooperation Fund for Social Development (FONCODES). HW/NJ is one of several FONCODES economic inclusion policy instruments.

HW/NJ is a community-based investment programme designed to address the needs of rural populations living in poverty and extreme poverty, emphasizing those living in the Andean Highlands and the Amazon region, where the country's conditional cash transfer programme Juntos is operational. At community level, the programme is designed to promote local livelihoods and economic performance through the provision of technical assistance and funding for the construction of productive assets, with additional inputs to promote financial literacy and health. At the households level, the programme aims to improve household income and living standards by strengthening family production systems and improving access to local markets. It is targeted on the basis of poverty and malnutrition criteria, and was designed to support those about to exit the 'Juntos' conditional cash transfer programme, in the hope that access to HW/NJ assets and training would improve family production systems and income generation performance once the transfer was withdrawn.

The programme is targeted at village level, using a combined geographical and demographic approach. First 13,000 poor rural villages in the target geographical areas were selected, with a minimum size of 40 households and with 40% poverty rates or high rates of chronic infant malnutrition. Next a second set of criteria were applied to identify beneficiary villages from among those selected, i.e. villages in which 75% of households had at least one unsatisfied basic need and were located in provinces with a minimum of eight eligible villages and districts with at least 400 households in eligible villages. This approach was adopted in order to avoid the practical challenges of attempting to support widely dispersed beneficiaries and the fact that focussing on Juntos household recipients individually, rather than communities, would have been both costly and inefficient.

By October 2017 the programme has assisted 170,957 households living in poverty through 1,936 projects in the Andean Highlands and Amazon areas of 21 departments, with financing amount of over US\$ 200 million. The programme is financed through a multi-year budget incorporated in the budget law, including funds for M&E, log frame development and cost benefit analysis.

The programme adopts a participatory approach and implementation is based on a horizontal relationships between the local government, the implementing bodies and the community. FONCODES has a unit in each region to promote co-ordination and engagement with local stakeholders, the Local Governments, called the Core Execution Units (CEUs). The CEU implements the programme, promotes community participation and carries out monitoring and evaluation activities. The CEU works with paid local facilitators, locally known as 'Yachachiq' or 'The One Who Instructs', who are elected from within the beneficiary community on the basis of high level of leadership qualities and ability to draw on traditional forms of community

organization. The 'Yachachiq' are selected from among those trained in previous programmes of rural development, and transmitting indigenous knowledge, as research has shown that peer-to-peer farmer training has better results than training implemented by external consultants. Each Yachachiq works with 35 families individually and collectively, and hires technical advisers when the advice required is outside his expertise. Funds are managed by a central allocation unit at community level which hires technical coordinators, Yachachiqs and other technical assistance providers.

The programme is designed to be flexible and adjustable to the household's social, cultural and economic conditions and their potentials identified through a participatory diagnosis process. The activities are structured around four components:

1. Strengthening and consolidating the production systems of rural families
2. Promoting inclusive rural entrepreneurship
3. Promoting healthy households
4. Promoting access to financial systems and financial education

Technical support is provided at the village level, and includes technical assistance and training together with capital to purchase seeds, small material and tools and finance for the construction of small productive assets. The production systems of rural families are mostly agricultural, and the first component of the programme provides small assets and knowledge transfer that allows the beneficiary families to learn some productive technological innovation to strengthen their production systems, with communities selecting from a list of ten possible innovations/technologies.⁶ It is important to note that, although the asset transfer allows the implementation of these technologies, beneficiary families may need to invest additional resources in order to enlarge the facilities and optimize the profitability of a certain technology.

In terms of promoting inclusive rural entrepreneurship, once the families have been working with the technological innovations for a year, a competition is organised among families choosing to participate, and if they win, they receive additional assistance to develop a rural business. Eligible and interested beneficiaries form groups, and with the advice from a Yachachiq, each group prepares a business plan. The winning plans will receive funding of approximately US\$ 100 and technical assistance for its implementation. The competition was introduced as an incentive for effective business development and is perceived to have been successful, although there are concerns about the implications of this approach in terms of the sustainability and poverty reduction benefits of the initiatives which do not win the competition.

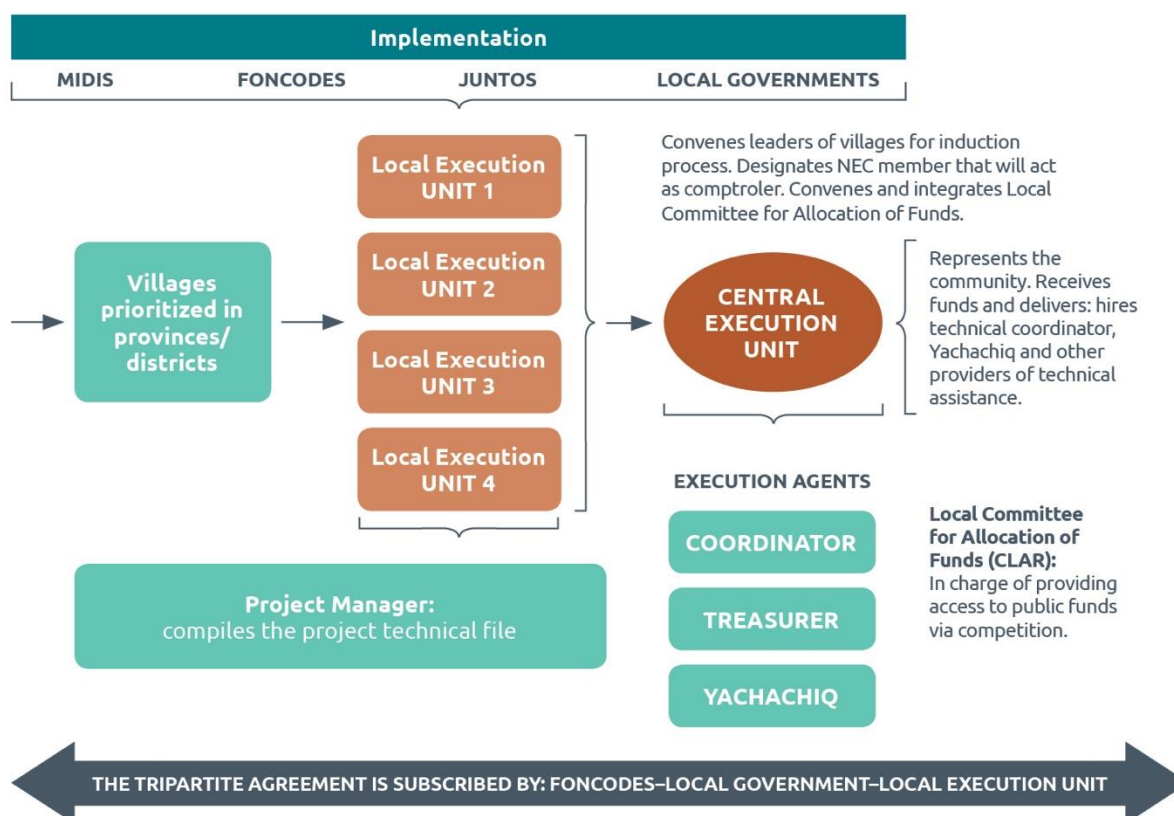
In order to promote households' health, beneficiaries receive training on food storage and preparation, access to and usage of safe water and proper solid waste management. In order to stimulate the implementation of these practices, the programme organises healthy house competitions among the beneficiary households.

⁶ Technological innovation that beneficiary households can select are: technical irrigation system, family groves, hydroponics crop production, production and handling of organic compost, agroforestry, associated pastures, silage-preservation of pastures and fodders, breeding and trade of animals, production and marketing of textile, and handicrafts.⁷ Evaluations must be carried out in accordance with the provisions of the Annual Evaluation Programme (PAE) issued by CONEVAL.

In addition households are supported to access financial systems and provided with financial education. The financial skills development includes basic knowledge of debit card handling, savings, responsible credit, inclusive insurance and financial services channels. The training is provided by a financial facilitator. If the user of the programme receives cash transfers through the conditional cash transfer Juntos and therefore own a debit card, this component offers continuity and seeks to consolidate their autonomous access to the financial system.

The implementation modality for the programme is presented in figure 5.

Figure 5: The Haku Wiñay Implementation Model



Source: Haku Wiñay Workshop Presentation, 2017

Reviews indicate that the programme has contributed to improved access to local markets for the sale of produce, an increase in households applying new technologies including irrigation, and an increase in the number of harvests per annum.

4.3.1. Challenges, Lessons and Insights

- Strengthening the linkage between Haku Wiñay/Noa Jayatay and the Juntos programmes in order to maximise the proportion of Juntos beneficiary households with access to HW/NJ is a challenge. Better linkage between the two social protection programmes will also enable the evaluation of HW/NJ programme's relevance and effectiveness as mechanism that facilitate 'graduation'. To address this challenge, the evaluation findings (on three years of implementation) are now being considered to determine scalability. A strategy for expansion and improving sustainability is underway.
- Intervention strategies need to be adapted to suit the geographical context. Technical solutions which are appropriate in one area may not be appropriate in others and there

is a need for more context specific programming to improve alignment with local cultural specificities, including the accommodation of indigenous technological innovations and the flexibility to accommodate variations in programme strategies.

- The lack of financial inclusion mechanisms for the poorest outside the programme means that focusing on financial inclusion solution is a critical component of the programme.
- Existing financial inclusion options for the poorest participants are not well developed, so the programme has had to include this component directly, although a model for formal incorporation of financial inclusion has not yet been developed. Another challenge is to offer all the components of financial inclusion, which today is limited to financial education.
- The sustainability of programme impacts is not yet known. This is particularly true for those who do not win the competitions, and the ethics of excluding potential beneficiaries through the competition process is of concern. Local government and community-ownership is essential for programme success and needs to be promoted throughout programme implementation in order to prepare for the phasing out of direct FONCODES engagement, however political cycles and the high turnover of civil servants at local level needs to be taken into account and measures to be taken to ensure continuity.
- There is a need to resolve the tension between the programme goal of addressing the individual needs of Juntos beneficiaries and the community based targeting approach. Improved linkages between Juntos and the productive inclusion programme would ensure that the intended programme beneficiaries are supported in the future.
- The businesses developed with programme support are not yet integrated into the market system, and remain small scale; in order to integrate them into the supply and trade chain, in-depth market analysis is required during project development.
- There is a need to strengthen programme supervision, monitoring and evaluation. Prioritisation of appraisal and analysis of the extent of achievements in sustainable market integration is needed as a key indicator of performance, are necessary.

4.4. Intervention Reflections and Issues: Integrating Social Protection with Graduation and Livelihood Programming

All three programmes seek to complement cash or in-kind transfer programmes by improving the livelihoods of cash transfer recipients, in order to promote sustained poverty reduction by improved production and integration into labour and produce markets. TUP and Haku Wiñay focus on livelihoods development and SLP on both livelihoods development as well as the promotion of formal employment. All three adopted an implementation model based on direct engagement with beneficiaries. In the case of TUP and SLP engagement was at the household level, helping to develop household business plans (and also individual skills training and placement plans in the case of the SLP), while the Haku Wiñay focussed on community level business development. This level of engagement was challenging due to the intensity of the relationship with beneficiaries and hence the quality and quantity of staff required. The main issues were identifying staff with the requisite range of skills, and financing the staffing levels required. These were identified as issues which could potentially constrain programme expansion and prevent large scale or national implementation.

All programmes highlighted the need for the flexibility to adapt programme design to fit the local context and the critical importance of local ownership and engagement in implementation in order to promote sustainability and programme success. However, they also noted the need for local market analysis prior to programme development to ensure the viability of business initiatives supported through the programme in terms of market access, demand, cost structures etc., and in the case of the SLP, information on labour market demand. All highlighted the difficulty faced in gaining such information and the need for collaboration with agencies with access to this information, or investment in programme related analysis.

The importance of beneficiary financial inclusion for programme success was highlighted in the TUP and Haku Wiñay, and the need to incorporate this within the programme, due to the inadequate coverage of financial inclusion institutions among the poorest.

In the SLP and Haku Wiñay the investment in monitoring and evaluation was low as a proportion of the investment in implementation, and as a result robust data on performance and impact was limited. This lag in M&E investment represented a challenge for programme performance appraisal. While all three programmes aimed to target the poorest, the limited data on participants suggested that CT beneficiaries and the poorest may not have been the majority of programme beneficiaries in all cases. Information on impact and outcomes over time was limited across the programmes, although BRAC incorporated baselines studies and RCT (randomised control trials) into its programming in order to address this challenge.

5. Case studies: Linking Social Protection to Employment through Intersectoral Approaches

This chapter describes case studies from Chile and Mexico (the Intersectoral Social Protection System and PROSPERA programme) in which the agencies responsible for cash transfer provision take on a coordination function, linking beneficiaries to livelihoods and active labour market interventions provided by a range of other actors across multiple sectors, rather than providing services directly themselves.

5.1. Familias Programme and the Intersectoral Social Protection System, Chile

The Intersectoral Social Protection System model involves the coordination of a range of social services and interventions implemented by different state agencies, which are aimed at the socioeconomically vulnerable families, in recognition of the fact that concerted action is required to have a significant and sustained impact on living conditions. It is a multidimensional and multisectoral system incorporating diverse components including the provision of a cash transfer, together with psychosocial accompaniment, employment services, training and a micro-entrepreneurship development package.

The Intersectoral System was initiated in 2009, and is led by the Ministry of Social Development (MDS)). It consists of three sub-systems;

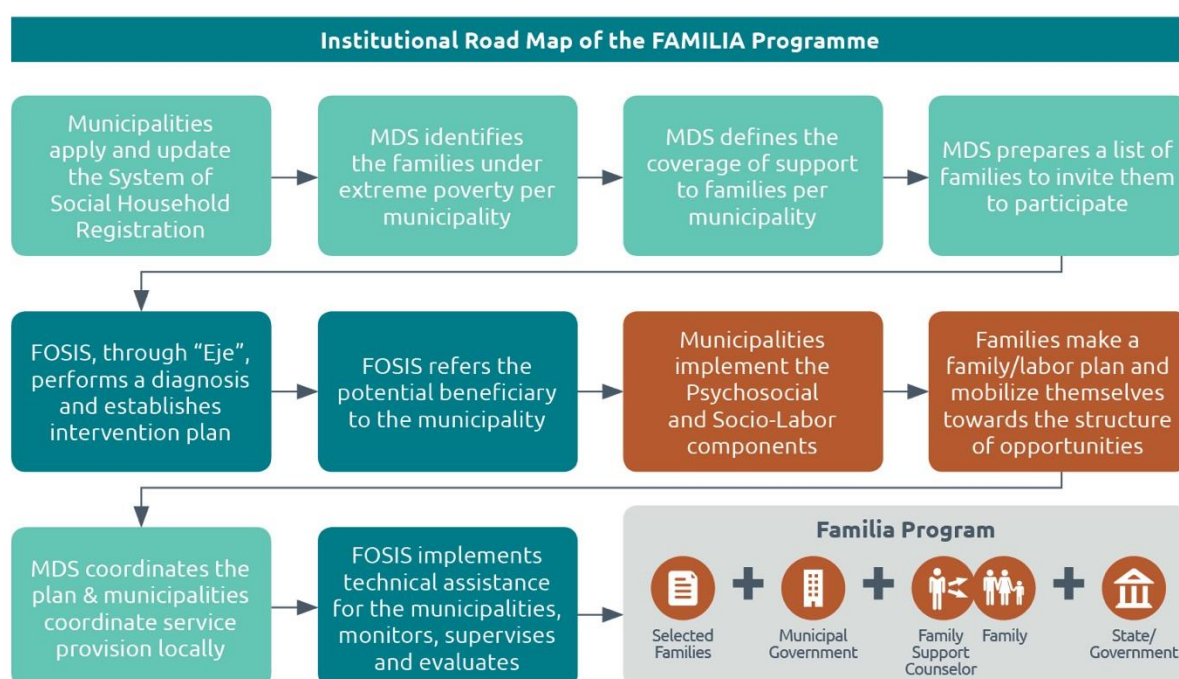
1. Chile Crece Contigo (Chile Grows with You), which is concerned with early childhood development
2. Seguridades y Oportunidades (Securities and Opportunities - previously known as Chile Solidario), which provides a range of support, including the Familias programme for the poorest households
3. Cuidados (Care), a programme providing support to households with elderly or disabled family members

The Familias programme includes psychosocial accompaniment for beneficiary families carried out by social workers for a period of two years, the provision of income support through cash transfer and a range of complementary interventions, including capacity development to promote employment and entrepreneurship. These components are designed to strengthen the skills of household members and to facilitate the access to social services that will contribute to the improvement of the beneficiaries' living conditions. The intervention is implemented by the Solidarity and Social Investment Fund (FOSIS), a semi-autonomous entity under the Ministry of Social Development (MDS), mandated to deliver programmes to overcome poverty and vulnerability. The programme is 100% government funded with an annual budget.

In relation to promoting employment, MDS coordinates inputs from a range of actors, including FOSIS, to provide a mix of job subsidies and conditional and unconditional grants, as well as skills development and assistance with labour market insertion to promote employment outcomes, and municipalities play a key role in programme implementation. Provision is targeted on the basis of the local community identification of the needy, which the municipality uses to update the Social Household Registration System. From those registered the MDS identifies the families in extreme poverty and vulnerability in each municipality, prioritises and prepares a list of families to be invited to participate in the programme. This is shared with FOSIS who carry out a household level needs analysis and refer eligible households to the municipality which implements the Psychosocial and Socio-Labor Accompaniment components, resulting in family labour plans which draw down on available support options. The MDS then coordinates provision

to meet the demand and the municipality coordinates service provision at the local level, with FOSIS providing technical assistance. This process is illustrated in figure 6 below.

Figure 6: Implementation Road Map of the Familia Programme



Source: Familias Workshop Presentation, 2017

The programme is implemented in 97% of municipalities, with 45,000 families entering and exiting each year. FOSIS contributes to three components: a trajectory component, a psychosocial component, and a socio-labour component, as well as technical training and interventions to promote labour market engagement.

The trajectory component identifies eligible families and invites them to participate, then does a diagnostic analysis of needs and develops an intervention plan, a process which takes about one month. The psychosocial component entails strengthening the skills and capacities of participating families in a process which involves getting to know the family and helping them to analyse their needs and strengths and prepare their own family workplans and targets. The socio-labour component focuses on promoting economic autonomy through income generation and skills development for employability, supporting one or two members of the family aged over 18 and with the potential to generate income. Both components are implemented over a 24 month intervention period with case management approach.

Through the intersectoral system, links are provided for Familias recipients to other programmes for income development and employability skills development; among which are FOSIS programmes' the Yo Trabajo Jóvenes for the youth, entrepreneurship development under the Yo Emprendo Semilla, as well as the Apoyo a Tu Plan Laboral which supports households in developing autonomous income to enable labour market engagement. The programme Yo Trabajo Jóvenes provides capacity development and support for active job search, and facilitates access to jobs through job referral services, training, the development of a Labour Insertion Plan and support for labour insertion. The Apoyo a Tu Plan Laboral helps beneficiary families to generate autonomous income that helps them to overcome poverty and vulnerability and funds the requirements for labour insertion (buying goods and/or services), while the Yo Emprendo

Semilla offers entrepreneurship training and funding for the development of a business plan, by providing seed capital, technical assistance, monitoring and funding.

5.1.1. Challenges, Lessons and Insights

- The challenges of targeting efficiency and the coordination of interventions were addressed through a processes of updating and harmonising information across sectors to create an integrated administrative database. While this will improve efficiency, enhance verification and reduce corruption, it is costly and requires significant technological investment.
- The individualised nature of the programme means that it is necessary to adjust provision to meet changing life course needs and ensuring this level of flexibility in service provision is challenging.
- There is a need to ensure that a centrally managed programme, where the budget and number of beneficiaries is centrally determined, can be adapted to ensure provision which is appropriate to meet locally specific needs.
- Many participants who find work after programme exit take up precarious employment and are vulnerable to falling back into poverty.
- The cash transfer component is primarily used for consumption rather than promoting employability.
- Linking cash transfer receipt to participation in community development may also create perverse incentives, with participants engaging primarily to access transfers rather to access training and support.
- The transfer value is partly determined by fulfillment of 'co-responsibilities', but this is dependent on access to services which may not always be locally available.
- The absence of a national system providing ongoing social protection for the poor may limit the impact of the programme. The programme would be more effective if implemented alongside a larger scale system of ongoing provision.
- There is a perception that programme impacts have been limited to date. While the youth programme increases the income generation capacities and improves the confidence of participants, it does not seem to result in significant impacts on employment and salaries.
- Programme performance in terms of anticipated employment outcomes has not yet been formally evaluated and there is a need to identify and monitor appropriate indicators.
- The programme has illustrated the importance of intersectoral coordination in order to realise a rights-based narrative based on entitlement with territorial applicability.
- Strengthening the institutional capacity of the Ministry of Social Development is necessary as it is mandated to articulate public policies to address poverty and vulnerability and ensure that families receive services in line with the analysis of their social and labour market needs.
- The legal status of the Familias programme (approved by law in 2002) has safeguarded it against political interference in terms of fundamental revision or withdrawal, and politically motivated revisions are limited to changes in details.
- Strengthening the monitoring and control system that allows processes and outcomes evaluation, which is currently not feasible.
- Shifting from individual level support to community support through a Social Community Manager, incorporating a geographical approach to provision, has been identified as one way to enable scaling up and promote cost efficiencies.
- There is a need to simplify the calculation of the cash transfer value in order to rationalise administration and delivery processes and reduce associated perverse incentives,

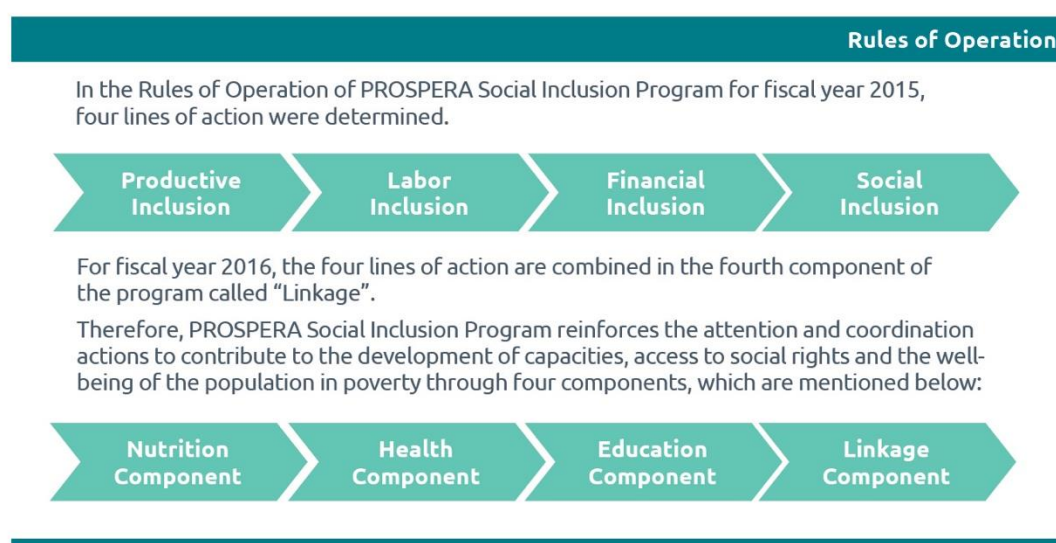
including provision of a guaranteed income component which does not decrease upon employment.

- The programme would be more effective if implemented in a context where there is sustained support for the poor through a more globalised system of provision and supports to sustainability of the outcomes.
- Regarding gender analysis, the social programme is based on the assumption that women take on the role of family caretakers. There is a need to look for strategies that would be more inclusive.
- The economic market reality restricts families' possibilities in terms of labour insertion. This is a central element to recognise the capacities that beneficiary families need to further develop.

5.2. Social Inclusion Programme PROSPERA, Mexico

The goal of PROSPERA Social Inclusion Programme is to contribute to strengthen an effective accomplishment of the social rights that develop the abilities of people living in poverty, i.e. those living under the national poverty line, through actions that widen their opportunities in terms of food, health and education, and improve their access to other aspects of welfare. Based on this goal, PROSPERA promotes productive, labour, financial and social inclusion under a co-responsibilities cash transfer structure. For productive development and income generation, PROSPERA supports the beneficiaries through its state-level delegations and with other public programmes, providing technical assistance on the development of productive projects, information and counseling to interested families in order to enable them to access support from productive development and income generation programmes. The operational rules for PROSPERA are set out in figure 7.

Figure 7: PROSPERA Operational Rules



Source: PROSPERA Workshop Presentation, 2017

Under PROSPERA, conditional cash transfer recipients are linked to complementary goods and services, such as support for vocational training and job placement, skills development and seed capital provision, and financial and social inclusion through a partnership with a range of service providers. The programme is intended to address the problems underlying unemployment, such as childcare for parents with responsibilities, youth education, and entrepreneurship. Originally, the program had three components: food, education and health, but in 2016 it was revised to include a fourth component: linkage, in order to link beneficiaries with existing government programmes implemented by a diversity of ministries. No additional resources were provided, as

the mandate of PROSPERA was not expanded, but rather it was mandated to link families receiving the cash transfers to existing government programmes implemented by the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food; Ministry of Social Development; Ministry of Labour and Social Welfare; Ministry of Environment and Natural Resources; Ministry of Economy, Treasury, and Public Credit; the National Finance Company for Farming, Rural, Forest and Fishery Development; and the National Commission for the Development of Indigenous People. Each ministry is given a budget to enable them to provide inputs to PROSPERA in line with their mandates, and PROSPERA administers the programmes for the beneficiaries.

PROSPERA was founded in 2014 by presidential decree supported by national legislation, and is an expanded version of the programme initially known as Progresá (1997-2002), then Oportunidades (2002-2014). PROSPERA grew and consolidated not only seeking to deliver cash transfers linked to the compliance of health, education and nutrition 'co-responsibilities' (conditionalities), but it also links beneficiaries to one or more social and productive development programmes promoting productive, financial, labour market and social inclusion, as well as extended provision into urban areas. The programme currently benefits 6.7 million households, approximately 30 of the 50 million Mexican identified as poor.

The labour inclusion was an innovation when the programme was revised in 2014, reflecting greater links with the Ministry of Labour and Social Welfare. This component links young PROSPERA beneficiaries who have completed Secondary Education and are living with their families, with programmes providing vocational training and placement to promote labour market entry or self-employment, through a range of actors including the Ministry of Labour and Social Welfare, the National Employment Service, and the National Institute of the Entrepreneur, which implement a range of programmes, including the provision of seed capital to establish productive enterprises as well as providing links to private sector employment opportunities. One example of this collaboration is that under the framework of the National Productivity Committee, PROSPERA is working with the World Bank, the Ministry of Public Education, the National Employment Service and energy sector companies, to develop a pilot project linking young PROSPERA beneficiaries with jobs in the energy sector.

The financial inclusion component of the programme provides PROSPERA beneficiaries with financial education and preferential access to financial services including savings, life insurance, and credit provided by a range of actors.

Through linkage for social inclusion, members of PROSPERA families have preferential access to social programmes that enable them to access complementary support, including a range of NGO-implemented programmes dealing with nutrition and early childhood development, empowerment of women, prevention of gender violence, community development, alcoholism and decent work, labour inclusion, equality and non-discrimination at work, and the prevention and eradication of child labor. In addition, links with public institutions have been developed to prioritise students in PROSPERA families for scholarships (National Coordination of Higher Education Scholarships) and the Start Your Career Scholarship (BITC), which promote access to higher education services. Events are also held with the objective of facilitating beneficiaries' access to educational, labour and income generation options provided by public, private and civil society organisations in their respective areas.

In terms of the formal structure, PROSPERA has a board, a National Technical Committee, and four technical sub-committees. The committees are made up of representatives from each ministry, the National Coordinator of PROSPERA and their General Directors, and they meet every two months to discuss issues arising during programme implementation. In line with Mexico's federal system there is a PROSPERA State Delegate and a State Technical Committee for each of

the 32 states. There are state level technical sub-committees for the four sectors (Education; Health; Labour, Income and Savings; and Social Comptroller), and in each state, representatives from various institutions provide PROSPERA families training and information on opportunities. Based on horizontal linkages with the partner ministries involved in implementation, the programme draws on the specific competencies of other line ministries and agencies, as appropriate. For example, it has a technical committee under the Ministry of Treasure and Public Credit, which is able to identify state and municipalities labour needs and opportunities, and with a national savings bank providing financial literacy training and another line ministry for the provision of student mentors in partnership with a national commission that promotes education.

Due to its success, many institutions seek to partner with PROSPERA. While this is positive in many respects, it can risk overloading the programme with additional tasks and agendas to the detriment of its core objective. Currently each sector uses different databases, limiting effective coordination. Work is underway on consolidating information from all the relevant ministries into one unified social programme database which can be used for targeting and coordination of provision. This social registry system will be used to streamline programming, and ensure that each ministry delivers in line with their mandates. To promote delivery by each ministry in line with their agreed inputs, technical committees have been established to review any challenges, and if agreements are not honoured these are investigated by the audit arm of the state legislative system. Ten PROSPERA reviews are carried out each year to monitor compliance.

5.2.1. Challenges, Lessons and Insights

- Work is underway to consolidate information from all the ministries into one unified programmes' database, which can be used to indicate which programme each family is eligible for; currently there are different database for each sector that limits effective coordination.
- Safeguarding social protection programmes from political interference through institutionalising and standardising processes so that they are protected from potential political manipulation. The conditional cash transfers programme has been in place for 20 years despite the political changes, something which has been achieved by creating standardised operating procedure and a level of implementation autonomy.
- The legal framework of PROSPERA is updated annually, based on the needs and the adaptation required by the programme. It is aligned with all other legislation at Federal and State level.
- Electoral law mandates that during election period, all social programmes are protected, so no politician can take advantage of the beneficiaries and use them for political purposes. This is one of the strongest electoral law, and in this way Mexico ensures that programmes are election proof; the politicisation of provision is not tolerated, and programmes cannot be altered without reference to formal legislative planning laws and processes.
- A number of steps have been taken to promote programme independence, including the creation of an independent evaluation institute the National Council for Evaluation of Social Development Policy (CONEVAL),⁷ established to ensure that the implementation and performance of social programmes are formally reviewed. This is expected to promote accountability and also contribute to programme learning and quality.

⁷ Evaluations must be carried out in accordance with the provisions of the Annual Evaluation Programme (PAE) issued by CONEVAL.

- A standardised questionnaire has been introduced to enable an objective assessment of poverty and programme eligibility, based on a range of socio-economic indicators including social deprivation as well as income, drawing on the Chilean experience. This appraisal is verified by the independent evaluation agency, significantly reducing scope for the politicisation of beneficiary selection.
- A registry of beneficiaries has also been created, which stores socio-economic information on those eligible for social protection, and the database currently holds information on 19 million people; this is critical both for effective targeting and also to reduce the risk of corruption.
- While training is provided under the programme, it does not extend to employment offers. PROSPERA is currently trying to encourage businesses to partner with the government and give PROSPERA families preferential access in terms of employment after training.
- It is important not to overload the programme, and that there is a fine line between fostering linkages and overwhelming a programme with responsibilities. There is a need to ensure clarity of institutional mandates and roles around provision of different services, and that this is legislatively defined.
- There is a need to invest in an effective monitoring and information system in order to ensure that implementation and performance are in line with expectations.
- Another major lesson is the importance of developing mechanisms to insulate programmes against changes in the political context.

5.3. Intervention Reflections and Issues : Linking Social Protection to Employment through Intersectoral Approaches

In both cases labour market components has been added to established cash transfer programmes in order to promote labour market inclusion among beneficiaries. This is achieved by ensuring beneficiaries have preferential access to services provided by a range of external actors in different sectors. The programmes adopt different approaches to promote institutional coordination. Mexico has a more formalised and contractual approach which is formally managed through a series of national and state level bodies, and the performance of different partners is closely monitored using formal review processes in order to ensure that legislative obligations are met. Agencies are provided with additional funds to ensure that they provide support to CT beneficiaries, and the roles and responsibilities of each agency are defined in formal agreements under PROSPERA. By contrast under the Intersectoral system in Chile, the coordination function of the MDS is not so clearly delineated, and it has less capacity to leverage or enforce provision by other line ministries, with the result that more tasks are undertaken directly by the MDS and FOSIS, rather than by the respective line ministries.

Both agencies have recognised the value of using a registry of eligible households as a basis for programming, to increase efficiencies and provide core information to enable the appropriate targeting of resources to households, and the need for standardised planning procedures and processes to promote the quality of programming. However, the PROSPERA programme has gone further in terms of developing and formalising its monitoring and evaluation activities. Neither programme can yet offer strong indicators of relatively recent programme development initiatives relating to labour market inclusion performance. It was however noted that in the case of Chile much of the employment entered into as a result of programme participation is precarious in nature. In neither case were agreements with public or private sector employers in place to take on programme participants.

The case studies indicate that to be successful, the provision of employment support for social protection beneficiaries by means of the coordination of inputs from other service providers, requires the establishment of an appropriate institutional structure. This necessitates clearly codified and contracted roles and responsibilities; the creation of a legislative basis for the programme to ensure that the significant financial investment in harmonisation (with investment in technology, creating institutions etc) will be justified through sustained, and hence cost effective, programme implementation; the establishment of mandatory bureaucratic processes for programme management and monitoring to ensure that each actor fulfils their obligations and to promote accountability; the requirement for formal evaluation in order to assess cross sectoral performance; and the establishment of political and/or financial incentives for compliance.

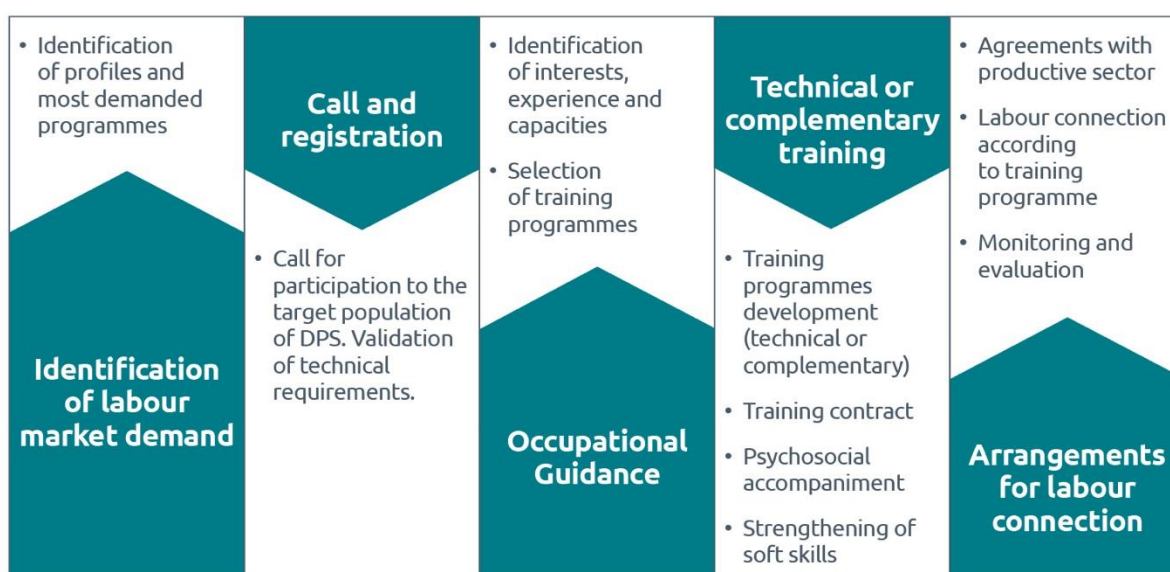
6. Case studies: Active Labour Market Interventions

This chapter sets out two case studies from Colombia which involve active labour market interventions to address unemployment and employability for marginalised people and youth respectively. Both are implemented by the Department for Social Prosperity, which leads the Social Inclusion and Reconciliation Sector.

6.1. Employment for Prosperity Programme, Colombia

Employment for Prosperity is a programme, implemented by the Department for Social Prosperity (DPS), which aims to facilitate labour market integration of the vulnerable and marginalised through a combination of four components: technical training, life skills training and psychosocial support, complementary support to meet the needs of particular companies, and job placement/access to employment opportunities offered by the labour market. Support is also given to address practical barriers to training and employment, including stipend for transportation and the provision of food, which are provided in kind rather than as cash, due to concerns regarding potential 'misuse'. The programme links the unemployed to existing work opportunities through cooperation with the Ministry of Work. The Public Service for Employment consolidates efforts to centralise information on job opportunities and vacancies. The programme can be summarised as the following figure 8.

Figure 8: Employment for Prosperity, Colombia



Source: Employment for Prosperity Workshop Presentation, 2017

Source: Employment for Prosperity Workshop Presentation, 2017

The Department for Social Prosperity has the mission to design, coordinate and implement public policies for social inclusion and reconciliation, in particular for people living in extreme poverty and for victims of conflict. The Employment for Prosperity programme is coordinated by the Directorate of Productive Inclusion and its main goal is to help people living in extreme poverty, victims of conflict, indigenous population and the Afro-Colombians to overcome barriers to

access the labour market and to have a formal job. Specifically the programme seeks to overcome the following barriers:

1. Limited access to technical training
2. Limited opportunity to develop labour capacities and soft skills
3. Limited access to formal employment
4. Weak psychosocial accompaniment
5. Vicious cycle of unemployment and labour informality

The programme is also in line with the Social Inclusion and Reconciliation Sector's goals of socio-economic stabilisation of vulnerable populations in order to promote social equity and build peace. By 2017, Employment for Prosperity programme has covered 16,415 participants in 17 municipalities and 15 departments with the following strategic partners: Canadian Embassy, Cuso International, FUPAD, ACDI VOCA and OIM. The programme focusses on the people registered in: (i) the Identification System of Potential Beneficiaries of Social Programmes (SISBEN) and those with a score of no less than 41.74 for major cities, 45.47 for the rest of urban areas and 36.83 for the rural areas; (ii) the Unidos Network; and (iii) in the Unique Registry of Displaced People (RUPD). Applicants must be between 18 and 60 years old. This eligibility criteria is verified through an information cross-check against different DPS information systems. In addition, they also have to have Colombian nationality, live in the areas where the programme is implemented and have finished at least ninth grade, if they apply for technical training, or fifth grade, if they apply for complementary training.

The technical training is carried out in 12 months including focus on theories for 6 months and on practical training for another six months with companies linked to this process. Most of the participants are given apprentice contract. On the other hand, complementary training lasts between 1 and 2 months. Some of the offered programmes, according to the labour market demand, are:

1. Administrative assistant
2. Accounting and finance assistant
3. Kitchen assistant
4. Call center consultant
5. Marketing and sales
6. Networks and telecommunication
7. Warehouse and storehouse

At the same time participants are trained in soft skills, which are recognised by employers as necessary abilities for employees to be able to retain and be successful in their job. The programme reinforces characteristics such as resilience, leadership, self-esteem, teamwork, discipline and values. By the same token, the programme offers a psychosocial accompaniment to enable beneficiaries to cope with different risks they face, such as different types of violence they may experience. Finally, the programme also gives complementary supports to enable participants to participate in the training e.g. stipend for transportation, food and uniform.

The programme is funded jointly by national government (DPS) and the previously mentioned strategic partners, which then approach the private sector in order to guarantee that at least 50% of the participants have access to a formal job opportunity with a duration of not less than 3 months. Participants are prepared for the selection processes through workshops on job interview preparation, processing of the resume and access to the knowledge of the job creation services that the country has.

6.1.1. Challenges, Lessons and Insights

- The younger participants who have finished secondary education have more potential for job-placement than the older groups with less education. Many potential participants lack the basic skills (literacy and numeracy) which are a prerequisite for participation in training, and the soft skills (such as team work and time keeping) which are the minimum requirements for access to private sector employment opportunities. This is a challenge the programme is facing. Additional programme components have been added to address this by strengthening soft as well as vocational skills. The programme needs to strengthen the inter-agency linkages and update the database for the identification of the participants as well as for facilitating access to complementary services, such as childcare, food and additional economic resources.
- The diversity of needs is a challenge among different groups making up the target population (this includes Afro-Columbians, indigenous people, displaced people, the extreme poor and the victims of conflict) and their differing ability to compete in the labour market, represents a challenge for programme design. The poorest and most vulnerable face additional social and economic barriers to programme participation, including an inability to spend extended periods in training without wage income, domestic responsibilities, and an (erroneous) fear that entering the employment programme may render them ineligible for ongoing cash transfer provision. Private sector engagement is essential to link workers to permanent jobs and to ensure the training matched their needs. The introduction of an apprenticeship contract has strengthened this relationship.
- The programme faces difficulties in gaining the labour market analysis which is necessary for planning appropriate training and placement.
- For widening the scope of job opportunities, the programme could widen the training lines towards sectors with more specialised labour demand.
- There is a need to strengthen the current results measurement process of the programme. One major outstanding challenge is monitoring of participants' labour market performance after training.
- Fewer than 20% of participants are placed in employment providing a minimum of three months of work, compared to a goal of 50%. In order to increase the number of participants who are successfully placed, an extended 15 month linkage to the private sector is planned, together with increased investment in labour market and skills training needs analysis at municipal level.
- The whole programme enables beneficiaries to overcome difficulties around education and skills and psychosocial risks that affect labour market participation.
- The soft skills training has been a key element of interest for the productive sector and a tool for the participants' better performance, according to the labour market needs.
- The approach to the productive sector has allowed to overcome prejudices about vulnerable people and to show that participants have the best capacities to occupy a formal job position.
- The programme has the potential to contribute to the improvement of women labour participation, who were in precarious employment or inactive.

6.2. Youth in Action Programme, Colombia

Youth in Action (Jóvenes en Acción), launched in 2012, is another programme under the Department for Social Prosperity, Colombia, which focusses on the needs of marginalised high school graduates. The programme promotes human capital among poor youth by providing access to soft and hard skills training at tertiary institutions, together with a financial incentive, in the form of a cash transfer conditional on school attendance and performance. In terms of eligibility, the programme prioritises displaced youth, then the ultra poor, orphans, indigenous groups, and the near poor. The programme addresses the challenge of youth unemployment and the associated stigmatisation of the youth who are not able to contribute to society, by transforming youth labour into an asset. 60% of participants currently go to university and 40% technical schools. Once their technical or academic training is completed and they are provided with certification, they are prioritised for complementary training in order to help them succeed in the job market. The programme is implemented in 10% of municipalities, which include those with the larger cities, reflecting the fact that youth are concentrated in urban areas.

The programme does not link the youth to employment opportunities, for example through the Public Employment Service, which shares information on employment opportunities, but rather aims to facilitate labour and social integration by increasing the educational attainment of poor and vulnerable youth, improving the sustainability and consistency of their education, and strengthening the life skills required for successful labour market participation. It is done by addressing key barriers to higher education among the disadvantaged, namely opportunity costs (linked to income poverty), social immobility, lack of skills, lack of information, lack of social and psychosocial skills, and targets high school graduates aged between 16 and 24 who are marginalised due to poverty, displacement, or their indigenous background. The programme focus is employability in urban areas, supporting participant development in terms of entrepreneurship, higher education and formal education.

The programme has four components. The first is developing specific technical/academic skills and competencies to meet labour market demand through courses of between 24 and 60 months at a range of tertiary institutions; the second is reducing high levels of academic dropout among poor and vulnerable students; the third is improving the entry conditions of participants entering the labour market; and the fourth is developing life skills which enhance employability, such as effective communication and also a range of social issues. This latter segment is delivered through a combination of on line, on site (face to face) and experiential learning. The components of the life skills training of the programme are illustrated in figure 9 below.

Figure 9: Life skills component of Youth in Action

Life Skills



Source: Youth in Action Workshop Presentation, 2017

An employability component to promote skills for autonomous income generation is currently under development, combining higher level education with training on entrepreneurship and new forms of formal employment.

The programme also attempts to promote financial inclusion by providing beneficiaries with a conditional incentive payment of USD\$ 134 every two months to cover basic education costs, paid directly into a bank account, or through a designated local pay point. This is intended to cover costs such as food, transport and accommodation. Once participants graduate from their education the cash transfer assistance stops. Students have only one opportunity to participate in the programme. They must maintain their academic performance to remain in the programme, and those getting high grades receive bonuses.

The programme has a tracking system that enables managers to review progress, this enables the collection of quantitative and qualitative information of the participants to track performance against intended outcomes. Individual performance is tracked using electronic questionnaires (entrance, monitoring, exit), administrative approaches, qualitative methodologies (including focus groups and life stories), and alternative methods such as social networks. The tracking programme includes analysis of whether graduates pay social security or stay employed, but it is not possible to continue tracking the majority of graduates over time.

6.2.1. Challenges, Lessons and Insights

- The emotional and psychological state of young people entering the programme is a challenge, as currently participants show limited interest in participation (not coming on time, having poor discipline etc) and many participants were found to be enrolling primarily to be eligible for the cash transfer, rather than out of interest in the subject.

There is a need to find ways to respond to this challenge to make the programme relevant and attractive to its intended beneficiaries. One innovation already introduced is to accommodate the technical or academic preferences of the beneficiaries in terms of the training courses in which they participate, rather than giving a limited menu of courses identified by the programme.

- The ratio of technical school/university places available under the scheme has been revised to include a greater share of technical training, as the cost to the programme and participants is lower if beneficiaries go to technical schools offering 1-2 year courses, than universities offering 5 year ones.
- The requirement to meet entry criteria set by tertiary education institutions means that the most marginalised may be excluded, as they are less likely to have the requisite prior education to qualify.
- While there is a need to promote rural education, the programme is focussing on urban areas, due to the lack of employment opportunities in rural areas. A rural equivalent of the programme was piloted, but due to significantly higher costs, primarily relating to transportation, it was discontinued.
- The programme is only now developing an impact assessment tool to appraise the relative impact of the different programme components, (such as soft skills provision) on participation and outcomes, and data is not yet gathered on the socio-economic status or gender of participants, and so neither the targeting performance nor impact of the programme can currently be fully appraised.
- The limited job opportunities for programme graduates remains a critical constraint to programme performance.

6.3. Intervention Reflections and Issues: Active Labour Market Interventions

The two Colombian programmes, Employment for Prosperity and Youth in Action, illustrate different kinds of Active Labour Market programmes, both of which attempt to address labour quality issues in order to enhance employability among the marginalised: Employment for Prosperity offering training and linkages to the labour market, and Youth in Action focussing on training and education of youth. While the latter is financed by central government, the former is based on a payment by results approach with private sector training providers, providing incentives for demand-driven training which is directly linked to labour market demand, and supporting beneficiaries in terms of accessing employment. Both face challenges inasmuch as it is difficult for the poorest and most marginalised to meet the entry criteria for training programmes or academic programmes. In both instances programmes also faced a challenge in terms of retaining participants, many of whom had enrolled primarily in order to be eligible for the cash transfer, rather than out of a genuine desire to participate in the training. The ALMP offer had to be revised in order to make the programme more attractive and the training component more effective. The programmes both highlight the critical importance of addressing psychosocial skills in order to promote and support labour market participation, and also the relevance of soft skills in terms of employer recruitment preferences.

The performance of both programmes is fundamentally constrained by the fact that they are implemented in contexts characterised by a lack of employment opportunities. As a result the programmes may enhance employment outcomes of participants, if they are able to meet the criteria for participation, but are unlikely to contribute to the expansion of employment overall. In the case of the EP this challenge is exacerbated by difficulties in gaining information from local employment agencies to identify relevant skills in terms of the municipal labour market, a challenge common across the other programmes reviewed.

As such while both programmes were broadly successful in terms of recruiting and training participants, (with partial success in terms of extending training to the poorest and marginalised), and providing market relevant training and the critical psychosocial and life skills training to enable participants to compete and perform in the workplace, there is not yet evidence of significant programme success in terms of improving employment outcomes over time, a recognised programme shortfall. Both programmes were also only operated on a limited scale.

These case studies illustrate the broader challenge with ALMP performance, namely that it is limited by market demand. Given the chronic shortage of employment opportunities, while ALMP may successfully increase access by marginalised groups to the limited employment available by ensuring they have the requisite skills and labour market information, this is likely to result in the substitution of one set of workers by another, rather than an expansion of employment, unless the ALMP are able to address skills shortages which the market is not able to meet. While the ALMP model is appropriate in labour markets where unemployment is primarily the result of skills deficits or a lack of information regarding employment opportunities, it may be less relevant in contexts of chronic mass unemployment.

Limited evidence of success in terms of labour market outcomes was available in the case studies, and this reflects recent international experience (see for example Martin and Grub, 2001). This indicates that it may be appropriate to reflect on their limitations of ALMP as instruments to address employment among the poorest.

7. Case studies: PEPs and Direct Employment Creation

This chapter presents two different Public Employment Programme case studies; the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in India, and the Expanded Public Works Programme (EPWP) in South Africa.

7.1. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), India

The Mahatma Gandhi Rural Employment Act (MGNREGA) is an employment guarantee programme implemented by the Ministry of Rural Development in India. The programme aims to enhance livelihood security of rural households by guaranteeing up to 100 days of work each year to all registered rural households who request it – an additional 50 days can be provided in areas declared drought-affected by the state governments. The programme is rights-based and as such is demand rather than supply driven; all rural households have the right to demand up to 100 days a year and local government has the duty to provide it. The programme currently has 100 million active workers (defined as those who have worked on MGNREGA in the last three years) and is the largest Public Employment Programme (PEP) in the world. The programme gives equal opportunity to marginalised groups for employment, notably those below the poverty line, scheduled castes and tribes and women; 56% of participants are women, and 46% from marginalised tribes or castes. There is some geographical variation in implementation, largely determined by socio-cultural factors.

The programme is based on an Act passed in 2005, which makes a legislative commitment to provide work as a right. It has been implemented nationwide from 2008, with 260,000 village councils participating, and is centrally funded with a budget allocation of over US\$ 4.8 billion in 2016/17. The programme is based on the labour intensive creation of assets with a 60:40 wage/material ratio, and use of contractors or machinery is prohibited. The central government pays 100% of the labour costs and 75% of the material cost, with the state government providing the remaining material costs. State governments add to the central funds to increase the amount of employment created.

The programme works with civil society organisations to promote awareness of the entitlement and encourage the poor to register for employment on 'employment guarantee day' each month. If the local government fails to provide work within 15 days they are obliged to provide an unemployment allowance from local government funds, and local government face similar penalties if they fail to pay wages within 15 days, an incentive for programme implementation in line with design. The programme does not currently engage in widespread skills training in order to improve the labour market performance of participants, although it is exploring providing skills training on a limited scale.

The programme aims to provide adequate working conditions, including the provision of crèches, drinking water, first aid and shade for resting, to remove barriers and disincentives to participation, although this objective is not always fully implemented. Programme planning and implementation involves both horizontal and vertical coordination. While the programme is centrally managed, programme planning is highly decentralised with planning, monitoring and implementation taking place at village level, and local councils recommending the works to be undertaken. It also adopts a bottom up approach which requires strong ground level support and facilitation. The programme is implemented by a range of stakeholders at state and local level, each with defined operational responsibilities: wage seekers, Panchayati Raj Institutions (local government), and gram panchayat (village council), Programme Officer at the Block level, District

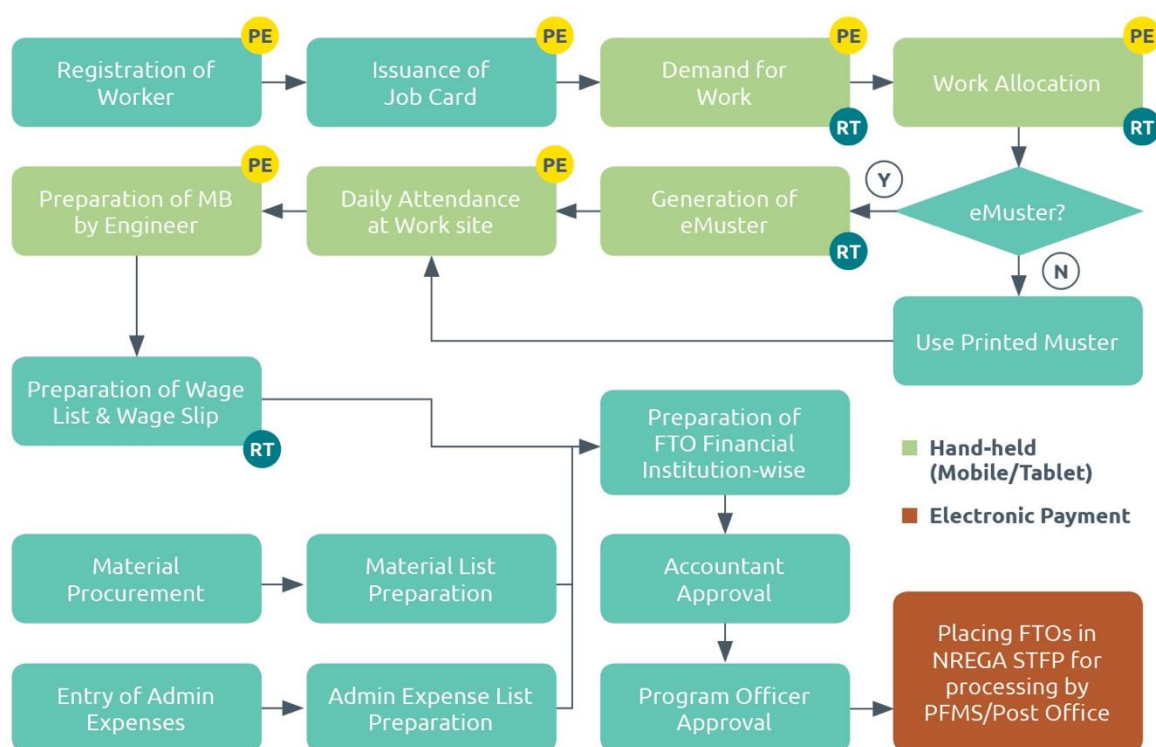
Programme Coordinator, State Government and Central Government (Ministry of Rural Development). A process of promoting state level convergence planning is currently underway, with the development of state MGNREGA convergence plans involving the secretaries of each department involved in implementation to promote financial and technical coordination. National and state level technical resource teams cutting across all departments are currently also deployed to promote technical capacity and quality within the programme.

Each year villages calculate the labour days they will create based on MGNREGA guidelines, and prioritise the work they will carry out in order to create this number of days, drawing on the shelf of work already administratively and technically authorised, and cleared in the local government office. These works are selected on the basis of central guidelines which set out the 155 different kinds of works allowed within the programme, of which 100 relate to Natural Resource Management (NRM), and about 70 specifically to water conservation. A project on Environmental Benefits of MGNREGA (2013-2018), supported by GIZ, is working closely with the ministry to showcase models and approaches for improving planning and implementation on integrated NRM (INRM) approach based asset creation. The physical assets created under MGNREGA are linked to livelihoods, with a focus on the protection of natural resources and the construction of public infrastructure in order to promote agricultural productivity and livelihood activities, as well as individual assets for members of vulnerable communities. The programme is increasingly focussed on natural resource management assets in order to contribute to the national water conservation priorities. As well as providing employment directly, the programme has resulted in increased labour market participation and improved rural wages.

MGNREGA adopts a range of innovations in order to promote accountability and reduce opportunities for corruption, including regular Social Audits (which are conducted by civil society groups, including village level women's Self Help Groups), the provision of 'Citizen Information Boards' at worksites detailing days of employment to be created, funds spent etc., and formal grievance mechanisms. Every state has a MGNREGA commissioner, and there is an independent audit system, as well as independent programme ombudsmen. The regular social audit reports are included on the MGNREGA website.

The activity flow is closely monitored and the performance of each individual is tracked electronically within the information system and detailed programme data is publically accessible on the MGNREGA website (www.nrega.nic.in), as illustrated in figure 10.

Figure 10: MGNREGA Activity Flow



Source: MGNREGA Workshop Presentation, 2017

7.1.1. Challenges, Lessons and Insights

- The fundamental challenge remains in terms of creating sufficient employment opportunities to meet demand. The scale of employment created is constrained by limited local capacity for planning and implementation and a shortage of MGNREGA field staff. This results in an insufficient 'shelf of works' (pre-planned activities designed, costed and authorised for MGNREGA implementation).
- Budgetary constraints also limit the scale of provision – although there is a demand for more than 100 days of employment, this cannot be accommodated from the central budget. In order to address this constraint, states are permitted directly to fund the provision of additional days of employment, above the 100 financed by the central government.
- The lack of technical capacity at local level has a detrimental impacts on the quality of programme implementation and the durability and usefulness of some assets created, reducing their potential spillover benefits. In order to address this challenge, selected participants receive three months training to become 'barefoot technicians' and support the technical quality of the assets created.
- The programme has developed technological innovations to address implementation, monitoring and transparency challenges, resulting in reduced delivery costs and improved accountability.
- Payment are made electronically and directly transferred to 84.4 million worker bank accounts across 95% of India's villages, although unresolved challenges remain, with 44% of the wages paid late, largely due to the limited reach of financial institutions at local level.

- To improve the monitoring and management of the programme a specially designed software system, NREGAsoft, was developed to capture data on key output and process indicators (including assets created, beneficiaries, human resources, funds and payment processing), with separate modules developed for each function (fund management, grievance redressal etc). Assets are geo-tagged and displayed on a public website, GeoMGNREGA, enhancing transparency and reducing the likelihood of duplication or double counting.
- The lack of ICT infrastructure and poor record keeping at local level continue to compromise the quality of data inputted to management and information systems
- The data currently gathered focusses on output rather than outcome indicators, indicating an outstanding need to improve impact evaluation data and practices.
- The programme is contingent on participation and coordination across many levels of government. In order to pre-empt coordination failure, the requisite horizontal and vertical institutional responsibilities are governed by legislation to ensure that each agency fulfils their role. Performance is closely monitored and linked to penalties and incentives.
- The fact that the programme is entitlement-based and enshrined in legislation means that it is safeguarded against politicisation or politically motivated programme revision, as illustrated by programme continuity despite significant changes in political parties governing national and states over the years.

7.2. The Expanded Public Works Programme (EPWP), South Africa

The Expanded Public Works Programme (EPWP) is a public employment programme with the objective of providing temporary work opportunities and income support to poor and unemployed people through the labour-intensive delivery of public and community assets and services. It is a national programme, managed by the Department of Public Works (DPW), which creates employment through state funded and contracted activity carried out by government implementing public bodies, state-owned enterprises, civil society organisations and private sector companies.

The EPWP was introduced in 2004 in order to provide social protection for the working age poor, in line with the commitment in the South African Constitution which establishes the right to social security. Under the national social security system a series of cash transfers provide life cycle support, (including old age, child support and disability grants which reach over half the population), but the working age poor are not supported through grant provision, and unemployment benefit is only available to the minority of workers who had previously had formal sector employment. The EPWP was designed as one instrument to fill this gap in provision for the working age poor, as part of the national Anti-Poverty Strategy. The annual budget is approximately US\$ 1 billion per annum, which is leveraged from partner budgets across government, rather than being controlled by the DPW EPWP management team directly. The programme involves re-orienting line function budgets and grants to create additional work opportunities.

The programme leverages increased employment across four sectors (infrastructure, environment and culture, social and the non-state sector), the first three led by the Department of Public Works, the Department of Environmental Affairs and the Department of Social Development respectively, as well as related provincial departments and municipalities. The non state sector, comprised of two programmes, the Community Work Programme (CWP) and Non-Profit Organisations, is led by the Department of Cooperative Governance (DCoG) and DPW. It is implemented by a range of state-led community work programmes and non-state actors. The programme aims for private sector absorption of workers after programme exit, although performance to date has been limited due to low private sector demand.

An EPWP technical secretariat which manages the programme is located within the DPW, funded with a small central budget, which it uses to leverage expenditure across a range of public bodies to create additional work opportunities through the programme. The DPW EPWP is responsible for developing the legislative framework and the policy guidelines to which other departments must adhere when implementing EPWP projects and provides technical support for programme design, as well as implementation and monitoring. The DPW is accountable for EPWP at the Cabinet level. The programme strategy is to incentivise the diverse line ministries to increase the labour intensity of technical contracts where it is economically efficient, and providing incentive payments to encourage line ministries to create additional employment for PEP participants. The EPWP branch of the DPW is fully staffed up to the Regional Offices in the Provinces, having a staff budget of ZAR 160 million (approx. US\$ 13 million) to manage ZAR 2 billion (approx. US\$ 165 million) in EPWP grants and subsidies to the implementing agents. Workdays are funded using provincial resources and also piggy-backing on donor-funded NGO activities, with EPWP wage

incentive payments enabling NGOs to increase their scale of operations. EPWP jobs created in this way must not displace existing permanent jobs and opportunities required to reflect real demand for services.

The programme is innovative in that it provides employment across a range of sectors. The infrastructure sector focusses on employment creation through labour intensive asset construction and maintenance activities, while in the environmental sector most employment is provided through innovative programmes which address local natural resource challenges, including water conservation, the removal of alien vegetation, wild fire prevention and management and wetland management, as well as sanitation. The social sector provides a range of support services related to the care economy, as well as safety, protection and human development, including the extension of early childhood development (ECD) provision, home and community based care for the sick and PWD, and literacy training. In addition the non-state sector includes a wide range of innovative social activities requested by communities including public security and paramedical provision. The non-state sector activities can be anything from the provision of infrastructure to social, environmental and cultural services; it is a hybrid of all EPWP sectors.

The EPWP aims to provide temporary employment (of varying duration across the different sectors), and it also facilitates and coordinates training for participants in order to improve their labour market performance after exiting the programme, as well as the quality of services and assets delivered. The programme provides on-the-job training for most workers and formal technical and vocational training in some sub-programmes, along with life skills training and it also has a small job placement component.





The programme employs approximately one million people each year in temporary jobs ('work opportunities') across three spheres of government (national, provincial and municipal), who are paid an EPWP wage which is set marginally below the minimum wage in each sector, and have the same basic employment rights as a formal sector employee. The programme has quotas targeting employment to designated groups (55% women, 55% youth, and 2% people with disabilities (PWD)). While there is active participation by women, and some programmes are aimed at female beneficiaries and offer flexible of part time work to enable them to participate, demand for employment among PWD is limited, and this aspect of programming is currently under review.

The programme is delivered by a range of spheres of government including national government departments, provincial government departments, municipalities and non profit organisations and is delivered by contractors commissioned by the above spheres of government. The programme reports to a Public Employment Inter Ministerial Committee, convened by the Deputy President, which is responsible for high level governance, while the National Minister of Public Works meets with MECs (provincial "ministers") of Public Works in MINMEC, and the National Coordinating Committee of the DPW meets with provincial coordinating departments. The EPWP Provincial Steering Committees, Sector Steering Committees and District Committees are also in place to provide EPWP oversight and direction for coordination and implementation. The DPW EPWP unit monitors overall EPWP performance and the achievements of each participating government department and reports to the Social Protection, Community and Human Development (SPCHD) and Economic Sector, Employment and Infrastructure Development (ESEID) clusters, comprising the Director Generals of participating departments, and then upwards to the ministerial clusters, as job creation is a key government priority.

Provincial stakeholders provide regular narrative and data updates which are used to produce quarterly reports with indicators which are able to identify implementation challenges, while evaluation takes place on the basis of an evaluation research plan.

The sectors involved in the EPWP are set out in figure 11.

Figure 11: EPWP Sectors and Participating Bodies

EPWP Sectors & Participating Departments/Bodies (Training, Enterprise Dev & Convergence Imperatives are Cross-Cutting—(2 of 4))	
	Infrastructure Sector: is led by the Department of Public Works and includes other infrastructure departments. Programmes in this sector are funded through different funding sources such as grants and equitable share component.
	Environment and Culture Sector: is led by the Department of Environmental Affairs. Creation of work opportunities in the sector will be achieved through the implementation of public environmental programmes.
	Social Sector: is led by the Department of Social Development and includes the Department of Health, Basic Education, Sports and Recreation; related Provincial Departments and municipalities. The sector will create work opportunities through public social programmes.
	Non-State Sector: consists of two sets of programmes (i.e. Community Work Programme and Non-Profit Organisations). Programmes in this sector are implemented by non-state sector agencies like NGOs, NPOs, FBOs in communities.

Source: EPWP Workshop Presentation, 2017

The programme has also created mechanisms to create employment beyond the state sector, and the programme is implemented in partnership with a range of non-profit organisations and also the private sector, being primarily implemented through contractors, rather than through direct public employment. It has introduced labour intensive conditions into a number government contracts and also supported a small scale contractor development programme, (including the Vuk'Uphile Contractor Development Programme) which aims to build capacity amongst new ('emerging') contractors from previously disadvantaged groups, to execute EPWP labour intensive contracts with government.

The programme has experimented with providing specialist training and placement to address specific skills shortages, as in the Pharmacist Assistant Programme, a public-private partnership between the pharmaceutical industry and government to address skills shortages for improved pharmacist service delivery. It has also created employment through private sector partnerships in distressed mining communities and working with chambers of commerce.

7.2.1. Challenges, Lessons and Insights

- The programme has to find the balance between three objectives: promoting employment, the provision of services and assets and social protection provision.
- The programme has successfully achieved its total employment goals, but faces an unresolved dilemma over whether to provide a lower wage rate and attain higher coverage, or higher wage rates with lower coverage.
- Institutional structures have not been created to facilitate the coordination required for the successful implementation of the EPWP, and there are limited legislative, institutional, or financial incentives in place to promote the creation of additional employment across ministries in support of the EPWP mandate. There is an outstanding need for the

introduction of incentives and accountability mechanisms to support programme implementation and promote the institutionalisation of the EPWP.

- High level political endorsement has ensured programme sustainability and cross sectoral collaboration in the absence of formal institutional structures.
- The EPWP has invested significant energy in attempting to shift prevailing norms in the infrastructure sector by promoting increased labour intensity in mainstream infrastructure provision. However, it faces resistance from established vested interest groups within the capital intensive engineering sector who are reluctant to accommodate labour intensive approaches.
- It was intended for those exiting the EPWP to move into further training or employment in the labour market, but the limited opportunities for both training and employment represent a challenge in terms of the EPWP model.
- There is a need to increase linkages with the private sector, moving beyond the corporate social responsibility agenda, in order to develop mechanisms for absorbing greater amounts of EPWP labour in the market, so that the scale of provision can be increased.
- Community participation in design and implementation has been found to promote ownership and sustainability, but consistent good quality programme implementation and community mobilisation requires investment in adequately trained development workers with access to standardised operating procedures.
- Local and sectoral MIS compliance challenges contribute to data integrity problems which make programme implementation and performance monitoring problematic.

7.3. Intervention Reflections and Issues: PEPs and Direct Employment Creation

Reviewing the two very differently conceptualised programmes provides insights into the broader challenges of PEP as well as issues which are specific to the design and implementation models selected. Both programmes are implemented to realise constitutional commitments; the right to work in the case of the MGNREGA, and the right to social security in the case of the EPWP. However, the MGNREGA takes the form of an entitlement based and demand driven employment guarantee scheme, while the EPWP is supply driven, with coverage driven by the capacity and willingness of a range of governments departments to create additional employment through their existing budgets, and falling far short of demand as a result.

Under the MGNREGA local government is mandated to create employment in line with local demand, and this is fully funded from an additional national budget, with penalties imposed on the local government if it fails to comply. In contrast under the EPWP, employment creation by participating departments is elective, with only limited additional funding (taking the form of incentive payments which make a partial contribution to wage costs) and no mechanisms to enforce compliance or penalties for failure to comply. Under MGNREGA local government has a legislated responsibility, as well as financial and political incentives to meet the demands for work coming from the population, whereas under the EPWP, there are not such strong incentives for departments nationally, or at provincial or local government, to engage in the EPWP; institutional responsibilities are less well defined and performance is less closely scrutinised, with a less investment in monitoring and accountability.

In terms of the activities involved, the infrastructure component of the EPWP is similar to MGNREGA, but the EPWP implementing modalities differ, with EPWP being implemented largely through private contractors, who remain reluctant to adopt labour intensive production approaches, while the MGNREGA model of direct implementation means that this challenge can be avoided.

Where the EPWP implementation modality is however successful and innovative is in the scope of its engagement, which extends beyond the conventional PEP focus on infrastructure, which characterises most MGNREGA employment. The EPWP creates employment across a wide variety of sectors, and so is able to provide services which address a wider range of social and economic needs (including health and education) than the MGNREGA.

In terms of the beneficiary experience, EPWP employment is lower paid (below the minimum wage), strictly rationed, not an entitlement, and not guaranteed on an annual basis, and so is likely to have a lower social protection benefit. However under the EPWP there is a greater emphasis on soft and hard skills training in order to promote labour market performance after programme exit, although the provision of training remains a challenge due to the limited contact time, and the lack of market opportunities.

PEP monitoring requires complex management data from numerous highly decentralised operations. Data integrity questions and challenges of local level record keeping were identified in both cases, but in India there was a significantly greater investment in technological innovation in order to enable adequate and timely monitoring, with associated performance management and accountability benefits. In terms of management data, both programmes focussed primarily on immediate process indicators (number of assets completed, projects completed, days of work created, number of workers etc) rather than monitoring data on social impacts over time (eg poverty reduction) or livelihoods or labour market performance. This was recognised as a shortcoming in relation to the programmes' primary objectives.

The MGNREGA had developed a range of instruments (social audits, appointment of independent ombudsmen etc) to promote accountability and transparency recognising the risk of corruption inherent in PEP. Such approaches had not yet been incorporated into the EPWP implementation modality.

Both programmes were challenged by limited local level technical implementation capacity, which was identified as detrimental to the quality of programme outputs, in terms of the goods and services created.

Finally, both programme faced challenges in creating sufficient employment to meet demand (defined in terms of beneficiary requests for employment in the case of the MGNREGA and programme objectives, linked to political commitments, in the case of EPWP), with programme limitations being linked to local implementation capacity and budget constraints in both cases, and also a lack of intersectoral programme in the case of the EPWP.

8. Diversity of Implementation Modalities

While the case studies adopted a common set of instruments (cash transfers, PEP, complementary programmes (livelihoods and graduation programmes) and ALMP) a diversity of implementation modalities were deployed. These may be grouped into four modalities, and are also applicable to social protection implementation more generally: exclusive social protection provision, linked social protection provision, joint provision of social protection and complements, and exclusive ALMP provision.

In exclusive social protection provision, a cash transfer or PEP is implemented independently. Where linked social protection provision takes place the agencies responsible for delivering social protection play a coordinating role and link transfer recipients to complementary programmes implemented by other actors, in order to promote employment outcomes. In a joint provision of social protection and complements scenario the agency delivering social protection

Box 1: Implementation Modalities

In exclusive social protection provision, as illustrated by the MGNREGA, the programme only provides employment and an income transfer, (or just the income transfer in the case of a cash transfer programme¹), which directly promotes consumption and indirectly affects both labour supply and labour demand by relieving barriers to participation and stimulating demand through spillover effects. In such programmes the focus is on mass social protection transfer delivery rather than individualised caseworker-based support.

In linked social protection provision, the agency delivering social protection directly links recipients to other programmes and actors providing a range of complementary services and ALMP, taking on a coordination function, either at local or central level, potentially, offering individualised household level support. Examples of this approach are the PROSPERA and Intersectoral Social Protection System.

In joint provision of social protection and complements, the agency delivering social protection also takes on responsibility for the provision of complementary services (potentially including ALMP) to promote employment, engaging either at a community or individual level using case workers, as exemplified by the BRAC TUP Graduation Programme, the Sustainable Livelihood Programme (SLP), the Haku Wiñay and the EPWP. Such programmes extend beyond provision of social protection into other fields of social, developmental and labour market service and delivery, and may seek to offer individualised household level support. This model is the most complex to deliver and may arise when a social protection programme has been perceived to have successfully achieved its primary function and the agency responsible is invited to extend its mandate into the delivery of inputs outside its core function (training, employment placement, technical assistance, micro-finance etc).

In exclusive ALMP provision, the intervention is focussed on vocational or technical training and potentially also soft skills training, together with labour market information and employment placement, which is not linked to cash transfer receipt or PEP participation, as

takes direct responsibility for the provision of complementary services to promote employment. In contrast exclusive ALMP provision entails the implementation of Active Labour Market interventions (training and/or placement) which is not formally linked to cash transfer or PEP provision, other than the possible provision of cash transfers participation incentives. These different modalities are described in more detail in box 1.

Each modality entails a different set of implementation challenges and potential solutions, as detailed in the case study chapters above. The linked and joint provision approaches are sometimes described as 'productive safety nets programmes' as they entail the provision of inputs and promotion of activities designed explicitly to enhance livelihoods and employment outcomes as a complement to basic cash transfer or PEP wage provision. The joint provision approaches are the most complex to administer, requiring extensive intergovernmental coordination, as well as the capacity to provide individualised support across a range of sectors and significant financial inputs.

Given the diversity of programming linking social protection and employment which combines labour market and social protection interventions in a variety of ways, and the conceptual confusion which sometimes results when attempts are made to fit this intersectoral programming into a conventional social protection framework, this typology of modalities may be of value in enabling the nature of a particular intervention to be easily understood and communicated, in terms of the design and implementation principles. It is hoped that this may contribute to a conceptually clearer articulation of the future discourse in this area.

9. Core Implementation Challenges, Lessons and Insights

In this chapter the major implementation challenges and associated responses which emerged repeatedly from the programme narratives in chapter eight are identified.⁸ These fall into seven broad themes – coordination, capacity, linkage to the labour market, reaching the poor and marginalised, sustainability, politics and institutionalisation, and evaluation – and each is discussed below.

9.1. Coordination – vertical and horizontal

The issue which was most frequently identified as critical for implementation was effective coordination across different levels of government. Vertical coordination is required in order to deliver centrally or regionally mandated and financed programmes at local level. The provision of complementary services requires horizontal coordination across a range of additional stakeholders across sectors and also outside government (such as civil society and private sector actors (such as training institutions and employers)). The ability to carry out effective coordination both vertically and horizontally across this range of institutions is at the heart of effective implementation. This challenge is particularly acute if the social protection agency is not delivering services directly itself but is reliant on other agencies (linked provision).

Appropriate institutional structures and formal processes for integration with other agencies, mandates and structures are critical for effective coordination, along with appropriate incentives. Clarity of mandates, roles and responsibilities was found to be crucial as is the development of monitoring systems to assess institutional compliance. This is particularly important when the social protection programme charged with coordination is dependent on institutions outside their line function, or agencies with mandates and incentives which are not aligned with their own priorities. Where the credibility or convening power of the institution mandated to deliver the programme is low, or the implementation model requires leveraging expenditure within larger and stronger institutions, there is a need for the development of an institutional structure which reinforces programme objectives, with clearly defined responsibilities and legislated mandates which are monitored and against which institutions are held to account.

In such contexts the ability of the social protection agencies to apply leverage, through financial or political incentives is key. Initiatives such as incentive payments/fines, and mechanisms to enhance the political credibility and mandate of the implementing agency, for example through high level political endorsement, were found to contribute to effective coordination and stimulate cross sectoral engagement.

In addition, the other participating agencies need to understand and support the social protection agency's mandate. The extent to which agencies interests and mandates are aligned, and one programme is willing to assist in the delivery of another's goals, is a significant determinant of success. Where a coincidence of mandates and targets can be created there is greater likelihood of meaningful coordination.

⁸ These themes were identified by carrying out a frequency analysis of the workshop documentation.

The negotiating and outreach capacity of the social protection agency, for example in terms of negotiation skills to coordinate across sectors and attract private sector support, was identified as central to programme success. This was affected by institutional credibility and 'strength', institutional structures, incentive structures, and the alignment of mandates.

Incentives are critical for both external collaboration, and also for the effective internal coordination required for implementation. Financial resources can be used as incentives. They can contribute to collaboration, by providing additional funds for the achievement of other agency mandates. Financial penalties can also incentivise programme implementation, for example by imposing a cost on local government for a failure to create sufficient employment opportunities.

Developing appropriate incentives is also relevant where the private sector has a role in implementation. The question of how to create appropriate incentives for private sector engagement in order to ensure the quality and relevance of training provided was repeatedly raised, as was the question of appropriate public-private cost sharing arrangements for industry-specific training, and the role of direct job subsidies to the sector. Payment by results (using an indicator such as workers in employment a period after programme participation) was identified as one option, although operationalising this approach is challenging in contexts where limited monitoring data is available. There was little documentation on the implementation and performance of public-private cost sharing or payment by results to inform the discussion.

A critical mechanism to promote effective coordination in terms of delivery was identified as the creation of consolidated beneficiary registries, which can be used by a range of actors to target resources and services. This reduces the cost of effective targeting and simultaneously increase the potential for programme coordination and harmonisation.

The need for flexibility and the potential for programme adaptation within the guidelines was also highlighted, in terms of the need for centrally managed programmes to accommodate a degree of local adaption in order to address context specific needs and realities, to ensure that interventions are locally relevant and attractive to the target group. Inflexible top down, centrally planned programming was identified as problematic.

One final issue identified, relating to coordination, was a concern that in attempting to work across multiple sectors, either as coordinator or implementer, an agency risks losing its focus and spreading itself too thinly. This may be a challenge when an agency attempts to accommodate a diversity of activities into its programme, extending beyond its core mandate and competencies. The need to identify the limits to a programme, and which tasks should be implemented or coordinated by a social protection agency, and which by other specialised agencies was recognised.

9.2. Capacity of Local Implementing Agents

Local capacity, primarily in terms of the staff at the point of programme delivery, was identified as a key issue which represented a potential constraint to programme scale and quality. The availability of sufficient numbers of personnel with appropriate skills to implement programmes as trainers, facilitators or technical experts, was noted as a decisive factor in terms of the quality of implementation across the case studies, and related to both technical skills and also a range of community development and psychosocial skills. This is particularly important where a programme is caseworker-based, and an individual or household level intervention forms the basis of the implementation model, or where there is a need for technical inputs to ensure the appropriateness and adequacy of physical construction activities.

Capacity and skills may be required in local government or among civil society or community groups with responsibility for programme implementation. In some programmes the pre-existing skills of community figures were co-opted into the programme, while in others cadres of workers were developed and trained especially for programme implementation. Where cross sectoral programming is anticipated, personnel need to have a wide range of skills at the local level, which extend beyond knowledge of social protection, into complementary areas including livelihoods development, micro-finance and training. This may represent a challenge at local level where the skills base of available personnel is not likely to encompass such a range of skills. Where the programme model is based on individualised support, there is a need for significant numbers of local personnel in order to provide the intensity of engagement required.

The capacity requirements of local personnel in implementing exclusively social protection programmes, such as cash transfers, is likely to be much lighter and require significantly fewer skills and intensity of engagement, particularly where the programme is unconditional and does not require compliance monitoring. As such there are trade-offs between the quality of provision at a household level and the breadth of coverage if funds or personnel are limited. Programmes attempting to provide intensive household or individual level support, are significantly more costly than programmes providing support on a community basis, or programmes providing only cash transfers, which require minimal direct household level contact after registration and paid electronically. The cost of the intensive individual case worker delivery model was recognised as a constraint to large scale provision and replicability in low resource contexts.

The adoption of a viable implementation model, appropriate to the context in terms of both programme objectives and the capacity of delivery institutions is important for implementation. As a social protection programme grows more complex, adding additional components to provide developmental services not otherwise reaching the target group (micro-finance, livelihoods development etc) results in increasing complexity which can compromise the quality of implementation and scale. This suggests that programmes which attempt to provide multiple services and work intensively at an individual, rather than a community level may face considerable implementation challenges and trade-offs.

9.3. Labour Market Information and Engagement with the Private Sector

Programme engagement with the market and the private sector was repeatedly identified as critical for effective programme implementation, particularly in relation to ALMP and livelihoods programmes. The key requirement was for programme design and implementation to be informed by market analysis and information on labour demand to ensure the feasibility of micro-enterprise initiatives, local livelihoods activities and programmes to support formal employment. Market analysis is critical for the successful implementation of ALMPs, as knowledge of private sector opportunities and the associated skills requirements is necessary to ensure the relevance of the support and training provided. However, this knowledge is complex to acquire, and requires effective linkage with the state agencies which generate this information or the ability within programmes to generate their own analysis of opportunities and input requirements. Understanding both supply and demand factors at the level of the individual, the company and the wider economy is central to successful ALMP activity, but the difficulty of carrying out adequate market analysis (requiring skills, information and linkages with the private sector) represented a major challenge to the case study agencies and the absence of information regarding market opportunities or labour demand was identified as a major problem in terms of ensuring the relevance and effectiveness of provision.

Basing programming on a spatial analysis of employment opportunities was seen to result in an urban focus in ALMP provision, reflecting greater labour demand and lower training and

placement costs, and there was a recognition that this skewed support away from rural areas where unemployment and poverty were often concentrated.

9.4. Inclusion and Reaching the Poorest

It was noted that despite being identified as intended programme beneficiaries, a number of programmes faced challenges in reaching the poorest and the marginalised. These groups were excluded from participation by a number of social, economic and psychosocial barriers, some of which had not been anticipated during programme development, as well as programme implementation decisions.

In some cases eligible participants were excluded due to the targeting processes and programme implementation approaches adopted: geographical targeting, or targeting focussed on areas of concentrated poverty resulted in the exclusion of those in areas of dispersion, as did programme implementation approaches that required implementation to be carried out on the basis of community rather than individual needs criteria. These approaches were selected to be cost effective in terms of targeting resources, but they offer a trade-off in reaching the poorest. The largest challenge was one of exclusion, with the majority of the poor being excluded due to the limited scale of provision – only one of the case studies was operated on a demand driven basis.

Others faced barriers to participation in training and job placement as they lacked the prerequisites for programme entry in terms of social, psychosocial, literacy, numeracy or vocational skills. This resulted in an inherent bias away from the poorest in a number of interventions. Some were unable to participate in unpaid training as they needed to work in order to bring a wage into the household, while others self-excluded due to concerns that their cash transfers would be reduced or revoked if they took up work, and so chose to withdraw from the programmes. Others dropped out as they did not perceive the training to be relevant and had only enrolled in order to be eligible for cash transfer provision. Overall the emphasis on the provision of soft skills, which varied according to the context, was seen as a particularly important response to this challenge of exclusion.

Where programmes were developed explicitly to provide complementary support to support cash transfer recipients, coordination between programmes was sometimes a challenge and demand from transfer recipients was limited, and as a result a large number of beneficiaries were not those receiving social assistance. Some programmes focussed on the promotion of inclusion by particular population groups (women, those affected by conflict, members of marginalised social or ethnic groups) but there was little discussion of addressing exclusion based on individual characteristics, and only one had explicit quotas for the inclusion of Person With Disabilities (PWD).

Data on the extent to which programmes effectively reached intended target groups, was reported to be limited in most programmes, one instance of a broader challenge relating to programme performance monitoring, discussed below.

9.5. Sustainability of Impacts

Concerns regarding the sustainability of programme impacts were widely reported and questions raised regarding whether programme participants would experience sustained poverty reduction after programme exit. These concerns were linked to two main factors: i) the lack of employment opportunities for them to take up even with enhanced skills and experience; and ii) the absence of ongoing social protection and access to basic services. It was argued that ongoing cash transfer provision and access to health, education and financial services was a prerequisite for successful livelihoods promotion ('graduation') programming and that in the absence of such provision, it would not be feasible to implement complementary programmes with significant or

sustained impacts on poverty and programmes were unlikely to extend beyond pilot or small scale provision.

9.6. Politics and Institutionalisation

Political support was identified as a critical requisite for successful programme implementation as it provided the incentive for collaboration across the range of actors required to implement programmes linking social protection and employment. Explicit political support was found to increase the likelihood of adequate resource provision, and also to enhance programme credibility, which is particularly important in terms of coordination in the absence of direct control over the agencies providing complementary services.

It was recognised however that political championship has both positive and negative dimensions and may be associated with the articulation of politically motivated programme aspirations which may be unrealistic or overstated. This can be problematic for implementing agencies as support can turn to rejection if programmes fail to meet targets, and this can lead to challenges in terms of ongoing programme investment. For this reason it is critical to manage expectations linked to political support.

There was a strong concern that programmes should be institutionalised in order to limit programme politicisation and preserve programme integrity. The translation of political support into legislative or executive commitments which are reflected in the institutional architecture was identified as a means to protect programmes from politically motivated revision and ensure programme sustainability over time. Having a constitutionally based mandate and legislated identity were identified as key factors in negotiating adequate budgetary allocations, investment in the requisite institutional support structures and technological systems, and, critically, maintaining the conceptual integrity of the programme over time and through successive administrations.

9.7. Evaluation and MIS

The lack of evaluation data against which to assess performance was a major challenge, reflecting a concern identified in the previous South-South linking event in the series, namely that;

To substantiate such effects and thereby encourage further investment in social protection interventions, it is also essential to incorporate robust monitoring and evaluation systems to capture the impacts of social protection on employment. (DFAT, 2017)

The majority of the case studies did not provide evidence of impact in terms of sustained labour market and livelihoods outcomes as programme evaluation was not institutionalised, and several programmes had been implemented for many years without evaluation. As a result many unknowns persist relating to programme performance in terms of outcomes, implementation, or cost effectiveness, and it is not possible to conclude which interventions or combination of interventions work most effectively to promote employment and livelihoods benefits, or the relative impacts of the different programme components (the transfers received, work experience, training, or the various components of the complementary interventions).

Programme monitoring was reported to be limited in many programmes, with the focus having been on implementation rather than the development of management information systems (MIS) in many of the case studies. Where local data was gathered its quality and integrity was highlighted as a concern. Inasmuch as programmes were monitored, information was gathered primarily on throughput and overall cost, rather than labour market outcomes over time. Few of the case studies generated the evidence required to gain insights into performance or to assess their ability to provide meaningful, cost effective and scalable solutions to the contemporary labour market challenge.

10. Conclusions and Recommendations

The challenge explored in the workshop was how to use social protection and complementary interventions to improve the returns to labour of programme participants, recognising that in a context of mass labour market failure, market based employment may not be sufficient to provide a solution on the scale desired and that conventional market-based social protection solutions may no longer offer an adequate response. This report has documented the insights emerging from workshop discussions of the nine case studies, which together illustrate a diversity of attempts to address this challenge.

In terms of addressing poverty and promoting returns to labour in the context of demand deficit unemployment, the main social protection-related options were represented at the workshop, namely: i) the creation of state sponsored employment (PEP); ii) the provision of cash transfers to stimulate local economic development; iii) the promotion of sustainable livelihoods outcomes, including micro-enterprise development and self-employment, through the provision of complementary services (the range of activities conventionally described as rural development) in order to achieve outcomes; and iv) ALMP, although these are primarily linked to addressing the numerically smaller challenge (in terms of the numbers of individuals affected) of facilitating entry into existing employment opportunities.

The workshop discussions illustrated that how best to combine these instruments to address poverty and employment is dependent not only on government preferences, but also on fiscal and institutional capacity and the specific characteristics of national and local labour markets, with outcomes determined by the range of factors discussed in the previous chapter.

The challenges and limits of approaches based on providing market information, promoting the quality of labour supply and providing employment based social security were identified, and the need for new thinking to provide responses to this new context was recognised. Where this reality has been internalised by the government, new forms of mass provision have been introduced. Elsewhere there has been a renewed focus on promoting micro-enterprise development and self-employment, and linking this to the opportunity provided by social protection transfer provision.

In terms of providing an adequate response to poverty for the working age poor and to compensate for the realities of labour market failure, the social protection focus needs to be on extending provision. This implies increased coverage for the working age poor, either through cash transfers, or public employment, which will require changes to implementation modalities in order to reduce the technical, administrative and financial costs of delivery; simplifying delivery mechanisms, targeting criteria and the calculation of transfer values, reviewing conditionalities, and potentially moving away from individualised provision, considering the efficiencies of universal provision, and also clarifying the focus and mandates of social protection institutions.

For PEP to be implemented to scale, there is a need for an investment in the development of a dedicated institutional infrastructure, the development of standard operating systems and a shift away from small scale supply-led programming to demand-driven Employment Guarantee Scheme (EGS). Also, it is only by operating to scale that PEP have the potential to stimulate improved terms of employment for the poorest, although this has significant resource implications. The conventional model of small scale PEP offering supply driven provision as the

primary instrument for supporting the working age poor has become an anachronism in the current context.

Given the importance of linking transfer recipients to complementary services in order to stimulate livelihoods benefits, it is appropriate for social protection providers to coordinate with existing institutions providing complementary services where these are functioning effectively. However, supporting and potentially replicating the mandate of other agencies tasked with the provision of such services may be an inefficient use of scarce resources. Hence government investment in the provision of complementary services by those agencies with the institutional mandate to provide them, may be more appropriate than increasing the range of services provided by the social protection agency, as an extended mandate may entail trade-offs in terms of basic social protection coverage. As social protection provision is highly rationed and covers only a fraction of the poor in most contexts targeting additional development support to this group, to the exclusion of those not receiving social protection provision is problematic.

The workshop has illustrated that the challenge goes beyond selecting the best implementation modality using current instruments, and that programming and policy at country level have not yet fully taken into account the realities of the labour market. The need to accommodate the working age poor within social protection provision on a mass scale, pending macro-policy responses to the structural employment crisis, implies that there is a need to rethink current models of provision. This is particularly critical given the scarcity of the human and financial capital required to implement such programmes, and the opportunity cost of continuing to implement interventions which may be costly and ineffectual in relation to the scale of the challenge.

Recommendations

The objective of the workshop was to share experiences in order to enhance the role that social protection can play to promote returns to labour in the context of mass unemployment and working poverty. For this reason the implementation approaches, challenges and lessons from each case study were set out in detail, and the findings from the workshop were synthesised in chapter nine, which identified the key implementation issues which affected performance, namely: coordination, capacity, linkage to the labour market, reaching the poor and marginalised, sustainability, political support and politicisation, and evaluation.

Four main recommendations drawn from this analysis are set out below: refresh policy in light of labour market analysis, create an enabling institutional context, extend evaluation to inform effective programming and accountability and extend the scale of social protection provision. These are detailed below;

1. Refresh policy and programme design in the light of labour market analysis
 - 1.1 Incorporate an analysis of the changed realities of the current labour market situation, globally, regionally and nationally into national policy debates
 - 1.2 Review the portfolio of national social protection and employment policies and instruments to assess their relevance in the current labour market context, and adequacy in relation to the scale of the challenge
 - 1.3 Ensure programme design is informed by national and local labour demand and market analysis, as well as implementation capacity, to ensure feasibility and relevance
2. Create an enabling institutional context

- 2.1 Promote binding constitutional, legal and fiscal mechanisms to safeguard social protection provision and ensure programme interventions are sustainable
- 2.2 Establish formal institutional and legislative mechanisms to ensure the effective vertical and horizontal coordination required to implement complex cross sectoral initiatives, with incentives and penalties to promote compliance
- 2.3 Develop management and procedural guidelines outlining roles and responsibilities to support coordination, reduce the risk of corruption and promote consistency of provision, but allow for local adaptation
- 2.4 Base targeting on a shared beneficiary database to enhance harmonisation and efficiency

3. Extend evaluation to inform effective programming and accountability

- 3.1 Develop MIS to ensure that programme implementation is adequately monitored
- 3.2 Review the cost effectiveness of different interventions to compare performance and assess the fiscal viability of extended provision
- 3.3 Carry out systematic process and impact evaluations to appraise programme performance and inform future instrument selection and design

4. Extend the scale of social protection provision

- 4.1 Revise programme design and implementation modalities to reduce cost and increase feasibility of large scale provision (eg simplification of transfer value formula, simplification or removal of conditionalities, extension of electronic payment)
- 4.2 Promote rights-based, demand-driven and entitlement models of provision for the working age poor
- 4.3 Increase the scale of PEP by expanding the range of public goods and services provided
- 4.4 Implement complementary interventions alongside ongoing social protection provision (cash transfer/PEP wage) to promote sustainability
- 4.5 Accommodate the barriers to participation in ALMP or PEP faced by the poorest and most marginalised

Unemployment and under-employment are among the major development challenges of our time. There is a need for realism in terms of the potential role of social protection in addressing these challenges, recognising its limitations as currently configured in relation to profound structural barriers to employment. There is a need to engage critically with achievements to date and to stimulate new thinking regarding the conceptualisation and implementation of social protection and employment programming in context of what may be described as chronic labour market failure.

In order to progress there is a need for informed policy choice and programme design, and it is hoped that this report, documenting the rich material presented in the case studies and the associated discussions held during the workshop, will enable readers to learn from the experiences and innovations of the case study programmes, and promote critical reflection on social protection provision and employment programming for the future.

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