

CAN PUBLIC WORKS ENHANCE WELFARE IN FRAGILE ECONOMIES?

The Londö Program in the Central African Republic

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KEY FINDINGS

- **We evaluated the Londö public works program, which provided temporary employment and a bicycle to beneficiaries selected through public lotteries in the Central African Republic.** The evaluation focused on the impacts of the program on households' welfare between 2 and 21 months after participation.
- **We find that the program enhances the productivity of participants in a lasting way, with an approximate 10 percent increase in monthly earnings and a small impact on the number of days worked, well after they finished participating in the program.** This improvement takes place through different channels for men, who intensify agricultural production and diversify in small manufacture activities, and women, who diversify into small trade activities.
- **Londö increases the beneficiary households' durable goods, such as furniture and cellphones, and productive assets, such as agricultural tools and livestock – thereby building household wealth.** It also significantly improved their ability to cope with shocks.
- **However, women coming from the poorest households experience much lower impacts on productivity and assets than men and women from less poor households,** which indicates the need for specific provisions for widows and ultra-poor women in this type of intervention.
- **The provision of bicycles increases mobility for male beneficiaries, but not for women,** likely due to gender norms, risks and bike-riding skills, and other related constraints affecting women specifically.

GENDER INNOVATION LAB

The Gender Innovation Lab (GIL) conducts impact evaluations of development interventions in Sub-Saharan Africa, seeking to generate evidence on how to close gender gaps in earnings, productivity, assets, and agency. The GIL team is currently working on over 60 impact evaluations in more than 20 countries with the aim of building an evidence base with lessons for the region.

The impact objective of GIL is increasing take-up of effective policies by governments, development organizations, and the private sector to address the underlying causes of gender inequality in Africa, particularly in terms of women's economic and social empowerment. The Lab aims to do this by producing and delivering a new body of evidence and developing a compelling narrative, geared towards policymakers, on what works and what does not work in promoting gender equality.

THE LONDÖ PUBLIC WORKS PROGRAM

With about a quarter of its population displaced, over half in need of assistance, and a high level of casualties and destruction, the Central African Republic (CAR) is currently home to a severe humanitarian crisis. Uneven geographic distribution of public investment, chronic poverty, high unemployment and weak institutions are among the structural problems that have contributed to the proliferation of non-state armed groups, which currently control large portions of the country and its economy. As a result, CAR ranked 188 out of 189 in the United Nations Development Programme's Human Development Index in 2019.

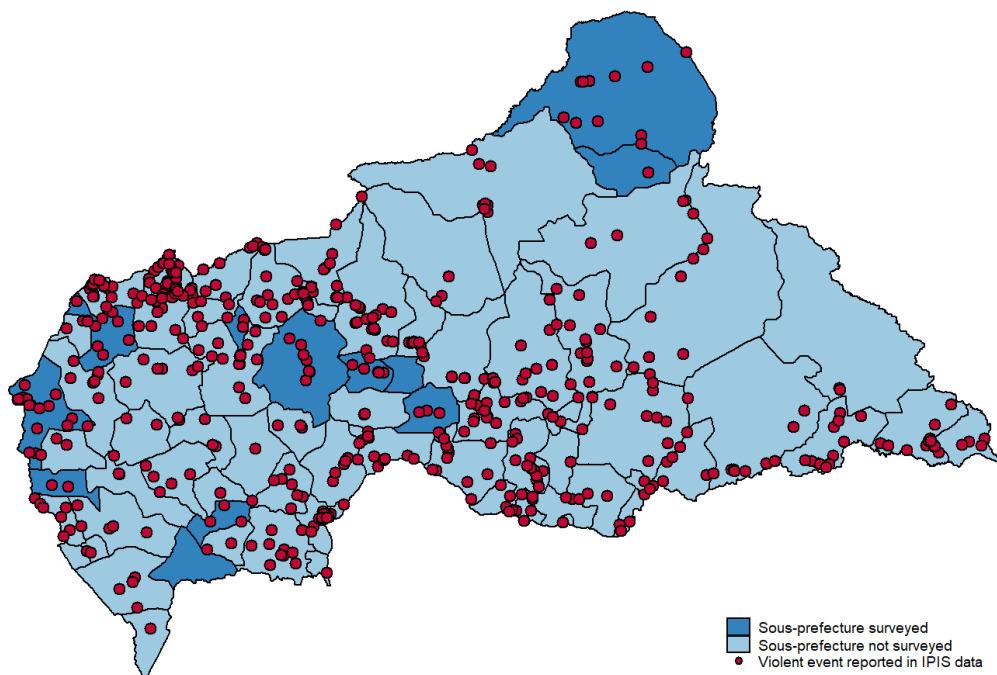
The Londö public works program is a multiphase project which is still ongoing. It provides temporary employment to 35,500 vulnerable households through participation in a workfare scheme. Selected through large public lotteries, beneficiaries are offered the opportunity to work for 40 days under the program at a subsistence wage rate (CFA 1,500 per day - approximately 3 USD) and receive a bicycle that they can keep after successful completion of the program. The provision of a bike aims to ensure means of transportation to the worksites. A core objective of the intervention is to provide the most vulnerable with the means to escape extreme poverty and rebuild social cohesion in the aftermath of the conflict.



One of the features that separates Londö from other public works programs is that beneficiaries are selected through lotteries open to individuals aged 18 or above. The public lotteries are not only fairly held but also transparent to all participants in order to prevent any distrust or suspicion. In each sous-prefecture, lotteries took place during which 250 beneficiaries were selected. Work teams of 25 workers were subsequently formed based on lottery rankings. While no gender quotas were imposed by the program, the project's communication strategy was designed to encourage women to apply, and as of June 2019, 34 percent of all Londö beneficiaries were women.

The program has been rolled out since 2016 in various regions of the country, including areas not controlled by the government and where the conflict that had started in 2013 was still ongoing.

SOUS-PREFECTURES SURVEYED AND LOCATIONS OF VIOLENT CONFLICT



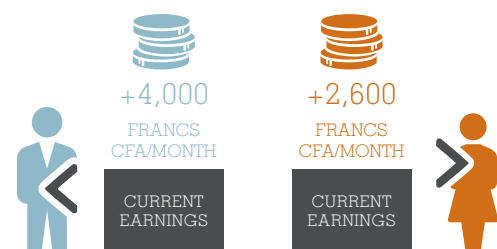
WHAT WE DID

Public works programs are often used in fragile contexts such as the CAR to offer safety nets to poor and vulnerable households. In Sub-Saharan Africa, public works programs are the second-most common social protection instrument. However, existing rigorous evidence on their effectiveness remains limited, and their gendered impacts have scarcely been examined. For this study, the Gender Innovation Lab surveyed over 6,000 respondents from 24 lotteries in 12 sous-prefectures, including in areas recently affected by armed conflicts. As the participants in the program were randomly selected through the lottery process, we are able to compare respondents who were selected with those who were not, which allows us to estimate rigorous program impacts.

WHAT WE FOUND

- **We find no differences in basic socio-economic background characteristics between those randomly selected and those not selected through the public lotteries in our survey sample, which provides evidence that lotteries are an effective and fair way to give the same chance to participate to all.** Among the lottery winners, the vast majority eventually participate in the program, and 81 percent of the participants report that they have not missed a single day of the public works.
- **Participation in the public works increases beneficiaries' productivity well beyond the time span of the program, with increases in earnings and number of days worked.** This takes place through different channels for men and women. Female beneficiaries tend to engage in a secondary activity as a result of the program, especially business and trade activities. On the other hand, male beneficiaries both intensify their primary activity (typically agricultural production), as well as diversify into a secondary activity, especially small manufacture and industrial activities.
 - » **Both men and women beneficiaries work about a half day longer per month as a result of the program.** However, considering the high number of days worked by respondents (more than 5 days/week), this increase remains relatively small.

- » **Earnings increase as a result of the program, with both male and female lottery winners reporting higher monthly earnings of roughly 10 percent.** This improvement seems to stem from the diversification of income generating activities. As a result, both male and female lottery winners increase their ownership of durable goods. Beneficiaries appear to have primarily bought basic household equipment such as furniture, mattresses or irons. Male lottery winners also acquired cell phones, which can function as an indirect or direct enabler for economic activities.



Between 2 and 21 months after participating in Londö, men earn on average an additional ~4,000 Francs CFA/month and women on average an additional ~2,600 Francs CFA/month, which represents an increase in earnings of roughly 10%.

- » **We find an increase in ownership of productive assets, but only for male beneficiaries – except for livestock which increases for both men and women.** This is largely driven by the acquisition of agricultural assets such as oxen, hoes, machetes and plots for cultivation. This gendered impact is consistent with the result on earnings: as male beneficiaries intensify their investments in agriculture, they increase their returns on this activity. However, we see that both men and women increase their livestock holdings, which can represent both an investment, e.g. in draft animals or in livestock held for the production of animal products, as well as a form of saving.
- » **However, female participants from poorer households do not benefit from increases in monthly earnings and assets.** Such households are often female headed, and have lower levels of human capital. This shows the need for supplemental interventions to adequately address the constraints faced by such vulnerable households.



- **The increase in asset ownership as a result of the program seems to lead to an improvement of the beneficiaries' household resilience**, with increases in savings and a smaller likelihood of having contracted debt for schooling, health services or food, and increases in non-food expenditures (mostly for men). However, respondents do not report improvements in food security as a result of the program.



- **Men's mobility is enhanced by the program, but women's mobility is not.** This can be explained by deeply entrenched gender norms, the risks for women to use a bike in a fragile context, and by the fact that fewer women know how to ride a bike in this context. The availability of the bikes distributed by Londö appears to change the way in which men commute to their workplace, as well as the distances traveled and number of locations visited for their work.



POLICY IMPLICATIONS

- These results suggest that public works interventions can have lasting productive impacts in fragile economies. This is a key point to consider when evaluating the advantages and disadvantages of such programs. In the case of Londö, a direct cost benefit analysis shows that based on the estimated increases in monthly earnings for beneficiaries, the program would break even at the beneficiary level at around 4 years for men and 6 years for women.
- Our results also show the importance of taking into account the gendered impacts of social protection programs. We find significant differences in the program's impact depending on the beneficiaries' gender and position along the wealth distribution, both on welfare and on mobility. This calls for tailored policy designs in fragile contexts, where women from ultra-poor households tend to be particularly vulnerable.

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