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Employment matters too much to leave to markets alone.

PEPs, the social contract and the future of work.

Public Works and Public Employment Programmes: What role in socioeconomic recovery?

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# Society, work and the social contract

**Who contributes what to their household/their community/their society?**

**On what terms?**

**In return for what rights and protections?**

Through 'work' of different kinds, people are seen to qualify for support – and for the public goods, services and social protections provided at a societal level.

The terms of these relationships are an outcome of ongoing contestation informing the social contract – formal or informal.

Discussion of the 'Social Contract' tends to focus on reciprocity, solidarity, rights and social protection.

But social censure is reserved for those deemed to be non-contributors /dependent /not self-supporting.

A source of stigma contributing to negative psycho-social impacts.



*“Where is the fairness, we ask, for the shift-worker, leaving home in the dark hours of the early morning, who looks up at the closed blinds of their next-door neighbour - sleeping off a life on benefits.”*

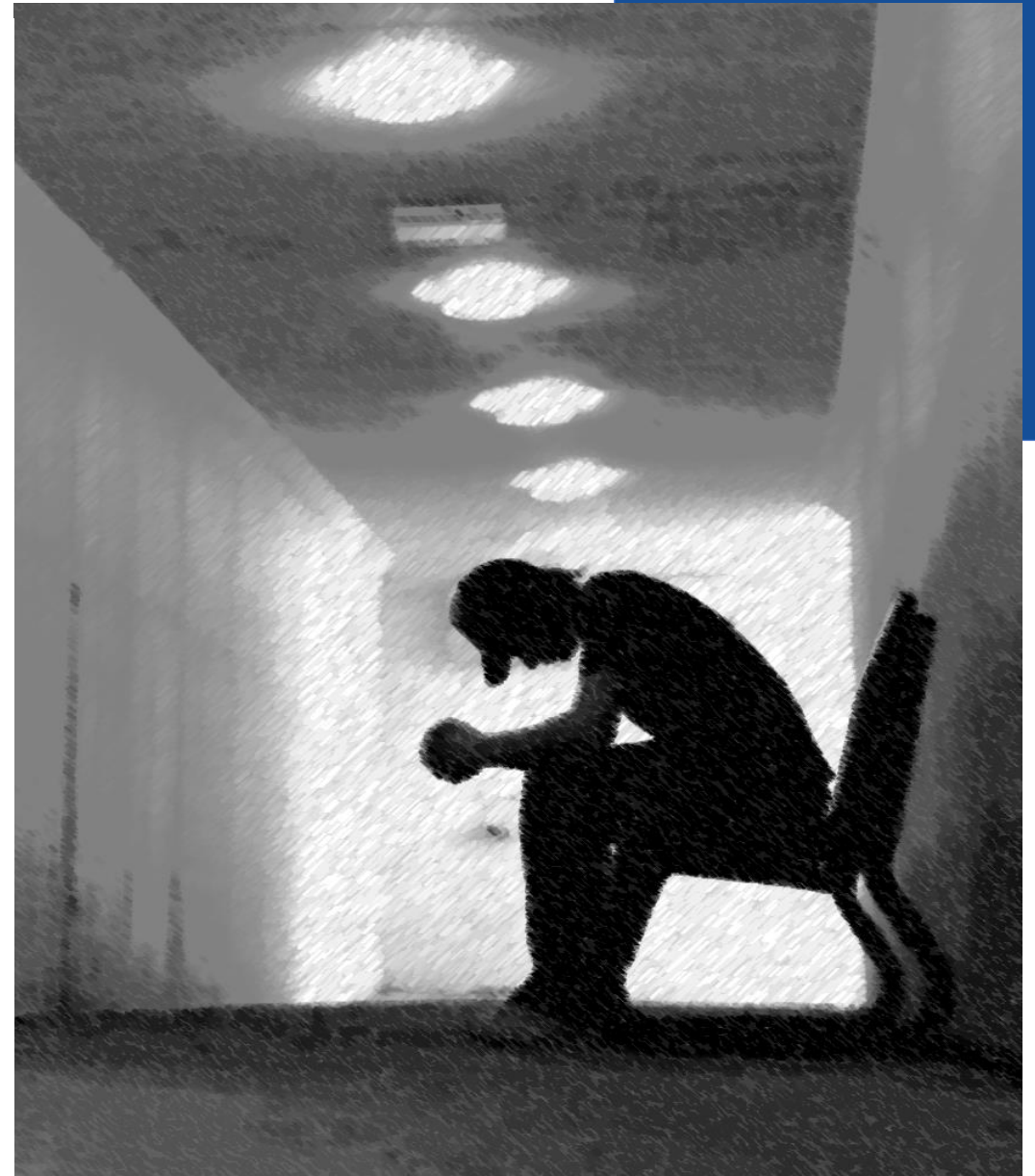
*George Osborne, then Chancellor of the UK,  
Conservative Party Congress 2012*

If one side of the social contract is the expectation of a social contribution through 'work' ... the other side is the societal responsibility to provide the opportunity to work

# Work matters.

And it's about more than just the income.

- **Inclusion, belonging and social recognition.**  
**As part of the social contract.**
- A marker of transitions to adulthood
  - Part of the social construction of masculinity
- With a range of negative psycho-social impacts of unemployment that ripple through households and societies.
- With the impacts of employment providing the counter-factual:
  - *Building capabilities*
  - *Networks*
  - *life skills*
  - *Self-discipline*
  - *Team-work, mutual accountability*
  - *Creativity*
  - *Collective organization*
  - *Management skills*
- All of which matter to the wider functioning **of society.**
- And to productivity **in the economy.**





## Hence the commitments to 'Full Employment'

- Commitments to full employment form part of many formal global social contracts.
- A recognition that if the contribution of 'work' is so fundamental to the social contract, then creating **the possibility to work** must be a societal responsibility.
- Particularly where removal from land access and other 'means of production' make people dependent on selling their labour.
- The right to work – in practice, mainly a right to work **when there is market-demand for labour**.
- 'Full employment' honoured mainly in the breach.

# What's in the state's toolbox?

## Plan A

Macro policy  
Industrial policy  
Development finance  
Public investment  
Labour market policy  
ALMPs, incentives  
And more

All of the above enable  
and shape  
market-based employment  
outcomes

## Plan B

For when the market response  
**still falls short**/will take time.

### Forms of direct employment

Public Employment Programmes (PEPS) /  
employment guarantees / the state as  
employer of last resort.

**A spectrum of forms.**





Plan B is not just 'relief'.  
It's a stimulus  
that supports 'Plan A' too....

- Incomes are spent in local economies, supporting the informal sector and SMEs and trickling up into wider value chains from there.
- With multipliers in wider markets (MGNREGA – Muralidhran et al)
- Building work capabilities crucial to wider productivity, maintaining the link to the labour market.
- Providing work-experience – a gateway to other opportunities
- With work experience also critical to enabling livelihood and entrepreneurial activity
- A need to move beyond binary analysis to understand how PEPs can enhance market outcomes also.

# 2020: Covid 19 shocked our world

A reminder of what binds societies together.

Solidarity. Reciprocity. Care.

Institutionalised, not based on random acts of kindness.

A moment to re-imagine how the pieces might fit together – and the role of the state in protecting society.

Yes, to build back better.

With what implications for the future of work?





*'The future is already here –  
it's just not very evenly  
distributed'*

William Gibson, Science Fiction writer.

*Precarity / informality / AI / innovation /  
robots / inequality / better jobs / worse jobs  
/ displacement of people /  
/ underemployment / gig economy / aging  
populations / reskilling / youth bulges /  
globalisation / technology change / ALMPS /  
gender gaps /*

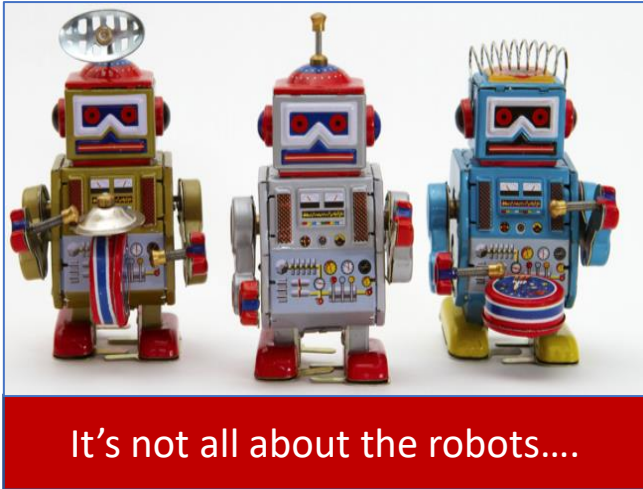
**Less jobs? More jobs? Better jobs? Worse jobs?**

**No outcome is inexorable.**

**Social processes will determine them.**

**With what role for the social contract?**





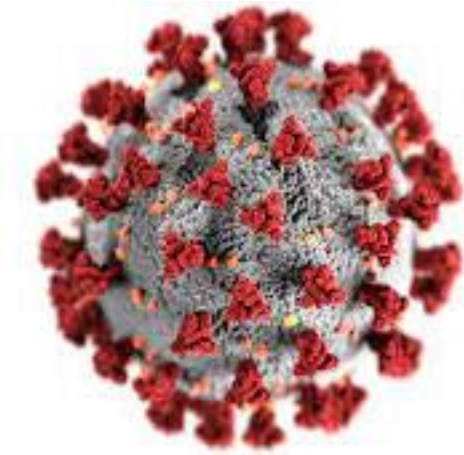
Uncertainty is certain.

But high levels of job displacement, job churn and social disruption are anticipated.

As we've seen, markets can be disrupted in unanticipated ways, too.

A critical role of the state is to limit the negative impacts on people.

What role can PEPs play in this regard?



# Building societies that work.

There is work to be done.  
There are people to do it.  
Why not put these together?  
JM Keynes.

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With integrated approaches that recognise that labour can create social, environmental and indeed economic value even when it has no market value in a given context.

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By building on lessons from PEPS to unlock that value – a huge societal resource - to deploy labour in ways that optimize the social, environmental and economic impacts of the work undertaken. No ‘make-work’ of low social value!

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By institutionalising alternatives to the economic forces driving precarity, working poverty, unpaid work, under-employment and unemployment. Giving people choices. Tempering the primacy of markets in determining social (and environmental) outcomes.

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By developing ‘whole of society’ approaches - putting some PEPs in the hands of communities, to make publicly-funded employment a resource for community-driven development, to help build/rebuild the commons. Which in South Africa we are calling ‘social employment’.

**This is our challenge.**

# 'Markets are social constructs'

Ha-Joon Chang,  
Douglass North.

**So part of the challenge is to construct them differently.**

**How might PEPs contribute to a wider agenda of 'reconstructing' labour markets on terms that limit the damage 'unfettered' labour markets can do to society?**

- Limiting the role of desperation
- Limiting the commoditization of labour
- Providing socially-mandated alternatives when market demand for labour is low – that recognise its other forms of value.

**What does this look like in relation to some key features of the future of work?**



# PEPs provide new ways of creating a labour market floor

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- **Depending on their design**, PEPs can contribute to setting a labour market floor: moving the dial on decent work.
  - Eg By paying minimum wages, MGNREGA has led to increases in agricultural wages in certain states.
  - By paying equal wages - MGNREGA contributed to closing the gender wage gap.
- An instrument in the fight against working poverty and the erosion of labour standards
  - a matter of design and policy choice....
- With these potentials optimal in the context of a guarantee, where an alternative enhances bargaining power.

# What is a 'labour market floor' in the context of precarity, the gig economy, informality?

These are all characterized by insecure episodes of work.

Often, the sum does not add up to a means of living. Technically, 'under-employed', part of the precariat, the working poor.

If people reliant on these forms of income could rely on regular and predictable part-time work through PEPs, can this constitute a form of floor? Enhancing bargaining power, choices - and incomes?

With pathways out of informality and unpaid work also

PEPs can also fill employment gaps, smooth transitions - keeping people in the labour market between opportunities, preventing loss of productivity.

# The approaching climate tsunami

- All over the world – a need for massive investment in environmental works to prevent/mitigate floods, fire, drought, and more.
- To invest in the environment – in catchment management, afforestation, bio-diversity
- To adapt farming methods
- And so much more.
- These are public goods that require public investment as part of the wider 'green jobs portfolio.



There is work to be done to save the planet.  
And to protect communities.  
In a neighbourhood near you.

# Integration of refugees and displaced people

- Conflicts continue.
- Employment programmes for refugees currently rely largely on facilitating access to labour markets. But for many, access remains hard.
- Yet employment provides the foundation for integration, creating structure, networks, information, language learning opportunities, dignity and more.
- With PEPs giving refugees an opportunity to contribute to their new society through the work undertaken
- Including services to other refugees.
- With local work experience enhancing pathways into wider labour markets.
- Of course it must be optional – not ‘workfare’.



There are public employment programmes for refugees in Jordan and Libya, run by the ILO. What lessons can be learned from these?

# (Re)Building the commons

- Even before Covid-19 - talk of 'an epidemic of loneliness'
- Concern that the digital /AI world will reduce social interaction – in the workplace and beyond.
- New social instruments and institutions are needed to build civic capital, social ties, networks and social co-operation.
- PEPs can not only provide economic participation for those excluded from the world of work – but also - a platform for community engagement for those whose work is isolating rather than providing access to networks, interaction.







# Placemaking

The importance of public space foregrounded as never before.

With work to be done to transform – and curate - new uses for public space

Even in the developed world it can be hard to sustain on a volunteer basis.

But a vital, growing form of citizen engagement.

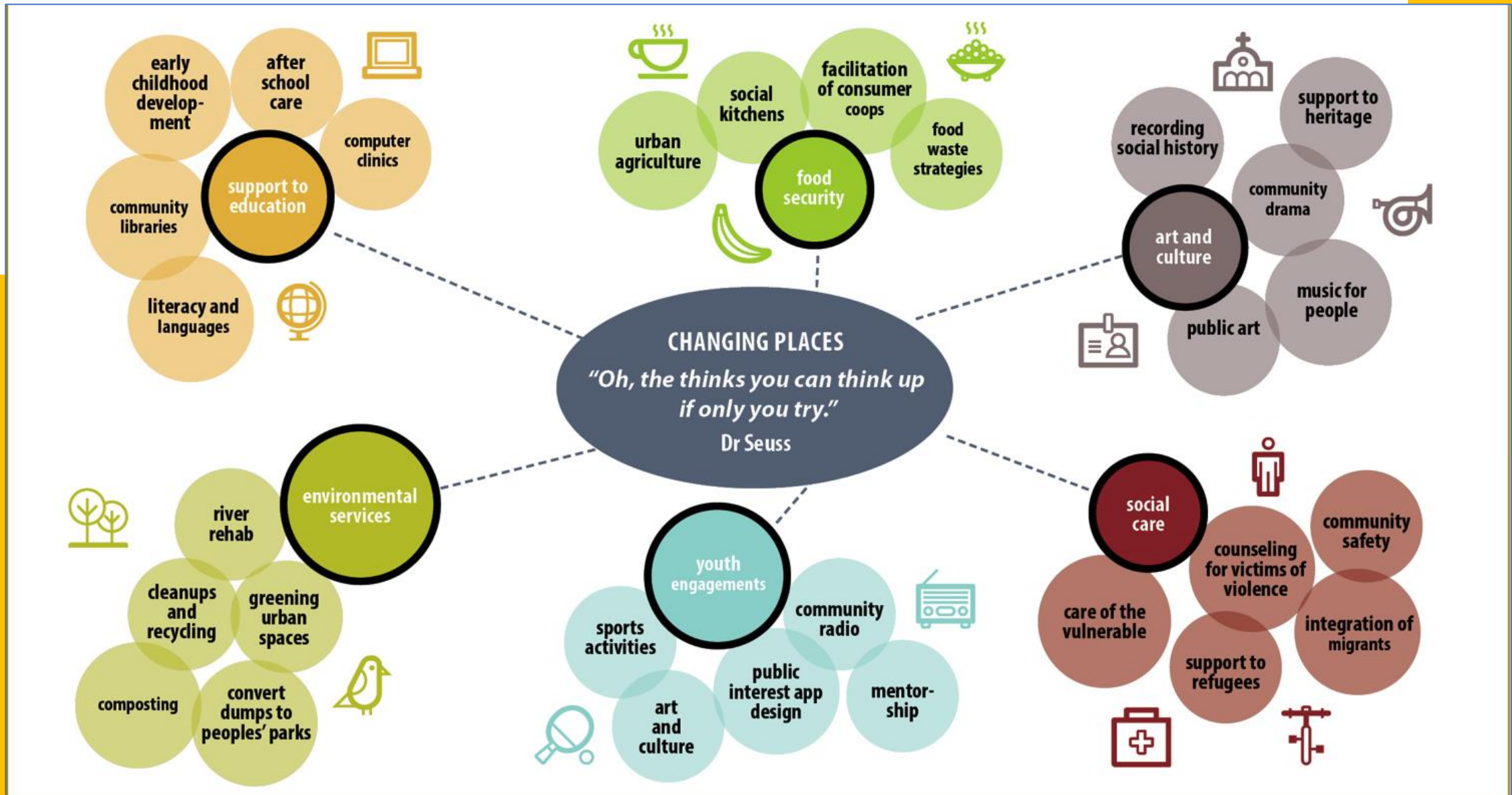
Building the commons needs instruments of support. PEPs can provide one..

# Infrastructure matters for development



- Deficits in core infrastructure still impact on development in many contexts.
- Water, sanitation, shelter, access, irrigation, bridges, public facilities, schools, clinics and so much more.
- With labour intensive methods optimizing employment creation within an infrastructure agenda.
- But if employment creation is the primary aim – then there are service-oriented forms of employment with higher labour intensities.

But huge scope for innovation in the types of work, also



# Not just unskilled manual labour...

In Greece, many skilled people were unemployed during the crisis, creating new opportunities for Kinofelis (the PEP) to contribute to the public good....

- Psychologists counseling people in distressed communities
- Archeologists, historians and computer scientists creating an interactive history programme.
- Physiotherapists providing services to the elderly in poor communities
- Translation of local tourism guides
- Digitisation of archives
- Public interest website design
- Vets sterilising stray animals.



# Supporting diverse social policy goals

Eg Strengthening education outcomes

SA's Presidential Employment Stimulus



- In South Africa as part of Covid response – 320,000 young people placed in 22,000 schools as school assistants.
- Paying the National Minimum Wage, not stipends
- Strong social outcomes, pathways
- Spatial equity
- **High labour intensity**



# Social Employment



Work  
that serves  
the common good.

Delivered  
in communities,  
by communities.

Reflecting an existing reality.

Supporting community-based organisations  
to create work

Still 'public employment' – just building  
community-based initiative and agency in  
the process.

Strengthening the 'glue' at community level.

Just launched as part of Covid recovery  
response in South Africa – for 50,000  
people.

# Building the social economy in the process

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- The whole point of the social economy is that it is driven by social rather than market objectives.
  - So why is it a surprise that sometimes, social enterprise struggles to survive on market terms?
  - If the social purpose adds real social value – then social employment is an instrument that can tip the balance of sustainability.
  - Serving the public good in the process.
  - With part-time work options de-risking early-stage entrepreneurial activity by providing income security - and structure, networks etc.
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*A social enterprise bakery employing migrants in Torino*

# Complementing social protection measures

Income security matters. Whether through UBI or other social protection measures.

But few people want to rely on minimum incomes all their working lives.

Pathways into economic participation matter too.

With innovation in the interface between the two, also.



Where unemployment protection exists as a right, there is a unique opportunity to guarantee a minimum level of employment for those that choose it.

With scope for locally-driven identification of work for the common good.



# It's time to re-imagine the roles PEPs can play

- Building on extensive history...
- As a tool to end or limit involuntary unemployment and underemployment– not as a crisis response but as an institutionalised, counter-cyclical part of the labour market
- To use PEPs to set a labour standards floor – giving people alternatives that change the power relations.
- To design integrated approaches that synergise with minimum incomes and other social protection policies
- To identify new forms of public value creation – through new forms of work - that advance the SDGs.
- To use PEPs to strengthen the commons and create new forms of social engagement and participation in community-driven ways.



**Because employment matters too much to leave to markets alone.**