DIME impact evaluations in Cash-for-Work (CFW) Public Works Programs

Job Creation & Productivity in FCV Contexts
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What is DIME?

classify
rigorous research
generate
actionable data
and evidence
inform
real-time decisions
increase
policy effectiveness
CFW PROGRAMS INCLUDING LABOR-INTENSIVE PUBLIC WORKS (LIPW) PROJECTS
Background and rationale of CFWs/LIPWs

- Provide temporary employment to poor/at-risk youth to increase earnings, while improving community assets.
  - Often introduced during emergency or crisis situations such as drought or crises to serve an important social protection function.
  - Presumed to have positive externalities on the value of the work or asset created
  - Also presumed to have positive social externalities (e.g., violence prevention, collective action; civic engagement).
  - More than 200 in Africa alone in last 10 years. Used in many developing and FCV countries.

- Very costly, but until recently rigorous evaluations were limited.
Key Research Questions on CFW/LIPW

• Does short-term employment support through CFW improve the economic welfare of low and unskilled youth?
• Does it induce their socio-psychological welfare?
• What is the impact of add-on components such as skills training, entrepreneurship training/activities, and cash grants on labor market outcomes?
6 Countries and 8 IEs

Long-term/Indication of long-term results

• Egypt

• Côte d’Ivoire

Short-term results

• Comoros

• Tunisia

Ongoing

• DRC

• Jordan

Short-term transfers to work on asset creation

1. Mvukiyehe E. et al
2. Premand P.
3. Holmlund M.
Typical IE intervention

The intervention
• short-term employment support
• Ranges from 1 week to 3 months or 6-9 months

Target Group
• Unskilled, low-skilled and long-term unemployed individuals/youth
• Targeting females or other marginalized groups

Activity
• Participation in labor-intensive community infrastructural projects in rural communities, particularly school, youth center, and social unit rehabilitation in rural communities.

Implementation Modality
• Private Contractors
• NGOs

IE & RCT Design
Randomization can be done at two levels—
i) at the community level and
ii) at individual level within selected communities
Added on Components to the LIPW IE

An evaluation of the effects of the STEP Labor-Intensive Public Works Program on the urban poor in Eastern DRC

- Providing temporary employment opportunities and earnings to vulnerable households and individuals through infrastructure projects (LIPW)

- Testing whether LIPW programs combined with training and savings effectively reduce poverty among populations affected by violent conflict

- 5-arm Randomized Controlled Trial, using first-hand data collected before and after the LIPW program rollout

 ✓ Baseline findings highlight that target population shows limited ability to cope with shocks (low savings, capital constraints)

 ✓ Endline data collection involving ~6,000 individuals ongoing
Results across five cases (so far) show that these programs deliver some short-term economic benefits such as employment (wage), income, consumption, and in some cases, savings but there are some caveats and variation. However, there are few or no impacts on broader peacebuilding outcomes, including on measures of violence, conflict, and crime.
Country Case: Tunisia (4-6 months post intervention)

- Wage employment is 8 perc. points higher
- Monthly earnings is 26% higher
- Rent over past month is 112% higher
- Expenditures on home improvement over past year is 52% higher
- Amount of savings at time of interview is 10% more
Country Case: Egypt—Social Services (3-6 months)

- Wage employment increases modestly by 15 percent points higher
- Monthly earnings is 35 percent higher
- Food spending is not significant
- Non-food spending is 11% higher
- The propensity to save in the last 3 months is over double

DIME Report (Egypt Social Services) 2017
Positive but immediately dissipating effects over time and length of survey exposure at the field

Côte d’Ivoire, 12-15 months post-program

Egypt

Impact on Employment (Percentage Points, pp)

0 month post-program (end of program month) 1 month post-program 2 months post-program

Employee

Employed

Wage

Self-Employed

Control Treatment Impact

32.3**

22.4***

11.9*

Employed Wage Self-Employed
Simulations show that offering low reservation wages, targeting women, and low-income earners was found to increase the effectiveness of the program by nearly 1.5 to 2 times.
Gender Effects - Tunisia LIPW

• Pilot labor-intensive public works program in Jendouba, one of the most under-served governorate in Tunisia

• Provided short-term employment support to 1,500 low-skilled and long-term unemployed individuals through participation in labor-intensive community infrastructural projects in rural communities

Findings:
Wives of workers are 7% more likely to be employed in treatment villages receiving the LIPW intervention compared to wives of eligible workers in control villages
Evidence: Social Outcomes

Horizontal Social Cohesion

Percentage point

- Interpersonal trust
  - Egypt: 4
  - Tunisia: 9

- Local collective action
  - Egypt: -10
  - Tunisia: 8

- Engage with outside
  - Egypt: 12
  - Tunisia: 0

Vertical Social Cohesion

Percentage point

- Contacting elected official / gov agency
  - Egypt: 1
  - Tunisia: 0

- Trust in the government
  - Egypt: 2
  - Tunisia: 2

- Support for rule of law
  - Egypt: 3
  - Tunisia: -4
Evidence: Social Cohesion Outcomes

• No movement on horizontal social cohesion (trust, collective action, information)

• No movement on vertical social cohesion (outreach to local government, trust, support for rule of law)
Moving forward, it will be important to understand how to design such programs to both increase the sustainability of economic outcomes while achieving a broader set of outcomes related to conflict prevention, mitigation, and resolution, social cohesion, etc.
Jordan Case: Designing Cfw to improve social cohesion

Q1: Can we use cash-for-work to improve horizontal and vertical social cohesion and productivity?

Q2: Does having Syrians and Jordanians work together help us achieve these objectives?
### Jordan CfW Design

**Targeting & Recruitment**

- Eligible UNSKILLED population

**Lotteries**

- Group 1a: Teams are 100% Jordanian
- Group 2: Teams are 75% Jordanian
- Group 3: Teams are 50% Jordanian

- External shocks
- Internal non-obs (culture)

Group 4a: Assigned to the waiting list
Policy Implications & Areas for Upcoming Research

- CfW program fulfill their **short-term safety net objectives** but how do we think about these meeting employment objectives?
- How can we improve targeting and other delivery mechanisms?
- How do we ensure **sustainability** and transitions to **peace**?
- If we want to affect peace we need to **design interventions that are tailored to these outcomes**.

Safety-Net
Short-term economic opportunities in case of shocks

Not automatic!

Sustainability
Can we make economic outcomes last?

Peace
How do we adapt such programs to reduce conflict and build trust?

How do we make the transition?
Thank you!

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