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**Searching for responses to global challenges: unemployment and  
inequality**

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## **1. Introduction**

There is growing sentiment coming from fields of geography and heterodox economics, as well as the International Labour Organisation and the United Nations that is opposing the trend of neo-liberal governance, which has advised governments to adopt stringent fiscal policies, wind back public sector spending and deregulate/liberalise the economy (ILO, 2004:3). In contrast to this the aforementioned entities are urging policymakers and politicians to come to grips with demand orientation, geographical dimensions of labour market inequalities and to leave space for fiscal expenditure especially in situations economic and employment stagnation (UN, 2006:6). One option that has been the subject of much curiosity and has received a good deal of support in recent times is for the state to offer transitional employment programs or 'employment guarantees' for targeted populations and locations.

However, even carefully targeted initiatives that create employment within the geographic confines of a depressed local labour market have had inconsistent outcomes across space, with many of the unemployed residential population being bypassed as more qualified commuters apply for the positions (Bill and Mitchell, 2005). Furthermore time limited guarantees do not entail a change in the actual situation of the labour market. The benefit of time limited guarantees are essentially related to increases in employability of the individual. A time limited guarantee does not offer a solution to a depressed local labour market, as when participation in the program is completed the individual will still be in a situation where they are forced to look for jobs that aren't there (Bivand, 2006; Mitchell, 2001; McCord, 2004: 72). Compounding the issue further is the lack of spatial analysis that is undertaken in evaluations of various labour market programs and interventions, which subsequently creates gaps in accountability and may unfairly place generic expectations upon diverse local labour markets.

Randolph (2004: 65) argued, that 'making universal policies more spatially aware is the long term answer to the problems that disadvantaged areas and their populations currently face.' The imminent challenge ahead for policymakers is clearly to develop more effective frameworks for creating functional local labour markets, which promote flow to all people regardless of their geographic location. With the objective of further developing this agenda, this paper will examine three broad reaching employment creation programs that have been developed in response to complex economic situations and employment stagnation. All three programs have strong links to federal government funding, and have similar structural components, which include the widespread involvement of all tiers of government and the extensive involvement of partnerships with non-government and not-for-profit organisations. The programs attempt to overcome spatial inequality by allowing beneficiaries to self-select into the program and by attaching the program to the household unit. In the interest of developing a framework that comes to grips with the complexities of spatial inequality, this paper will highlight the achievements and deficiencies of these programs, and ultimately draw attention to valuable lessons that can be used to illuminate the development of a new policy paradigm.

## **2. The National Rural Employment Guarantee Act, India**

The Indian economy has experienced massive growth in the service industries with the advent of advances in information and communication technology. However, with

over 85 per cent of people finding employment in the informal economy, this growth does not entail redistribution or benefits for all. Furthermore, the sectors experiencing growth are mainly concentrated within urban areas, with little prosperity trickling through the expansive rural areas of India, which is home to over seventy per cent of the population (Allen and Pellissery, 2005).

To combat this vast inequality, the Indian government commenced a five-year implementation plan of the National Rural Employment Guarantee Scheme (NREGS) in February this year. The program offers rural households, who are the holders of a 'jobs card' to 100 days of employment per annum. The legislation set up a wage floor for the Indian economy (60 Rupees, \$1.75 AUD per day), and gives the individual the right to demand employment from the state, and to seek compensation if employment is not delivered. The act also outlines various other standards, including the provision of childcare, the provision of employment within a five-kilometre radius of the individual's village, and free medical treat for work related injuries (NREGA, 2005). Since the program's commencement in February over 31 million job cards have been issued and over 13 million people have gained employment under the NREG.

The scheme has adopted a decentralised approach to implementation, with village governments (Gram Panchayat) playing a major role in the enrolment and administration of participants to the program, and also the selection and monitoring of projects at the village level. Those elected to the village government (Gram Sabha) are to be advocates of the scheme and are largely responsible for conducting social audits and maintaining the accountability and transparency of the scheme. The Gram Panchayat is responsible for meeting fifty per cent of the demand for employment. The remaining portion of employment demand is to be organised by district level management, in collaboration with various non-government organisations. The district is also responsible for managing grievances.

The state government is responsible for providing institutional and technical support for the program, and they are to be involved in the monitoring and evaluation of the scheme as well. State governments also have opportunity to further develop the NREGS as they see fit. Some states, for instance, are planning to extend the guarantee to 200 days and others are planning to increase the wage offered by the program. The remaining role, fulfilled by the central government is to ensure that the NREG meets the minimum standards of the legislation.

The act was originally designed with the purpose of enhancing the social and economic security of the rural poor by providing a minimum wage in exchange for the undertaking of meaningful, manual tasks that would be appropriated and valuable to their community (Patnaik, 2006). Advantageously however, the provision of an employment guarantee within rural areas serves many objectives of the Indian government. The NREGS increases employment opportunities in rural areas, thus deterring the rural poor from migrating to already congested suburban slums. The provision of guaranteed employment also gives opportunities for female members of households to enter the labour force; the program also has potential to facilitate the development of the social networks and breakdown social castes within the community. There is no doubt that the implementation of the NREGS has important implications for not only the reshaping the geography of poverty in India, but also the extent of poverty experienced by the Indian people.

Activities that are permissible under the act include water conservation, environmental remediation, provision of irrigation systems, the construction of roads,

flood control and the maintenance of assets that have been created under the employment guarantee scheme. The Gram Panchayat is responsible for preparing a shelf of projects in order to ensure that there are enough employment opportunities available to meet the demand. The manner by which the monies allocated for the NREG are to be spent is also prescribed by the act. Accordingly, 60% of the budget should be allocated to the payment of unskilled labourers, and the remaining 40% is to be spent on materials. Included in the materials component is any payment of wages that goes to skilled or semi-skilled employees.

The presence of the act is an important step in the realisation of the right to work for the Indian people. It also embeds considerable liabilities to those implementing the programs. But despite the caution that has been taken in the development of this act there remains potential for the act to be undermined by the corruption of bureaucratic officials (Allen and Pellissery, 2006).

### **3. Expanded Public Works Project, South Africa**

The South African economy has been persistently plagued with chronic poverty and enduring structural unemployment. Currently the unemployment rate is sitting at 26.7 per cent, however the degree of disadvantage and poverty experienced by the population is intensified for different groups. For instance, over fifty per cent of people aged 15-24 are unemployed. Moreover, somewhere between 20 to 28 million people are considered to be living in poverty, and approximately one third of that population is living in chronic poverty, a term that is reserved for those with multiple deprivations who have had enduring experiences of poverty (StatsSA, 2005; Howe et al., 2005: 5). This context has demanded the roll out of many poverty reduction programs, including food for work programs, emergency relief and labour intensive public works. Currently the South African government has developed a program called, Expanded Public Works Program (EPWP), implemented at the start of 2004. The EPWP is the revised version of the previous National Public Works Program (NPWP), and was employed after research revealed that the NPWP was not meeting the objectives to the extent envisioned (McCutcheon *et al.*, 2005).

The EPWP offers beneficiaries opportunities in a wide array of fields, including infrastructure, environment, social development and economic sectors (McCutcheon, 2005). Employment in infrastructure is largely involved in construction of roads, pipelines, storm water drains and sidewalks, and will involve both labour intensive approaches and machinery to ensure efficiency and quality. Employment within the environmental sector will be involved in rehabilitation and remediation activities, provision of fire services and waste management. The economic sector will provide technical and economic support for the start up of 3000 small businesses/cooperatives, in an endeavour to advance entrepreneurship within communities. Employment within social development will provide opportunities within home community based care and early childhood development areas. The social development sector has placed considerable emphasis on career development, and has developed a range of possible career pathways that they may follow. For instance, employment within home-based care could lead one to a career in social work, nursing or training.

The department of public works provides the overall coordinator of the EPWP. However, the program entails the extensive involvement of other government departments such as the Department of Environmental Affairs and Tourism, and the Department of Social Development, as well as local government agencies. The actual

operations are executed through contractors, which have the necessary skills to supervise the project. The EPWP is funded through the normal budgetary process, using already existing grants, such as the Municipal Infrastructure Grant or directly through the correlated government department and municipality spending (Phillips, 2004). The program requires the reorientation of departmental budgets, so that expenditure results in the creation of more employment opportunities.

The EPWP aims to develop temporary employment opportunities for one million people between 2004 and 2009. The beneficiaries are able to gain employment through on an EPWP for a maximum of 24 months in a five-year cycle and are paid a locally negotiated minimum wage, with the mean monthly income varying between 330 and 579 Rand (\$60AUD to \$105AUD) (McCord, 2004). There is no limit to how low wages for employment on the EPWP can be set, with the program really heavily on the market to regulate the wage. In order to compensate for this, beneficiaries are entitled to two days of training for every twenty days worked. It is proposed that the combination of work experience and training credits will enhance the earning capacity of the beneficiaries, so that they may build a more prosperous future (Howe *et al.*, 2005).

This program is the only form of social support available to support the able bodied working population of South Africa, and while it is not seen to be one of the government's main strategies for facilitating the recovery of economic recovery, it is seen to be fulfilling an essential role in a transitional and turbulent time. The chosen strategies for economic recovery include increasing GNP and the development of small business enterprises. Importantly however, the key economic recovery strategies will not deliver outcomes in the short term, and the demands of the social context in South Africa reveal that unemployment and degree of desperation of the population far out weighs the capacity of the current EPWP. The scale of program (200, 000 temporary jobs per annum) is by not any means a reflection of the context, and prevents the program from having anything more than a symbolic effect.

#### **4. Jefes De Hogar, Argentina**

In 2001-2002 the Argentine economy suffered a severe economic crisis, which led to the government defaulting on its debt repayments obligations and refusal to adopt relief packages from the IMF and World Bank, which required the acceptance of neoliberal ideologies of government role, spending and policy-making. The economic crisis caused unemployment and poverty rates soared to excessive highs. The resulting hardship that was inflicted upon the public united dissimilar social classes, and together they took to the streets and demanded an overhaul of the political system. The government eventually responded with the implementation of Jefes y Jefas De Hogar Desempleados (Jefes) in May of 2002. The program offered heads of households with dependents under eighteen or dependents with special needs four hours of work per weekday in exchange for 150 pesos (\$64 AUD),  $\frac{3}{4}$  of the minimum wage, a month. By the end of 2002 over two millions people had become beneficiaries of the Jefes program.

Most of the employment provided under the Jefes program is involved in the provision of community services, administration or the development of micro enterprises. Employment within community services provides most of the Jefes work, and covers a broad spectrum of tasks; including construction and maintenance of public infrastructure, such as sewerage and irrigation systems, community centres,

schools, hospitals and parklands (Kostzer, 2005: 68). Employment is also provided for communities in areas of consumable production, including production of edibles, clothing and recycling. Importantly, these services are fulfilling essential needs in the community and allow people access to services, which they would have otherwise gone without.

The overall operation of the Jefes program is the responsibility of the Ministry of Labour and 'Generencia de Empleo y Capacitacion Laboral' (GECAL), a subsidiary of the Ministry of Labour (Tcherneva and Wray, 2005). However, municipal governments also play a large role in the implementation of Jefes and are responsible for identifying potential projects. The Municipality then invites non-for-profit agencies to develop proposals for these projects. The Municipal Consultative Council then considers the project, if the proposal is approved the municipality assigns beneficiaries to the project. Organisations that are implementing the programs are then to contact beneficiaries, inform them of project details and commence the project. Municipal Consultative Councils and the GECAL undertake the monitoring of the program.

The Jefes program's most significant affect was reducing the incidence of indigence, extreme poverty, experienced by the populace (Galasso and Ravallion, 2003: 25). The program effectively acted as a safety net by preventing beneficiaries from falling below the indigence line, and was able to offer beneficiaries already experiencing indigence relief. Furthermore, the program offered clear political, social and spatial benefits, which helped enable circumstances that were necessary for economic recovery. For example, the program was able to gain increasing political support, as the public saw those who had been experiencing poverty and exclusion receive support from the government, via the undertaking of roles that were socially meaningful and important activities within their community (Kostzer, 2005: 61).

As the economy began recovering from the crisis, the aim of the program was reformulated to better suit the emerging context. While Jefes continues to operate as a safety net scheme, no new beneficiaries have been added to the scheme since 2003, and the scheme has now reduced its size by more than 600,000 people (World Bank, 2006). Furthermore, the World Bank has imposed a reduction target upon the Jefes program, which states that 'no less than 100,000 (current or newly) ineligible participants (are to be) dropped from Heads of Household Program' by December 2007 (World Bank, 2006: 6).

Jefes program adjustments have included the integration of employment support services, such as supported job search and labour market orientation, to aid beneficiaries in the transition back to private sector employment. The reorientation of Jefes will see Ministry of Labour create a network of employment services, which would allow them to efficiently connect Jefes beneficiaries with employment opportunities (World Bank, 2006; Galasso and Ravallion, 2003).

The recovery of the economy is not the only reason for the reformulation of the Jefes program. Research conducted by the World Bank revealed that there was not a tight enough assessment regime for program eligibility, with as many as a third of beneficiaries not satisfying the entrance criteria (Galasso and Ravallion, 2003:10). Furthermore, there have been various accounts surfacing, which relate to issues of corruption and clientelism (Tcherneva, 2005). For instance, some applications have been denied access to the program, despite meeting program requirements; there have been other cases of local employers dismissing their staff and rehiring them as

subsidised Jefes employees. Moreover, as the Jefes program is limited and this institutional structure produces some allocation problems, with some regions having more favourable outcomes than others.

Table 1 Summary of Key Components of Models

Model→ ↓Attribute	Expanded Public Works Program (EPWP), South Africa	Jefes De Hogar, Argentina	National Rural Employment Guarantee (NREG), India
Scale	National	National	National
No. of participants	One million over five years	Economic recovery has seen fluctuation, at its peak over 2 million people were beneficiaries	To date just over 13 million people have engaged in NREG employment
Payment	Locally negotiated minimum wage, plus 2 days of training for every 20 days worked	Monthly income support of 150 pesos (\$64 AUD) (¾ of minimum wage)	60 rupees (\$1.75AUD) per day. ¾ of the wage can be paid in kind (wage/food equivalent)
Funding	Funded from general capital budgets of departments/ municipalities, through relining expenditure to increased job creation. Budgets are derived from the federal government.	The federal government with financial support from the World bank provides funding for 60% - 80% of projects costs. The remainder is provided by NGOs and not for profits.	State: ¼ of wage and material costs and unemployment compensation if work is not provided. Federal government provides remaining
Targeted population	40% women, 20% youth, 2% disabled	Heads of households with dependents under 18,	Rural heads of households
Agency of delivery	Public private partnerships with contractor and NGOs	NGOS, local governments and local activist groups	50% Gram Panchayat, 50% district management with NGOs
Work Specification	Maximum of 24 months in a fear year cycle	20 hours a week	100 days of work per household per year
Prerequisite for becoming a beneficiary	Locally determined: lottery system, ownership of ID card, first come basis	Heads of households with dependents under 18, or with dependent who have disability	Must be the holder of a 'job card', live in a rural area.
Tasks undertaken	Labour intensive infrastructure development, social development, environmental protection, business incubation	Low/unskilled employment in areas of community development, infrastructure development, environmental remediation, production of consumables	Labour intensive infrastructure development, environmental remediation, water conservation, maintenance of assets created.

## 5. Discussion

All three programs have some constructive and redeeming features. For instance, the South African model incorporates training and is embedded within a national skill

development agenda. The incorporation of training and skill development are highly important components and are pre-conditions for achieving and maintaining functional economies (ILO, 2001: 22). However, there is still room for expansion of training opportunities under this program. Currently two days of training are provided for every twenty days worked, which is insufficient amount and unlikely to lift beneficiaries to a more highly skilled status (McCord, 2005: 580). It would be sensible for training components to be nested within schemes of this nature, and for these schemes to have clear coordinated links with a national skill development strategy and the forecasting of future occupations needs to circumvent the advent of skill shortages.

Both the Indian and Argentine model have attached the program to the household unit. This helps to remediate spatial concentrations of unemployment by preventing the co-opting of jobs by more qualified in-commuters and associated dislocation of the financial and social resources that are attached to the space (Mitchell and Bill, 2005). And all the programs do indeed offer some level of relief to some portion of the most vulnerable in society. This helps to maintain or regain, especially for Argentina, more stable economic, political and social conditions that are necessary to facilitate social cohesion and recovery.

Unfortunately the similarities of the programs carry through to some common flaws. The remainder of the paper will consider some of the major problems of the models in detail, including nepotism and beneficiary remuneration, and consider possible ways of overcoming these endemic problems.

### 5.1 Targeting and exclusion of the target

In all three cases suitable beneficiaries are excluded from engaging in the safety net employment. The South African program is the most explicit in exclusion of suitable beneficiaries as the program maintains a demand deficient labour market by capping the number of jobs that it creates in the economy. The budget allows for 200,000 temporary jobs to be created each year under the scheme. The scale of need within the African economy is of course much higher, and thus necessitates the development of localised rationing systems (McCord, 2004: 32). Ironically the scale of job creation that has been envisioned by the EPWP would not even manage to absorb half of the unemployed within the much more robust and less populated Australian economy.

The Argentine and Indian models are less explicit in their exclusion of suitable beneficiaries, but the problem is still rife throughout the programs. The NREGS is targeted towards rural households only. This means that the homeless, migratory workers and urban dwellers are excluded in the first instance. While, the Jefes program operates country wide, but is only for households with dependent children or dependents with special needs. Furthermore, the Jefes program has now ceased entry of new participants to the program, and thus offers no support to people who find themselves unemployed or in poverty now (World Bank, 2006: 27). It is in programs like these, discretely targeted programs that allow only certain people to become beneficiaries that implicit political processes and worker affiliations become most important. In this situation, even if an individual satisfies program entry criteria, there is no guarantee that they will be able to access the program.

People who are eligible for support can be excluded from targeted programs for a whole range of reasons, including political affiliation, religion, nepotism and social status. The processes facilitating exclusion start with power relations and the

movement of knowledge through social networks. For instance, people who are not in the same social group as the Gram Sabha may be inadvertently excluded from recruitment processes, even though local governments have substantial obligations to advocate the program and enlist beneficiaries (Pellissery, 2005; Kostzer, 2005). Exclusion is further enabled through the imposition of bureaucratic application processes. Targeting by its very nature requires the beneficiary to prove that he/she meets the targeting requirements. The potential beneficiary, for instance, may have to produce birth certificates or deeds for landholdings to certify their entitlement. There are a number of reasons why this is unreasonable, including wide spread illiteracy and the costs associated with obtaining the documentation (Pellissery, 2005: 14).

Inaccessibility to the safety net makes people experiencing financial hardship and poverty more vulnerable and exposed to private employers' work demands and wage settings. The deficiencies of targeted programs force those experiencing poverty to look elsewhere for social and economic assistance. The only way to overcome such a problem that is endemic and engrained within the system is to eliminate targeting and open the system to all for unlimited time periods. This would reduce the power of the bureaucracy to deny entry and is also likely to be much better in setting up a wage floor for the economy, thus protecting the most vulnerable workers. This may entail a considerable expansion of the program. But arguably, there is an important sense that a well executed program would impart far more benefits and constructive outcomes for the community than the program would cost in financial terms (Gordon, 1997: 817).

Ironically, Argentina has chosen to head in the opposite direction. The Jefes program is gradually being wound back, with its last beneficiaries entering the program in May of 2003. As previously noted, the scale of the program has already been reduced by 600,000 people, and there are plans to reduce the number of beneficiaries by another 100, 000 before the end of 2007. The government, in collaboration with the World Bank, has suggested that a similar, more classical workfare program will be rolled out 'to respond to an eventual increase in unemployment' (World Bank, 2006: 22).

## 5.2 Financing for sustainability

The rationale for the roll back of the Argentine program is in part because the government sought to partially finance the program through an external funding institution. Financing provided by external institutions is only provided for a finite time period, and entails the repayment of the loan in the future. The time constraints of external financing also place a limitation upon the duration of a program, and inevitability undermines its sustainability. Financing from these institutions may also be attached to concern conditions (as mentioned above) that will be monitored and evaluated by the institution throughout the duration of the program, and will ultimately play a determinative role in the limitations of domestic policy.

To prevent this occurrence Mitchell and Mosler (2001: 225), and many others from the post Keynesian school, have argued that governments should finance public sector job creation programs through the running of budget deficits and the adoption of buffer stock inflation management strategies (See Mitchell and Mosler, 2001; Wray, 2000; for an in depth examination of financing public sector job creation through deficit spending). This style of economic management, in combination with an open guarantee program, would maintain price stability through the maintenance of a pool

of people employment at the minimum wage, who would be engaged in task with high social, but little market value.

### 5.3 What's a day's work worth?

The Indian model appears to have set minimum wages for its programs. However, there are many political processes operating within and around these programs that can prevent the apt functioning of this mechanism. In addition to this the Indian program, as does the South African program permits the financial remuneration to take place through either piece rates or time based wages. Subsequently, those who are able to gain access to the program may face further discrimination and injustice through structures that determine rate of wage, and the lack of actual choice that exists for beneficiaries to choose their preferred mode of payment.

There is great difficulty in developing a piece rates mechanism of payment that will be fair and just for all. Often it is the case that the local body develops a collective measure, which ends up favouring the able and strong and being a disservice to the weak and disabled. This is especially poignant as programs such as these often have high participation rates for women and people with disabilities (Tcherneva and Wray, 2005). Such a context may necessitate the creation of a variety of work opportunities that are able to cater for a spectrum of capabilities.

The validity of task-based wages and one's contribution is further compromised by the levels of supervision, especially on activities that employment multiple workers, as there is an ideology which suggests that a task based wage system of remuneration 'obviates the need for supervision' (Baland, 1999: 457). If this is indeed the case then the mere option for piece rate wages could undermine worksite safety and it goals of poverty reduction through job creation by allowing workers to work in an unsupervised, and thus degraded working environment.

Table 2 summarises some key areas of concern that should be considered in the roll out of public sector job creation schemes.

### 5.4 Over coming challenges

All three programs, NREG India, Jefes Argentine and EPWP South Africa have innovative components to them, and each are trying to reduce the scale of demand deficiency within their economies, while attempting to address situations of mass unemployment, employment growth stagnation, and poverty. However, there are considerable process deficiencies that hinder the operation of the programs and lead to exclusion of some of the most vulnerable within society. Ultimately only a universal model, which is capable of coming to grips with the complexities of spatial inequality, would be able to achieve the objectives that the current programs are trying to achieve.

The problems that have been identified in this review of employment creation schemes are addressed and overcome in the theoretical model developed by Mitchell, known as Job Guarantee. The Job Guarantee concept outlines a sustainable path to full employment that incorporates an employment buffer stock approach to macroeconomic management (Mitchell and Mosler, 2001). The Job Guarantee is a universal program and would engage individuals in sustainable and socially meaningful activities that are likely to be under produced by the private sector, such as environmental remediation and community development and service provision. The provision of employment within these two areas also addresses the spatial

distribution of unemployment by creating jobs where they are needed. The Job Guarantee would be the most effective foundation upon which additional regional development strategies could be built, and could easily be incorporated with a national skill development strategy.

Table 2: Overcoming difficulties in the roll out of job creation schemes

1) Universal rather than targeted.	A targeted program automatically allows for discrimination of beneficiaries, in spite of eligibility, and can be worsen if places numbers are limited or if there is no mechanism available for people to contest their exclusion. The only way to overcome this problem is to make the program universal, with free entrance and exit of the program.
2) Operate as a buffer stock model	Often public works operate in ‘project blocks’, which leaves beneficiaries waiting until the next round of projects start before they can gain employment under the program. Work needs to be available upon demand, and in order to meet this demand the program should engage in forward planning and develop a ‘shelf of projects’, to ensure that demand can be met as required.
3) Administration requirements	There may be some requirement that people must have before entering the program. In India it is the ‘job card’. It is portrayed in the policy documents that any one who is eligible will be able to achieve this requirement, but in reality the requirements are contingent upon political discourse and alliances with the community. Such requirement should be minimised where possible, as they can result in the exclusion of the vulnerable.
4) Provide for a range of capabilities	Many job creation schemes that offer limited employment guarantees have high numbers of women and people with disabilities taking up the offer. Programs would be improved if there was a variety of work available to meet a spectrum of capabilities. Furthermore, work could be created in areas where beneficiaries already have informal skills
5) Wage rates	There are many arguments for paying people who work on government job creation schemes by piece rates related to productivity. However, there are many factors that make this inappropriate and result in further disadvantaging beneficiaries.
6) Funding	To ensure that the program will remain a sustainability intervention the federal government should be the key financier of the programs.

Shifting to a universal system offers those in vulnerable situations much more security and self worth. A universal program combined with the provision of employment induces social cohesion by intrinsically valuing the contribution of individuals through engagement in tasks that are seen by the community to be significant and through financial remuneration. The program deficiencies that have been identified in this paper, including the exclusion of the target, undermining of wages, non-

sustainable financing; prevent the programs functioning properly and hinder the realisation of poverty elimination and social cohesion objectives.

## 6. Conclusion

To conclude, Table 3 summarises the key arguments that have been put forward in this paper, by offering some succinct guidelines that are central to the development of successful of public sector job creation schemes (Patnaik, 2006).

Table 3: The Dos and Don'ts of Public Sector Job Creation

Dos	Donts
Do impose a time constraint for implementation	Don't target, a universal program is preferable
Do ensure that the federal government is the primary source of funding	Don't provide only a tokenistic gesture, that is only make a symbolic effort
Do allow unlimited duration and participation	Don't trade off other benefits or rights
Do set a wage across the entire program for all workers, which is in line with the minimum wage.	Don't allow wages to be paid via piece rate mechanisms

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