



Strengthening Africa's Economic Performance

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Employment and Post-Conflict Stabilisation The Use of Public Works Programmes

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Executive Summary

Conflict to a great extent entails destruction of socio-economic infrastructure, including the displacement of millions of people. Therefore, most of the countries affected by conflict or in post-conflict situations have comparatively low rates of economic growth, and high poverty, unemployment and underemployment rates.

If there is to be recovery and stability as peace takes hold, there is an urgent need to raise the socioeconomic capacities of conflict-affected populations. This paper suggests public works programmes (PWP) may not only offer sustainable employment and strengthen the vocational skills of many workers, but also encourage social cohesion between local residents and people displaced by conflict.

PWPs are generally undertaken in large-scale building or the rehabilitation of infrastructure, including road construction and maintenance. With labour usually being the only abundant resource in post-conflict situations, PWPs are essential, as rehabilitation and repair of the damaged infrastructure are often a basic prerequisite for the overall reconstruction of an economy emerging from armed conflict.

Experience of PWPs in Africa demonstrates their effectiveness in generating employment at very low costs, with substantial impact in the communities where they are undertaken. The paper examines the Liberian example, as it currently implements public works programmes, while also taking stock of past experiences using examples of some post-conflict countries in Africa, namely, Namibia, Uganda and Rwanda.

As the paper notes, one of the key lessons learnt is the importance of the country in question taking ownership of the PWPs in the peace-building process, with donors playing a facilitative role.

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Introduction

The Tswalu Protocol views peace-building as being 'synonymous with stabilisation, the aim being to support countries emerging from conflict by preventing or reducing violence, protecting people and key institutions, promoting political processes which lead to greater stability, and preparing for longer-term, non-violent politics and development'.² An aspect of all these issues is economic development, which is the base on which they all build.

Peace-building is normally a complicated process that cannot take root without enormous resources and a semblance of a running economy. Conflict to a great extent entails destruction of socio-economic infrastructure, leaving a country that experiences such conflict without the means to 'bounce back'. This is because armed conflicts cause enormous social and economic destruction and often lead to the displacement of millions of people. Thus, most of the countries affected by conflict or in post-conflict situations have comparatively low rates of economic growth and high poverty, unemployment and underemployment rates.

The rehabilitation and repair of the damaged infrastructure are often a basic prerequisite for the overall reconstruction of an economy emerging from armed conflict. However, resources needed for such tasks are often much larger than those that are available, even taking into account possible external assistance. One realistic solution to the problem of rebuilding infrastructure in such situations is to rely on what is readily available at low cost, which is normally locally available materials, and unemployed and underemployed labour. The solution, this paper will suggest, lies in labour-intensive public works programmes.

When such programmes are well planned, they may directly raise the socioeconomic capacities of conflict-affected populations; they may also strengthen the vocational skills of many workers, and encourage social cohesion between local residents and people displaced by conflict. This would in turn bring about greater social stability in the post-conflict environment. This is crucial, as 'more than half of post-civil war countries slide back to war within five years. The lessons of success and failure in post-conflict countries consistently point to the need to stimulate entrepreneurial activity and create employment, especially for demobilised soldiers'.³

Experience of PWPs in Africa demonstrates their effectiveness in generating employment at very low costs, with substantial impact in the communities where they are undertaken. We take a look at the post-conflict situation in Liberia, as a typical example of PWP utilisation as a strategy to revamp the economy, and briefly assess a sample of the PWPs on the continent that are contributing towards promoting stabilisation in the peace-building process.

While we may speak of successful PWPs in post-conflict countries, there is not one particular model that can be universally prescribed to address the issue of infrastructural rehabilitation in peace-building. PWPs as a peace-building strategy must be taken on a case-by-case basis, although 'loose' models have been suggested by bodies such as the International Labour Organisation (ILO)⁴ and the World Bank.

² Tswalu Protocol, *Principles and Guidelines for Peace-Building Missions*, January 2008, p. 1.

³ Ibid.

⁴ See International Labour Organisation (ILO), *Employment-intensive Reconstruction Works in Countries Emerging from Armed Conflicts: Guidelines*, Geneva: ILO, December 2000; *Guidelines for Employment and*

One of the key lessons learnt is the importance of the country in question taking ownership of the PWPs in the peace-building process, with donors playing a facilitative role, the reason being the high cost of reconstruction. As already noted, labour is usually the only readily available local resource in an immediate post-conflict situation, thus necessitating the use of PWPs to jump-start the reconstruction process and, therefore, the peace-building process.

Understanding Labour-Intensive PWPs

The labour-intensive approach as a concept in employment generation has been around since the 1930s, when 'public works programmes to create mass employment attained an emblematic prominence with President Franklin D. Roosevelt's New Deal during the Great Depression. Between 1933 and 1939, the Public Works Administration spent [US]\$3.3 billion with private companies for 34,500 projects'.⁵

Up to 25–30% of the US working population had been left unemployed in the aftermath of the Great Depression. By enlisting the help of private companies, the Roosevelt administration rapidly implemented a series of programmes designed to provide employment to male workers who had lost their jobs. 'Since that time public works have been regularly used as a poverty reduction and political stabilisation tool, from Afghanistan to Ethiopia, Argentina to Korea, and South Africa to Chile, with varying degrees of success.'⁶

As they are currently applied⁷ – as integrated employment programmes spanning intensive employment creation, vocational training, and small and micro enterprise promotion – PWPs also cover conflict-affected persons who include unskilled workers with nothing more than their labour to offer, semi-skilled workers wishing to upgrade their skills for quality employment, and small entrepreneurs wishing to establish or expand small businesses in the informal or formal sector. An additional aspect in a post-conflict situation is that the programme may include life- and peace-skills training. It should be emphasised that employment promotion and this type of skills training are among the critical efforts required for the effective reintegration of the millions of conflict-affected groups. They are also indispensable for reconstruction and sustainable peace-building.

Though encompassing all of the above, labour-intensive PWPs typically use labour as the dominant resource for carrying out works, where the share of the total project cost spent on labour is high (typically 25–60%).⁸ Cost-effectiveness and safeguarding quality is paramount, while optimal use is made of labour as the predominant resource in infrastructure and other projects. A combination of labour and light equipment makes this viable, while also ensuring that PWPs do not merely

Skills Training in Conflict-affected Countries, Geneva: ILO, January 1998; Greg Mills, Mauro De Lorenzo and Stephan Malherbe, *Jobs, Jobs, Jobs!: Public Works for Post-Conflict Development*, Addis Ababa, March 2008.

⁵ Mills et al., *Jobs, Jobs, Jobs!: Public Works for Post-Conflict Development*, *ibid.*

⁶ *Ibid.*

⁷ The World Bank and the ILO, with assistance from other UN bodies and international organisations, have to a large extent been at the forefront in the use of PWPs the world over.

⁸ P. Bentall et al., *Employment-Intensive Infrastructure Programmes: Capacity Building for Contracting in the Construction Sector*, Geneva: ILO, 1999.

become 'make work' projects, in which cost and quality aspects are not taken into account.

PWPs are generally undertaken in large-scale building or the rehabilitation of infrastructure, including road construction and maintenance. Other activities include labour-intensive works such as small- and medium-scale irrigation projects (e.g. the construction of dams, field channels and canals); soil conservation and reforestation; flood protection and land development schemes; drainage schemes; the construction of rural access and crop-extraction roads, and basic amenities such as inexpensive housing; drinking-water-supply projects; and the construction or rehabilitation of school buildings and health and community centres.

These are the very types of infrastructure that are destroyed during conflict, but in the rebuilding of which, ironically, post-conflict communities may find large-scale employment, while simultaneously working towards peace and social stability. Well-planned programmes may directly raise the socioeconomic capacities of conflict-affected populations, as they strengthen worker's vocational skills and encourage social cohesion.

Whether in the normal or post-conflict situation, employment-generating PWPs contribute to poverty alleviation by transferring income (in cash or kind, i.e. cash-for-work or food-for-work programmes) and by creating useful economic infrastructure. They may also accrue 'second round' effects that may include income multipliers generated by the spending of public works wages, impacts on labour markets, and enhanced employability of workers after the programmes come to an end.

What makes employment-generating PWPs appealing is that unskilled labour is normally paid at current minimum wage rates, often supplemented with food rations at subsidised prices and sometimes paid entirely with food (food-for-work programmes) during times of emergency, as is often the case in immediate post-conflict situations. Labour wages are generally set at a level comparable with alternative agricultural earnings, but at the same time keeping the labour demand at a level that would not, to any significant extent, divert labour from alternative productive agricultural activities. Labour wages paid under ILO investment programmes, for instance, have generally corresponded to the equivalent of US\$1 to US\$2.5 per day for unskilled workers, with wages for skilled workers from 50% to 100% higher. According to the ILO, the use of labour-intensive methods is effective when the cost of unskilled labour does not exceed US\$4 per day.⁹

Deliberately setting public works wage rates below local market wages, as ILO suggests, ensures that people are unlikely to choose public works employment except as a fallback option when no alternatives exist. This means that if public works wages are set above local average rates, it 'will conflict with the objective of maximising employment from a given budgetary outlay'.¹⁰

⁹ ILO, *Employment-intensive Reconstruction Works*, op. cit., p. 27.

¹⁰ S. Guhan, 'Social security options for developing countries' in J. B. Figueiredo and Z. Shaheed (eds), *Reducing Poverty through Labour Market Policies*, Geneva: International Institute for Labour Studies, 1995, pp. 89-110, at p. 99.

The Post-conflict Situation in Africa: The Liberian Example

After 14 years of civil war, Liberia provides a classic example of a country emerging from conflict. The conflict undermined its human development and devastated the country's infrastructure.

Most conflicts make physical infrastructure a prime target for damage and destruction, as also happened in Liberia. Opposing forces aim at roads, bridges, railways, energy supplies and communication systems in order to isolate the enemy and obstruct their supplies and reinforcements. Schools, health facilities, drinking water supplies, irrigation systems and other items of public or private infrastructures are also damaged or destroyed. Markets are affected and investments curtailed, while the money supply dwindles and per capita income falls.

Other than these types of destruction, armed conflicts often lead to the displacement of millions of people. Most of the countries affected have comparatively low rates of economic growth, and high poverty, unemployment and underemployment rates. As peace is restored, large numbers of refugees, internally displaced persons and ex-combatants return to their communities, thus compounding the unemployment problem. But, as we have seen, in this abundant unemployment and underemployment may lie the solution to a major problem that post-conflict countries experience.

In the Liberian example, it may be illustrative that after the new government came to power in early 2006, an Interim Poverty Reduction Strategy Paper (I-PRSP)¹¹ was developed focusing 'on maintaining security and building peace; improving governance and the rule of law; revitalizing the economy; and rebuilding infrastructure to restore basic services. The employment element of the I-PRSP [was] further elaborated in the Government's Liberia Employment Action Program (LEAP)'.

The LEAP provides a strategy for 2007–09 that incorporates five key initiatives for immediate job creation:

- ◆ boosting employment in public works projects;
- ◆ skills training;
- ◆ improvement of the informal economy and support to small and medium-sized enterprises and cooperatives;
- ◆ labour statistics and labour market information and analysis; and
- ◆ promoting social dialogue and strengthening labour administration.

The LEAP strategy is a classic textbook model as espoused by organisations such as the ILO in its guidelines for recovering post-conflict countries.¹² The Liberian government has designed the PWP with the objective of creating stability in the country by providing work opportunities for 78,000 people between 2007 and 2009 in the roads, public buildings and urban upgrading subsectors. The project area includes two counties – River Gee and Maryland – located in south-east Liberia.

The project is expected to directly generate over 270,000 worker days. It will involve on-the-job training, where about 600 km of rehabilitated feeder road will be

¹¹ Republic of Liberia, *Labor-based Public Works Project: Appraisal Report*, African Development Fund, October 2007.

¹² See ILO, *Employment-intensive Reconstruction Works*, op. cit.; *Guidelines for Employment and Skills Training*, op. cit.

maintained over the three-year project period, creating over 120,000 worker days and at least 2,500 direct and indirect jobs. It is envisaged that in the short to medium term, the income realised by participating communities in the labour-based public works will enhance food security in the local area and also increase community assets. There will also be reduced transportation costs.

In the long run, by 2015, it is expected that the project will contribute to the achievement of the government's overall objectives, namely to achieve an increase in the rate of rehabilitated and well-maintained roads by 30% and to reduce the national unemployment rate by 35%, especially among the youth. The National Public Works Programme is intended to draw significant numbers of the unemployed into productive work, enhance workers skills and increase their income-earning capacity.

Some of the key constraints faced by the Liberian government in its reconstruction efforts include:

- ◆ the poor state of infrastructure, especially key roads and bridges that have become impassable and as a result are limiting access to the interior, especially in the remote south-east;
- ◆ limited capacity to undertake all the reconstruction efforts and implement the necessary reforms agreed upon within the I-PRSP, due to serious losses in experienced and competent management and technical level staff; and
- ◆ high unemployment rates, especially for ex-combatants, who have limited employment opportunities in the formal sector.

However, there are further risks that may limit the successful implementation of the proposed project, though they may be mitigated in several ways. These risks and their corresponding mitigating measures, as identified by the project, include:

- ◆ *the fragile and underdeveloped security apparatus of the country*, to be mitigated by the presence of the UNMIL peacekeeping force under a strong UN Security Council mandate, the effective implementation of security reforms and the reintegration of ex-combatants into Liberian society by government and its partners;
- ◆ *the low retention rate of trained civil servants*, to be mitigated by government's broad-based civil service reforms and a rolling training programme with bonding features;
- ◆ *the low absorptive capacity of local contractors to execute infrastructure projects*, to be mitigated by enhanced technical, project and contract management skills and the setting up of a sustainable equipment support scheme;
- ◆ *the programme's weak capacity to maintain the equipment provided*, to be mitigated by adequate budgetary allocation and the development of a preventive maintenance plan for the equipment acquired under the project; and
- ◆ *the short-term nature of the jobs created*, to be mitigated by the establishment of a parallel local economic revival strategy and the development of a long-term maintenance strategy and programme by the government.

The Liberian efforts being put in place and the possible constraints the country faces would apply in any post-conflict situation, though each conflict and its circumstance related to recovery should be taken on their own merits. No programme can achieve success without specifically taking account of the origins of the conflict and the form of country-specific social tensions.¹³

¹³ See Tswalu Protocol, op. cit.

The reintegration of refugees, displaced persons, demobilized soldiers and others into civil life is vital for the establishment and maintenance of peace. Ensuring that they get gainful employment is one way of easing them into their new social lives.

The question is how PWPs have fared, especially in light of the fact that the labour-intensive approach has only been extensively applied in post-conflict situations in the last couple of decades or so.¹⁴ Pertinently, also, what are the chances that the Liberian effort will succeed? It may help to look at the wider African experience and see what lessons may be drawn from it.

PWPs and the African Experience

The use of labour-intensive PWPs is not new to Africa, having begun in the 1960s.¹⁵ Historically, however, the programmes have been implemented in normal, non-conflict situations. A look at how the programmes have fared reveals mixed accomplishments that may be worth appreciating, using the post-conflict examples¹⁶ of Namibia, Uganda and Rwanda.

Namibia

A food-for-work programme was introduced in Namibia during the southern African drought of 1991–92, as one of two food transfer components of the national Drought Relief Programme, the other being free food distribution to 'vulnerable groups'.¹⁷ More than 500 food-for-work projects were initiated. The projects fell into two categories. Two-thirds were public works projects (e.g. laying pipelines for community water supplies, building teachers' houses, etc.), each employing 71 people on average and creating useful physical and social infrastructure. The remaining one-third were income-generating activities (e.g. vegetable gardens, community tourism, etc.), each employing just 22 people on average. In addition to food and non-food inputs, basic training was also provided on many projects, not only immediate technical skills (such as brick-making), but also wider related skills such as bookkeeping and project management. Participation by women was high (over 50%), and surveys suggested that their self-confidence and skills were enhanced.

Notwithstanding these achievements, the food-for-work programme faced severe problems. In terms of coverage, it was much less successful than the Vulnerable Groups Programme, which reached 220,000 of its 250,000 targeted beneficiaries (88% coverage). By contrast, only 27,000 out of 375,000 able-bodied adults targeted actually participated in food-for-work projects (7% coverage).

Most of the income-generating activities collapsed once food deliveries were terminated, usually after six months. This lack of sustainability suggests that free food was the primary motivation for participants. The underlying problem was a

¹⁴ ILO, *Employment-intensive Reconstruction Works*, op. cit.

¹⁵ R.A. Jara, *Labour Mobilisation and Economic Development: The Moroccan Experience*, Ann Arbor: Center for Economic Development, 1971. In the 1960s, Morocco, Tunisia and Algeria were among the first countries on the continent to experiment with such programmes. Although started initially as emergency relief works programmes, especially in rural areas, these gradually came to acquire a development orientation.

¹⁶ Also see ILO, *Technical Assistance Projects in Conflict-affected Countries: A Sample*, Geneva: ILO, 1997.

¹⁷ S. Devereux, *Social Safety Nets for Poverty Alleviation in Southern Africa*, ESCOR Research Report no. R7017, London: Department for International Development, 2000.

failure to appreciate that a food-for-work programme involves a complex labour market intervention, not simply a food distribution programme.

Also, the programme was over-bureaucratized. A centralised decision-making process resulted in lengthy delays before project approval. Lack of previous experience with food-for-work programmes meant there were no 'off the shelf' projects or guidelines for programme staff to draw on. The requirement for written proposals resulted in leakages, as literate community members such as teachers were written into projects intended to benefit the poor.

Also, the fact that Namibia was a large country with a dispersed but mainly poor rural population meant that opportunities for large-scale labour-intensive public works were limited; there was inadequate local demand for income-generating products; and it was logistically difficult for programme staff to monitor projects and deliver food, training and non-food inputs.

Uganda

In Uganda in the 1980s, PWP's were used to great effect and demonstrated their real potential by minimising the use of scarce capital and making use of the resources available, i.e. the unemployed and underemployed, and local materials. A comparative evaluation of labour-based and equipment-based methods in feeder road rehabilitation, spot improvement and maintenance in the country found that labour-based methods were superior on almost every indicator. The major results of the study included the following:

- ◆ For every job created in the feeder road programme by using labour-based methods, another 1.6 jobs were created in the wider economy due to the so-called 'multiplier' effects.
- ◆ Overall, the use of labour-based methods created three times as many jobs as equipment-based methods.
- ◆ Labour-based methods generated about two times more gross domestic product (GDP) through indirect effects than equipment-based methods.
- ◆ Although the direct benefit of labour-based methods on public revenue (taxes, etc.) was smaller than that of equipment-based methods, this was more than offset when indirect benefits were included. ... Hence, higher net public revenues resulted from using labour-based methods compared to equipment-based methods.
- ◆ There was a significant saving in foreign exchange (amounting to 62%) when using labour-based methods rather than equipment-based methods.

The implications of these results for Uganda's macroeconomic framework are compelling: 'Labour-based methods generate more income to households, increase GDP faster and are a strong stimulus on local private investment. ... The study illustrated that the greater use of labour-based methods has a high potential for creating productive employment both directly and indirectly.'¹⁸

With examples such as Uganda, ILO maintains that labour-intensive methods are often more cost-effective than conventional methods:

They are 10 to 30 per cent less costly, incurring only half the imports and creating two to three times more employment to produce infrastructure of comparable quality and standards. The cost is relatively low, because it depends on the most

¹⁸ G. Taylor and M. Bekabye, *An Opportunity for Employment Creation: Labour-based Technology in Roadworks: The Macro-Economic Dimension: Uganda*, SETP Report no. 6, Geneva: International Labour Office, 2000.

commonly available local resource, i.e., unskilled labour. Other input factors such as supervisors, skilled labour and machinery are kept to a minimum. By maximizing the most abundant and cheapest resource, and minimizing the scarcest and more expensive inputs, the costs are comparatively lower than other approaches.¹⁹

Rwanda

Pre-Genocide labour-intensive public works

PWPs in Rwanda began in 1978 in a pilot programme entitled Labour Intensive Special Works Programme (LI-SPWP). Work started in 1980 in three phases (1980–83, 1984–86, 1986–91) with ILO technical support to build feeder roads mainly in the former provinces of Ruhengeri and Gitarama. However, in 1991, the Social Action National Programme (Programme National d'Actions Sociales – PNAS) was taken over from LI-SPWP and started work in July 1993 with the institutional supervision passing from the *Ministère de l'Intérieur et du Développement Communal* to the then Ministry of Planning. Little was accomplished because of the war going on at the time.

The main problem with the pre-Genocide public works projects was that they were basically ILO and other donor initiatives with limited government involvement. This meant that the programmes were short term and were not incorporated into the government programme in order to ensure their continuity. Another problem was that they were limited to the two former provinces of Ruhengeri and Gitarama, although later they were extended to cover the whole nation through the PNAS.

Post-Genocide PWPs

The PNAS was taken up by the new Government of National Unity in 1995 and lasted until mid-1998, with limited support from the World Bank, before Rwanda was able to meet International Monetary Fund conditionalities. Not much, therefore, was accomplished during this period.

In 2003, the Labour-Intensive Local Development Programme (PDL-HIMO) was launched as a nationwide employment-intensive and income-generating investment initiative and a poverty reduction strategy.

The contribution of PDL-HIMO to poverty reduction hinged on the following aspects:

- ◆ providing employment for the unemployed or underemployed countrywide;
- ◆ contributing to the rehabilitation and development of physical infrastructure;
- ◆ creating a pool of local actors, which included small and micro enterprises, consulting firms and other community associations, in order to generate further employment; and
- ◆ building the capacity of the local administration, thereby enabling the government's decentralisation policy.

In the period 2004–05, PDL-HIMO, funded mainly by the government, focused on environmental conservation, rural road rehabilitation, water supply provision and marshland reclamation, in total creating 30,540 jobs. Well over 50% of the workforce comprised women.²⁰

¹⁹ ILO, *Employment-intensive Reconstruction Works*, op. cit., p. 25.

²⁰ Rwanda Ministry of Local Government (MINALOC), March 2006.

Further projects are planned from 2008 and 2009 under the National Labour Public Works Strategy. The rate of unemployment in 2005–06 stood at more than 83%, which poses a major challenge. The programme is therefore aimed at further responding to the reabsorption of the unemployed and underemployed in the rural areas, including demobilised soldiers and militia coming from eastern Democratic Republic of Congo.

Under the Community-based Reintegration Project, supported by the German Development Bank and implemented by the Rwanda Demobilisation and Reintegration Commission (RDRC) since 2005, over 5,500 ex-combatants in 8 districts countrywide have been involved in the construction and rehabilitation of socioeconomic infrastructure. Each employee, of whom 22% are women, works for a period of six months earning 1,000 Rwanda francs per day (just under US\$2). With a budget of €3.9m, the project is expected to socioeconomically integrate up to 8,000 ex-combatants and other vulnerable groups through job creation, skills training and the promotion of saving schemes.²¹

Although it is being addressed, the major problem with PDL-HIMO in Rwanda is the lack of a legal framework in which to effectively operate. One noted macroeconomic impact of the PDL-HIMO is recorded in a 1991 research report,²² where US\$1 invested in the road sector using labour-intensive methods as opposed to a capital- or equipment-intensive approach had a return of US\$2.8. A similar capital investment contributed a return of only US\$1.2 to the national economy. The difference of US\$1.6 constituted a leakage that ended up abroad and denied the local economy the resultant multiplier effects that would otherwise have accrued to Rwanda.

The Sustainability of Public Works Programmes

The sustainability of public works projects has to do with the sustainability of the assets created, which relates to three crucial factors:

- ◆ domestic political commitment or national and community ownership;
- ◆ institutional arrangements; and
- ◆ incentive structures.

Political commitment

It has been noted in places such as Uganda, Rwanda and elsewhere that 'benefit leakage' to the non-poor, including the affluent, who also wield much clout, is necessary in order to ensure political support for PWPs and other programmes aimed at alleviating poverty. Domestic political support is an important element for ensuring the longer-term sustainability and impact of the programmes, and donor involvement can only be temporary at best.²³ This emphasizes the importance of the national government taking steps to actively promote these programmes, which should be located within government planning cycles. Although foreign donors can provide financial support, this is not sufficient to guarantee a project's sustainability.

²¹ RDRC Community-based Reintegration Project, *Impact Assessment Report*, Kigali, May 2008.

²² ILO, *Etude comparée de l'efficacité économique des techniques à haute intensité de main d'oeuvre et à haute intensité d'équipement pour la construction de routes secondaires au Rwanda*, Geneva: ILO, 1991.

²³ Also see Tswalu Protocol, op. cit.

Institutional arrangements

It has been observed that PWPs that have been shown to be sustainable require a strong institutional base, with technical support, management and administrative capacity. The programmes should preferably be positioned within government structures, otherwise they remain as stand-alone projects that will probably collapse once the project cycle ends, as the Namibian example demonstrates. NGOs and local institutions have occasionally been used to provide administrative and management oversight for PWPs, which, however, are vulnerable to shifts in donor priorities.²⁴

Incentives

Incentives relate both to work performance and outputs. Thus, higher wages will attract better workers; and relating payment to productivity, i.e. paying on a piecework basis, will produce better quality assets. For this reason, some economists may regard low wage rates as a disincentive.²⁵

The argument, however, is also that it is possible to manipulate wage rates to achieve positive incentive effects. Providing assets that local communities genuinely need will create incentives to maintain these assets. This might imply ensuring that workers derive real economic returns from the assets they help to create, rather than creating public goods or social goods that all community members use, but no individual has an incentive to maintain. Examples are cited of how the community in Oruchinga refugee camps in Uganda nominated elders to oversee the proper use of the limited number of local boreholes. The elders would spend their day at the boreholes to ensure that the water pumps were not physically abused by the children fetching water, thus preventing damage to essential equipment.²⁶

Capitalising on the Private Sector: Small- and Micro-Enterprises

It may seem that, other than with the involvement of donors, who may not be in it for profit, private investment for employment generation merely for 'the bottom line' in the infrastructural sector is a tricky proposition: 'Private investment in African infrastructure projects is inherently risky. There are the normal dangers of investing in Africa: political instability, weak human resource bases, undeveloped financial systems, poverty, and crime.'²⁷

It is all about profit, and the practicality of the process is conclusively summed up by Herbst: 'I find that no other sector will be able to duplicate the success of cell phones in attracting private investment, and that significant private investment in most

²⁴ US Agency for International Development (USAID), *Targeted Consumer Food Subsidies and the Role of Us Food Aid Programming in Africa*, workshop report PN-ABG-831, Washington, DC: USAID, Bureau for Food for Peace and Voluntary Assistance, Office of Program, Policy and Management, 1991; also see Tswalu Protocol, op. cit., p. 5: 'There is often no government presence in remote regions of failed states. International actors are thus compelled to work with whoever constitutes 'the authority' (e.g., traditional elders, local militia leaders, self-declared mayors or governors, clerics, and so on). Although careful assessment and local knowledge are essential to decide among competing claims, even well-reasoned choices will sometimes provoke local conflict.'

²⁵ T. Besley and S. Coate, 'Workfare versus welfare: Incentive arguments for work requirements in poverty-alleviation programs', *American Economic Review*, 82(1), 1992, pp. 249–61.

²⁶ Frank Rusagara, speaking of his experiences as a young refugee in the 1960s in Uganda, April 2008.

²⁷ Greg Mills, *Bricks, Mortar, Policy and Development: Aid and Building African Infrastructure*, in Holger Bernt Hansen, Greg Mills and Gerhard Wahlers (eds), *Africa beyond Aid*, Johannesburg: The Brenthurst Foundation, 2008, p. 117.

infrastructure sectors (with the possible exception of South Africa) is unlikely for the foreseeable future.²⁸

Elsewhere, Mills et al. note that a 'model for private sector employment is to employ 'person-day-employment' (PDE) credits in devising a scorecard for tenders on critical infrastructure projects Donors should not only accept the principle of but employ practices which encourage such a formula in competitive bidding.'²⁹ The PDE approach could work with micro and macro enterprises with the capacity to employ more than just a few people. But there are also the small and micro enterprises (SMEs) that may employ individuals, who could accommodate a handful of employees each. This perhaps provides the best private sector solution in employment generation.

Because most conflict-affected countries are low-income, the small-firm sector provides a major proportion of employment. For example, the ILO has estimated that small and micro enterprises together provide employment for about 60% of the labour force in Africa, in contrast to 20% by the formal sector (government, public services, and large and medium private enterprises).³⁰

Small- and micro-enterprises should be encouraged to see damaged post-conflict infrastructure as an economic opportunity and seek to integrate its rehabilitation into their business activities. Therefore, one potential source of small-enterprise growth is through subcontracting for infrastructure rehabilitation programmes, especially if they are labour-intensive.

Successful 'conflict entrepreneurs' who have accumulated financial assets and competitive experience may potentially contribute to peace-time recovery. In post-conflict reconstruction, an effort should be made to change the mindset of conflict entrepreneurs who gained during the conflict by provisioning the military and militia, and they can be encouraged and facilitated to apply their acquired capital and skills to peace-time reconstruction. Such a change of mindsets and the promotion of business skills especially for micro and small enterprises can help to overcome some of the legacies of conflict by creating employment, generating income and reinforcing economic growth, which will in turn re-create other business opportunities.

All businesses require a range of support services to help them seize market opportunities and operate effectively. These include assistance in the identification of business opportunities; the provision of technical and managerial skills; help in the preparation of feasible and strategic business plans; access to financial, extension and consultancy services; and relevant information and advice on marketing and sources for employee training.

Usually, one of the constraints is lack of sustainable access to microfinance for SMEs in countries emerging from or affected by conflict. This is because the effects of conflict, among other things, include the erosion or destruction of the preconditions necessary for the smooth promotion of microfinance. Conflict entails no income (perhaps other than for 'conflict entrepreneurs'), and therefore no savings, which are the basis for microfinance institutions. Also, conflict implies little or no collateral to secure capital.

²⁸ Jeffrey Herbst, "Funding African infrastructure: An evaluation of new models", in Holger Bernt Hansen, Greg Mills and Gerhard Wahlers (eds), *Africa beyond Aid*, Johannesburg: The Brenthurst Foundation, 2008, p. 381.

²⁹ Mills et al., op. cit.

³⁰ ILO, *Guidelines for Employment*, op. cit.

Donor agencies, UN organisations and some international NGOs have promoted microfinance programmes in a number of conflict-affected countries, often in an uncoordinated manner.³¹ Diverse approaches have been adopted, which range from village banks and solidarity groups operating revolving funds and guarantee funds to major on-lending schemes involving public banks. This may provide a viable solution to SMEs to access funds for subcontracting them to carry out PWP.

Lessons Learned

Mills and McNamee observe that

[t]o date economic initiatives and programmes in post-conflict countries share four main weaknesses aside from the challenge of delivering growth in an unstable political/security climate: they are externally-driven (even if internally-shared and even devised); they have given insufficient direction on priorities; they have inevitably focused on 'what' countries should do, rather than the more difficult question 'how' to do it; and they have relied on overly-complex policy prescriptions that do not match on-the-ground reality fraught with complex ... dynamics.³²

It is from some of the dynamics that one may generally draw lessons in existing or past labour-intensive PWPs. Whether in normal or post-conflict situations, various studies have demonstrated that participants in PWPs tend to be less well educated than non-participants in the same community. Participation in PWPs due to lack of education or because there are no better job opportunities in essence is not 'preferred', and therefore comes out of lack of or 'constrained choice' as a last resort.

By definition, however, PWPs provide opportunities for enhanced income only to members of the economically active population, i.e. able-bodied unemployed or underemployed adults. Other poor and vulnerable groups who lack labour power – who include the elderly, the chronically ill, people with disabilities, orphans and other children from poor families – are 'unemployable' and are excluded from any income transfer programme with a work requirement.

A solution to this problem would be to separate those who need public assistance into two discrete categories of able-bodied adults, who can participate in PWPs, and the poor, who require transfers provided without a work requirement. Among the poor who may require help without having to work, also described as 'labour constrained', are women and the undernourished, who may not be able to participate due to the arduous nature of the work. They may be able-bodied, but lack the physical strength required.

Also, most individuals who are unable to work and provide for themselves are usually dependents of economically active relatives, who can benefit from employment creation programmes. Child poverty, for instance, can be addressed by providing employment to the parents of children living in poverty. The problem, however, is that children are often found working on public works or accompanying their parents while they work on public works projects instead of attending school. Another problem is that child labour might substitute for adult labour when adults neglect

³¹ See Tswalu Protocol, op. cit.

³² Greg Mills and Terence McNamee, 'New thinking on a "New Deal" for post-conflict countries?', <<http://smallwarsjournal.com/blog/2007/11/new-thinking-on-a-new-deal-for-1/>>.

their farms or other income-generating activities in order to participate in public works projects.

There are other reasons why significant groups of poor people might be excluded from PWPs. Some poor people are not 'labour constrained', but 'time constrained'. 'Time poverty' is particularly an issue for women, who face more domestic obligations (such as cooking and child-care, which absorb a high proportion of their time) than men. The work requirement on public works discriminates against labour-constrained (e.g. female-headed) households.

'Time poverty' is not the only reason why women might be unable to participate in PWPs, or engage only on unfavourable terms. In some societies, religious or cultural conventions restrict women's livelihood options – in extreme cases, confining them to the home. More benignly, there are categories of women whom society deems should not work, such as pregnant women and mothers with infants.³³ Public works projects generally may not be sensitive to the 'double burden' of women's productive and reproductive roles.

There is also the issue of self-exclusion. It is often considered stigmatising and demeaning to work on public works projects. This negative image is related to the quality of the work itself, and is often associated with the mode of payment – as a generalisation, cash for work is attractive, while food for work is seen as demeaning. A similar challenge in Rwanda is that stigma is attached to public works projects, which are mainly carried out by released prisoners assigned to do community service by the Gacaca courts in order to complete their sentences.

Despite the above, there are persuasive arguments against 'overloading' any single intervention with too many objectives – in this context, using public works projects as a mechanism for employment creation, income redistribution and creation of assets. Von Braun et al. argue that the attempt to simultaneously 'maximise poverty alleviation ... jointly with the provision of growth and development-oriented public goods' through public works projects 'may result in tradeoffs'.³⁴ A review of PWPs conducted in 1975 concluded that 'public works programs designed primarily to augment their employees' regular incomes or to relieve a disaster situation met their objectives more efficiently than those designed to absorb long-term structural employment or to create assets at low cost'.³⁵

Despite the Ugandan example given above, using unskilled labour to produce physical assets at low cost risks producing low-quality assets with limited and unsustainable benefits. A major concern is that the quality of physical assets created might well be substandard, such that the asset generates negligible returns and rapidly falls into disrepair and disuse. One reason for the failure of PWPs in the past to produce assets of lasting value might have been the assumption that the rural poor are willing to work for the 'common good' rather than for themselves. This assumption might instead create incentives to produce low-quality assets, since this would generate follow-up employment by requiring regular maintenance.

³³ Besley and Coate, *op. cit.*, p. 59.

³⁴ J. von Braun et al., 'Labor-intensive public works for food security: Experience in Africa', Working Papers on Food Subsidies, Washington, DC: International Food Policy Research Institute, 1991, p. 14.

³⁵ W. Keddeman, *Of Nets and Assets: Effects and Impacts of Employment-intensive Programmes: A Review of ILO Experience*, SETP Report no. 1., Geneva: ILO, 1998.

Some degree of quality control should be the norm on labour-based infrastructure projects. It is clear that in order to use labour productively, it is necessary to train skilled supervisors who are technically and organisationally competent and thus able to direct and motivate the workers under their control. This should complement the training given to other beneficiaries of the PWPs, as those cited in the Namibian example above.

This, however, should be looked at against lessons learned about the long-term benefits of employment-generating PWPs. Several studies have concluded that roads (whether constructed through public works or not) have had positive effects on poverty alleviation, but that these effects are indirect and difficult to quantify. Among the benefits are reduced travelling times, reduced travel costs, and the price effects associated with market integration – reduced transactions costs increase profit margins for producers and sellers, and reduce prices and smooth price seasonality for consumers. In terms of household food security, the benefits of reduced price seasonality as markets become more integrated are considerable, while opportunities to sell produce can stimulate agriculture in previously isolated regions.

On the other hand, assessing the returns generated by physical and social infrastructure is more problematic. Not only is the contribution of such infrastructure to production and trade difficult to measure and attribute, but it is difficult to assess precisely who benefits from community-level assets such as feeder roads. Often, any indicators of impact on the poor are indirect. For example, following the rehabilitation of roads, bridges and culverts in Bangladesh using food-for-work programmes, a survey 'found an increase in bullock-cart, bicycle and rickshaw travel', but not much increase in motorised vehicle traffic, which suggested that the observed increased usage was pro-poor.³⁶

Moreover, another study of the developmental impact of the building of food-for-work roads, again in rural Bangladesh, recorded several positive multiplier effects, including 'improved local communications, reduced travel times and transport costs, increased use of new farm technology, increased commercial activity, increased access to health services, increased use of family planning services, and increased primary school attendance'.³⁷

Conclusion and Recommendations

From the foregoing, stability in a post-conflict situation may arise from employment and increased economic activity resulting from rehabilitated and developed physical infrastructure, but

[a]ttention must focus on bolstering employment and reducing the costs of doing business – from better policy to improved physical infrastructure. Public works programmes can assist in managing the groundswell of high expectations that are always present when a conflict ends. These expectations seldom subside, and indeed increase the more the government delivers.³⁸

³⁶ USAID, op. cit., p. 7.

³⁷ Ibid., p. 37.

³⁸ Tswalu Protocol, op. cit., p. 7.

The crisis of expectations may result from well-planned PWPs that directly raise the socioeconomic capacities of conflict-affected populations. However, by empowering the population with vocational skills, such programmes may enable the beneficiaries to stand on their own and therefore make fewer demands on the government. It is indisputable that widely distributed employment in a population may promote confidence and encourage social cohesion between local residents and people earlier displaced by conflict, and may bring about greater social stability in the post-conflict environment.

Most assessments concur that PWPs have achieved their greatest impact in terms of temporary employment creation and direct income transfers, but only a limited impact in terms of sustainable income enhancement:

[A] wide range of developing countries have created very many workdays since about 1980. ... However ... the impact in reducing poverty durably – as opposed to relieving current need – is much less. This means that, if employment programmes are not to gobble up increasing resources forever, they must be supplemented as anti-poverty weapons by other sorts of programme.³⁹

As the ILO observes, '[s]uccessful skills training and employment programme design, planning and implementation are derivative in each country from an understanding of the roots and dynamics of conflict and reconciliation and the role of the social partners in those dynamics'.⁴⁰

The success of PWPs also hinges on the following, as already observed:

- ◆ The government must be involved and take ownership of the PWPs in the peace-building process in order to ensure their continuity. The national government should actively promote these programmes, which should be located within government planning cycles. Donors can only play a facilitative role, the reason being the high cost of reconstruction, which governments in post-conflict situations are often unable to bear.
- ◆ PWPs should aim at providing assets that local communities genuinely need, as this will create incentives to maintain these assets. This is crucial, as it also means involving the communities in identifying their needs.
- ◆ PWPs should be all-inclusive, ensuring that every member of the community benefits. This includes the programmes being gender sensitive to take account of women's vulnerabilities and needs.
- ◆ As most conflict-affected countries are low-income, the SME sector provides a major proportion of employment. SMEs should be encouraged to see damaged post-conflict infrastructure as an economic opportunity and seek to integrate its rehabilitation into their business activities.
- ◆ Donor agencies and international NGOs should promote microfinance programmes through village banks and community-based funds to provide a foundation for the take-off of the SME sector.

³⁹ M. Lipton, 'Successes in anti-poverty', Issues in Development Discussion Paper no. 8, Geneva: Development and Technical Cooperation Department, International Labour Office, 1998, p. 77.

⁴⁰ ILO, *Guidelines for Employment*, op. cit., p. 48.