

► Public Employment Initiatives and the COVID-19 crisis. A compendium of Infrastructure Stimulus, Public Employment Programs (PEP), Public Works programs case studies¹.

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### Introduction

The onset of the Covid-19 pandemic has brought about cataclysmic developments in the world of work. As the health crises engulfed more and more countries, governments around the world have taken measures to reduce the health risks on their populations and prevent their healthcare systems from collapsing under the intense burden of hospitalisations. This in turn has impacted the world of work in unprecedented ways. The ILO estimated that a total of 8.8% of total global work hours (an equivalent of 255 million full time jobs) <sup>2</sup> have been lost since the beginning of the pandemic, an effect about four times as large as was observed after the 2008-09 financial crisis.

However, the effects of the pandemic were not identical across different countries, labour and demographic groups. In countries with insufficient fiscal space, weak social protection systems and large numbers of informal workers, the governments have found it difficult to respond in a manner that is commensurate to the scale of the jobs losses. Low-income countries are projected to face a far harsher effects and more difficult recoveries than high income ones<sup>3</sup>. At the same time, the crisis is jeopardizing progress towards gender equality and young people experience increased risks of being pushed out of the labour market and increasing barriers of entry. Informal workers face particular challenges because of the crisis and have been estimated to be on average 3 times as likely as formal workers to lose their jobs as a result of Covid-19<sup>4</sup>. Furthermore, increases in unemployment and underemployment, reduced incomes for informal workers and increased working poverty and pressures on the remaining livelihoods are becoming the reality for larger numbers of people.

In an effort to try to shield people's livelihoods and contain business closures, governments around the world have instituted a wide range ad-hoc measures including the expansion of social protection, employment retention/furlough schemes and financial support for businesses experiencing a sharp drop in revenues. Even though every country used a different mix of interventions, it is clear that most efforts during the pandemic focused on providing financial assistance to workers. These measures are examined and presented in more detail on the ILO Social Protection Database<sup>5</sup>, which includes more than 1600 initiatives across 209 countries. However, as the pandemic is slowly being brought under control through vaccinations, the global economy is expected to start its process of recovery through the gradual elimination of lockdown measures that severely affect economic activity. This process of economic and labour market recovery is also expected to

<sup>&</sup>lt;sup>2</sup> Source: ILO Monitor: COVID-19 and the world of work. 7th edition

<sup>&</sup>lt;sup>3</sup> Source: ILO World Employment and Social Outlook: Trends 2021

<sup>&</sup>lt;sup>4</sup> Source: ILO Monitor: COVID-19 and the world of work. 7th edition

<sup>&</sup>lt;sup>5</sup> https://www.social-protection.org/gimi/ShowWiki.action?id=3417

be uneven globally and most likely insufficient to close the gaps opened up by the crisis. Additionally, the recovery of working hours that have been lost during the crisis is expected to be dominated by the return of furloughed workers rather than by the creation of new jobs. And it is projected that employment growth is unlikely to close the crisis-induced jobs gap in the short to medium term.<sup>6</sup>

All this makes it clear that the unprecedented disruption brought about by the pandemic on the employment landscape warrants policy responses not just in the field of social protection and business support but also more multi-dimensional and integrated measures including on public employment and active labour market programmes.

Such strategies have been employed throughout history as a response to crisis and economic shocks both as short-term emergency measures and medium to long-term strategies. Infrastructure stimulus, public works programmes and public employment programmes can also play a vital role in the progress towards the Sustainable Development Goals especially in countries with limited economic resources, infrastructure and prospects who face pressures to find policy responses and investment that can contribute to multiple goal simultaneously. With the Covid-19 crisis abating, the use of such schemes is already increasing and thus, playing an important role in moving towards an equitable recovery. Building infrastructure, assets and services that promote social and economic development, addressing climate related challenges and supporting the livelihoods of vulnerable groups offer a people-centric approach that contributes to social cohesion while also providing the historic opportunity to "build back better" in the post Covid-19 world.

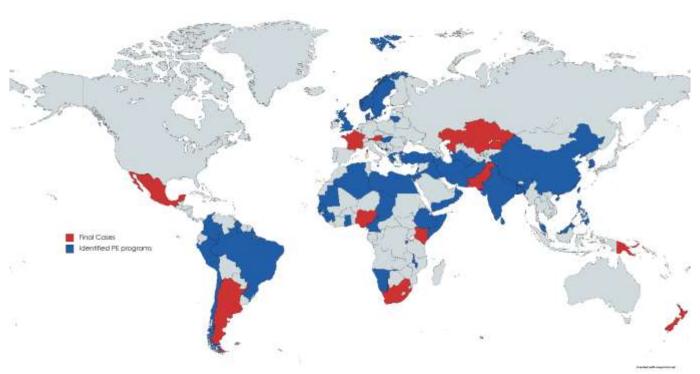
At the end of 2020, the ILO initiated an effort to aggregate information on public employment intensive schemes, globally. This first step was not to conduct a comprehensive and exhaustive inventory, but to, as an initial step, conduct a scan to identify countries with relevant policies, focus on a selected number of cases and document these as mini case studies so that specific adjustments, potential or innovations can be identified in order to facilitate a process of information sharing.

This document collects and presents the findings of this initial exercise. It presents thirteen selected international experiences of innovative Public Employment Programs or stimulus schemes that have been put in place by governments across the world. The focus is on programmes that were put in place or expanded in response to the COVID-19 pandemic, but some additional particularly innovative or novel programmes with potential for learning or scaling up have also been selected. The criteria and process for their selection is presented below.

<sup>&</sup>lt;sup>6</sup> Source: ILO World Employment and Social Outlook: Trends 2021

## Methodology

The cases presented in this compilation were prepared employing desk research methodologies. More specifically during the first quarter of 2021 an online search was conducted in order to identify broad public employment policy measures for all countries. Significant starting points in the search were several databases documenting public interventions (beyond just public employment programs) as responses against the Covid-19 pandemic crisis. Those included the WB's Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures, IMF's Policy Responses to Covid-19 tracker<sup>7</sup>, KPMGs Government Stimulus Tracker<sup>8</sup>, Cepal's Non-contributory Social Protection Programmes Database<sup>9</sup> and other less formal and complete trackers such as the Response2covid19 dataset<sup>10</sup>. Cases of countries that showed increased initiatives or increased funding or innovations towards direct public job creation were identified. In total out of the global population of countries that were explored 73 countries were identified satisfying the above criteria (marked as blue in the following map).



The next step was a closer examination of those countries and specifically of the public employment programs that were identified in order to focus on the most relevant/successful ones while the amount of available information on the programs online

<sup>&</sup>lt;sup>7</sup> https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19

<sup>8</sup> https://home.kpmg/xx/en/home/insights/2020/04/government-response-global-landscape.html

<sup>&</sup>lt;sup>9</sup> https://dds.cepal.org/bpsnc/home

<sup>10</sup> https://response2covid19.org/

was also an important factor. This process led to the identification of 26 initiatives from 23 countries.

The complete selection process, as previously described, was based on several principles that can broadly be engulfed in the following themes:

- 1. Programs that have an employment intensive nature
- 2. Newer programs that have not yet been thoroughly examined or extensively covered in literature
- 3. Programs that were either implemented due to the Covid-19 crisis or at least upscaled during the crisis due to their perceived beneficial impact
- 4. Programs specifically tuned to improve conditions towards SDGs (e.g. Youth, marginalized people, gender equality, formal employment etc)
- 5. Programs expected/designed to benefit the efforts towards climate change

Further discussions based on these principles led to the selection of 13 final cases for writing up. This final stage included the closer examination of available program documentation and evaluations, media coverage and in some cases interviews or consultation with local officials or stakeholders. Cases were shared with ILO staff in relevant Decent Works Teams or country offices for comments and feedback<sup>11</sup>. The cases are presented in a standardized format, identifying the context that called for these interventions, an overall description of the implementation process and job characteristics as well as an examination of the impact they had so far. As many of the programmes were starting and some information is still based on announcements by government, the figures need to be treated with caution and further follow up is required to confirm whether all these interventions were in fact implemented as announced or planned.

It is also important to note that the final cases chosen for illustration were selected in such a way as to ensure coverage of as many geographical regions of the world while at the same time attention was given to include cases that are relevant to both low-income and high-income countries. Finally, by including both large-scale employment intensive economy wide schemes and smaller interventions, including two experimental employment guarantee schemes, we hope to illustrate innovations in the topic of employment generation schemes that cover virtually the whole spectrum of economic contexts.

Our results, although in no way exhaustive, indicate that countries across the world have shown increased initial interest in employing public employment generation schemes to combat the effects of the Covid-19 pandemic. Many of those programs were already in place before the pandemic, but were able to continue (with adjustments), sometime even

<sup>&</sup>lt;sup>11</sup> Colombia had initially also been selected as a case but upon consultation with the ILO CO it was decided to not include it as there were doubts about the real extent of the initiative.

during lockdown measures thus providing significant support for the most vulnerable members of the community.

Initiatives range from economy wide investments in infrastructure and industrial production to specialized small scale targeted schemes aimed at combating specific issues. The most recurring themes are infrastructure development and environmental restoration while there are some programme supporting the care sector. While some of those programs are implemented by government focus, others have important involvement of international organizations, private sector and local organizations. Countries with limited fiscal space are, in most cases, more dependent on international financial assistance in order to implement such schemes but we also found significant examples of developing countries seeking innovative and alternative ways of financing such as debt for nature swap financing.

Of the final 13 cases, five include youth targeted schemes, seven have strong environmental objectives, two are experimental employment guarantees aimed to eliminating long-term unemployment, six are focused on assisting with rural communities and three prioritize the participation of women.

The compendium does not claim to be an exhaustive list of such programs, nor to have "objectively" identified the best programs. Instead, the approach was aimed at identifying and highlighting some examples of innovative public employment programmes and the important role such policy measures play in today's policy responses to both mitigate, and recover from the effects the Covid-19 pandemic.

# Summary table (Alphabetical by country)

	Country	Program Name	Program Type	Main Features	Nr of placements created or projected	Target Group	Implementing Authorities	Funding	Duration	Goals
1	Argentina	Potenciar Trabajo	Public employment program, improved access to education	Public employment with option for return to finish education	380,000- 700,000 part time (80 hours per month) placements per year	Socio- economically vulnerable workers and students	Ministry of Social Development, National administration of Social Security Municipal Authorities	NA	Started in 2020, no projected end	Transition of national social security policy "from assistance to work"
2	Austria	Jobs Guarantee Experiment	Employment Guarantee Experiment	<ul> <li>8-week pre placement training</li> <li>Individual consulting</li> <li>Up to 3 years public employment (Shorter if integrated in labor market)</li> </ul>	250 3-year positions	Long term unemployed (>9 months in unemployment in the city of Marienthal)	AMS-NO  (Public Employment Service Provider for Lower Austria)  itworks  (Private employment Service Provider)	\$ 8.7 mln	2020-2024	<ol> <li>Ensuring all long term unemployed have access to employment</li> <li>Strong scientific social research elements built in from design phase.</li> </ol>

	Country	Program Name	Program Type	Main Features	Nr of placements created or projected	Target Group	Implementing Authorities	Funding	Duration	Goals
3	France	France Relance	Combination of Fiscal Stimulus and Industrial/ Sectoral Policy an ALMPs	<ul> <li>Public infrastructure investments</li> <li>Youth Employment</li> <li>Youth education and training</li> <li>Youth wage subsidies</li> </ul>	400.000	French Youth, Key Industrial Sectors	Ministries of:  Economy, Finance and Recovery, Labour-Employment and Integration, Ecological Transition, Solidarity and Health, Higher Education- Research and Innovation, Transformation and Civil Service, Oceans, Culture	\$ 118 bln (7 for Youth subpart)	2020-2022	<ol> <li>Reducing country's carbon footprint and accelerating the green transition</li> <li>Improving competitiveness</li> <li>Strengthening social cohesion.</li> </ol>
4	France	Zero long term unemployment territories.	Employment Guarantee Experiment	Employment through civil society organisations and NGOs	1500 (<0.00% of labor force), being expanded six-fold	Long term unemployed in chosen regions	Expérimentation Territoriale Contre le Chômage de Longue Durée (ETCLD), TZCLD	EUR 34 million (own estimates) (<0.00% of GDP)	2016-2026	<ol> <li>Ensuring all long term unemployed have access to employment</li> <li>Employment is created through local engagement of the civil society</li> <li>Formal private sector employee status for participants that allows for labour protections and standards to apply</li> </ol>

	Country	Program Name	Program Type	Main Features	Nr of placements created or projected	Target Group	Implementing Authorities	Funding	Duration	Goals
5	Kazakhstan	Employment Roadmap 2020-2021	Public Employment / Infrastructure Stimulus	Employment through investments in roads, manufacturing, entrepreneurship promotion and agriculture      Quotas on the use of workers (50% registered unemployed) and material (90% purchased by domestic producers)	500.000- 1.000.000 (5- 10% of labour force)	Kazakh workers of whom 50% need to be registered unemployed	Government of Kazakhstan	\$ 2.4 Bln (0.5 % of GDP)	2020-2021	<ol> <li>Revitalize the economy in the wake of Covid-19 pandemic</li> <li>Provide employment opportunities to the unemployed</li> <li>Support national goods producers</li> </ol>
6	Kenya	National Hygiene Program	Public Employment Program	<ul> <li>Employment in the proximity of informal settlements.</li> <li>Engagement of civil society organisations</li> </ul>	283.210 (6.5-month employment duration, working monthly shifts of 11 days) (1.4% of labour force)	Unemployed youth in informal settlements	State Department of Housing and Urban Development (SDHUD)  Kenya Urban Road Authorities (KURA)  Kenya Rural Roads Authority (KeRRA)  Grassroots selection committees  National Youth Service (NYS)	USD 92 Mln (0.9% of GDP)	2020-2021	<ol> <li>Improve the environment</li> <li>Improve service delivery</li> <li>Improve infrastructure</li> <li>Provide opportunities for income generation</li> </ol>

	Country	Program Name	Program Type	Main Features	Nr of placements created or projected	Target Group	Implementing Authorities	Funding	Duration	Goals
7	Mexico	Sembrando Vida	Public Employment Programme/ Small farmer support with work requirement	<ul> <li>Employment in rural areas on conversion of small farms to agroforestry         (Provision of raw materials (seeds, tools etc)</li> <li>Obligation to save 10% of earnings</li> </ul>	430,000 (0.7% of labour force)	Rural owners of at least 2.5 hectares of land.	Ministry of Welfare National Forestry Commission Ministry of the Environment and Natural Resources	USD 2.1 Bln (0.11% of GDP)	2019-	<ol> <li>Support rural production and economic self-sufficiency</li> <li>Restore the country's environment</li> <li>Promote a culture of saving in the rural areas</li> <li>Help repair social fabric of the countryside</li> </ol>
8	New Zealand	Kaimahi for Nature	Covid 19 response Green Public Employment Program	<ul> <li>Short term contracts for workers who were affected by Covid-19</li> <li>Short training for new skills needed to complete tasks</li> <li>Ability for businesses to propose their projects and complete them using their workers</li> </ul>	6.000 (3–6- month employment duration) (0.46% of labour force)	Workers and businesses affected by Covid- 19, mostly from tourism sector	Ministries of: Environment, Business Innovation and Employment, Primary Industries Land Information New Zealand Department of Conservation	\$ 354 MIn (0.5% of GDP)	2020-2024	<ol> <li>Faster recovery from Covid-19 for the regions</li> <li>Alternative to unemployment for workers</li> <li>Retaining a strong sense of purpose and pride for people.</li> <li>Gains for the environment</li> </ol>

	Country	Program Name	Program Type	Main Features	Nr of placements created or projected	Target Group	Implementing Authorities	Funding	Duration	Goals
9	Nigeria	Economic Sustainability Plan	Covid-19 Stimulus Package	Employment intensive Investments in :     Agriculture, Housing, Roads, technology jobs, solar power, gas expansion	10m indirect; 1.1m direct (17.5% of the labour force)	Various	Multiple Ministries and Agencies	\$ 3.5 Bln (0.8 % of GDP)	2020-	<ol> <li>Support Nigerian Economy</li> <li>Boost production</li> <li>Create Jobs</li> <li>Save foreign exchange</li> </ol>
10	Nigeria	Special Public Works Program	Covid 19 response Public Employment Program	Short term public works employment	416.000 (3- month employment) (0.7% of labour force)	Unemployed	National Directorate of Employment State and Local Governments	\$ 60 mln (0.01% of GDP)	2020-2021	<ol> <li>Provide short term employment to Nigerians in need</li> <li>Reduce the negative effects of Covid 19</li> </ol>
11	Pakistan	10 Billion Tree Tsunami	Green Public Employment Program	Low skilled     reforestation     related activities	65.000 daily workers (0.1-1% of labour force)	Mostly rural poor / rural un and underemployed	Ministry of Climate Change Local forest departments	\$ 200 mln per year (0.018% of GDP)	2018-2023	<ol> <li>Increase, rehabilitate and protect the forest surface in Pakistan</li> <li>Mitigate Climate Crises</li> <li>Provide Green job opportunities at the people's doorstep</li> </ol>

Country	Program Name	Program Type	Main Features	Nr of placements created or projected	Target Group	Implementing Authorities	Funding	Duration	Goals
12 Papua New Guinea	Urban Youth Employment Project II	Integrated Youth Employment- training and placement Program	<ul> <li>Youth Jobs creation</li> <li>Skills Training</li> <li>Referral and Consulting</li> </ul>	4.600 (3- month employment) (0.2% of labour force)	Youth in the two biggest cities of the country	National Capital District Commission, Lae City Authority Departments of: Treasury, National Planning and Monitoring, Provincial and Local Level Government Affairs, National Youth Development Authority, Labor and Industrial Relations	\$ 35 mln (0.09% of GDP)	2020-2025	<ol> <li>Responding to youth poverty, marginalization, unemployment and gender-based violence</li> <li>Contributing to job creation</li> <li>Serving as a model for other similar city programs</li> <li>Facilitating critical research</li> </ol>

	Country	Program Name	Program Type	Main Features	Nr of placements created or projected	Target Group	Implementing Authorities	Funding	Duration	Goals
13	South Africa	Presidential Employment Stimulus	Public Employment Programme , Anti-Covid 19 stimulus, Green Recovery	<ul> <li>Job creation</li> <li>Professional Pathways creation</li> </ul>	700,000 (3.1% of labour force)	Individuals affected by the Covid-19, Unemployed, Youth and at risk or under poverty	Project Management Office of the Presidency of SA  Departments of: Basic Education, Social Development, Agriculture, Land reform and Rural Development, Environment, Forestry and Fisheries, Transport, Sports, Arts and Culture, Cooperative Governance, Trade Industry and Competition, Health, Science and Innovation, Public Works and Infrastructure	R 12.6 Bln (0.2% of GDP)	2020-2021	<ol> <li>Direct Public investment to support employment opportunities now</li> <li>Counteracting anticipated job losses due to Covid-19</li> </ol>

### Cases

### Argentina/ Potenciar Trabajo



- ► **Type:** Public employment program, improved access to education
- ► Implementing bodies: Ministry of Social Development, ANSES, Municipalities
- > Start Date: 2020

- ► Budget: Not available
- ► Funding: National Budget
- Number of Jobs to be Created: 380.000-7000.000 (2% of labour force)
- ► [Target group]: Socio-economically vulnerable workers and students

#### Context

Argentina is the second largest country of South America behind Brazil in terms of area. It has witnessed historical volatility of economic growth and financial and monetary crises which have impeded the country's development over the last decades. Urban poverty remains at very high levels to this day with the Covid-19 pandemic aggravating this further.

Argentina has instituted, during the 1990s, a series of social assistance programmes for the vulnerable and unemployed which had been scattered, small-scale initiatives. With the crisis in the early 2000s expenditure and coverage increased markedly, and state intervention concentrated on anti-poverty cash transfers to moderate not only the incidence of poverty but also social conflict.

Such programs were in place long before the two years of recession and strong economic weaknesses that preceded the onset of COVID-19. However, during the pandemic, social isolation as a way to combat it aggravated the situation. In the second

quarter of 2020, the country suffered a decline in GDP of 16.2%, the largest retraction in its history. It is estimated that 40.9% of the population lives under the poverty line while extreme poverty increased to 10.5% and child poverty rose at 56.3%<sup>12</sup>. To deal with this situation, the country has prioritized social spending through various programs.

One of the most recent and interesting features of this social spending effort by the Argentinian government is that it now steers clearly towards employment creation as it seeks to shift from cash transfer programs to placement schemes.

### Intervention summary

The government has introduced the "Potenciar Trabajo" program which at its initial stages takes under its wings, the previous beneficiaries of the "Proyectos Productivos Comunitarios" and the "Hacemos Futuro" programs which it replaces. It can also be thought as the unification of the services provided by the aforementioned programs. Its objective is "to contribute to improve employment and generate new proposals through the development of productive, social, community, socio projects and support completion of educational qualifications, in order to promote full social inclusion for people who are in situation of social and economic vulnerability."

"Hacemos Futuro" or "We make the Future" is a skills and educational attainment scheme that is designed to help unemployed Argentinians with limited economic means<sup>13</sup> achieve higher educational attainment or incorporate technical or professional training in their lives and thus helping them better integrate to the labour market. The scheme is prioritizing youth up to 30 years old with no criminal record.

"Proyectos Productivos Comunitarios" or "Productive Community Projects" sought to contribute to the generation of new sources of work and consolidate existing ones through direct subsidies to workers of the formal economy in situations of high social and economic vulnerability. The scheme promoted actions targeted at the beneficiaries who are willing and able to carry out social work initiatives, in both urban and rural areas. The scheme's target group are individuals who are generally informally employed and receive less than the minimum wage. As such, it is intended to be a complementary social salary earned through the production of social goods.

#### Oversight and Implementation

Under the supervision of the Ministry of Social Development, the program is centrally directed by the Secretariat of the Social Economy and is locally implemented by the provincial or municipal authorities. Those authorities create management units that are responsible for the implementation of local small to medium projects into which the

<sup>&</sup>lt;sup>12</sup> WB Argentina Statistics

 $<sup>^{13}</sup>$  No more than one property owned, no newer than 10 year old car owned, no other benefits

workers can be integrated and start their complementary work. The management units often may include other non-profit civil society formally established institutions such as universities and NGOs.

The financing of the projects, besides the labour costs which are covered by the program, comes with an institutionalised line of subsidy and non-Bank credit transfers that the Ministry makes to the management units. This funding however comes with the obligation that the designed projects promote the implementation development and strengthening of productive communal projects that are labour intensive and by design try to respond to the local social challenges. All relevant institutions as well as individuals are invited to propose projects to management units for consideration. As a result, a wide variety of projects are implemented from ambitious public space development to small scale family farming. Managers are appointed within the units who are also responsible for accrediting the participation of the workers in order for them to receive payments and check that work progresses as intended.

The regional offices of the National Social Security Administration (ANSES), a decentralized public body, is also in charge of administration of the funds and directs workers and students towards the scheme.

In order to promote the social economy and local development the government has also established a microcredit fund led by a commission tasked with evaluating and offering finance at low rates for comprehensive territorial development projects that relate to "Potenciar Trabajo".

#### **Job Characteristics**

As the program provides two options for the receipt of the subsidy, those of education/training or project placement, only those who choose the latter are expected to participate with their labor. In order to qualify for the program a worker must provide work to one of the projects that has communal interest and been approved by local authorities. Most specifically work on a project must include one of the following:

- Care Tasks and socio-communal services
- Recycling and environmental services
- Construction, social infrastructure and neighborhood and housing improvement
- Family farming and food production
- Production of clothing and other manufactures
- Popular commerce

However, as the government noted, this work categories are dynamic and might be readjusted based on labor market and social emerging needs.

Under this model all participants are required to perform activities for an average of 80 hours per month and have them accredited by the management staff.

Payment to the beneficiaries is made in predetermined intervals and amounted to 9.400 pesos (110 \$ USD ) per month for 2020. This amounts to half the constitutional minimum wage. Beneficiaries also receive an extra check at the end of the year in 2020 as support towards the ongoing pandemic

### **Impact**

The program has had a shaky start for the 2020 picking up many of the issues of the previous programs that it united but also new challenges. Certain issues have arisen with the inability or slow pace that some management units have implemented projects or even the inability of local authorities to create management units in some regions. However, as local authorities are catching up with the new implementation methods the program has generally been appraised for its vital support especially in this critical conjuncture.

The government has reaffirmed its commitment to the program for 2021 with an increased budget as it envisions the transition "from assistance to work". New promising initiatives include the cooperation with the Secretariat of Socio-Urban Integration in a project that aims to urbanize 4.400 popular neighborhoods all over the country with work conducted solely by individuals living in them.

#### Links

Official Ministry of Social Development website: <a href="https://www.argentina.gob.ar/desarrollosocial/potenciartrabajo">https://www.argentina.gob.ar/desarrollosocial/potenciartrabajo</a>

Argentinian PES website: <a href="https://www.anses.gob.ar/potenciar-trabajo">https://www.anses.gob.ar/potenciar-trabajo</a>

### Austria / Jobs Guarantee Experiment



- ▶ Type: Employment Guarantee Experiment
- ▶ Implementing bodies : AMS Niederosterreich (PES), itworks (private ALMP provider)
- > Start Date: 2020

- ▶ **Budget :** EUR 7.4 Million (0.002% of GDP)
- Funding: Public Employer Service of Lower Austria
- Number of Jobs to be Created: 250 3 year long jobs (0.01% of labour force)
- ► Target group : Unemployed >9 months

#### Context

Austria is amongst one of the best performers in terms of the observed unemployment rates in Europe over the last decade. Even in the midst of the pandemic the country registered a 5.5% unemployment rate in September 2020. However, structural unemployment in Austria has been increasing steadily over the last decade especially after the onset of the global financial crisis in 2008. As of 2019, one in four individuals registered with employment services are unemployed for longer than 12 months. This effect has been compounded by the covid-19 pandemic highlighting, to policy makers, the importance of combating the phenomenon and reintegrating those at risk or already in long term unemployment to the labour market. As such, the government decided to examine and evaluate the use and quality of jobs guarantee schemes by introducing a small-scale pilot in the small city of Marienthal in Lower Austria.

The city of Marienthal has a long tradition in efforts to study unemployment and its effects on people and the choice to implement the pilot/experiment in it is directly related to its history. In 1933, the city was the epicentre of a ground breaking social research study<sup>14</sup> on how mass unemployment affects not just the incomes but other aspects of life including health, wellbeing, social ties and community life. The researchers examined the effect brought upon by the sudden closure of the local factory which affected 75% of all households in the city. It was the aim of the study to draw an image of the psychological situation of a community suffering from unemployment, using cutting edge methods of research. The summary of the main findings of the study was that the unemployed experienced lower expectations and activity, a disrupted sense of time and a steady decline into apathy. They tended to be lonely, isolated, hopeless and passive, yet prone to bursts of violence. The study went on to become a sociological classic and its authors, later fleeing fascism remained pioneers in the field for years to come. This legacy led the Austrian PES to choose Marienthal once again to examine the opposite effect, namely how the economy, community and people's life change when they can access guaranteed employment.

### Intervention summary

In October 2020, the Public Employment service in lower Austria known as <u>AMS NO</u> along with the support of the private employment service provider <u>itworks</u> started implementing the Jobs Guarantee scheme that aims "to eradicate long term unemployment and improve social, health and wellbeing outcomes for people in long-term unemployment". The scheme will also include targeted support before a job placement and will be implemented in the town of Gramatneusiedl, which is part of Marienthal

All inhabitants who have been unemployed for more than 9 months are eligible to participate in the program. The program begins with an 8-week obligatory preparatory training period where each participant receives training based on their needs. This training can take various forms: Individual and group counselling, skills development, supporting self-initiative and assistance with health-related problems. During the training period, participants receive counselling and are encouraged to take up regular employment outside of the program if possible.

Upon successful completion of the training weeks, participants are placed in **jobs** that are created by itworks in local and regional projects. The projects are implemented by social enterprises that are established and staffed by the private service provider.

During their public employment, participants are also supported by social workers and counsellors to find employment with a third-party employer.

<sup>14 &</sup>quot;Marienthal: The Sociography of an Unemployed Community"

One of the important features of this innovation is the voluntary participation of the unemployed. People in unemployment in Austria<sup>15</sup> are normally assigned to labour market programs by their local employment services provider and are obliged to participate as well as accept any employment offers that conform to their skillset at the risk of losing benefits and support if they do not. However, participation in this specific job guarantee will be undertaken voluntarily, only the training phase is mandatory, and no sanctions will be applied in case a job offer is declined. As such, participants of the program are more likely to be individuals seeking to re-enter the labour market.

The intervention is expected to have an average yearly cost per participant of €29.841, just under the currently estimated average yearly cost of €30.000 of unemployment benefits<sup>16</sup>.

### Oversight and Implementation

The oversight of the program lies with the local AMS authority. AMS is a public enterprise which works under close cooperation with labour and employers' organisations.

As usual in the country, private services providers are assigned the implementation of ALMPs and as such the involvement of itworks who exclusively work with AMS on other schemes does not come as a surprise. The private provider is responsible of creating the social enterprises, managing them and providing permanent staff whose jobs are related to the program.

The pilot will be closely studied, analysed and evaluated by two separate teams of researches one headed by the University of Oxford (quantitative) and one by the University of Vienna (qualitative). The research will be closely followed by policy makers and will be crucial to a potential scale up of the program. The first results of the research are expected to arrive in mid-2021. In order to facilitate this research, it was decided that, by design, two waves of beneficiaries will be processed in the initial stages (one in November 2020 and one in February 2021) consisting of 31 participants each. This approach will allow for a more concise sample of results. The small number reflects the restricted geographical choice of the pilot as there are only 150 individuals who meet the criteria for participation in the region. After the initial two waves, individual positions will be made available as per the demand from the unemployed.

#### Job Characteristics

All the jobs created under this scheme are related to local municipal or regional projects that the private service provider itworks implements through newly established social enterprises. However, participants are also encouraged to propose their own projects

<sup>&</sup>lt;sup>15</sup> Under law Arbeitslosenversicherungsgesetz (AlVG§9)

 $<sup>^{16}</sup>$  Calculated including all the costs of benefits and support for the average Austrian long term unemployed.

based on their expertise and local knowledge of community needs. The jobs are guaranteed for up to 3 years while the participant is continuously supported to find employment in the private sector. In the case that an employer is willing to hire a participant, they also receive a wage subsidy equal to 100% of the wage cost for the first three months and 2/3 for the next nine. However, no conditionalities are in place that force participants to choose the private sector, and during the first months of implementation the majority of participants choose the public employment offered under the scheme rather than subsidised private employment.

The projects along with the jobs are created based on the needs and fits of the participants. Their employment histories and skills are taken into consideration while at the same time the program offers flexibility around full/part time arrangements. Any other needs the participants have, such as ability to perform only certain tasks (e.g. health reasons) are taken into consideration when creating a new job placement. The main goal is to provide all participants with meaningful, productive and fulfilling employment.

This ad-hoc approach, tailored to the participants' backgrounds and needs is also maintained when the wages for the positions are decided. Past wages and experience are taken into account in order to set the appropriate wage that, however, has to be at least equal to the minimum wage.

The jobs created most usually involve tasks relating to activities such as childcare, eldercare, gardening, renovation and carpentry. The social enterprises are expected to generate revenues of up to Eur 383.000 for the duration of the program by tasks performed by the participants of the program.

All participants will, under their employment in the scheme, have free access to occupational physicians.

#### Stories on the Ground



I did not want to leave the house. I didn't want to let others know that I am not doing well. To be part of this project feels like a dream come true. Lacking work you can't think positively — with work you can. That's most important to me. If that's right, everything else falls into place.

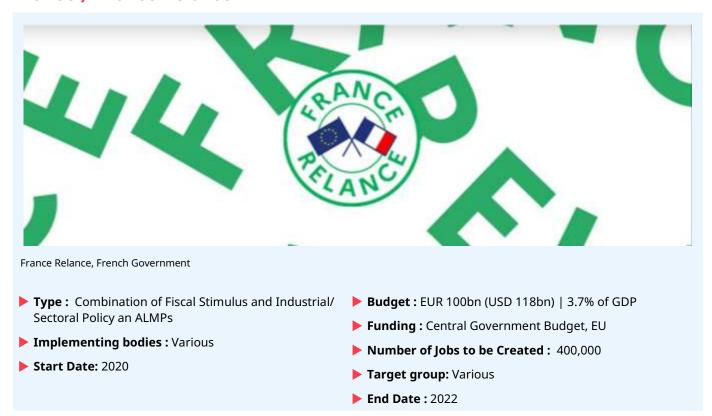
▶ [Participant in Jobs Guarantee] Jennifer (43) / Unemployed since 2011 / Marienthal, Austria

#### Links

Media Announcement: <a href="https://www.ox.ac.uk/news/2020-11-02-world-s-first-universal-jobs-guarantee-experiment-starts-austria">https://www.ox.ac.uk/news/2020-11-02-world-s-first-universal-jobs-guarantee-experiment-starts-austria</a>

Pre-analysis plan: <a href="https://maxkasy.github.io/home/files/other/PAP">https://maxkasy.github.io/home/files/other/PAP</a> job guarantee Marienthal.pdf

### France / France Relance



#### Context

With an estimated population of 65.3 million people, France is the European Union's second most populous nation and second largest economy (in both cases, trailing Germany). The country was hard hit by the 2008 Financial Crisis and has since struggled with sluggish growth and high rates of structural unemployment. In the years between 2012 and 2017, unemployed remained consistently above 10%—disproportionately affecting French youth, low-skilled French workers and non-EU immigrants to the country. Growth averaged 1.4% per annum between 2009 and 2019.

This is the backdrop upon which French President Emmanuel Macron was elected in 2017, on a platform of reform. Early reforms to the labour market appear to have borne fruit, although they remain contested and unpopular, especially among unions. Growth experienced a rebound between 2017 and 2019 and unemployment dropped steadily to 8.1% by the fourth quarter of 2019. However, the implementation of Macron's reform program has seen substantial pushback. In response to attempted tax reforms, the Gilet Jaunes movement brought the country to a standstill in 2018 and 2019. The response to attempted pension reforms have been no less vociferous, with widespread strikes and protests by labour unions and others across 2019 and 2020.

The first confirmed case of COVID-19 in France was reported on January 24th 2020—the first confirmed case in Europe. However, analysis of prior hospital records and samples suggests that the virus had already arrived in the country by December 2019—perhaps as

early as mid-November. On March 12th, the French government announced the temporary closure of all schools and universities. Further measures were implemented in the following days. On March 17th, the French government moved to impose lockdown measures nationally. Shortly thereafter, the government declared a state of public health emergency, which ultimately lasted from March 24th until July 10th. Despite these measures, France was an epicentre of the first wave of the global pandemic, with over 30,000 people dead by the close of the state of emergency.

The scale of the health crisis and the impact of restrictions to contain the virus have hit the French economy hard. The country experienced contractions of 5.9% and 13.8% (at an annualised rate) in the first and second quarters of 2020, respectively. The Banque de France—the country's central bank—expects the French economy to have contracted 9% for 2020 as a whole. This places France among the nations worst affected by the economic ravages of the COVID-19 pandemic.

#### Intervention description

In response, the government introduced France Relance ("Relaunch France") a comprehensive green recovery and reconstruction package designed to build on the French government's earlier stimulus efforts by accelerating strategic investments in France's future—building the France of 2030, today. The plan was first announced on September 3rd 2020 by France's Prime Minister, Jean Castex. Further details were announced two months later, on November 16th.

France Relance is organised around three main priorities, namely: (i) accelerating France's green transition, (ii) improving the competitiveness of the French economy and (iii) strengthening social cohesion in France. To this end the French government is investing (i) EUR 30 billion (USD 36.3 billion), (ii) EUR 36 billion (USD 43.5 billion) and (iii) EUR 34 billion (USD 41.1 billion) in each priority respectively—totalling EUR 100 billion (USD 121 billion) overall. Of this amount, the French government will be shouldering EUR 60 billion, with the additional EUR 40 billion contributed by the Recovery Plan for Europe—the European Union's general stimulus program. In all, France Relance will be implemented over two years, between 2020 and 2022—with the budget split evenly between the two years.

#### ► France Relance overview

Primary Theme	Subcomponent	Total Budget	Description
	Green Technologies	USD 8.5 bn	Investment in hydrogen infrastructure
	Energy Renovation of Buildings	USD 8.1 bn	State aid for renovations of building insulation, heating, energy, etc.
Green	Green Transport Infrastructure	USD 7.4 bn	Investments in rail, green public transport and bicycle infrastructure
Transition	Biodiversity and Agriculture	USD 3.0 bn	Improving the resilience of agricultural towards climate change
	Decarbonization of Industry	USD 1.5 bn	Reduce industrial CO <sub>2</sub> emissions. Improve energy efficiency, electrification, etc.
	Miscellaneous	USD 8.1 bn	
	Total	USD 36.3 bn	
	Lower Taxes on Production	USD 24.2 bn	Lower specific taxes on payroll, investment and productive capital
	Future Technologies	USD 13.3 bn	Invest in frontier technologies and higher education
C	Business Finance	USD 3.6 bn	Open lines of credit to SMEs, VSEs and ETIs.
Competitiveness	Relocation of Industrial Production	USD 1.2 bn	Ensure independence in the health, industrial, electronics, agrifood and 5G sectors
	Miscellaneous	USD 1.2 bn	
	Total	USD 43.5 bn	
	Employment Support	USD 9.2 bn	Preventing redundancies in businesses forced into temporary inactivity
	Investment in Health	USD 7.3 bn	Investing in hospitals: construction, refurbishment and modernisation
	Funding for Local Governments	USD 6.1 bn	Support for local authorities whose finances are threatened
Social Cohesion	Youth Employment	USD 5.4 bn	Subsidies for businesses employing youth or individuals with a disability, etc.
	Youth Training in Strategic Sectors	USD 1.9 bn	Skills and vocational training, apprenticeships, state aid for higher education
	Skills Training	USD 1.2 bn	Preparing the workforce for a green, circular and digital economy
	Miscellaneous	USD 10.8 bn	
	Total	USD 41.1 bn	
Full Total		USD 121 bn	

### Oversight and Implementation

The announcement of the France Relance recovery package followed a lengthy consultation process. For input from France's départements (provinces), the government tapped local mayors, regional council presidents, departmental council presidents and all other local elected officials. For input at the national level, the government consulted with parliamentarians and representatives of civil society. Finally, the government also consulted with European partners.

On September 3rd, the package was first presented to ministers by French Prime Minister Jean Castex. The package is run across eight government ministries, namely: the Ministry of the Economy, Finance and Recovery; the Ministry of Labour, Employment and Integration; the Ministry of Ecological Transition; the Ministry of Solidarity and Health; Ministry of Higher Education, Research and Innovation; Ministry of Transformation and Civil Service; Ministry of the Oceans; Ministry of Culture.

At the national level, a follow-up committee, chaired by the Prime Minister, will monitor the execution of the recovery plan and maintain its schedule of commitments. On November 16th, the Ministry of the Economy, Finance and Recovery published an online dashboard to allow the public to observe the implementation of France Relance project-by-project, with data across 15 different measures. At the local level, regional monitoring committees are expected to ensure that all local stakeholders are informed of the plan's implementation and monitor the progress of projects in each département. The regional monitoring committees consist of government representatives, representatives of local communities and social partners.

#### **Key Features**

The primary strategic objective of the France Relance package is to set France on a path towards becoming the first major European low-carbon economy. To this end the package invests large sums into investment in frontier technologies—with a particular focus on creating an incipient hydrogen economy. The plan also concentrates on construction, refurbishment and modernisation of key infrastructure, including low-emission renovations to buildings, the creation of a low-emission transport network and investment in emission reductions in industry.

However, among the package's most ambitious measures is an effort to relocate industrial production through import substitution to stop emissions leakages. In the last twenty years, France has succeeded in dropping its domestic CO2 emissions by 20%. Nevertheless, France's carbon footprint has increased by 17% in the same period. This is largely a consequence of the relocation of previously domestic carbon-intensive industries to country's with less stringent emission's rules—with the difference in production imported. The country is also investing in measures to ensure greater sovereign control of strategic industries like health, electronics, food production and the roll-out of 5G networks.

The France Relance package also has an impressive emphasis on youth employment and skills training. On the supply side, the package allocates EUR 1.6 billion (USD 1.9 billion) towards skills training for 223,000 youths in strategic sectors, vocational training for a further 35,000 youths, and 30,000 training places in higher education, among other programs. On the demand side, the government is investing a further EUR 3.2 billion (USD 3.9 billion), firstly in subsidies of up to EUR 4,000 (USD 4,840) for companies that hire employees under the age of 26 on a contract of at least 3 months and with a salary not more than twice the minimum wage. In addition, the government is offering a subsidy of EUR

5,000 (USD 6,050) for minors and EUR 8,000 (USD 9,680) for adults for enrolment in the first year of an apprenticeship contract or in a professionalisation scheme with a company. There are similar measures in place for workers with disabilities.

Finally, the package also allocates EUR 1.3 billion (USD 1.6 billion) to finance 300,000 support pathways towards employment for youth. Of this, EUR 400 million will go towards France's Youth Guarantee—an EU-wide initiative—EUR 900 million will go to integrating young people into the economy through other existing initiatives, and finally, EUR 49 million will go to supporting youth entrepreneurship.

#### Stories on the Ground



"With the aid the state has put in place for French enterprises, we have been very impressed by the fact that a small business like ours could benefit from the aid so quickly. That's what appeals most at the start of this. Our business was started in 2013, and we now employ six people... [With the support from France Relance], our goal is to evolve into the digital realm by investing in 3D-printing and to augment our human competencies in managing production."

▶ [Younes Boumahraz] / co-founder of Alpha Méca 3 a French precision-machining firm.

#### Links

Official Government links: <a href="https://www.gouvernement.fr/france-relance">https://www.gouvernement.fr/france-relance</a>

https://www.economie.gouv.fr/plan-de-relance

# France / Territoires Zéro Chômeur de Longue Durée (TZCLD)



**Type:** Employment Guarantee Experiment

► Implementing bodies : ETCLD, TZCLD, Local Steering Committee, SEPs

Start Date: 2016

Budget: Euro 34 mln (own estimates)

► **Funding :** Central (social security) and local government budget

▶ Number of Jobs Created : 1,499

Target group : The long-term unemployed

#### **Context**

Long-term unemployment has been an important and persistent challenge in France. Approximately one million people are long-term unemployed in France. And even though France excellent social security system ensure that all these unemployed have access to a basic level of income and related benefits such as housing, many of the long-term unemployed have indicated that they would prefer to work and earn an income if jobs were available to them. TZCLD was initiated to as an innovative experiment to find a way to create decent work for this group of people. The programme is both innovative and potentially transformative because of its human-centred approach, by not trying to fit the unemployed into existing jobs, but by aiming to created new jobs that fit the profile and needs of the unemployed.

#### **Intervention description**

The TZCLD is an experimental jobs guarantee programme currently running in ten French territories. The experiment is premised on the fact that the various social security support for the long-term unemployed costs the French government a total of at least EUR 18,000 (USD 21,750) per person per year. This is within the ballpark of the EUR 23,000 (USD 27,800) it costs to pay the salary of someone full-time at the French minimum wage over the same period. This comparison beggars the question, why not make use of that EUR 18,000 (USD 21,750) to simply fund a productive job instead?

This is the principle behind the TZCLD. In 2016, a law was passed by the French legislature establishing the TZCLD in ten territories for an initial period of five years. Under the law, the TZCLD was granted permission to draw on France's unemployment insurance budget to create additional jobs for the long-term unemployed. For each unemployed individual employed, the TZCLD is able to draw up to EUR 18,000 (USD 21,750) to support participant salaries. The total cost of creating an additional job—which includes salary costs, capital costs, etc.—is currently EUR 28,000 (USD 33,824) per annum per person. This leaves a EUR 10,000 (USD 12,080) shortfall. In the long-run, each TZCLD job is intended to become self-sustaining—with the shortfall made up from the economic value provided by the job. The average return generated by a TZLCD job has risen steadily to EUR 5,000 (USD 6,040) per annum. Until that point, the remainder—currently EUR 5,000—is met with equal contributions from local governments and/ or additional government funds.

The experiment is intended to test whether the latter is in fact possible at a reasonable scale. Over the last five years, 1,499 people have been employed in the programme across the ten territories, of which 500 managed to subsequently find regular employment outside of the TZCLD. This leaves 999 formerly long-term unemployed participants currently employed in the programme. Based on the successful experience so far the programme is being expanded to 50 additional regions in France.

### **Oversight and Implementation**

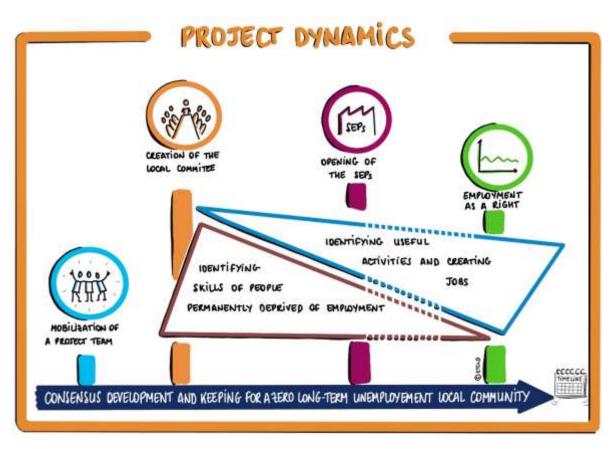
At the national level, the TZCLD is run by two organisations. The first is a non-profit established by the 2016 TZCLD law, titled the Expérimentation Territoriale Contre le Chômage de Longue Durée (ETCLD)—which translates roughly as the "Territorial Experimentation Against Long-Term Unemployment." The ETCLD acts as a proxy between the government and the local TZCLD projects in the territories. It is the body through which the individual TZCLD projects are funded, supported and supervised. The second organisation is a civil society organisation simply titled the TZCLD, which runs advocacy for the TZCLD programme, analyses the performance of the existing TZCLD projects and prepares new prospective territories for inclusion into the programme.

At the level of the territories, the establishment of a new TZCLD project follows a strictly prescribed methodology:

(i) A local committee for employment is established to administer the project and report on its progress to the ETCLD and TZCLD. The committee consists of any and all interested stakeholders (businesses, civil society organisations, individuals, etc.), as well as all relevant local government authorities. There is a consultation process within the steering committee to reach a consensus on what needs in the local community remain unmet and what productive work needs to be done to meet those needs.

- (ii) With the assistance of local government authorities, the committee then identifies eligible workers (the long-term unemployed in the territory) and approaches them with the offer of a place. The programme is entirely voluntary. There is then a consultation process with prospective participants to establish what skills they already have and what skills they would like to develop. The two consultations inform the choices on the types of work the local TZCLD will support, preferably matching community needs to the skills and desired skills development of prospective participants, as well as with the potential to reach economic self-sustainability.
- (iii) Finally, the committee establishes at least one Structure for Employment Purposes (SEPs) to implement that work. A local non-profit can choose to register as an SEP, otherwise the TZCLD sets one up from scratch. These are the entities under which the TZCLD participants are formally employed.

In terms of funding, the ETCLD was granted permission by the 2016 TZCLD law to access funds from France's national unemployment-insurance budget—but only for remuneration of participants. As a consequence, the ETCLD contributes EUR 18,000 per year per participant employed in the territories. In the first years of the TZCLD project in a territory, the ETCLD also contributes an additional subsidy of up to EUR 5,000 to support TZCLD employment until it reaches economic sustainability. The number of participants—and hence the TZCLD budget—is uncapped. These funds do not cover capital costs, however. As a consequence, local TZCLD projects rely on voluntary contributions from local governments and the private-sector. This is also true of the TZCLD's national management team which relies on funding from a private partnership.

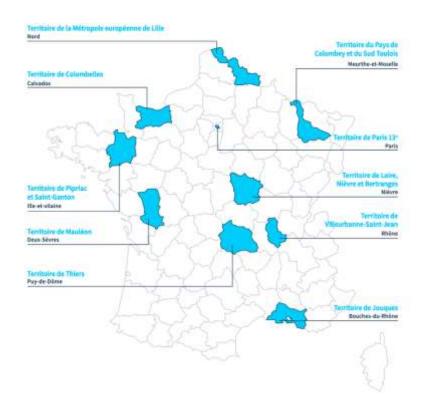


Overview of TZLCD territoires

#### **Job Characteristics**

The work undertaken in the TZCLD is tailored to the needs of the local territory. A plurality of TZLD jobs—43%—contribute in some way towards France's ecological transition.

Examples of other TZCLD work include farm work, the management of charity food shops, solidarity mobility—assisting people who cannot afford or live too far from the nearest city to access medical services, etc.—and general service provision for local businesses, organisations and individuals.



When the local committee decides what work the local TZCLD project will undertake, the guiding principle is to create "additional jobs." The local TZCLD committee must ensure that

it does not generate employment by crowding out or undercutting existing jobs in the community.

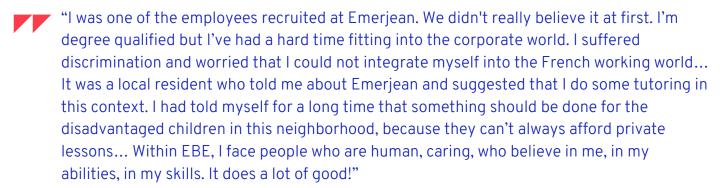
Finally, although TZCLD workers are primarily funded by the French government, they are not public employees. Their employer is the relevant SEP, established as a non-profit. As a consequence, TZCLD workers are entitled to all the regular workers' rights enshrined in French law—including the minimum wage and any relevant benefits.

#### **Expansion**

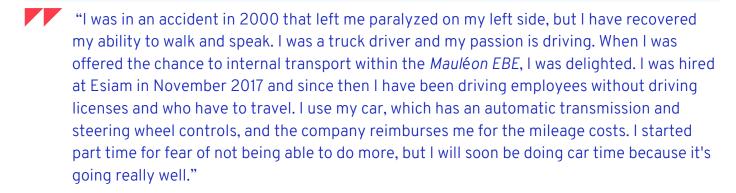
The initial law passed in 2016 established the TZCLD to run in ten territories over five years, until 2021. The preliminary results of the TZCLD programme have been promising enough to justify an expansion, which is what the French government has done. On December 20th 2020 second TZCLD law was promulgated by the French legislature. The law makes the following stipulations:

- I. The current TZCLD projects are set to continue for a further five years. These ten territories are set to be joined by 50 new territories, with a valve amendment allowing more territories to join once they meet the relevant selection criteria. There will be a three-year window for the application, selection and establishment of the TZCLD in the new territories. The selections will ultimately be made by the French Minister of Labour, Employment and Economic Inclusion.
- II. Under the 2016 law, the financial contribution to the TZCLD from local governments was entirely voluntary. Under the new law, the contribution towards capital costs and other costs is mandatory. The law also enshrines the central role of the local steering committees in the management and administration of local TZCLD projects.
- III. The new law recognizes two key sociological concepts: "people permanently deprived of employment" and "additional jobs" (in the sense discussed previously).
- IV. The specific regulatory texts for the next phase of the TZCLD are set to be published between January and June 2021. With the first new TZCLD projects to begin implementation in the second half of 2021.

#### Stories on the Ground



▶ [Halima Zaghar] / TZCLD participant / employed at EBE EmerJean in Villeurbanne.



[Eric Touzé] / TZCLD participant / employed at ESIAM *EBE Maul*éon.

#### Links

Official government websites: <a href="https://www.tzcld.fr/">https://etcld.fr/</a>

### Kazakhstan / Employment Roadmap 2020-2021



Factory workers producing goods under Employment Roadmap 2020-2021 (credit: Kazinform)

Type: Public Works Stimulus

▶ Implementing bodies: Kazakhstani Government

Start Date: 2020

**Budget:** \$ 2.4 Bln (0.5 % of GDP)

► Funding: Government Budget

Nr of Jobs to be Created: 500.000-1.000.000 (5-

10% of labour force)

▶ Target group: 50% of all labour must be

registered unemployed

**End Date:** 2021

#### Context

Kazakhstan, an ex-soviet state, struggled to achieve economic development through the 90s, and was struggling to establish itself as an independent nation after the collapse of the Soviet Union. However, in the following decade the country maintained some impressive GDP growth, which helped the country transition from a lower middle-income country into an upper middle-income country by 2006. This progress was facilitated by various characteristics of the country. Kazakhstan is rich in oil and mineral resources while at the same time is one of the most thinly populated nations and boasts good conditions and resources for agricultural development. The country also increasingly links the large growing markets of China and South Asia with those of Western Europe and Russia. Resources and goods can be transferred by road, rail and the port on the Caspian Sea.

However, after the global financial crisis ensued in 2008 the sustainability of the Kazakhstan's growth model was challenged. With oil prices falling and a lack of investment

and the slow progress towards an efficient and transparent state the country faces a lot of economic issues that have slowed growth down.

Since 2011, Kazakhstan has recurrently announced various employment programs spending 800 billion KZT (\$ 1.9 bln) from its budget with the more recent being the "Enbek" program which aimed to integrate the unemployed to the labour market and assist in microbusiness financing options. However, even after a decade of implementation the programs have failed to significantly change the labour market picture of the country while those programs their effectiveness has been criticized for their limited long-term effects and sustainability, corruption and inefficient management.

With Covid-19 impacting the country in 2020 and threatening the jobs of 2.7 million workers (30% of all employed) in high-risk industries the government intervened by allocating 1.8 trillion KZT (\$ 4.2 bln) to the new and updated "Employment Roadmap 2020-2021" program which seeks to also take under its umbrella the participants in the now defunct "Enbek" program.

#### Intervention summary

The roadmap is a big infrastructure investment that aims to start work in 7.000 projects across the country in 2020. The projects include some large scale works to modernize the transportation infrastructure, major and minor repairs, reconstruction and construction of socio-cultural facilities, housing and utilities and community redevelopment.

The roadmap is implemented with quotas regarding the use of material and labor. At least 90% of goods, works and services needed for the projects must be purchased from domestic producers and half of the employees must be recruited through employment centers. Even though direction is given towards young people looking for a job, no official quotas have been implemented towards that dimension.

#### **Job Characteristics**

Contractors are obliged to respect and provide sanitary and safe working conditions for all the employees working at the sites including protection and safety equipment that need to be provided. Details on salaries and other working conditions were not available.

#### **Impact**

As of September 2020, work has started in 6.295 projects around the country which indicated that the target (7.000) for 2020 will be achieved and no implementation delays have been witnessed. 165.000 people have already been employed in a project and earned incomes by the policy and the number is expected to reach 255.000 by the end of 2020. Around 300 hundred of the projects will create new and permanent jobs while the total number of permanent jobs to be created is estimated at 100.000.

#### Links

Prime Minister of Kazakhstan official announcements: <a href="https://primeminister.kz/en/news/2021-zhyly-300-mlrd-tenge-zhumyspen-kamtudyn-zhol-kartasyn-zhuzege-asyruga-bagyttalady-2544538">https://primeminister.kz/en/news/2021-zhyly-300-mlrd-tenge-zhumyspen-kamtudyn-zhol-kartasyn-zhuzege-asyruga-bagyttalady-2544538</a>

https://primeminister.kz/en/news/zhumyspen-kamtudyn-zhol-kartasynda-basty-nazar-turakty-zhumys-oryndaryn-kuruga-audaryldy-kr-ehakm-254137

### Kenya / National Hygiene Program



National Hygiene Program, SDHUD Kenya

- ► **Type:** Public Employment Programme, (Covid-19 response)
- ► Implementing bodies: State Department of Housing and Urban Development (SDHUD)
- ▶ Start Date: 2020

- ▶ **Budget :** KES 10bn (USD 92m) | 0.9% of GDP
- ► Funding: Government Budget, World Bank
- ➤ Nr of Jobs to be Created: 283,210 (6.5 month employment duration, working monthly shifts of 11 days) | 1.4% of labour force
- ➤ Target group: Unemployed youth in informal settlements
- **End Date**: 2021

#### Context

In Kenya, cities, towns and other urban areas host 27.5% of the country's population. That number is growing fast. Over the last decade, Kenya's annual urban population growth has hovered around 4.2%—making it one of the fastest urbanizing countries in the region. Unfortunately, this rate of change has far outstripped the capacity of Kenya's government and local authorities to control. The result has been an explosive proliferation in informal settlements. In contemporary Kenya, approximately 60% of the country's urban population now live in informal settlements. That figure rises to 80% in some cities and towns.

To improve the livability of its network informal settlements, in 2004, the Kenyan government—in partnership with UN-HABITAT and other stakeholders—launched the Kenya Slum Upgrading Program (KENSUP). In 2011, that initiative was joined by the Kenya Informal Settlements Improvement Project (KISIP), a further partnership with the World Bank, Swedish International Development Agency (SIDA) and French Agency for Development (AFD). The programs—run under the auspices of the State Department of Housing and Urban Development (SDHUD)—have achieved some important milestones in

mapping out and planning growth in key informal settlements, driving social and physical infrastructure projects and the construction of housing.

When the first confirmed COVID-19 case in Kenya was reported on March 12th, 2020, the Kenyan government took immediate action in implementing containment policies aimed at controlling the spread of the virus across the country. In-person teaching was suspended in all education and training institutions and students were asked to return home and wait for further communication. Where possible, government offices, businesses and companies were encouraged to allow employees to work from home. In regions with an especially high population density—in effect cities, like Nairobi and Mombasa, with extensive informal settlements—stricter measures, including lockdowns, were introduced.

Like many other countries, these efforts to curtail the spread of the virus thrust Kenya's economy into turmoil. The country, which has averaged a 5.7% growth rate in the last half-decade, is expected to grow by only 1.5% this year. For communities living in Kenya's informal settlements—which already face especially high levels of poverty and rampant unemployment—the impacts of the urban lockdowns have been especially hard, with over 300,000 Kenyans losing their jobs. In Kibera, a county in Nairobi and one of the largest informal settlements in Africa, 90% of surveyed low-income residents said that they had lost their family income due to COVID-19.

## Intervention description

In response, the government launched the National Hygiene Program—known locally as "Kazi Mtaani" which translates loosely as "jobs in our hood" —an extended public works program (EPWP) designed to support unemployed youth in informal settlements. Through the program, residents are recruited to undertake projects in and around their informal settlements with the aims of improving the environment, service delivery, infrastructure, and providing opportunities for income generation.

The first phase of Kazi Mtaani functioned as a pilot program, lasting from April 2020 through June 2020, and employed 26,148 people. Each participant was employed for 22 days, receiving a wage of KES 600 (USD 5.4). The program was implemented in 29 informal settlements located in 8 out of Kenya's 47 counties, namely: Nairobi, Mombasa, Kiambu, Nakuru, Kisumu, Kilifi, Kwale, and Mandera. An additional 3,638 people were added to the roster after the informal settlements Eastleigh in Nairobi and Old Town in Mombasa were placed under movement restrictions

The second phase of Kazi Mtaani expanded the program, starting in July 2020, to 1,200 informal settlements in all 47 of Kenya's counties. To accommodate more people, participants were separated into two different cohorts, with each cohort working an alternating 11 day shift every month. The wage for workers in the second phase was

reduced to KES 455 (USD 4.1) per day. The expanded program employs 283,210 people and will run for a total of six-and-a-half months.

## Oversight and Implementation

The program is run under the auspices of the State Department of Housing and Urban Development (SDHUD), with recruitment organised through grassroots selection committees that identify suitable workers. These selection committees comprise:

- Informal settlement leadership
- Settlement Executive Committees (SECs), an existing KISIP structure
- Nyumba Kumi leaders, a community policing program
- National Government Administration Officers (NGAOs)

The registration of workers is done on a daily basis by supervising officers from implementing agencies and verified by the selection committees. To be considered, prospective participants must be Kenyan citizens between the ages of 18 and 35 and must hold a valid Identification Card. As already mentioned, the program has allocated spending across two phases, detailed in the table below.

#### ► Kazi Mtaani overview

Phases	Implementing Authority	Total Budget	Total Jobs to be Created	Types of Work Undertaken
Phase I	State Department of Housing and Urban Development	USD 5.7m	29,786	Street cleaning, access path clearing, fumigation, disinfection, garbage collection, bush clearing and drainage cleaning
Phase II	State Department of Housing and Urban Development	USD 92m	283,210	Upgrading public sanitation facilities, creating or paving walkways, constructing community gardens and parks and repairing public buildings like offices and nursery schools
	Total	USD 97.7m	312,996	

The daily supervision of activities is provided by personnel from the National Youth Service (NYS)—a voluntary work and educational programme for young *Kenyan* citizens—as well as Nyumba Kumi, the community policing program. These supervisors are provided with guidance from technical officers from various implementing agencies, including the Kenya Urban Road Authorities (KURA) and Kenya Rural Roads Authority (KeRRA) who have established standards on bush clearing and drainage unclogging activities, for example. For garbage collection, County Executive Committees (CECs) and municipal managers provide additional guidance. The supervisors otherwise ensure that work schedules, safety and quality standards are met and adhered to.

The first phase of Kazi Mtaani was funded through existing allocations from KISIP and the Slum Upgrading Department (SUD), both run under SDHUD. Additionally, production of face masks as part of the first phase was funded by the State Department for Petroleum through the Kenya Pipeline Company (KPC) who worked with the NYS to produce one-million masks. The second phase of Kazi Mtaani has been financed by the National Government and supported by the World Bank to the tune of KES 740 million (USD 6.75 million), with local governments also providing tools, materials and equipment wherever possible.

#### **Job Characteristics**

The jobs created in Kazi Mtaani are short term jobs (up to six-and-a-half months). In Phase II, wages earned—KES 455 (USD 4.09) per day for workers and KES 505 (USD 4.53) per day for supervisors—are above Kenya's very lowest sector specific minimum wage for unskilled labour. However, since Kenya's minimum wage scales differ between cities, towns and rural areas, Kazi Mtaani pays less than the local minimum wage in the main urban areas where the largest informal settlements are located.

The work undertaken in Kazi Mtaani varies greatly between projects and areas. Although the program explicitly targeted both skilled and unskilled youth, the work generally consists in outdoors and low-skilled manual labour. The program did not initially provide workers with facemasks or personal equipment like gloves, boots or overalls, relying on existing equipment available to local governments. However, after persistent calls by youth for better support, the Ministry of Health provided Kazi Mtaani participants with facemasks and gloves in August. Nevertheless, workers are still expected to make use of their own clothes. The program does not include any explicit training.

The program's wages are disbursed via M-Pesa—a mobile money transferring service—and, as a consequence, participants need an M-Pesa account registered to a verifiable mobile number to register for the program. In particular, the details on a participant's M-Pesa account need to match the details on their Identification Card.

## Reception of the Program

Kazi Mtaani has generally been well received by local communities. The program has notably reduced crime and drug abuse, improved cleanliness and pressed government officers into interacting with workers in communities—in some cases getting involved in the clean-up exercises. The program has also received disproportionate levels of uptake among women, who—at least initially—made up the majority of applicants to the program.

The program has not been without pushback, however. There have been concerns expressed among eligible youth about nepotism and tribalism in the recruitment process. There have also been delayed payments and several alleged cases of workers being

underpaid—much to the frustration of participants. This has led to further accusations of mismanagement and corruption. In a response statement, however, the Principal Secretary of SDHUD Charles Hinga clarified that the first wave of payments had nevertheless successfully reached 92% of registered workers, with the remaining 8% suffering from registration issues. In early-November, 99% of registered workers were being successfully paid.

In Kenya's parliament, the program also received flak for its hurried implementation—amid accusations of it being poorly planned. There were also concerns that the program might create frictions between youth successfully enrolled on the program, and those not. Nevertheless, there have been several calls from Kazi Mtaani workers requesting that the government extend their contract terms or even employ them on a permanent basis to enable them to continue sustaining their families.

## Stories on the Ground



I had exhausted all my savings to buy food for my family because all businesses were ordered to close down to contain the spread of the pandemic and to ensure everyone was safe. It was an uphill task to sustain my family until luck came my way and I was selected as a supervisor for the Kazi Mtaani program.

▶ Evelyn Bosire / Kazi Mtaani Supervisor / Nyamira Municipality, Kenya

## Links

Official government website: <a href="https://housingandurban.go.ke/national-hygiene-programme-kazi-mtaani/">https://housingandurban.go.ke/national-hygiene-programme-kazi-mtaani/</a> <a href="https://etcld.fr/wp-content/uploads/2021/01/20200930-point-30novembre.pdf">https://etcld.fr/wp-content/uploads/2021/01/20200930-point-30novembre.pdf</a>

# Mexico / Sembrando Vida



Sembrando Vida, Ministry of Welfare

- ► **Type :** Public Employment Programme/ Small farmer support with work requirement
- ► Implementing bodies: Ministry of Welfare, National Forestry Commission, Ministry of the Environment and Natural Resources
- > Start Date: 2019

- ▶ Budget: MXN 28.7bn (USD 2.1bn) | 0.11% of GDP
- ▶ Funding: Government Budget
- Numberr of Jobs to be Created: 430,000 | 0.7% of labour force
- ► **Target group:** Small farmers classified as poor and/or vulnerable, with emphasis on Mexico's poorer south

#### Context

In Mexico, cities, towns and other urban areas now host 80% of the country's population. However, the ever-increasing concentration of economic opportunities in these locales has come at the cost of declining opportunities in rural areas, which still account for 97% of the country's 192,000 localities—and a still growing rural population. This divide plays out in vivid spatial terms, with growth in Mexico's industrialized north far outpacing its less-developed south., resulting in some of the highest levels of wealth and income inequality in the OECD. In terms of poverty, 41.9% of Mexico's population were considered multi-dimensionally poor by the country's bespoke measures—a total of 52.43 million people when last measured in 2018. The Mexican economy grown anaemically since—going into January 1st, 2020, it had contracted in four-out-of-five of the most recent quarters—suggesting that these numbers are only likely to have worsened.

The first COVID-19 case in Mexico was confirmed on February 28th, 2020. The federal government was slow to respond, resisting calls to take measures to stop the virus's spread, even as state and local governments began to implement heavy restrictions. On March 30th, the government yielded and invoked a month-long national state of emergency, enforcing strict sanitation guidelines, suspending all non-essential activities and urging people to stay home. The measures were then extended to May 30th. The rest of Mexico's health response, however, was underwhelming, with low levels of COVID-19 testing well into June. As a consequence, the attempt to clamp down on the virus was unsuccessful, with cases rising steadily to a temporary peak in August. This situation was worsened by Mexican President Andrés Manuel López Obrador's (AMLO) insistence on playing down the threat of the virus. For most of the pandemic, Mexico's total COVID-19 death toll was higher than any country other than the United States and Brazil, only later being overtaken by India.

Like many other countries, the government's efforts to curtail the spread of the virus thrust the economy into turmoil. That the restrictions did little to prevent one of the worst outbreaks in the world only deepened the crisis. The country was dealt a further blow as--against all economic advice---Mexico's president chose to continue an austerity package, cutting public spending across the board. In 2020, the Mexican economy is forecasted to have contracted by as much as -10.2%.

## Intervention description

Despite the broader austerity measures, one of the few programs to see its budget expanded in the face of the COVID-19 economic crisis was Mexico's mass forestry program, Sembrando Vida ("Sowing Life"). The project was launched by the president on January 31st, 2019, with the goal of reviving Mexico's rural economy and restoring the environment.

Under the program, rural residents with access to a small plot of land are eligible to receive federal government support in entering the agroforestry sector. Through a competitive application process and after the screening of a local technician, Sembrando Vida beneficiaries are provided with seedlings/saplings, appropriate tools and monthly financial support (with a compulsory savings requirement) for the purposes of producing a defined combination of traditional crops, fruit and timber trees.

#### Sembrando Vida overview

Phases	Implementing Authority	Total Budget	Total Jobs to be Created	Types of Work Undertaken
Phase I	Ministry of Welfare, National Forestry Commission, Ministry of the Environment and Natural Resources	USD 660m	230,000	Farming traditional crops, and establishing the production of fruit and timber trees
Phase II	Ministry of Welfare, National Forestry Commission, Ministry of the Environment and Natural Resources	USD 1.4bn	200,000	Farming traditional crops, and establishing the production of fruit and timber trees
	Total	USD 2.1bn	430,000	

The first phase of Sembrando Vida ran through 2019. It was allocated MXN 13.2 billion (USD 660 million), targeting the employment of 230,000 people and the planting of 575 million trees. In October, 2019, the president indicated that the program had succeeded in employing 229,091 people—99.6% of its employment target—and was present in 8 states, namely: Chiapas, Campeche, Durango, Quintana Roo, Puebla Yucatan, Tabasco and Veracruz. The second phase of the program was set to run through 2020. In April, 2020, the president confirmed that the program would be allocated a further MXN 28.7 billion (USD 1.4 billion) to expand into an additional 11 states, employing a further 200,000 people. In November, 2020, the Ministry of Welfare publicised the fact that Sembrando Vida had succeeded in employing 420,256 people.

In this way, the program seeks to support rural production and economic self-sufficiency, to play a part in restoring Mexico's environment and combatting deforestation, to promote a culture of saving in rural areas, and to help repair the fraying social fabric of the nation's countryside.

## Oversight and Implementation

The program is run under the auspices of Mexico's Ministry of Welfare, in collaboration with the National Forestry Commission and the Ministry of the Environment and Natural Resources and the military. Within the Ministry of Welfare, Sembrando Vida is overseen by a technical committee headed by the Ministry's Undersecretary of Planning and Evaluation of Rural Development.

Geographically, the program has been implemented in 19 of Mexico's 31 states, separated into four regions defined in the table below. Each region is expected to bring between 150,000 and 250,000 hectares under cultivation—totalling 1 million hectares in total. Each region is administered by a Regional Coordinator, the program is then administered by 13 further Territorial Coordinators, 5 Social and Production Specialists, 230 Community Facilitators, 1,150 Social Technicians, 1,150 Production Technicians and Fellows

of Mexico's "Youth Building the Future" program—an on-the-job training program for Mexican youth.

## ► Geographic breakdown

	Region	Component States
(i)	Veracruz-Huastecas	Acayucan, Papantla, Córdoba, Huejutla and Ciudad Valles
(ii)	Oaxaca-Chiapas	Palenque, Ocosingo, Pichucalco, Tapachula and Matías Romero
(iii)	iii) <b>Tabasco-Peninsula</b> Comalcalco, Teapa, Balancán, Xpujil and Othón P. Blanco.	
(iV)	Altiplano-Pacific	Badiraguato, Atoyac, Tecomán, Huajapan de León, Compostela and Durango.

In the first quarter of each year, implementing agents have been expected to organise assemblies in participating territories—especially in Mexico's ejidos, areas of communally owned land—to present the program and its eligibility requirements to rural residents. To be eligible for the program, prospective beneficiaries have to (i) live in a rural locality, (ii) be of legal age (18+), (iii) have 2.5 hectares of land available to work on an agroforestry project (either through direct or communal ownership, or a sharecropping agreement) and (iv) be below Mexico's defined rural well-being line.

To apply, prospective beneficiaries must (i) send a signed copy of the program application form, along with (ii) an original copy of their identity documents, (iii) the ownership documents for the proposed 2.5 hectares to be put under cultivation and (iv) a letter of commitment agreeing to comply with the various provisions of the program. The following groups are prioritised in selection:

- Those with two or more financial dependents
- Youth (aged 18 to 29)
- Indigenous or Afro-Mexican women
- Indigenous or Afro-Mexican men
- Non-indigenous women

The program requires that women must constitute at least 30% of both its technical staff and participants. In November, 2020, of the 420,256 registered participants, 29.9% were women—slightly below the required rate.

After application, prospective applicants are put through a pre-registration process. The details of their application are confirmed by a visit from a Sembrando Vida technician, with further physical and socio-economic details recorded in an online registry and database. There are 20 calendar days committed to this process each month—ending with confirmation of the final register on the 20th of the month—after which, applicants are then notified on the success or failure of their application.

## **Job Characteristics**

The agroforestry jobs created under Sembrando Vida are intended to be permanent, with the program set to run indefinitely. On acceptance into the program, a participant is required to submit a monthly work plan agreed to by themselves and both their social and production technicians. This work plan must include: objectives, goals and activities, with a clear set of deadlines and identification of the parties responsible. The plan must be written up in print or electronically. Once a work plan has been finalised, a participant is expected to carry out at least 80% of the activities established in the plan and to be able to demonstrate to their respective technicians that the work has been completed. The failure to meet these requirements will result in the withholding of benefits to the recipient.

If these requirements are met, however, successful participants of Sembrando Vida are granted a financial support payment of MXN 5,000 (USD 250) per month. This is well above Mexico's minimum wage. The payments are transferred electronically, onto a debit card under the name of the beneficiary. There is a minimum savings requirement of MXN 500 (USD 25)—10%—on each month's payment. Of this, half must be entered into a savings vehicle at a financial institution. The other half is entered into the program's "Welfare Fund," an investment fund established and overseen by program's Technical Committee. Once a month, beneficiaries are updated on their savings by their respective social technician.

In addition, program participants are granted further support in kind. They are entitled to receive (i) seeds, as well as seedlings and saplings grown in the military nurseries participating in as partners in the program. These include mahogany, cedar, cacao, rubber, cinnamon and soursop trees. These plants are to be used to implement an agroforestry program in the beneficiary's production unit, selected according to the climate and soil constraints of the region and plot and in concordance with the agroforestry system designed jointly between the beneficiary and their respective productive technician. They are also entitled to receive (ii) other agroforestry inputs, like fertilizer, as well as (iii) a package of suitable tools. Finally, there are additional allowances made for the request of materials for the establishment of (iv) community nurseries, (v) bio-factories and (vi) Sembrando Vida training centres.

Given that the work is outdoors and undertaken by individuals on their own plot of land, there do not appear to be any specific COVID-19 guidelines for participants of the program.

## Reception of the Program

The reception of the program has been mixed, with notably broad media criticism. In early 2020, the Minister of Welfare, María Luisa Albores, revealed that of the 575 million trees promised for 2019, only 80 million had in fact been planted. This was largely due to the inability of military nurseries to supply the vast number of seedlings and saplings

necessary to maintain the pace of forestation. Of those planted, the ministry suggested that only 50% were likely to have survived. Furthermore, in December, 2019, the program was forced to dismiss 17,000 participants after it was discovered that they had claimed payment without performing any work.

It also remains unclear in precisely what way the program envisions itself as an environmental program. In contrast with previous Mexican reforestation programs—like the ProÁrbol program implemented in the late-2000s—there is no focus on the preservation of existing wilderness or maintaining Mexico's high levels of biodiversity. In fact, the program appears to have unintended consequences through introducing perverse environmental incentives, with cases found of participants burning intact stretches of indigenous forest in order meet the program's land requirements. According to a study based on satellite images, the World Resources Institute estimates that the programme has contributed the loss of nearly 73,000 hectares of forest coverage in 2019, which amounts to approximately 11 % of land area managed by Sembrando Vida participants.

## Stories on the Ground



It [Sembrando Vida]] is a very valuable program and it has helped many families. For all the producers who used to leave the fields, we've now had a good experience with the program, learning about the care of plants and the germination of different species of seeds."

▶ [Raquel del Carmen Suárez Dominguez] / participant in Ejido Centenario Escarcega, Campeche.

#### Links

Official government websites: <a href="https://www.gob.mx/bienestar/acciones-y-programas/programa-sembrando-vida">https://www.gob.mx/cms/uploads/attachment/file/603289/ROPS Sembrando Vida 28dic2020.pdf</a>

jueves, 18 de marzo de 2021

Javier Warman, José Iván Zúñiga y Manuel Cervera 2021, Análisis de los impactos en las coberturas forestales y potencial de mitigación de las parcelas del programa Sembrando Vida implementadas en 2019, WRI Mexico, accessed on <a href="http://movilidadamable.org/WRIMexico/WRI%20M%C3%A9xico%20An%C3%A1lisis%20sobre%20los%20impactos%20ambientales%20de%20Sembrando%20Vida%20en%202019.pdf">http://movilidadamable.org/WRIMexico/WRI%20M%C3%A9xico%20An%C3%A1lisis%20sobre%20los%20impactos%20ambientales%20de%20Sembrando%20Vida%20en%202019.pdf</a>

## New Zealand / Jobs for Nature



Job for Nature, DoC New Zealand

- ► **Type :** Direct Employment Creation,Covid-19 response, Green Jobs, On the Job Training
- ➤ Implementing bodies: Ministry for the Environment/ Ministry of Business, Innovation and Employment / Department of Conservation/ Ministry for Primary Industries/ Land Information New Zealand.

► Start Date : 2020

- **Budget:** \$ 354 mln (0.5% of GDP)
- Funding: Government Budget
- Nr of Jobs to be Created: 6.000 annually (3-6 month employment duration) (0.5% of labour force)
- ► Target group: Workers and businesses in tourism impacted by Covid-19
- ► End Date: 2024

#### Context

New Zealand has a lot of experience in combating climate change with the establishment of the "New Zealand Climate Change Programme" in 1988. In 2009 the government of New Zealand announced both a medium-term (20% reduction by 2020) and a long-term (50% reduction by 2050) target for greenhouse emissions. The country however faces increased costs of further mitigating its environmental footprint since, a high degree of renewable energy generation is already present. Thus, the country is strongly focused upon decreasing its agricultural impact through emission reductions and the storage of carbon in forests. The government of New Zealand pledged to introduce a Green budget for 2020 before the pandemic, and in December 2020 declared a climate emergency joining 32 more nations that legislate their commitments to battling climate change at such intensity. At the same time New Zealand's nature provides the country's main touristic attraction which constitutes 7.5% of the country's workforce and 5.8% of the country's GDP and the main source of international reserves.

In order to protect the unique natural environment of the island, New Zealand's policy makers first introduced a Strategy for Biodiversity and Biosecurity in 2000 which marked an important milestone for biodiversity conservation and management for the Country. Since then, protecting and restoring nature has been one of the main objectives of the Department of Conservation (DoC henceforth). In August 2020, a new strategy towards biodiversity and biosecurity was released by the DoC after consultations with Treaty partners, stakeholders and the New Zealand Public.

As the Covid-19 pandemic spread around the world, the New Zealand authorities declared a state of emergency and closed down all non-essential businesses, events and schools in a first lockdown in late march, the economy reportedly shrunk by 9.8% in the second quarter of 2020. As a response the government of New Zealand has implemented a wide range of fiscal measures to help alleviate the effects of the pandemic and respond to the economies weakened points.

## Intervention summary

Under the aforementioned context, the government created a \$1.1 bln fund in May 2020 in order to "help revitalize communities through nature-based employment and stimulate the economy post Covid-19". The fund **aims** to benefit the country of New Zealand through:

- 1. Faster Recovery for individual businesses and regions
- 2. Providing an alternative to unemployment for workers that were impacted by the covid-19 crisis
- 3. Retaining a strong sense of purpose and pride for people, through restoration work and connection to their region
- 4. Providing national gains for the environment

The investment is tailor-made to create employment in projects across the country in the next 5 years under the supervision of several government agencies. The investment has 3 objectives:

- 1. To create 11.000 13.000 of jobs at pace over the next 5 years with regional spread.
- 2. To create enduring benefits for healthy waterways, biodiversity, climate change and cultural values.
- 3. To support sustainable land use and the implementation of regulatory requirements, including for freshwater, biodiversity and climate change.

## Oversight and Implementation

The fund's oversight is conducted by the Ministers of Environment, Local Government, Agriculture/Biosecurity, Regional Economic Development/Forestry, Climate Change and Conservation/Land Information. The Ministers' strategic oversight is supported by a Reference group which comprises of a mix of public and private sector members and an independent chair. The group only has an advisory and coordination role but cannot make any decisions about the program which lie with the Ministers. One of the first key inputs from the Jobs for Nature reference group is the Investment Framework which aims to help guide funding decisions.

The fund allocates spending across 4 main subcomponents each under the direct supervision of one Ministry as shown in the following table.

## **▶** Jobs for Nature Fund overview

Subcomponents	Implementing Authority	Total Budget	Avg Yearly Budget	Total Jobs to be created	Avg Yearly Jobs created	Types of Work Undertaken
Protecting Nature: biosecurity, weed and pest/predator control	Ministry for Primary Industries, Land Information	\$315 mln	\$63 mln	3000	600	Controlling pests and weeds managing invasive (alien) species
Regional Environmental Projects to improve freshwater	Ministry for the Environment	\$433 mln	\$86 mln	4000	800	Restoring mini wetlands Stabilizing river banks Removing sediment Providing for fish passage
Kaimahi for Nature	Department of Conservation	\$354 mln	\$70 mln	6000	1200	Supporting natural landscapes, native bush, birds, waterways, coasts Ecosystem restoration Improving tracks and recreational assets on public land
Provincial Growth Fund	Ministry of Business Innovation & Employment	\$41 mln	\$8.2 mln	No info	No info	Ecosystem restoration Habitat restoration Restoration of biodiversity
	Total	\$1.1 bln	\$227 mln	13.000	2600	

The four different subcomponents of investment have varying labour intensity and require different levels of skillsets to be completed resulting in varying cost/jobs created ratio.

With an annual budget of \$70 mln the "Kaimahi For Nature" subcomponent is the most

innovative of the subcomponents. Implemented by the department of conservation. It aims to reach workers before they become unemployed giving businesses battling Covid-19 an opportunity to temporarily redeploy their staff into environmental projects. The scheme will create 1200 jobs yearly, in projects related to Predator control, ecosystem restoration, restoring wetlands etc. The projects are both proposed and delivered by "Alliances" on the

#### **Alliance Guiding Principles**

- ► Maximise regional decision making
- Treaty partners and working in partnerships are central to the program
- Getting funds out fast
- ▶ Equitable distributions of funds across NZ
- ► Minimise duplication
- National, iwi (confederations of indegenous

local level. The Alliances are comprised by treaty partners, regional councils, local government and regional department of conservation staff. They decide which programs proceed to implementation under the scheme and are responsible for the whole oversight of the projects. NGOs and Private businesses can also participate in the program as part of the Alliances in order to propose and implement projects. The Alliances aim to cover the entirety of the country with areas with no alliances receiving support by DoC in creating new ones. Once a project is approved for implementation the Alliances provide oversight while at the same time coordinating across different projects in their region to make sure all implementations are aligned with each other and provide sustainable results. The Partners responsible for the implementation are in charge of the hiring process which is conducted through their normal channels.

The remaining 3 subcomponents are related to already existing operations or projects that receive more funding and also have a strong employment creation nature. However, they present higher capital intensity, than the specifically designed "Kaimachi for Nature" program and thus create on average less jobs per year in proportion to their budgets. These schemes also create a significant number of jobs in wide range of specialties with differing levels of skills required and many times overlap with the Kaimahi for Nature scheme projects.

#### **Job Characteristics**

All jobs created under the "Kaimahi for Nature" scheme are short term jobs (3-6 months long). They are created either through:

1) the contracts issued by the alliances to the private sector with priority given to businesses that have been negatively impacted by the pandemic. The jobs have to respect all the labour requirements set by the legislation that governs employment contacts of the country. Work under the scheme is conducted with all the relative health and safety measures and equipment and the previous employer can also manage the programme if he has the required skills, thus keeping the labour part of his previous business intact while the pandemic runs its course.

2) projects managed by the Alliances (most often resource and labour intensive) who create positions published by the partners in the alliances and the government's new website <u>Connected</u>. The partners also act as the employer and define wages for the undertaken work based on the skills and experience required.

Most of the jobs are being designed to be temporary, with a higher number of people cycling or rotating through them until their previous employment/business recovers.

The work undertaken varies greatly between projects and areas. As such the program attracts workers with all levels of skills. Reforestation, trail maintenance and planting work require simple low skilled manual work. Construction workers, helicopter drivers and machinery operators provide examples of jobs created that require technical skills while managers and conservation scientists are examples of high skilled jobs created.

Training is also part of the scheme with the authorities pointing out that training inside the project proposal will be a benefit to the chances of the proposal being passed. This training is non-formal and non-certified and usually relates to low skilled work that needs a short initial training. The DoC indicated that online certifications could be acquired at the end of the on-the-job training but no provisions have been made to include it in the scheme up to this point.

Another very important characteristic of the program is that it provides an alternative option (than wage subsidies or layoffs) for employers who can now redeploy their workers to local projects, where the workers can add to their reduced incomes, remain under the initial employment and upgrade their skills that will be beneficial to the employer once they return to their original duties.

## Reception of the Program

With the scheme under implementation, hundreds of jobs have already been created while a benefit of the scheme is that work is usually conducted outdoors and is more secure in the times of Covid-19 thus able to be carried out during higher levels of national covid-19 emergency lockdowns.

The scheme was very positively received by the public, workers and employees especially given the very ambitious Climate Change goals that have been set by the government.

Main concerns during the first months of implementation come from regions and employers who are witnessing a delay in the processing of their proposals because of the inexistence of a local Alliance that is still being set up. The concerns illustrate that there is a need for a faster implementation and flexibility in the regions that Alliances are not operational yet.

## Stories on the Ground



I was meant to be in China helping set up a rafting business before returning home to run my own guiding company. Covid-19 sunk both those plans. As soon as the borders closed, we lost a lot of bookings, before the country went into level four, we were already hurting and we closed our doors. With the borders closed, domestic tourism will be more weekend work for us and it is going to be hard to hold onto staff members and pay the bills. If we can pick up this sort of work, where we have a week away renovating a hut we can plan around it. Part of our work is guiding people through remote wilderness areas in the Kahurangi, Karamea, Mokihinui and Buller and we are used to being in this environment, it is what we love and it is good to be able to give something back to these huts. Not only losing our bookings at the end of the season and losing three-months worth of work in China during winter, this has been perfect for us.

► [Employer Benefiting from a Hut Restoration project as part of "Kaimahi for Nature"] Tim Marshal / Tour Guide business owner / New Zealand

#### Links

Official government website: <a href="https://www.mpi.govt.nz/funding-rural-support/jobs-for-nature/">https://www.mpi.govt.nz/funding-rural-support/jobs-for-nature/</a>

Examples of projects under Kaimachi for nature: <a href="https://www.backcountrytrust.org.nz/kaimahi-for-nature-projects.html">https://www.backcountrytrust.org.nz/kaimahi-for-nature-projects.html</a>

## Nigeria / Economic Sustainability Plan



- ▶ **Type :** Covid-19 Stimulus, General
- ► **Implementing bodies :** Multiple government departments and agencies
- > Start Date: 2020

- ▶ **Budget:** NGN 2.3trn (\$ 3.5bn) | 0.8% of GDP. Of which NGN 1.3trn (3.5bn) is allocated to new programs with a job creation component.
- ► **Funding :** Government Budget, possible contribution from UN and donors
- ▶ Number of Jobs to be Created: 10m indirect; 1.1m direct | 17.5% of the labour force
- Target groups: Various
- ► End Date: 2021 (TBC)

## Context

With a population of 208.8m, Nigeria is Africa's largest economy, most populous state and is home to the world's third largest youth population after India and China. In between 1995 and 2015, the country saw two decades of uninterrupted economic growth, but—after oil prices crashed between 2014 and 2016—growth rates slowed, and the Nigerian economy has struggled since. Subsequently, the unemployment rate more than doubled, from 9% in 2015 to 22.5% by 2018. In the latter year, Nigeria overtook India as the country with the most people living in extreme poverty: 86.9 million people, or around 44% of the country's population. By the start of 2020, a further quarter of Nigerians—53 million people—were vulnerable to falling into poverty.

This sluggish growth trend has been paired with a persistently fragile security situation in the country's North. It was in this context that Nigeria's current president Muhammadu Buhari succeeded former president Goodluck Jonathan in 2015, and then won

re-election in 2019. After 2015, the Nigerian military—with assistance from Benin, Cameroun, Chad and Niger—successfully expelled the Islamist extremist group Boko Haram from several provinces in north-east Nigeria, but the group still controls pockets of territory from which it continues to launch attacks on civilians and the military. Even where Boko Haram has been expelled, bandits and other criminal groups present a challenge to the country's government and security forces.

The first confirmed COVID-19 case in Nigeria was reported on February 27th, 2020, and the Nigerian government started implementing containment policies aimed at controlling the spread of the virus across the country from mid-March. Travel bans were instituted, schools closed and lockdowns imposed in specific States. The States of Lagos, Ogun and the Federal Capital Territory—the state that hosts the capital Abuja—were the first to be locked down, but others soon followed. Unfortunately, the rest of Nigeria's health response has left much to be desired. The country has struggled to establish a COVID-19 testing apparatus at the scale needed to accurately track the pandemic, with fewer than one million samples—less than 0.5% of the country's population—tested by December 31st, 2020. Nevertheless, like much of the rest of sub-Saharan Africa, daily case and death rates in Nigeria appear to have remained relatively low. This is likely a reflection of the country—and the continent's—exceptionally young population.

The virus may not yet have hit Nigerians especially hard, but the economy has suffered markedly. With oil accounting for 80% of Nigeria's exports, a third of credit in the banking sector and half of government revenues, the plummet in oil prices has taken a deep toll. The IMF expects the Nigerian economy to have contracted by 3.5% in 2020, thrusting a further 7 million Nigerians into poverty. With youth especially hard hit, there are mounting concerns that young Nigerians' worsening of economic prospects will provide further fuel for Islamic extremist groups and broader unrest.

## Intervention description

In response, the government launched the Economic Sustainability Plan (ESP) a comprehensive economic stimulus package designed to support the Nigerian economy, boost production, create jobs and save foreign exchange. The package consists of sixteen real sector programs, five of which are designed to create employment indirectly through strategic investment in sectors of the economy, and two designed to create jobs directly through public works. The majority of the individual components of ESP are intended to take place over 12 months, but with staggered start and end dates. The package was passed on June 24th, 2020.

The largest budget item in the ESP is (i) a mass agriculture program, titled the Agriculture for Food and Jobs Program (AJFP). The government plans to stimulate the establishment of new smallholder farms, improving food supply and creating upwards of 5

million indirect jobs. The next largest item is (ii) a mass housing program, titled the National Social Housing Program (NSHP). The government plans to support the construction of 300,000 homes, creating 1.8 million indirect jobs. The ESP also allocates funds to (iii) a mass solar power installation program, titled Solar Power Naija. The government plans to incentivise private solar providers to install 5 million new home solar and small off-grid installations by 2023, impacting up to 25 million beneficiaries and creating 250,000 indirect jobs.

The ESP allocates funds to (iv) the National Gas Expansion Programme (NGEP), which plans to convert 30 million homes from dirty fuels (kerosene, charcoal and diesel) to liquified petroleum gas (LPG) and to support the domestic use of compressed natural gas (CNG). The government expects the program to create 2 million indirect jobs. The ESP also outlines (v) a strategy for jobs in technology, intended to create 1 million indirect jobs by training young Nigerians to take advantage of existing initiatives in the digital economy, including in education, entertainment, e-commerce, financial services and software development. The package allocates no specific funds to the strategy, however.

The ESP allocates funds to (vi) a mass road construction and rehabilitation program. With a labour-intensive focus, the program will cover the construction and maintenance of federal highways, roads, and bridges as well as road interventions within federal tertiary institutions across Nigeria. Through the program, the government expects to create 296,000 direct jobs in public works. Finally, the package also allocates funds to (vii) a mass public employment program, titled the Special Public Works (SPW) program. However, given its scale and relevance, the SPW is treated separately and in more detail in the following case study.

## Oversight and Implementation

- (i) The Agriculture for Food and Jobs Program (AJFP) is run as a joint venture between the Federal Ministry of Agriculture and Rural Development (FMARD), the Central Bank of Nigeria, state governments and the private sector. Each of Nigeria's 36 State governments is expected to contribute between 20,000 and 100,000 hectares of land from a combination of aggregated smallholder farms and the repurposing of abandoned state farm settlements and agricultural projects for new smallholder farms. The production of rice, maize, sorghum, soybeans, groundnuts, cowpea, cassava, millet, palm kernel, livestock and cotton are prioritized for local markets, while white sesame, hibiscus and cocoa are prioritised for export markets. The program was launched on July 23rd, 2020, with prospective recipients invited to register and apply through an online FMARD portal.
- (ii) The National Social Housing Program (NSHP) is run as a partnership between the Federal Ministry of Finance, Budget and Planning, the Central Bank of Nigeria, the Nigerian Family Homes Funds, state governments and the private sector. In the first track of the

program, state governments will be expected to establish suitable land banks to finance private sector construction. NSHP homes will be delivered through a competitive selection of 9,000 SME (Small and Medium Enterprise) as delivery partners, with the federal government granting construction contracts—with guaranteed off-take—to a mix of established developers and consortiums of young professionals in the building sector (architects, engineers, quantity surveyors, accountants). The NHSP houses will be constructed in three sizes (one, two and three bedrooms) ranging in cost from NGN 2,000,000 to NGN 3,500,000. The program was launched on December 16th, 2020, with both prospective home owners and private sector partners invited to apply to join the program through the NHSP website portal.

(iii) The Solar Power Naija initiative is run under the auspices of the Federal Ministry of Power, the Rural Electrification Agency (REA), the Niger Delta Power Holding Company and private sector partners. The government intends to work with state governments to identify locations and prospective beneficiaries for private sector solar providers. The program's beneficiaries are expected to pay for the installation at a cost ranging from NGN 1,500 (about USD 4) per week to NGN 4,000 (more than USD 10.5) per month depending on capacity and over a three-year period. The program was launched on December 2nd, 2020, with prospective private sector partners invited to apply through the REA website portal.

## **► ESP overview**

Subcomponents Implementing Authorities		Total Budget	Total Jobs to be Created	Types of Work Undertaken
Agriculture for Food and Jobs Plan (AFJP)			Est. 5m (Indirect)	Registration of smallholder farmers Expansion in agricultural labour Post-harvest value addition and processing
National Social Housing Programme (NSHP)	Ministry of Finance, Budget and National Planning, Central Bank of Nigeria, State Governments, Family Homes Funds	USD 0.8bn	Est. 1.8m (Direct)	Construction value chain: Architecture, Engineering, Quantity surveying, etc. Artisanry: Welding, Plumbing, Carpentry, etc.
Rural Electrification  Solar Power Naija Agency, Solar Connection Intervention Facility		USD 0.6bn	Est. 250,000 (Indirect)	Solar power value chain: Manufacture, assembly, maintenance and repair of solar home systems, etc.
National Gas Expansion Program (NGEP)  Federal Ministry of Petroleum Resources, Nigerian National Petroleum Corporation		USD 296m	Est. 2m (Indirect)	Promotion of domestic uses of compressed natural gas. Conversion of homes from dirty fuels (kerosene, charcoal and diesel) to liquified petroleum gas (LPG).
Strategy for Jobs in Technology	Federal Ministry of Communications and Digital Economy	_	Est. 1m (Indirect)	Call/Contact Centres Document Digitisation Software Development and Troubleshooting Paralegal Services Book-keeping
Road Construction Federal Ministry of Works and Rehabilitation and Housing		USD 157m	296,000 (Direct)	The labour- intensive construction and maintenance of federal highways, roads and bridges.

Special Public Works*	National Directorate of Employment	USD 131m	774,000 (Direct)	Public works
* Detailed separately in the following case study	Total	USD 3.5 bn	11.1m	

- (iv) The National Gas Expansion Programme (NGEP) is run under the auspices of the Federal Ministry of Petroleum Resources (FMPR), the Central Bank of Nigeria and the Nigerian National Petroleum Corporation. In August, 2020, the Central Bank of Nigeria announced the introduction of a NGN 250 billion (USD 632 million) credit facility for the NGEP to stimulate investment in the CNG and LPG value chains. Eligible activities include establishing gas processing plants, small-scale petrochemical plants, gas cylinder manufacturing plant and any other mid to downstream gas value chain related activity recommended by the FMPR. The NGEP itself was launched on December 1st, 2020, with the federal government unveiling vehicles converted to LPG and CNG and announcing the start of the installation of LPG and CNP capabilities at gas stations in all 36 States and the FCT.
- (v) The strategy for jobs in technology was announced under the nominal purview of the Federal Ministry of Communications and Digital Economy (FMCDE). No funds were allocated to the strategy and no program appears to have yet been implemented.
- (vi) The road and reconstruction component of the ESP was announced under the purview of the Federal Ministry of Works and Housing (FMWH). On the basis of the proceedings of the 26th National Council of Works—December 7th through 10th, 2020—no ESP-specific projects have been implemented beyond the possible expansion of existing projects and programs.

## **Reception of the Program**

The scale and environmental focus of the package has been well received both domestically and internationally. In November, the United Nations committed an additional USD 250 million under the UN Plus Offer for Socio-Economic Recovery to complement Nigeria's economic recovery efforts. The package also complements Nigeria's recent broader fiscal reforms, which the World Bank highlights as a positive in Nigeria's broader economic outlook.

Nevertheless, there are concerns over Nigeria's ability to fully implement the expansive package. There has been no clearly established timeline for the start and ends of component programs and it is unclear whether all the package components will in fact be implemented. The spectre of corruption and mismanagement in the package's implementation is also a recurrent concern, an unfortunate feature of large-scale projects undertaken by former Nigerian administrations.

Finally, the stimulus package relies overwhelmingly on private sector partnerships to create jobs. Given that similar programs have a history of underperforming government employment expectations elsewhere on the continent, there are concerns that the actual employment numbers stimulated by the package may be underwhelm the governments expected estimates and forecasts.

## Links

https://www.budgetoffice.gov.ng/index.php/nigeria-economic-sustainability-plan

https://fmardpace.ng/

https://nshp.gov.ng/

https://rea.gov.ng/solar-power-naija/

https://fmic.gov.ng/federal-government-rolls-out-national-gas-expansion-programme/

# Nigeria / Special Public Works Program



Special Public Works Program, NDE Nigeria

- ► **Type :** Direct Employment Creation, Covid-19 Stimulus, Public Works
- ► **Implementing bodies:** National Directorate of Employment (NDE), State and Local Governments
- **Start Date:** 2020

- ▶ **Budget :** NGN 52bn (\$ 60m) | 0.01% of GDP
- ► **Funding**: Government Budget
- Nr of Jobs to be Created: 416.000 (employed for 3 months) | 0.7% of labour force
- ► Target group : Unemployed Persons, General
- End Date: 2021

#### Context

The Special Public Works (SPW) program—a subcomponent of Nigeria's Economic Sustainability Plan (ESP), described above—is dealt with separately in this case study because of its notable scale as a single public works program and because of its particular features of interest. The program's contribution to ESP tallies—both cost and jobs created—are included in the table of ESP subcomponents in the previous case study, however. They will not be repeated separately below.

## **Intervention Description**

In the face of a struggling economy and rapidly rising unemployment (prepandemic), Nigerian President Muhammadu Buhari approved a pilot public works program, in October, 2019—titled the Special Public Works Program in the Rural Areas. The program was adapted from a capacity-building collaboration with the International Labour Organisation (ILO) in the late-1980s and early-1990s. The pilot was designed to mitigate the lack of job opportunities in Nigeria's rural areas through a short-term engagement of 1,000 unemployed Nigerian youth (aged 18 to 30) per participating Local Government Area (LGA)

for a period of 3 months. The scheme was approved for implementation in five LGAs in each of eight States, namely: Adamawa, Borno, Ebonyi, Edo, Ekiti, Jigawa, Katsina and Kwara—translating into 40,000 short-term jobs.

On April 6th, 2020, the Minister of Finance, Budget and National Planning announced the extension of the pilot programme to all 36 Nigerian States and the Federal Capital Territory—which hosts the capital, Abuja— from October to December, 2020, to mitigate the impact of the COVID-19 pandemic on the economy. The approved program—renamed the Special Public Works (SPW) program—was later folded under the umbrella of Nigeria's broader Economic Sustainability Plan (ESP), announced in June, 2020. Under the SPW, 774,000 people—1,000 in each of Nigeria's 774 Local Government Areas—are to be employed for 3 months, performing low-skilled and labour-intensive work. The federal government has allocated NGN 52 billion to the public works program, with NGN 15.5 billion (USD 40.5 million) earmarked for monthly payments to program participants

## **Oversight and Implementation**

The SPW is run under the auspices of the National Directorate of Employment (NDE), an agency of the Ministry of Labour and Employment, in partnership with state and local governments and local banks. The program was initially slated to begin in October, 2020, but a series of delays have ensured that the program was only launched on January 5th, 2021.

In line with Section 16 (1) of Nigeria's NDE Act, special committees at the state level—titled "State Selection Committees of the Special Public Works (SPW)" —were set up for the purpose of deliberating, selecting and recommending the names of the 1,000 individuals from each Local Government Area in that State engaged in programme, as well as identifying the local public works projects to be undertaken. The 20-member committees were to comprise:

- A (i) Chairman and (ii) Vice-Chairman, to be indigenes (local ethnic groups) or ordinarily resident in that State.
- A (iii) Secretary, to be occupied by that State's NDE co-ordinator.
- One (iv) representative of the State Governor.
- The (v) Chairman of the State's Christian Association of Nigeria, or a representative.
- The (vi) State Chairman of the Nigerian Supreme Council for Islamic Affairs, or a representative.
- The (vii) State Chairman of the National Union of Road Transport Workers, or a representative.
- The (viii) market woman leader in that State.
- Three (xi) persons (one from each Senatorial District) representing the traditional institutions in that State.

- Two (xvii) persons (one male and one female) from each of the Senatorial District of the State (six people total) representing prominent youth organisations in those States.
- A (xviii) representative of a prominent Civil Society Organisation of that State.
- Two (xx) persons representing particular interests in those States.

Members of the State Selection Committees are barred from holding any official position in any of the registered political parties. If any of the listed individuals also doubles as an official of any political party, then the State Chairman of the Selection Committee of the SPW shall fill that position with another person representing that interest. The State committees were inaugurated on June 29th, 2020. Prospective participants were invited to apply online through an SPW portal.

The majority of States launched SPW public works programs on January 5th, 2020, with all States expected to begin work within days of the launch. Further details on the projects undertaken will come through as the program unfolds. Notably, some States have chosen to require that at least 30% of participants must be female. The Minister of Labour, Employment and Productivity has also expressed that he would like to see greater representation of women in the program.

Finally, while the program is set to run for only three months, there is some discussion over the potential for it to run for three months each year during the dry season (the agricultural off season).

#### **Job Characteristics**

The jobs created under the SPW program will last 3 months. The program's beneficiaries are to be paid a monthly salary of NGN 20,000 (USD 52.50). This monthly salary is below Nigeria's national minimum wage of NGN 30,000 (USD 79.00), chosen to discourage other categories of workers from entry. The program is designed for a largely agrarian populous, who frequently have other requirements on their time in the mornings and evenings on farms or elsewhere. As a consequence, work with the SPW will not follow a traditional 9.00 to 17.00 working day. The program will compromise—among other projects—the following:

- Drainage digging and clearance
- Irrigation canal clearance
- Rural road maintenance
- Traffic control
- Street cleaning
- Cleaning of public infrastructure, including health centres and schools.
- Maintenance of the Great Green Wall nurseries and orchards in Borno, Jigawa and Katsina States

The government's COVID-19 protocols still strictly apply, including mask wearing and social distancing. The program's payments will be made electronically directly into beneficiaries' bank accounts. As a consequence, the program has engaged with six local banks—each allocated a specific quota of LGAs—to register new bank accounts and Bank Verification Numbers (BVN) for unbanked participants, and to confirm the BVN's of those with already registered bank accounts. To apply, prospective beneficiaries must be between the ages of 18 and 50.

## **Reception of the Program**

The program has been the subject of dogged resistance from Nigeria's National Assembly, which has repeatedly threatened to block funding towards the program over disagreements with Nigeria's Minister of Labour, Employment and Productivity. Both parties have levied allegations of corruption against the other. The implementation of the program—initially scheduled to begin in October—has consequently been subject to a series of delays. This uncertainty was received with increasing frustration and hopelessness by selected and prospective participants. Otherwise, the prospect of the program has been well received by local communities, especially local unemployed youth.

#### Links

Official government website: <a href="https://specialpublicworks.gov.ng/site/">https://specialpublicworks.gov.ng/site/</a>

# Pakistan/ 10 Billion Tree Tsunami Afforestation project



10 Billion Tree Tsunami nursery worker in Khyber Pakhtunkwa, Pakistan

- ▶ **Type:** Public Employment Programme
- ▶ Implementing bodies: Ministry of Climate Change
- ► Start Date: 2018

- ▶ Budget: 4 200 million (0.018% of GDP) per year
- ► **Funding:** National Budget, International Donors, Debt for Nature swaps
- Number of Jobs to be created: 65.000 Jobs per Day (1% of labour force)
- ► Target group: Mostly rural poor / rural un and underemployed
- **End Date:** 2023

## Context

Pakistan, the world's 5<sup>th</sup> most populated country, has been rapidly reforming its economy since the early 2000s. Along with significant growth rates the country aims to transition to a modern economy with the consensus of forecasts expecting a positive future. However, the country faces many challenges that it needs to overcome in the near future if it hopes to maintain this course.

The country is struggling with a fiscal crisis and undergoing an IMF-sponsored macroeconomic stabilisation programme. At the same time employment in the formal economy remain very low with only 63 million of its 207 million citizens being engaged in the formal labour market. Furthermore, stable long-term employment is very low with only 57% of wage employees paid on a monthly basis with the rest of being tied to daily or occasional labor. A large informal economy still persists and it is estimated that about one quarter of Pakistanis lived below the poverty line before the Covid-19 crisis. The government

has made, poverty reduction one of its main priorities committing to reduce it to 19% by 2023 as part of the 2030 Agenda for Sustainable Development.

With the onset of the pandemic, the achievement of the goals set by the Agenda has been jeopardised. A UNDP study<sup>17</sup> of 70 countries including Pakistan expects that poverty reduction progress can be set back by 9 years due to the corona virus crisis. 56,6% of the population has been estimated by the government to have become socio-economically vulnerable due to Covid-19. With people aged under 30 representing nearly two thirds of the population, any economic setback is bound to bring large increases in unemployment due to the significant number of entries to the labour market every year already putting pressures on the labour market. The cost of the expected economic slowdown has been particularly significant to wage earners and the self-employed who are more vulnerable to lockdown measures and have limited access to social protection programmes.

At the same time, the country has had a difficult history combating climate change. Pakistan is globally, the 7<sup>th</sup> most vulnerable country to climate change effects<sup>18</sup>. This has been apparent in the recent history with extreme climatic events and disasters happening with a high frequency<sup>19</sup>. However, these were not only the results of climate change as the economic development of the last decades has severely and negatively affected the state of nature of Pakistan. The needs of the fast-growing population could be maintained by the ever-expanding agricultural land, but this came at the cost of forests and native vegetation. This was worsened by the ever-increasing human demand for timber. Earthquakes floods and erosions also destroyed large expanses of natural forests in the country. Initial low prioritisation by the government and the inability to implement any real legislative and penal changes for illegal timber extraction. In 2000 it was estimated<sup>20</sup> that 78% of Pakistan's forests were understocked and 74% were unable to regenerate. Pakistan's total forest cover was estimated in 2016<sup>21</sup> to be less than **3%**, one of the lowest levels in the region and well below the 12% recommended by the United Nations.

In order to face both the crisis in poverty as well as climate change the government implemented the 10 Billion Tree Tsunami project in 2019 which aims to counter the rising temperatures, flooding, droughts and other extreme weather in the country that scientists link to climate change and provide a much-needed source of income to Pakistanis who are tested by the pandemic crisis.

<sup>17</sup> http://hdr.undp.org/sites/default/files/2020\_mpi\_report\_en.pdf

<sup>&</sup>lt;sup>18</sup> Climate Risk Index -Germanwatch

<sup>&</sup>lt;sup>19</sup> E.g. massive floods of 1992, 2005, 2010, 2012, 2015 and 2017

<sup>&</sup>lt;sup>20</sup> Provincial Forest Resource Inventory (PFRI)

 $<sup>^{21}</sup>$  World Bank Food and Agriculture Organization Data

## **Intervention summary**

The 10 Billion Tree tsunami is a commitment, by the government, to plant 10 billion trees across the country by 2023. It creates low skilled jobs that offer very low risk during the pandemic. The ambitious five-year tree-planting programme, which Prime Minister Imran Khan launched in 2018 follows up on the success of the 1 Billion Tree Tsunami which was launched by the local government of the Khyber Pakhtunkwa region in 2014. After the successful completion of the first phase, the new initiative went nationwide. However, the scaled up version is a much more complicated project as it traverses many more diverse landscapes and forestry models than the initial one.

The intervention's objectives are to:

- 1. Increase, rehabilitate and protect the forest surface in Pakistan
- 2. Increase REDD+22 value to forests
- 3. Mitigate climate Crises
- 4. Provide Green job opportunities at the people's doorstep

Under the project various activities around afforestation are funded through the purchase of labour-intensive goods and the direct creation of employment opportunities under local governmental authorities. Its ultimate goal is to facilitate the transition towards an environmentally resilient Pakistan by mainstreaming notions of adaptation and mitigation through ecologically targeted initiatives covering afforestation, biodiversity conservation.

Under the latest reporting figures, the government has maintained an average of 65.000 daily employees by the end of 2020 and aims to further push this number to 200.000 over the coming months, with a series of new big projects under the scheme underway.

## Oversight and Implementation

The project's oversight is held by the Ministry of Climate change which also has the overall strategic direction of the projects. Nationwide or provincial programs are launched (e.g. "Billion Tree Honey" apiculture initiative at Islamabad 21/12/2020) under the ministry's and the prime minister's supervision while the ministry is also responsible for the monitoring of the work done and the timely direction of funds.

Thorough consultation has been conducted with all the provinces of Pakistan before the design of the program. The biggest challenges for the provinces is to identify areas that have been affected by deforestation or have been negatively affected by natural disasters or human intervention and then decide on the appropriate course of action for those areas (e.g. types of plantations, availability of labour force, local challenges, managerial models

 $<sup>^{\</sup>rm 22}$  United Nations Programme on Reducing Emission from Deforestation and Forest Degradation

etc). Local forest departments are entrusted to manage all the projects that are undertaken under the scheme by local authorities. This includes overseeing and training workers, arranging flows of materials and equipment, reporting indicators, maintaining a frequent visit schedule with the work sites and monitoring local results.

The Project is in line with the objectives of the 11th Medium-Term Five-year plan (MTDF) for conservation, improvement and rehabilitation of forest ecosystems as well as with the "Vision 2025" of the Ministry of Planning, Development & Reform aiming at increasing the forest cover of Pakistan up to 25% of the total area of the country.

As Pakistan is in a very tight fiscal situation, there is limited space for funding ambitious schemes like these. During the current upscaling the government has identified three phases of the program each with its own funding sources. The first phase which expands from the launch in 2018 and covers the pandemic to its end is funded through budgetary provisions. The second post covid-19 recovery phase will also assimilate support funds (est. \$ 60-100 mln) from multi-lateral donors in order to expand operations into the creation of a National Parks Services, sanitation activities, storm water and waste management infrastructure and more. During this phase it is expected that 600.000 individuals will be employed in daily jobs. During the last third phase, financial sustainability is expected to be achieved through the negotiation of "Debt for Nature" deals with countries supporting the green revival of the global economy.

In September 2020, in an effort to ensure impartial verification, transparency and accountability, the government signed an agreement with international organisations for a third-party monitoring and evaluation of 10 billion tree tsunami. These are the World Wildlife Fund Pakistan (WWF-P), the Food and Agriculture Organization (FAO) and the International Union for Conservation of Nature-Pakistan (ICUN-P).

## **Job Characteristics**

While the scheme's focus is targeted around a single simple low skilled activity, that of planting small trees, there is a wide variety of types of job opportunities created with its implementation. The work includes setting up nurseries, planting saplings, serving as forest protection guards, forest firefighters and more.

Workers are employed and paid on sites on a daily basis between 500 and 800 rupees which is lower than the minimum wage of the country or what an average unskilled worker would make in a day. An alternative payment system is set up for nursery setters who may use government (after approval) or their owned land to grow saplings of specific tree types that the government then buys to plant in their projects. On average the government buys 25.000 saplings from a typical small household nursery every 6-8 months, at the fixed cost of Rs 6 per sapling amounting to a household income of just about \$1000 dollars in less than a year.

Work on the sites of the scheme was initially stopped when the pandemic crisis occurred. However, the government, realising the potential remedial role of the scheme to the negative economic effects of the lockdown, and only a couple of weeks after the initial shutdown, allowed 10 billion tree tsunami workers to resume work under strict enforcement of protection measures and at least 2 meters minimum distances.

## **Impact**

The outcomes of the previous implementation (BTAP) have been duly acknowledged by the United Nations Environment Programme, Bonn Challenge and other international bodies and fora. The four-year program restored 350,000 hectares of forests and degraded land, surpassing its 348,400 hectares commitment to the Bonn Challenge. This was achieved by a combination of protected natural regeneration (60%) and afforestation (40). The World Wildlife Fund-Pakistan (WWF-P) after monitoring the project confirmed that the project was an environmental, economic and social success with tree survival rates between 75% and 80%. Additionally, the program managed to destroy hundreds of illegal sawmills and arrested many illegal timber cutters. 13.000 private nurseries were created which provided employment and boosted local incomes.

At the same time, the programme also plays a significant role in helping the country achieve its obligations and goals stemming from international environmental treaties, agreements and protocols. These include the Kyoto protocol on greenhouse emissions, the COP 21 Climate change conference agreements, the Aichi Biodiversity Targets and the Sustainable Development Goals No 13 and 15.

The scheme both in its initial implementation and during the current upscale is facing big challenges connected to transparency and implementation. Certain legal cases of fund embezzlement have raised public attention but the legal and governmental responses have been swift to indicate that such incidents will not be tolerated. Even the supreme court of the country has shown interest on the effective implementation of the program as it is tied so closely to the progress the country is trying to make towards better environmental and natural conditions. The Ministry of Climate Change has recently responded to the need for more transparency and accountability by establishing 20 monitoring offices around the country in December 2020.

Other issues that the previous implementation uncovered can be considered as both challenges and opportunities. Illegal Timbering has given rise to a "timber mafia" which in many cases overtakes public land and is reported to create connections to the political authorities. This means resistance to local implementation which even though not at all detrimental to the final objectives of the past implementation has created delays and costs in human life. More specifically 2 forest guard casualties have been reported during the previous implementation and many more have been wounded in timber protection related

work. On the other hand, the program managed to oust 80 politicians and landlords from the illegal exploitation of public land and played a central role in the emerging green development pathway the country aims to undertake.

#### Stories on the Ground



I'd never seen so much money in my life which has changed completely, and all that without leaving home! The first year we used our front yard to grow the saplings, then we used an empty plot we owned. My son goes to a private school now. We could also afford to buy a car and visit the adjoining valleys.

▶ [Sapling producer] Rubina Gul, Unskilled worker (30) / Khyber Pakhtunkhwa, Pakistan



Due to coronavirus, all the cities have shut down and there is no work. Most of us daily wagers couldn't earn a living. All of us now have a way of earning daily wages again to feed our families

▶ [Sapling producer] Rahman, Unskilled worker (32) / Punjab, Pakistan



This is one of the rare things in our society that is not divisive. What makes the BTT special is that it is not just about planting trees but about changing mindsets and making people think differently about the role of trees, nature and valuing their conservation. The billion trees project helped us change the behavior of people, especially the children and youth of KP province, and made them value the trees as a natural asset. It did that not just within the province, but also catalyzed a green political movement across the country – which is now more sensitized to ecological conservation.

▶ [Federal Minister and Climate Change Advisor to PM of Pakistan] Malik Amin Aslam / Pakistan

## Links

http://www.mocc.gov.pk/ProjectDetail/M2QzOWJmMjUtZTU3MC00NmFkLWE4YmMtZDFhMmRlOGU2NGRh

# Papua New Guinea / Urban Youth Employment Project II



UYEP beneficiaries resting after work. Morata, Papua New Guinea

- ➤ **Type:** Youth Employment- Integration, Youth Job Corps, Basic Life Skills Training , Skills Training, On the Job Training
- ► Implementing bodies: Lae City Authority, National Capital District Commission
- ► Start Date: 2020

- **Budget:** \$ 35 million (0.09% of GDP)
- Funding: International Development Association (IDA)
- ► Number of Jobs to be Created: 6.7000 individuals or (0.2% of labour force)
- ► **Target group:** Youth in the two biggest cities (Port Moresby and Lae)
- **End Date**: 2025

## Context

Papua New Guinea (PNG henceforth) is a lower to middle-income country in the South Pacific region. The country has experienced lackluster growth, during the last decades, with the economy dominated by the agricultural, fishing and mining sectors. While the natural resources has allowed the country to gain middle-income status, real GDP per capita has only grown by 0.8% per year since the country's independence in 1975. The economy suffers from very high levels of informal work as well as large skill shortages. The country is also witnessing considerable levels of poverty and low achievement of development outcomes.

The situation is particularly difficult for youth. Poverty stricken rural areas cannot provide the necessary means for a fulfilling and safe life for youth who trend to move towards the urban areas in search for better working opportunities. This trend has led to the majority (70 %) of inhabitants of the capital, Port Moresby, being under the age of 29. At the same time, it is estimated that 80.000 people enter the labour force every year, while only 10.000 new jobs are created and around 5.000 positions are made available in colleges and universities. The biggest urban cities have experienced intense riots over the last

decade while **crime** including robberies and assaults is reported often in those areas with young people being the majority of perpetrators. Urban youth in PNG are more likely to be "poor, living in settlements, migrants from other areas, living on the streets, in conflict with the law, living with disability, HIV or tuberculosis, serving as sex workers and experiencing high levels of Gender Based Violence.

Furthermore, gender disparities are prevalent across all sectors of the economy with women suffering from, lower access to education, health and economic opportunities. Women also face cultural and other informal barriers which lead to their low financial and labour inclusion. PNG ranked 127<sup>th</sup> in 2020 amongst 153 countries in the Global Gender Gap Index.

## **Intervention summary**

The government and its international partners realising the need for policies benefiting women and youth in the country's cities, applied the Urban Youth Development Project in 2010 and in 2020 renewed the commitment to supporting urban youth for a second and improved phase with the Urban Youth Development Project II. The latest iteration focuses on the following key priorities:

- 1. Strengthening the government's medium-term public-sector response to addressing the more immediate challenges and risk factors related to youth poverty, marginalization unemployment and Gender based violence until longer-term investments and growth begin to generate more visible impacts.
- 2. Contributing to job creation by providing resourcing for the engagement of youth in a range of social and economic development priorities,
- 3. Serving as a model for other cities and rural areas to potentially replicate and customize their own models
- 4. Facilitating critical research and development to inform policy development.

In order to facilitate the progress on the aforementioned priorities 4 components are comprising the total program budget.

Components	Budget in mln \$	% of Total Budget	Description
Youth Jobs Corps	18.3	52%	The component will raise awareness of the project in target communities, mobilize eligible youth, provide them with life skills and job readiness training and place them in public works positions.
Skills Training	8.9	25%	The component will provide a wide range of market- oriented training programs that improve technical skills needed in the work place. The training consists of between 3-month internships and separate vocational training.
Referral Services and M&E 3.2 9%		9%	The component will build on the systems and processes for screening and referring youth, developed under the previous implementations, and will deliver data and analysis to support project operations and inform policy development.
Project Management	4.6	13%	The component will fund operations in management support including safeguards oversight, communications and media, short-term technical assistance, training, grievance management, financial management, procurement, project management and support staff, goods and incremental operating costs.

The program's second iteration was approved in March 2020 and contains a number of changes and improvements that were deemed beneficial or necessary from the evaluation of the previous phase. These changes include

- I. reinforcing the importance of soft skills by integrating the soft skills learned into public work placements,
- II. allowing for more capital and skills-based intensive works,
- III. the development of hard/technical skills,
- IV. the higher inclusion of women and youth with disabilities,
- V. adopting a merit-based approach to training<sup>23</sup>
- VI. the introduction of graduation pathways for youth through the referral services, including for self-employment in the informal economy.

Gender equity will be one to the goals of the program as well as the inclusion of indigenous youth who are the most vulnerable in the country. 10-15% percent of participants are expected to be indigenous Motu Koitabu people and 50% women. In order to help facilitate higher female participation the program also now includes higher stipends for mothers to cover some of the childcare costs.

<sup>&</sup>lt;sup>23</sup> whereby all selected participants are required to complete classroom-based and practical training in public works as a prerequisite for further skills training

## Oversight and Implementation

The general oversight of the program is headed by a steering committee. The committee maintains the responsibility of providing strategic, performance and governance oversight while its functions also include the facilitation of policy discussions and coordination between all the agencies involved. These agencies include public sector departments: the Department of Treasury, the Department of National Planning and Monitoring, the Department of Provincial and Local Level Government Affairs (co-chair), the National Youth Development Authority (co-chair), the Department of Labor and Industrial Relations, private sector representatives and civil society umbrella organisations including Gender equality organisations. The second iteration of the program is, by design addressing risks relating to Gender Based Violence by incorporating several services of specialized external entities already present in PNG. More specifically, Gender Based Violence awareness training will be provided for all participating staff in the project including all employers, trainers and contractors. Additionally, this iteration is explicitly identifying a new referral process for GBV cases in order to facilitate their integration to the labour market.

On the ground, the project will be implemented by two entities, namely the National Capital District Commission and the Lae City Authority. They are the main governmental city authorities of the two biggest cities in PNG where the program will be available.

Furthermore, a detailed monitoring and evaluation schedule is taking place in order to assess real time performance and tune the project's elements.

#### **Job Characteristics**

After receiving knowledge of the availability of the program through the communications and awareness campaigns, youth in the implementing areas can apply to enter the program. A screening process ensues and successful applicants are referred to ten days of prerequisite Basic Life Skills Training (BLST). During the 10-day period, participants receive training in basic literacy and numeracy, social diversity, gender equity, GBV awareness and prevention, personal health, hygiene and nutrition, work place health and safety, basic finance and budgeting-business skills, banking and savings, work place behaviour communication and relationships and preparation of basic work-related documents. Special attention has been given in this implementation to include certification for the BLST for all participants who successfully complete this course.

Upon completion, the youth are positioned in urban public works and services according to the design of the implementing authority which creates annual implementation plans. Placements last for 30 days and take place in waste management services and public infrastructure investments. The latter will be conducted through

contractors engaged under the project. Local construction contractors are encouraged to bid in local fix term civil works contracts where their responsibility also includes managing the youth participating in this project. All contracts are managed by Public Works Department Engineers and supported by Work supervisors. Some examples of active and completed types of work undertaken under these contracts are:

- the construction of pedestrian crossings and footpaths, steps, driveways and parking lots
- the construction of transport/recreational and market shelters
- the beautification and landscaping of recreational public areas
- the maintenance and repair of roads and drainage
- the maintenance of schools and other buildings
- waste management

Participants are employed 5 days a week for 7 hour per day shifts while being provided an hourly stipend of 3.5 Pkg (\$1) which is equivalent to the minimum wage. The stipend is higher for disabled youth and mothers. Participants are also provided with food and all Personal Protective Equipment (PPE)<sup>24</sup> necessary to carry out the work safely. Counsellors are at their disposal to provide counselling services for trainees on demand.

Upon completion of the 30-day public works placement, the participant either continues on to a three-month internship with a local private sector employer or receives vocational training with an established industry based or accredited training provider.

## **Impact**

As already noted, the Urban Youth Employment Project II builds upon the lessons learned from the first implementation over the last decade in PNG. The outputs and results achieved by the earlier project, present a good proxy or, to the least, lower bound targets of what the new and improved project aims to achieve. As such the impact evaluation, the Employer's Survey and the Follow-Up survey carried out in 2017 allow insights of the expected impact of this iteration as well.

The Follow-Up study was conducted on a sample of youth in parts of the capital Port Moresby between six months and two years after their participation in UYEP I. The study found that 41.2 % of the receivers of private sector placements were employed either full time or part time at the time of questioning compared to 13.6 % for the control group which didn't participate in the program. This high rate for UEYP I participants can be directly linked to the program as two thirds of all private sector placements receive job offers after the 3-month period. In total 21% of all Youth Jobs Corps participants were found to have

<sup>&</sup>lt;sup>24</sup> Which is budgeted under the program

employment after the program ended. The most frequent sectors of employment amongst those that reported post program employment were: clerical and administrative duties, general labor and maintenance, hospitality, catering and retail services. 7% of the former participants who were not formally employed at the time of the study were in education with another 48% expressing an interest in pursuing education. More youth showed initiative at finding a job with 18% actively looking as compared to 14% before the program while engagement with the informal sector was also higher (46% up from 34%). All in all, the study results suggest that the former intervention was successful in facilitating the entry to the labour market especially for those who chose a private sector placement, against the well noted unwillingness of the private sector to employ low education/experience/skills individuals.

The impact evaluation compared former UYEP I participants with a control group. As a testament to the greater societal benefits stemming from externalities associated with the program, it was found that participants of the program were 65% less likely to engage in aggressive behaviour, gratuitous property damage and be out late at night compared to the control group.

The Employers' Survey reported that 97% of project participants were perceived as "being qualified for a full-time job" by employers providing the private sector placements. Additionally, 78% reported that the youth had acquired technical skills during their 3-month placement while the main reason behind their decision to join the program was "to contribute to the community" by 62% of employers.

Finally, a Gender and Labour Study for UYEP I published in 2018 confirmed that women showed a higher propensity to complete the program indicating the successful engagement of women (one of the main goals of the program) but indicated the significant challenges faced by women in their participation.

For every \$1.00 spent on the project, around \$1.15 is expected to be generated in benefits. The main reason why the quantifiable benefits of UYEP II far outweigh the cost, is because large post-program employment impacts are expected. Rigorous impact evaluations showed this was the case for the first phase of the program where almost half of the youth who complete the internships, and around one quarter of youth who complete vocational training, are expected to be gainfully employed well after they exit the program.

## Stories on the Ground



I had only a Grade 10 Certificate and could not get a decent job to support myself. This took its toll on my health. I experienced frequent bouts of anxiety. I still keep my Urban Youth Employment Project identification card with me. This program gave me my life back. Once I was in, I gave my all and it has not let me down a bit."

▶ Participant Urban Youth Employment Project I] Kandiye (24) / Unemployed Youth / Port Moresby, Papua New Guinea

## Links

https://projects.worldbank.org/en/projects-operations/project-detail/P166420

<u>Can public works programs reduce youth crime? Evidence from Papua New Guinea's Urban Youth Employment Project</u> (repec.org)

# South Africa / The Presidential Employment Stimulus



- ► **Type** : Public Employment Programme/ COVID-19 stimulus
- ▶ Implementing bodies: Relevant Ministries
- ▶ Start Date: 2020

- **Budget:** \$840 million (2020/21) (0.2% of GDP)
- ▶ **Funding:** Government Funding
- ► Number of Jobs to be Created: 700,000 (3.1% of labour force)
- ► Target group : Unemployed Youth, Unemployed
- ▶ **End Date:** Second round for 2021/22 being finalized

## Context

South Africa is the second biggest economy in Africa and one of the eight upper-middle income ones in the continent. Its political transition from apartheid to democracy in 1994 is perceived globally as one of the greatest political feats of the past century. This transition, although turbulent, managed to provide many social and economic benefits for the country in the first two decades of its democratic history. Unemployment has however remained above 25% for the last 25 years and in the context of Covid-19, has increased to 32,6% in the first quarter of 2021, with youth unemployment at 46,4%. Unemployment is recognised as the single biggest cause of both poverty and income inequality, in a context in which South Africa has one of the highest levels of inequality in the world. Deep structural legacies of inequality arising from the history of apartheid have not been overcome, compounded by the lack of pro-poor economic growth.

Additionally, progress in relation to many economic indicators in the past 10 years has been slow and cumbersome. The economy grew by only 0.2% in 2019 right before the pandemic while unemployment and poverty have been found to once again be on the rise. 63% of 15-24 year olds were unemployed before the onset of the pandemic.

With the onset of the pandemic the economy was expected to shrink by somewhere between 5 and 10 per cent. Another 2 million people are estimated to have entered poverty as a result of the reduced economic activity.

## **Intervention Summary**

Under these circumstances the Presidency of South Africa announced the introduction of the "Presidential Employment Stimulus" in October 2020. The stimulus package not only seeks to confront the impact of the pandemic but also to "build back better in ways that transform both the economy and society". This search for new levels of dynamism in the economy is at the core of the stimulus program which also aims to boost employment and create social value across a wide range of priorities.

During the first phase of the program, which is implemented in the 2020/2021 fiscal year, a multifaceted approach has been selected to achieve the program's goal. This approach includes the following measures:

- Job creation through public employment programs
- Job retention programmes
- Support for to vulnerable livelihoods that are not covered by economic recovery measures aimed at the private sector

The Stimulus has been allocated R12.6 billion (\$900 Mln) during its first phase which includes a series of components as presented in the following table:

Components	Implementing Department	Budget in R Bln	% of Total Budget	Nr of Placement Opportunities
Teaching Assistants and support for Schools	Basic Education	7	55%	344,933
Income relief, job retention and registration support	Social Development	0.58	4,6%	111,142
Subsistence Producer Relief Fund	Agriculture, Land Reform and Rural Development	1	7,9%	80,474
Investing in the environment	Environment, Forestry and Fisheries	1.98	15,7%	50,311
Provincial Roads Maintenance	Transportation	0.63	5%	37,079
Support for the creative, cultural and sport sectors	Sports, Arts and Culture	0.66	5,2%	34,070
Municipal infrastructure	Cooperative Governance	0.05	0.4%	25,000
Services sector development incentives	Trade, Industry and Competition	0.12	0.9%	8,000
Expanding community health workers, outreach team leaders and nurses	Health	0.039	0.3%	5,531
Graduate programmes	ogrammes Science and Innovation		0.3%	1,900
Professional services programme	rofessional services programme Public Works and Infrastructure		1.2%	1,560
Total		12.6		700.000

With a goal of 700.000 new placement opportunities introduced by the stimulus, it represents the most ambitious Public Employment Program to ever be implemented in South Africa. As it becomes obvious from the table above, by far the biggest impact on employment generation is the Teaching Assistants and Support for Schools subcomponent which comprises 55% of the total budget and 50% of the placements to be created.

## Oversight and Implementation

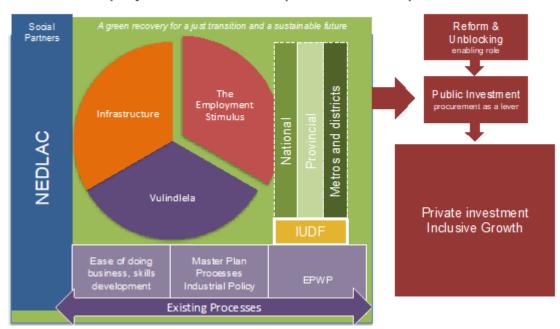
The oversight of the general stimulus program is handled by the "Project Management Office of the Presidency". The PMO worked closely with various departments of the South African government to design and plan all the processes for the above-mentioned components paying special attention to the immediate short-term implementation despite constraints that are in place due to the pandemic.

Approvals for the programmes that form part of the stimulus go through a special budget process undertaken by the National Treasury. The new process entails mandates in order to:

- 1. Ensure timely implementation under a clear plan
- 2. Prevent "double dipping" or duplication of currently existing projects
- 3. Ensure quality outcomes

The stimulus is thus aiming to augment existing government commitments to employment creation and a green recovery for a just transition to a sustainable future as shown in the following figure:

# Economic Reconstruction and Recovery is complex. The Employment Stimulus is part of a wider process ....



## **Job Characteristics**

The components create or sustain employment through placement opportunities with varying characteristics. Our focus is centered around the "Teaching Assistants and support for schools as it represents the biggest bulk of homogenous placements and is quite representative of the placements in other components in most aspects.

Educational assistants and support placements were mainly for a five-month period and were designed to support the activities of teachers in schools especially under the stress that the pandemic has put upon the teaching process. These placements were either education assistants (2/3 of placements) and general school assistants (1/3 of placements). Education assistants focus on supporting teachers and learners directly on the educational process while school assistants helped the schools in their effort to comply with Covid-19 protocols while ensuring that teaching and learning take place in a safe, secure and hygienic environment. All schools were required to prioritise candidates living near the school of employment.

The positions targeted workers negatively impacted by Covid-19 in the age range of 18 to 35. Applications far surpassed the available positions since, as of March 2021, more than 800,000 applications were received by the department of Basic Education. In order to handle such demand and proceed as fast as possible with the hiring process, a majority of provinces utilised SAYOuth.mobi, a digital platform developed by the Harambee Youth Employment Accelerator, as part of the Presidential Youth Employment Intervention. This process had the added benefit that it allowed to match job seekers to additional employment opportunities, in line with their interests and qualifications.

All the positions created by the stimulus are covered by minimum labour standards, including unemployment insurance and insurance for occupational injuries. Most positions paid the National Minimum Wage, while graduate positions scaled payments upwards. Where the stimulus supported the expansion of existing public employment programmes, under the Expanded Public Works Programme they paid the lower rates applicable in this framework.

## **Impact**

By March 2021 almost all of the subcomponents of the stimulus have reached a satisfactory degree of goal achievement with over 632,000 placements reported out of the initial target of 700,000, with implementation continuing.

Government officials have declared the first phase a success, while at the same time a rigorous system of oversight and outcomes has been put in place with information through update reports and online dashboards that make the results publicly available as they happen.

As such the President of South Africa announced that the government will be moving forward to the second phase of the program which will put special focus on the establishment of pathways for participants into private sector employment, education and training or other enterprise support.

#### Stories on the Ground



As a maths teacher, having an education assistant will help a lot, especially now with the extra burdens on teaching because of Covid. This will really allow me to focus on educating my learners and helping them catch up."

▶ [Participant in Educational Assistance component] Winter Shai / Unemployed Youth / Batau High School



In Matsila Village, ecosystem restoration by DEFF has restored grazing land and indigenous vegetation, paving the way for a unique nature reserve at Matsila Village, now home to buffalo, eland, giraffe and many other species. The Matsila people are benefiting from long term and permanent job creation as a result."

► [Chief Livhuwani Matsila] Matsila Village Limpopo



I am hopeful because...they have given us all the weapons that we need to find a job and not only that but to keep it - how to conduct yourself in interviews and the kind of attitude you need to have in a working environment. We know how to react now and how to work with people, respecting people"

▶ [Participant in a Focus Group on the Pathway Management Network]

#### Links

Most recent progress report: http://www.thepresidency.gov.za/download/file/fid/2071

program live dashboard: https://www.stateofthenation.gov.za/employment-stimulus-dashboard

▶ PEPs during COVID-19 Case Studies

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