

Public Works and Public Employment Programmes: What role in socio-economic recovery?



Session 1: Lessons from the past to inform the future

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Dr Anna McCord

Findings from ‘100 Years of PWP in the ILO’



- ILO Centenary celebration 1919-2019
- Coauthors: Lieuw-Kie-Song, Tsukamoto, Tessem and Donnges
- Collaborative project, with current and past EIIP staff
- Explore history of PWP in the ILO
- ILO as visionary thought leader in terms of employment & economic policy as well as technical innovation and technical assistance
- Fascinating story, PWP in ILO mirror ideological, institutional and geopolitical shifts over decade
- Highly relevant today – need for strategic and mass scale employment creation to address global development and climate challenges

Structure



- Sketch out history –
 - share flavour of key developments over time to give background and context to the following seminars
- Main themes & lessons
- Highlight why relevant today
- Context for remaining sessions

History of PWP

- Long history of PWP as response to inadequate labour demand during periods of economic transitions – documented in UK during 1500s
- Low paid and unattractive arbitrary work with limited productive value - disincentive to applicants
- 19th century – PWP as component of social policy in Europe
- Initial experiments in countercyclical public spending eg *Freycinet* Plan France, 1870s – accelerate spending on railways, canals and ports in response to recession

PWP Part of Discourse of Recovery post WW1



- Urgent need for relief, employment and public investment in reconstruction
- Fear of radicalism if labour challenges not addressed
- Awareness that unemployment and poor labour conditions were key drivers of social and political instability - 20 million deaths in WW1
- PWP part of policy discourse in response to social and economic dislocation post WW1

Part XIII of 1919 Versailles Peace Treaty - Labour



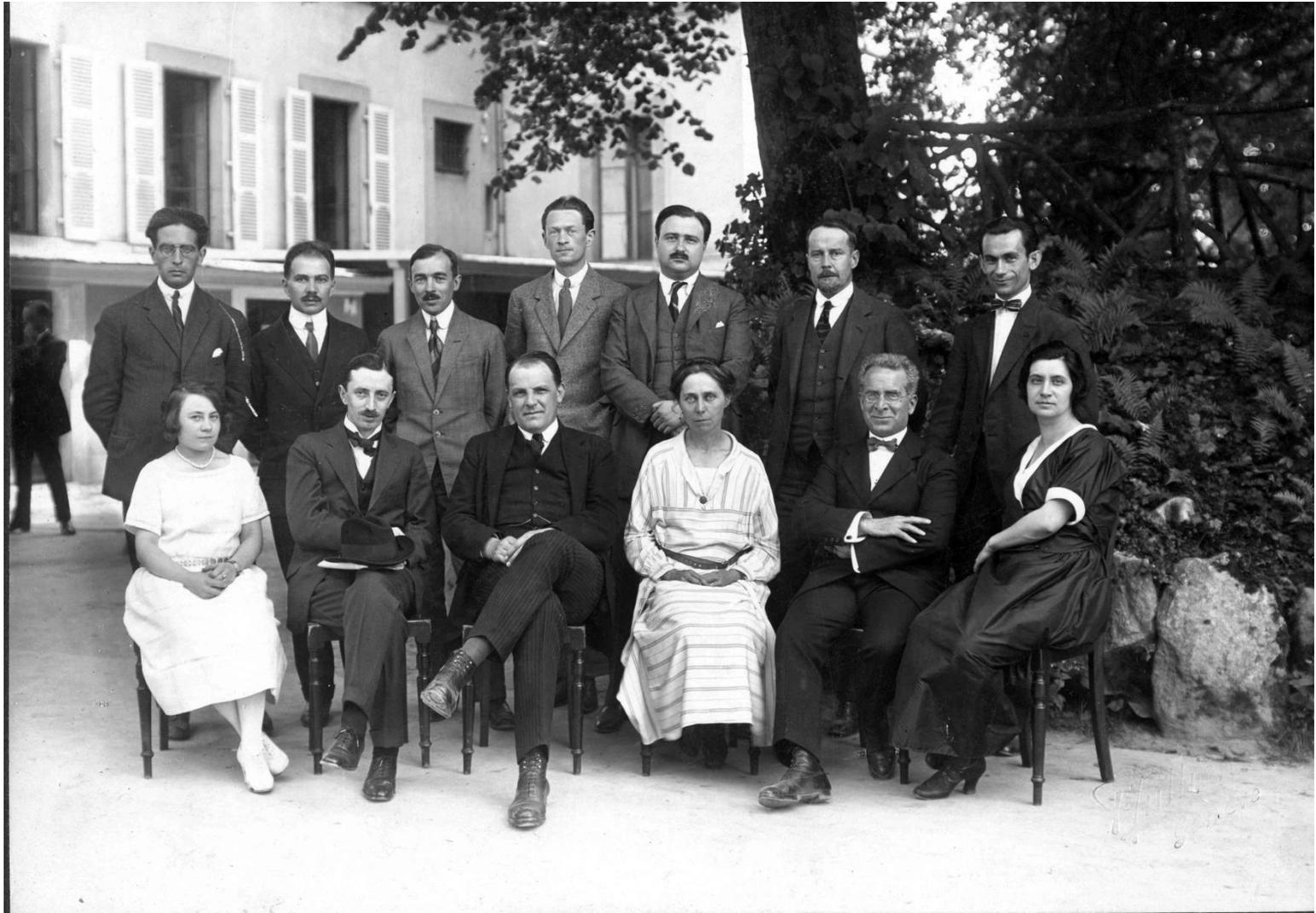
- Versailles treaty established League of Nations
- ‘the establishment of **universal peace** [...] **can be established only if it is based upon social justice**’
- ‘**conditions of labour** exist involving such injustice, hardship and privation to **large numbers of people** as to **produce unrest** so great **that the peace and harmony of the world are imperilled**; and an improvement of those conditions is urgently required:’
- ‘moved by sentiments of **justice and humanity** as well as by the **desire to secure the permanent peace** of the world’

ILO Mandate



- ILO created under Versailles treaty as affiliate to League of Nations, to address challenge of labour
- ILO in 1919 tasked with the prevention of **unemployment & the provision of social protection** (along with labour regulation)

First Session of International Labour Conference 1919



ILO Priorities in 1919



- **promoting interventions to alleviate mass unemployment directly**
- unemployment was 2nd agenda item at 1st International Labour Conference (ILC)
- ILO's first Recommendation (No.1 Unemployment Recommendation) included;
 - advance planning of public works
 - mass public employment in place of 'relief' (cash transfers)
 - state intervention - rescheduling public spending to finance public employment at time of need

ILO PWP in 20s & 30s

- 1920s –
 - promote national PWP for post WW1 stabilisation and peace consolidation
- 1930s –
 - create global PWP inventory
 - promote design innovations
 - develop first PWP policy (1935)
 - propose large scale systematic and coordinated PWP
 - lobby to create central international authority to coordinate PWP and financing
 - consistent with Keynes (General Theory 1936)
 - planning disrupted by WW2 before institution realised

ILO PWP in early 40s

- Era of interventionism & full employment
- Vision - ILO as facilitator of world economic cooperation & post war reconstruction
- *A solid majority of economists is now of the opinion that, even in a capitalist system, full employment may be secured by a Government spending programme... ” (Kalecki, 1942)*
- *One still hears statements here and there to the effect that we cannot afford (in terms of money) this measure or that, but **the great majority of people now realise that what we really cannot afford (in terms of welfare) are mass unemployment and a low standard of living.** Moreover, there is no economic reason whatever why we should, and we therefore have a sound basis on which to build for the future.’ (Tait, 1944)*

ILO PWP in the post war decades

- 1940s
 - ILO not given reconstruction mandate
 - Post war boom reduced urgency for PWP
 - Cold War, decline in appetite for UN-led transnationalism
 - ILO redefine self – step away from PWP vision and leadership aspirations
- 1950s
 - PWP to address seasonal unemployment in developed countries, but no commitment to interventionist approaches
 - ILO re-focus its technical cooperation on newly independent developing countries
 - PWP as response to post colonial capital shortages with goal of stimulating economic growth

1960s - UN First Development Decade



- Economic growth failing to generate employment or poverty reduction, particularly in LIC
- Provision of TA to promote PWP and labour-intensive approaches
- PWP debate increased from TA to broader policy issues relating to poverty & employment
- Growing unemployment during late 60s major concern, failure of 'Development Decade'

1970s - World Employment Programme

- WEP (1969) proposes coordinated global programme to address underemployment and unemployment, addressing social and economic development objectives
- After 30 years ILO central role highlighting unemployment as a global challenge and identifying role for itself as part of coordinated international response
- WEP employment missions to explore employment challenges and potential policy responses – Colombia, Sri Lanka, Kenya
- Major research programme creates a theoretic basis for the adoption of LI methods
- Develop technical approaches for optimising the employment intensity (EI) of infrastructure investment

1970s – shifting the development discourse



- ILO radicalism and leadership
- Discourse of WEP - growth with redistribution, radical full employment agenda, use of LI to promote a '*shift to a pattern of economic growth that is more employment-intensive, more equitable, and more effective in the battle against poverty*' (Emmerji, 2010)
- Development of LI training centres, and programmes, eg Rural Access Roads Programme, Kenya

1980s – PWP consolidation



- Creation of the Employment-Intensive Investment Programme (EIIP)
- Promotion of ‘pro-employment’ approaches in construction industry
- Development of global network of expertise on LI construction, capacity building with private and public sector partners, outreach – universities, technical training centres and regional seminars
- Creation of global PWP blue print, export to World Bank
 - Rapid change in ideological context - reduction in interventionist policies under neoliberalism
 - Reduced EIIP budget and capacity
 - Closed regional employment teams established under WEP

1990s and 2000s – job creation back on agenda



- 1995 UN *World Summit for Social Development* (WSSD) re-opened space for interventionist approach to employment
- ILO *World Employment Report* documented failure of growth to deliver adequate employment, and structural nature of the challenge
- *Decent Work Agenda* promoted employment creation and social protection
- Increase EIIP profile, budget and activities focussed on country level support

2010s- a changing development agenda with PWP to the fore

- Social Protection Floor Initiative (2012)
 - PWP for income security for working age poor
- Agenda 2030 and the SDGs (2015)
 - SDG 1 End Poverty
 - SDG 8 Decent Work and Economic Growth
- 2015 Paris Agreement on Climate Change
 - ‘Green’ PWP activity for mitigation and adaption – and Shock Responsive Social Protection
- ILO take leadership role in PWP coordination and promotion
 - Lead ISPA group to promote international donor coordination on PWP

2020s – role for increased PWP activity?



- Covid
 - interventionist policies and acceleration of public investment for recovery programmes
- Climate events & COP 26
 - need for green investment – mass mobilisation for adaptation and mitigation
- ‘Global accelerator for jobs and social protection’
 - call for investment in universal social protection, decent work and a just green transition

Current Context



- Economic dislocation
- ‘Jobless’ growth with under and unemployment
- Persistent poverty in poorest regions of world
- Climate change and environmental challenges (Covid) disrupting labour markets
- Limited social protection coverage - 4 million people lack provision (ILO, 2021)
- Striking similarities with 1919
- Once again a crisis of poverty and under/unemployment
- Risk of global social and political destabilisation
- Urgent imperative to address labour market failure

Top line insights: PWP Trade Offs



- PWP are used to address range of policy objectives – eg macro-economic, labour market and social protection
- Design varies depending on the priority objective
- Recognise PWP may have multiple objectives which can be in tension
- Consistent set of trade offs repeatedly identified over the century which require design responses
- Main trade offs;
 - Economic growth vs employment creation
 - Quality of assets vs employment creation
 - Social protection provision vs employment creation

Lessons from history



- Need to ensure technical quality and efficiency
- Need for PWP to be economically, technically and politically feasible, as well as having local ownership
- Need to explore feasibility of expanding PWP beyond construction, (eg to public maintenance, land development, public service ...) to increase labour absorptive capacity and address priority social and economic needs
- (ILR, 1956)
- Need for large scale coordinated interventions in contexts of severe and extensive labour market failure (ILO, 1935)

Relevance today



- PWP are consistent thread in ILO work
- Have been used in a wide variety of contexts over last century
- Rich experience technical, institutional & conceptual
- Policy instrument which can address individual poverty as well as the broader challenges of social stability, economic growth and development
- May be appropriate policy instrument in response to current and future challenges
 - Their future potential will be explored in coming sessions

Thank you...

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- Questions and comments please
- I hope you enjoy the rest of the seminar