

Social protection through work in lower-income countries: an assessment framework

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Extending social protection to the rural population in lower-income countries is a global priority, with both workfare and welfare playing significant roles. Workfare makes transfers to beneficiaries subject to their meeting work requirements, whereas welfare programmes do so unconditionally or subject to conditions not related to labour. Although workfare schemes are more costly, they are often put forward as a favoured option for supporting the rural working poor, as they can supposedly:

- impact livelihoods through the cash transferred, the assets created, and the skills developed;
- increase the effectiveness of targeting through self-targeting;
- be more politically sustainable, since they reduce the risk of 'welfare dependency' and because attaching conditions often makes programmes palatable for taxpayers.

However, there are also strong counterarguments to these statements:

- due to a lack of systematic evidence regarding the wide set of workfare costs and benefits, it is not possible to evaluate whether these schemes achieve their objectives, and if this is done cost-effectively;
- the universal validity of self-targeting is questionable: it may be unfeasible or ineffective in certain contexts; and
- political preferences for workfare rely to a significant extent on stances regarding welfare dependency and notions of self-sufficiency and the value of work as a means of self-realisation.

Moreover, while the primary role of welfare is to "distribute resources to provide for people's needs" (Dean 2007), workfare is rather presented as aiming "to mitigate risk and to enable people to manage it individually". Since in lower-income countries social protection is generally associated with the creation of opportunities, rather than redistribution, workfare is an attractive instrument for supporting the working poor.

However, most workfare schemes to date have been small-scale, often with misalignments between what programmes offer and what is required of social protection. In this context, this One Pager proposes a simple framework intended to trigger pertinent questions to determine the kind of workfare or welfare policy required in specific contexts.

An assessment framework

This framework is a tool for assessing the relative cost-effectiveness and efficacy of different welfare and workfare policies for households with a labour surplus facing a diverse set of 'states' (established livelihood conditions) and 'shocks' (unexpected events).

The framework divides the shocks and states into idiosyncratic

(affecting individual households) and covariate (affecting large numbers of people) and proposes a response to each.

The framework applied in rural areas of lower-income countries

Workers in many rural areas of lower-income countries are typically engaged in subsistence agriculture, self-employment or informal employment, with low pay, low productivity and poor working conditions, and are affected by covariate recurrent or chronic states. In such contexts, the framework indicates that, in theory, EGSs or PSNs could be the most cost-effective interventions.

However, designing and implementing PSNs and EGSs to operate on large scales is very challenging, even more so in contexts of low technical and management capacities. There is a dire need for further research in a number of areas, particularly in relation to assessing the full costs and benefits of workfare compared with welfare programmes.

	Shock	Recurrent states	Chronic states
Idiosyncratic	Individuals facing loss of employment, crops or livelihoods, etc. need temporary support. In principle cash transfer programmes (CTs) could be the most cost-effective response.	Households facing seasonal loss of employment, crops or livelihoods, or simply lower earnings, require either on-demand or seasonal support.	Economically active members unable to engage in productive activities. They require a social protection response that not only provides short-term livelihood support but also addresses the deficiencies which are at the root of the state.
Covariate	A large number of households affected by natural or economic shocks require temporary support sometimes combined with support for the reconstruction of infrastructure. Public Works Programmes (PWPs) providing single episodes of employment seem suitable to respond to covariate shocks, although CTs may also be well placed.	Employment Guarantee Schemes (EGSs) guarantee a certain number of days of employment per year on demand (at a time of choosing) and are the best-suited response. Alternatively, seasonal CTs could potentially play this function.	When facing covariate chronic states of labour underutilisation Productive Safety Nets (PSNs) are the most appropriate workfare type because they can provide broad-based support combining safety net functions with economic development.

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