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**GOVERNMENT JOB PROGRAMS THAT FOCUS ON SOCIAL SERVICES
MORE THAN INFRASTRUCTURE MAY OFFER GREATER BENEFITS TO
ECONOMY, NEW STUDY FROM LEVY ECONOMICS INSTITUTE SUGGESTS**

ANNANDALE-ON-HUDSON, N.Y.— With the global economy continuing to falter and joblessness still on the rise, the Obama administration and other governments around the world have introduced direct job creation programs to their stimulus packages. These employer-of-last-resort, or ELR, programs are policy instruments whereby the government steps in to provide and guarantee, to all those seeking employment, jobs that the market fails to provide. A new policy paper from The Levy Economics Institute of Bard College argues that, while such job opportunities have historically been created primarily in construction and the maintenance of physical infrastructure, evidence from other countries, most notably South Africa, points to the creation of jobs in social service delivery as being more meaningful. The Levy study contends that jobs in social services have a greater impact on reducing poverty and addressing gender inequality, two issues that saw little improvement during the boom years, even in countries with high growth rates.

“While these recent events are reversing trends in prosperity enjoyed by some, for the vast majority of the world’s population they are simply adding insult to injury,” writes Levy Research Scholar Rania Antonopoulos in her new public policy brief, *Promoting Gender Equality through Stimulus Packages and Public Job Creation: Lessons Learned from South Africa’s Expanded Public Works Programme*. “Poverty and inequality have shown remarkable persistence, and reducing them has remained elusive—including in countries experiencing a healthy growth rate over the last decade or so.”

Antonopoulos discusses the results and implications of a study centered on South Africa’s Expanded Public Works Programme (EPWP), a public job creation initiative aimed at

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addressing the serious problem of chronic unemployment in that country; in some areas, joblessness among women and youth is as high as 70–80 percent. The author finds that budgetary allocations are incommensurate to the problem at hand, job opportunities too few and short in duration to have a substantial impact, and the program, like those in other countries, does not create enough jobs in social services. Antonopolous then evaluates the impact of scaling up the EPWP and increasing jobs devoted to social service delivery in health and education, in order to meet the objectives of income and job generation, provisioning of communities' unmet needs, skill enhancement, and promotion of gender equality by addressing the overtaxed time of women. Using a gender-disaggregated social accounting matrix developed specifically for this study, she finds that increasing budgetary allocations in the social service sector would result in higher levels of job creation and greater depth of poverty reduction, and a more significant impact on economic growth and output.

While South Africa's demographics and economy are the focus of her study, Antonopoulos asserts that there are implications for any country considering ELR or other direct job creation initiatives. She concludes that, when evaluating the desirability, feasibility, and sustainability of public job programs, the potential multidimensional benefits must be kept in mind. "Drawing in marginalized segments of the population via the types of job creation proposed in this analysis has the strong potential to contribute to many policy objectives, including reversing outward migration and crime trends, revitalizing marginalized communities, increasing human capital, and promoting social inclusion," she writes. "Moreover, by reducing the unpaid care burdens of poor women, the specific jobs we have proposed contribute toward the goal of gender equality."

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Public Policy Brief No. 101: *Promoting Gender Equality through Stimulus Packages and Public Job Creation: Lessons Learned from South Africa's Expanded Public Works Programme*

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