



**PROMOTING GENDER EQUALITY**  
**Job creation in Home Based Care and Early Childhood**  
**Development: The Case of South Africa**

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**SESSION 3—SOCIAL AND ECONOMIC INCLUSION OUTCOMES**

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For many people, in many countries  
this economic crisis comes to sit on  
top of many other crises

- **poverty**: multi-dimensional and use of TIME
- **employment**: quantity-quality
- **income inequality**: between, within countries
- **diminishing space for livelihoods**:  
environmental and land use rights

# Gender dimension of the crisis

## CAUSES & IMPACTS, OUTCOMES

MACROECONOMIC concerns, MICRO-LEVEL location and INSTITUTIONS

- Employment and work opportunities
- Unpaid work and Government retrenchment
- Food security and Agricultural policy
- Fiscal space in times of crises
- Policy space: fiscal, monetary, exchange rate

# The role of Markets revisited

- *Challenge:* International market dynamics lead to the **crisis** of rising food prices....
- *Challenge:* Sub-prime mortgage **crisis** leads to turmoil in financial markets...
- *Challenge:* demand is **insufficient** to provide jobs and hire those who need and wish to work;

# The role of Government revisited

**Economic and Social outcomes of *Laissez faire*,  
and small government prove uneven and often  
times disappointing**

- **In production markets it can increase food security** price subsidies of staple foods, stockpiling, Malawi's subsidies of fertilizers, South Africa rethinking land policy
- **In financial markets it can ameliorate instability and fragility** bailout? Not stronger, different rules and regulations are needed
- **To address unemployment it can introduce an active labor market policy: ELR**

## Decelerating Growth

Albania  
Argentina  
Armenia  
Azerbaijan, Rep. of  
Belarus  
Bosnia & Herz.  
Bulgaria  
Brazil  
Chile  
China, P.R. Mainland  
Colombia  
Costa Rica  
Croatia  
Dominican Republic  
Ecuador  
El Salvador  
Egypt  
Gabon  
Georgia  
Guatemala  
Honduras  
Hungary  
Iran  
Jamaica  
Jordan  
Kazakhstan  
Kenya  
Latvia  
Libya  
Lithuania  
Macedonia  
Malaysia  
Mexico  
Moldova  
Nicaragua  
Panama  
Paraguay  
Poland  
Romania  
Russia  
Senegal  
Slovak Rep.  
Sri Lanka  
Thailand  
Trinidad &  
Tobago  
Tunisia  
Turkey  
Ukraine  
Uruguay  
Venezuela

## High Exposure

Afghanistan  
Angola  
Bangladesh  
Bhutan  
Botswana  
Burkina Faso  
Cambodia  
Central Afr. Rep.  
Chad  
Comoros  
Congo, DR  
Ethiopia  
Eq. Guinea  
Gambia, The  
Ghana  
Haiti  
India  
Indonesia  
Lao, PDR  
Lesotho  
Mali  
Mauritania  
Myanmar  
Mongolia  
Mozambique  
Namibia  
Niger  
Nigeria  
Pakistan  
Philippines  
Rwanda  
Sierra Leone  
South Africa  
Sudan  
Swaziland  
Tanzania  
Tajikistan  
Timor Leste  
Togo  
Turkmenistan  
Uzbekistan  
Vietnam  
Zambia

## High Poverty

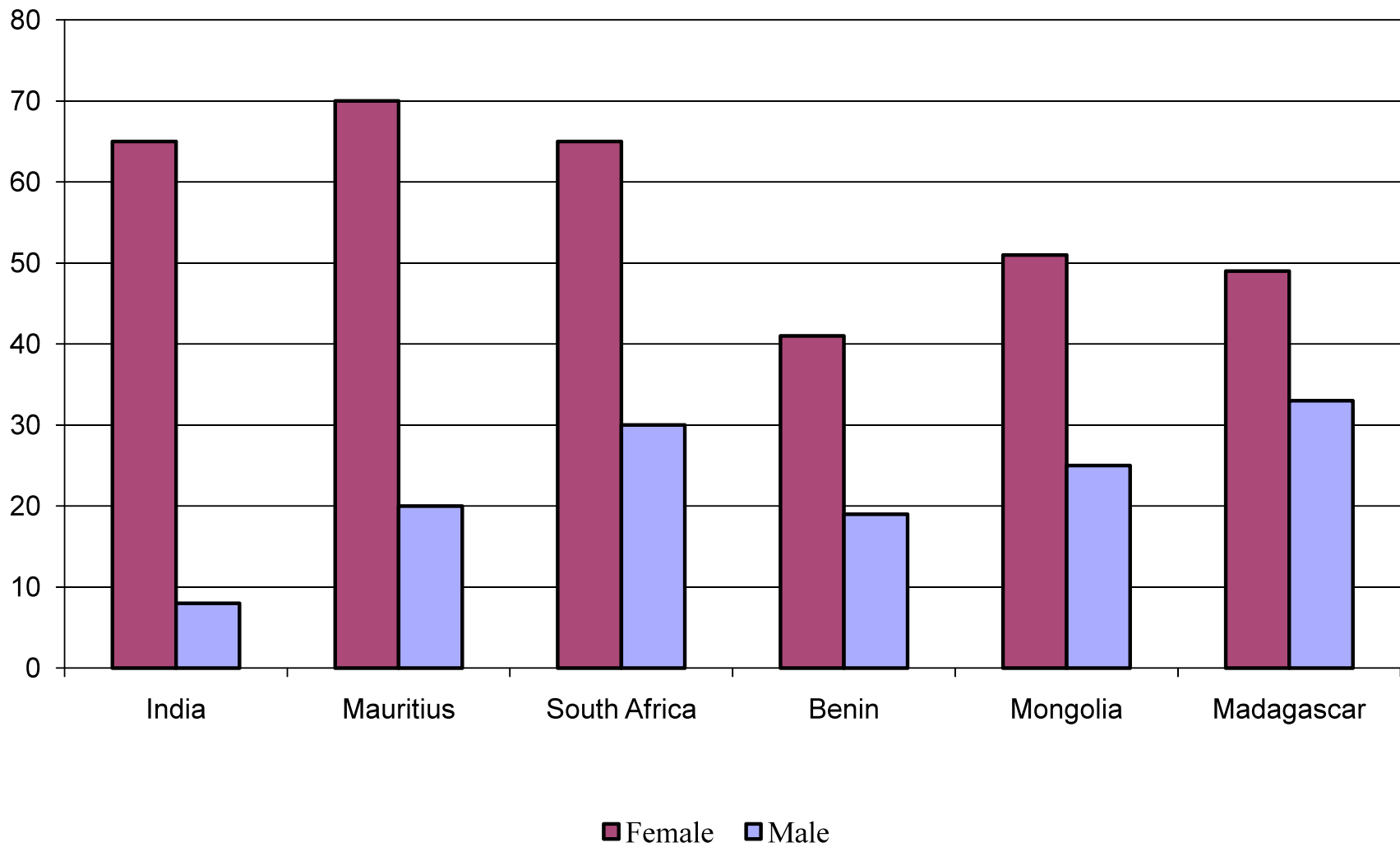
Benin  
Burundi  
Cameroon  
Congo, Rep.  
Guinea  
Guinea-Bissau  
Ivory Coast  
Kyrgyz Rep.  
Liberia  
Madagascar  
Malawi  
Nepal  
Papua New Guinea  
Uganda

Source: Sources: Growth estimates: WEO  
January 2009 forecast and Bank staff estimates.  
Poverty: 2008 WDI estimates for 2005.

## External Indicators of Developing and Transition Economies with Population Over 5 Million

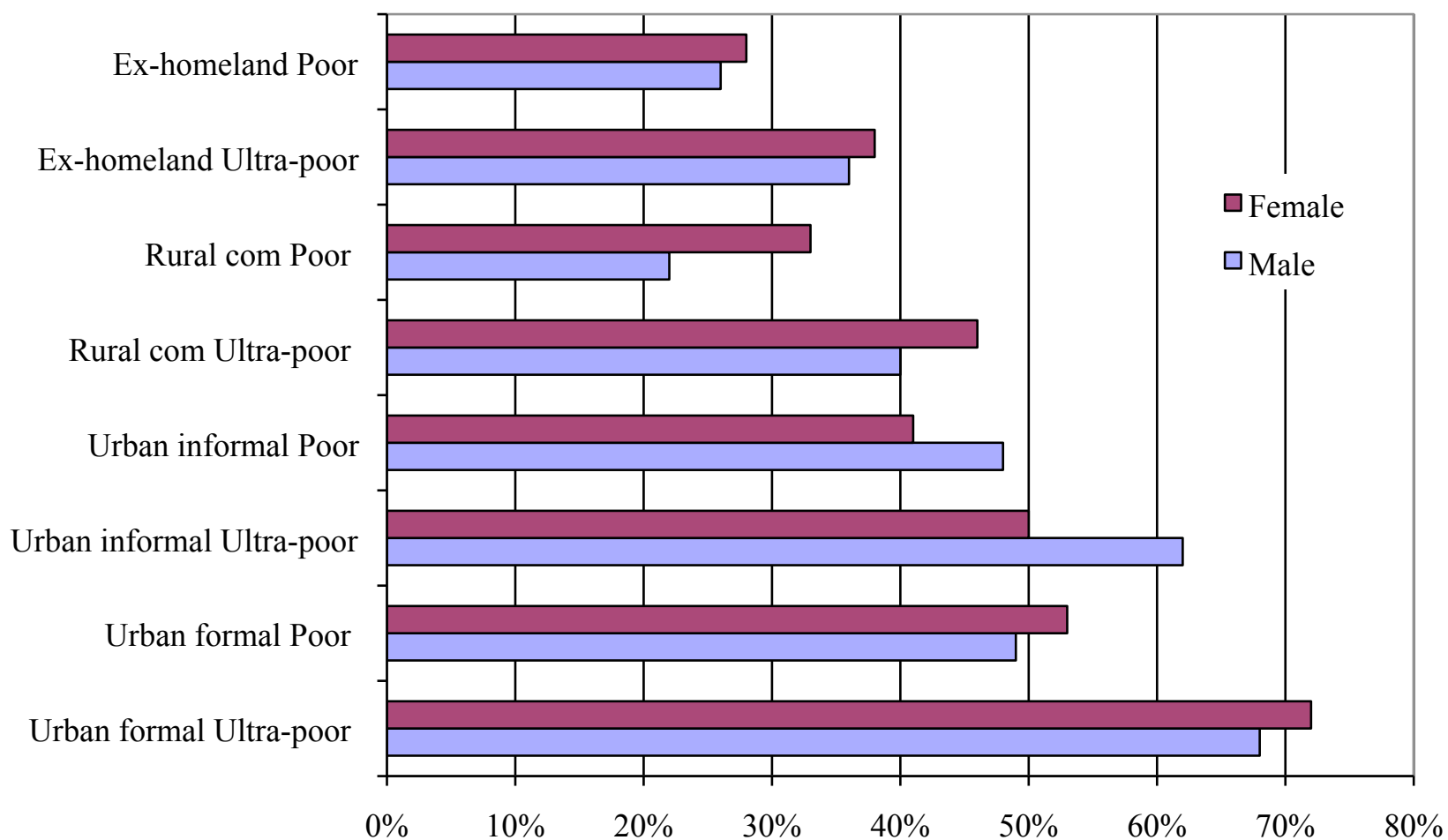
		Current Account Balance				External Debt			Foreign Exchange Reserves, excl. gold		
		% of GDP 2003	% of GDP 2007	% with deficit, 2007	% with improvement	% of GDP 2003	% of GDP 2006	% with improvement	% of GDP 2003	% of GDP 2007	% with improvement
<b>Africa</b>	31	-5.6	-4.2	87%	45%	89.7	43.0	97%	12.8	18.1	78%
<b>Central and Eastern Europe</b>	8	-5.4	-9.1	100%	38%	55.4	57.3	57%	21.0	23.2	63%
<b>CIS</b>	8	-1.0	3.1	63%	25%	56.1	44.5	88%	12.9	21.3	100%
<b>Latin America and the Caribbean</b>	16	-0.7	-0.9	50%	38%	63.7	37.6	100%	11.7	14.8	69%
<b>Middle East, incl. Egypt</b>	7	7.2	6.5	43%	43%	54.0	28.6	100%	41.1	50.1	40%
<b>Asia, incl. NICs</b>	20	2.2	3.0	30%	45%	52.5	36.9	100%	27.2	32.7	69%
<b>Total</b>	90			63%	41%		94%		72%		

## Time Spent on Nonmarket Activities (Selected Developing Economies)

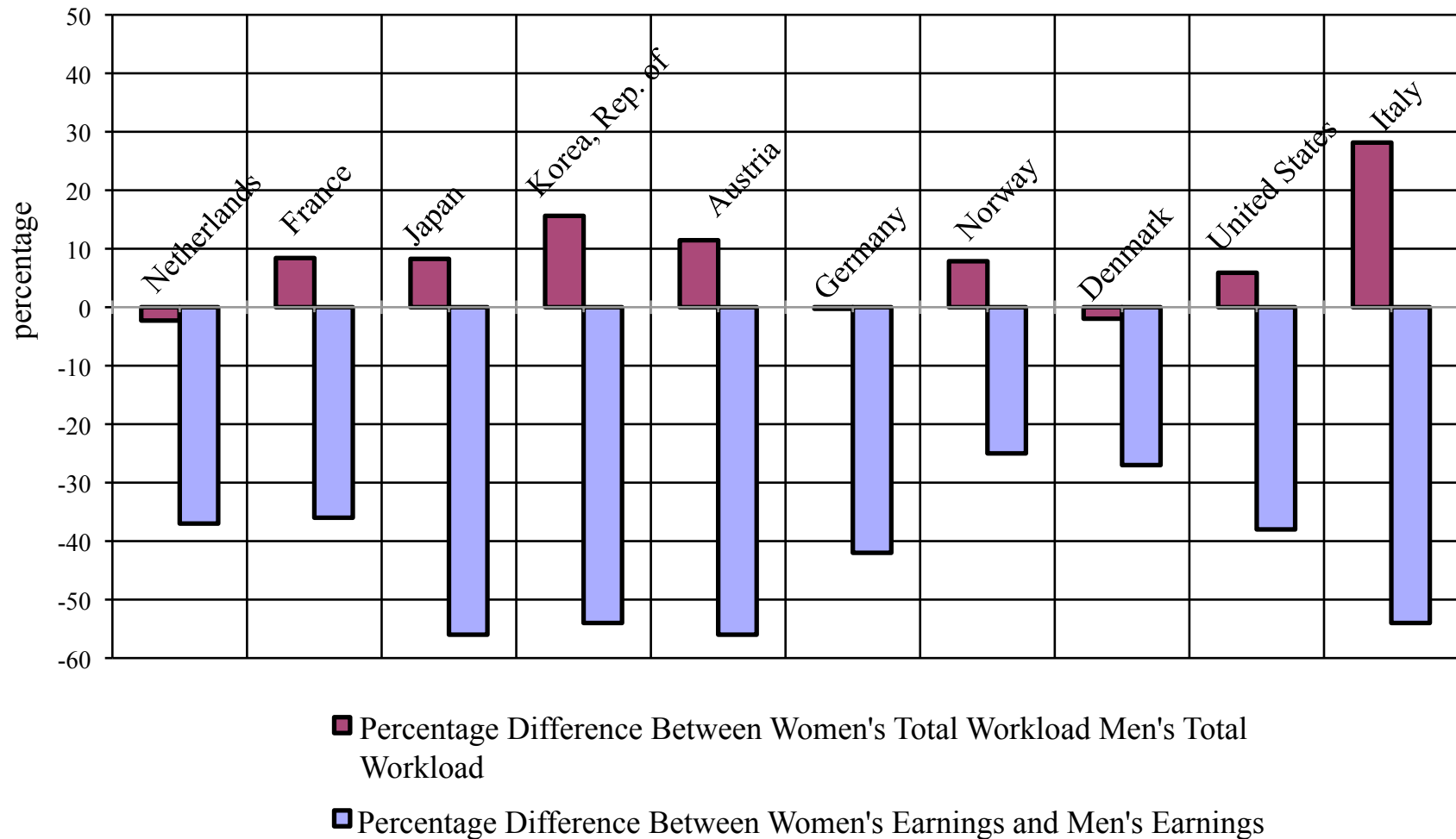




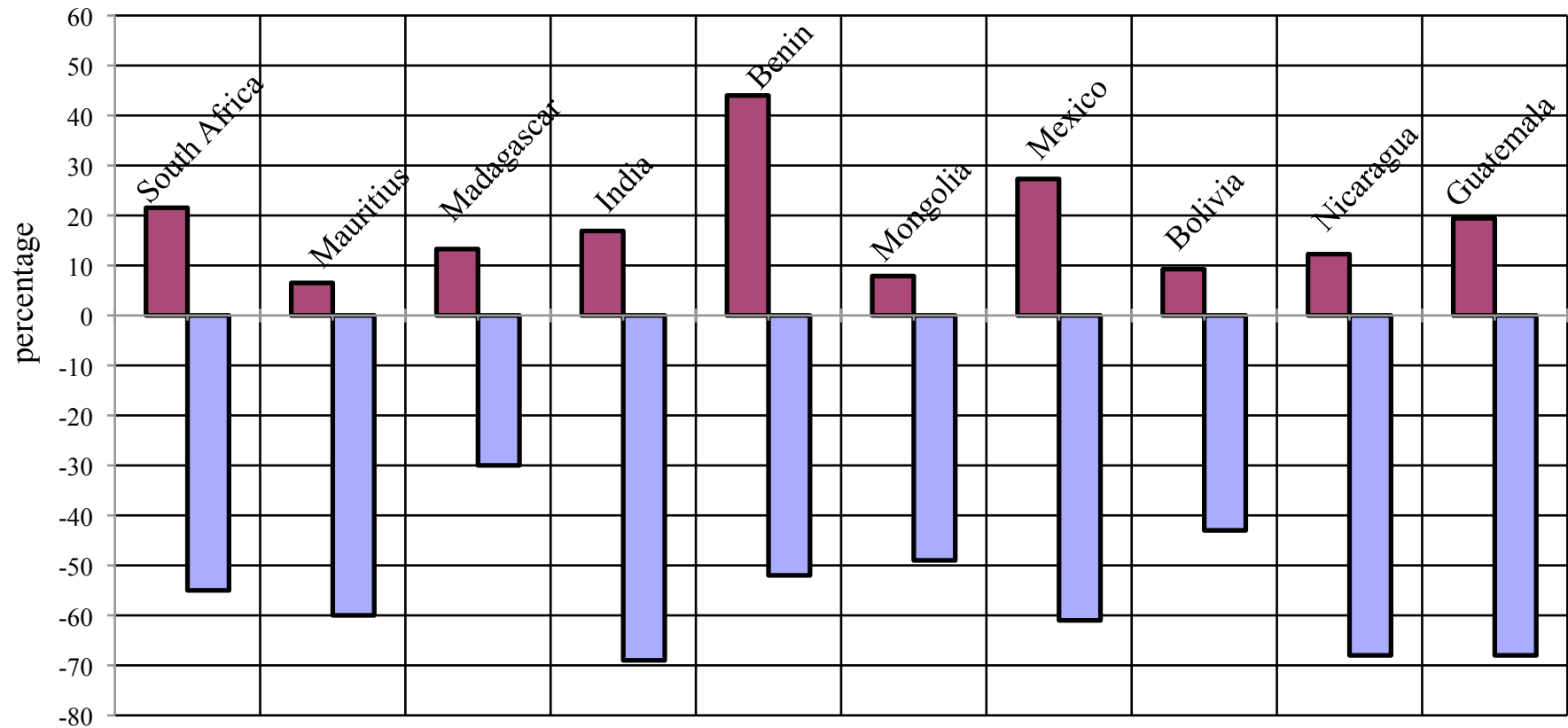
## Unemployment Rate - African, poor/ultra-poor (strict definition)



## Total Workload – Earnings Gap: Selected OECD Countries



## Total Workload – Earnings Gap: Selected Developing Countries



■ Percentage Difference Between Women's Total Workload Men's Total Workload

■ Percentage Difference Between Women's Earnings and Men's Earnings

# Why an EGS,ELR,PWP?

The right to work promotes

- Dignity, inclusion and expanded democracy
- Direct and indirect income creation
- Direct and indirect job creation
- Public and Private Asset creation
- *Pro-poor* growth
- *Change our mentality about growth* as the single developmental objective and replace it with pro-poor growth, employment creation, inclusion and improvement in standard of living of people

# Typology of Direct Job Creation Government Programs

- **Emergency Programmes:**Indonesia, Korea, Argentina post 2001 financial crisis, USA (New Deal)
- **Social Funds:**Bolivia (1986), Chile (1975-1987), Peru (1991)
- **ILO Employment Intensive Infrastructure**(since 70's in many African countries)
- **The Right to Food,the Right to Work:**NREGA since 2006
- **Recognition of Unemployment during prosperity:** South Africa since 2005, Sweden and Australia (1940's-70's)

# Employment Guarantee Programs

- What kinds of jobs? What types of “projects”?  
Who is eligible? For how long?
- What is the “cost” of such projects and what are the “benefits”? Financing? Are they inflationary?
- Institutional arrangements? Technical expertise?  
Fiscal and monetary policy consistency?

# Employment Guarantee Programs

- **Expanded Public Works Programmes**  
[infrastructure, social sector, environment, economic]

**SOUTH AFRICA**

- **National Rural Employment Guarantee Act**  
[Right to Information Act- Ongoing Social Audits ]

**INDIA**

# NREGA

## Types of Community Projects

Rural roads and access roads

Rural land development

Flood control works

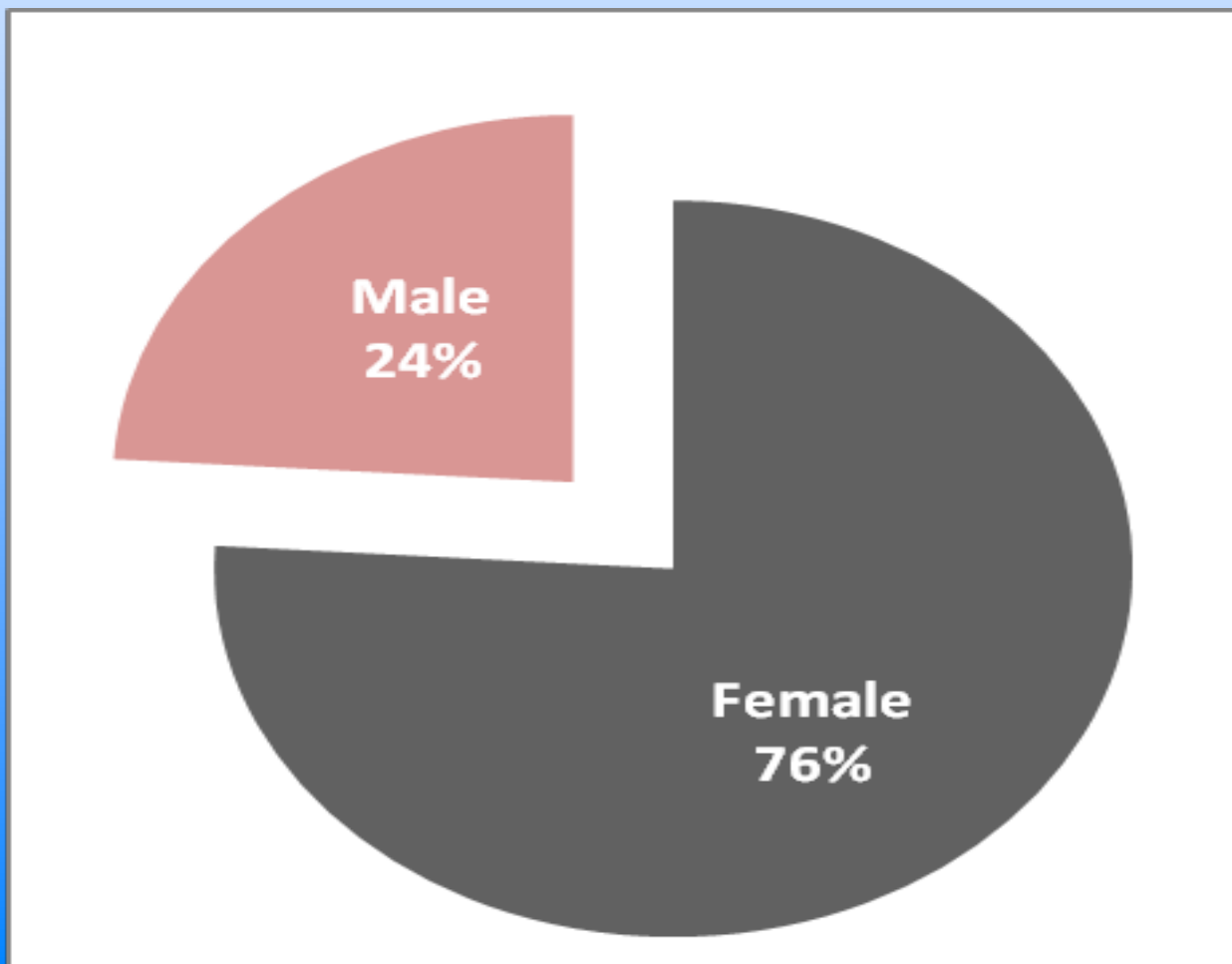
Water conservation and water harvesting

Irrigation facilities to land owned by poor people and to beneficiaries of land reforms

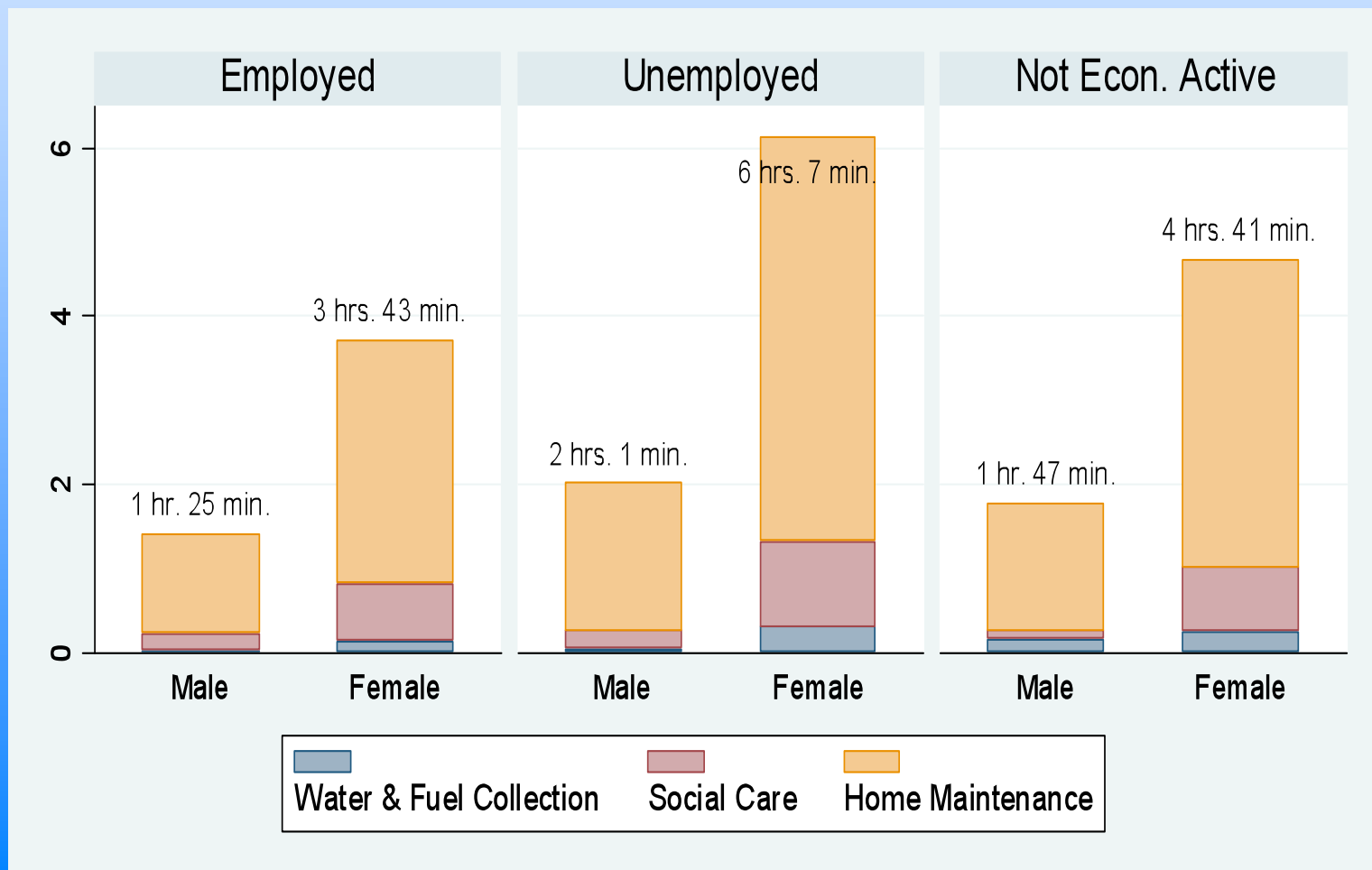
Reactivation of traditional water harvesting and distribution systems



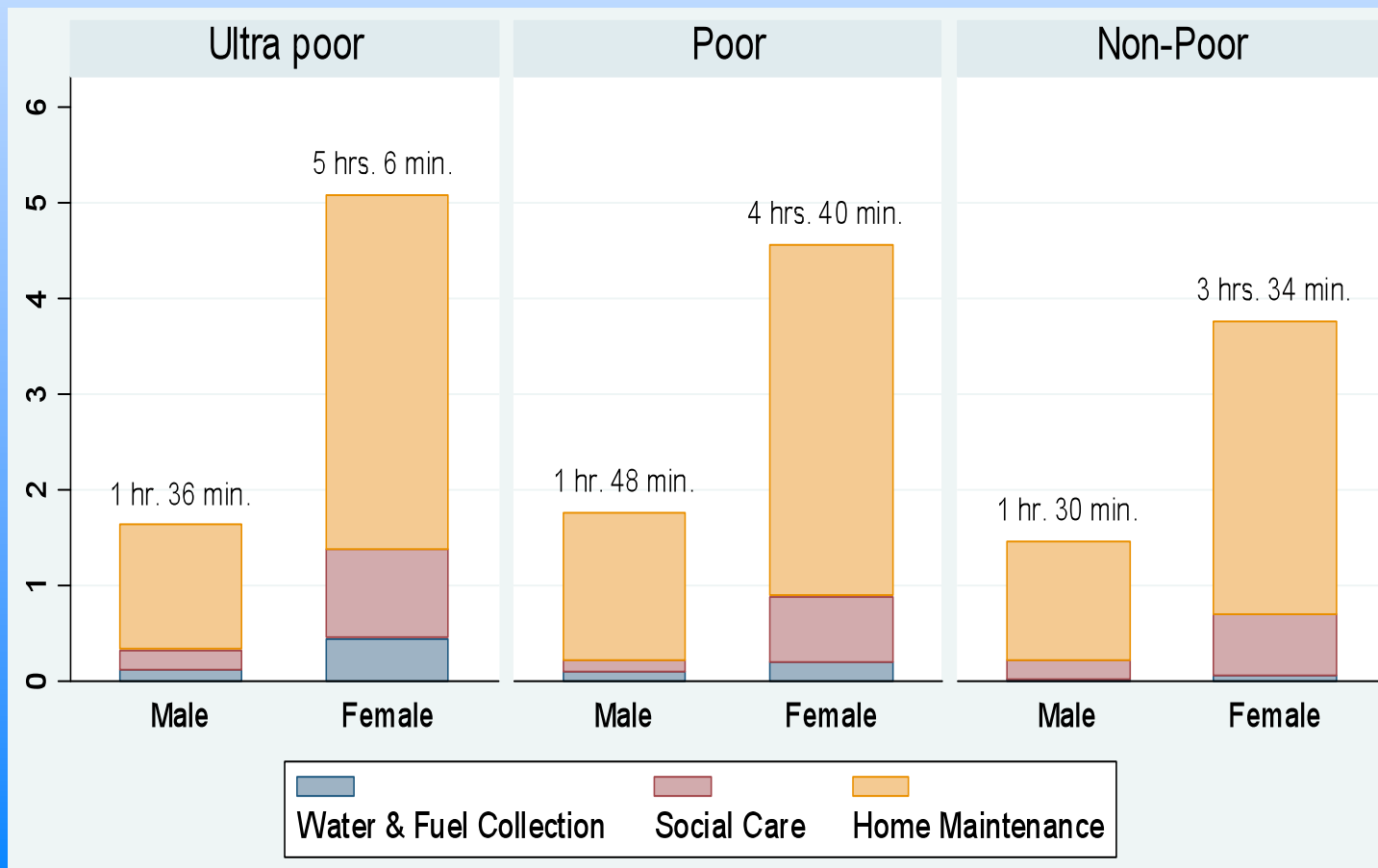
# Time Spent on Unpaid Work -SA



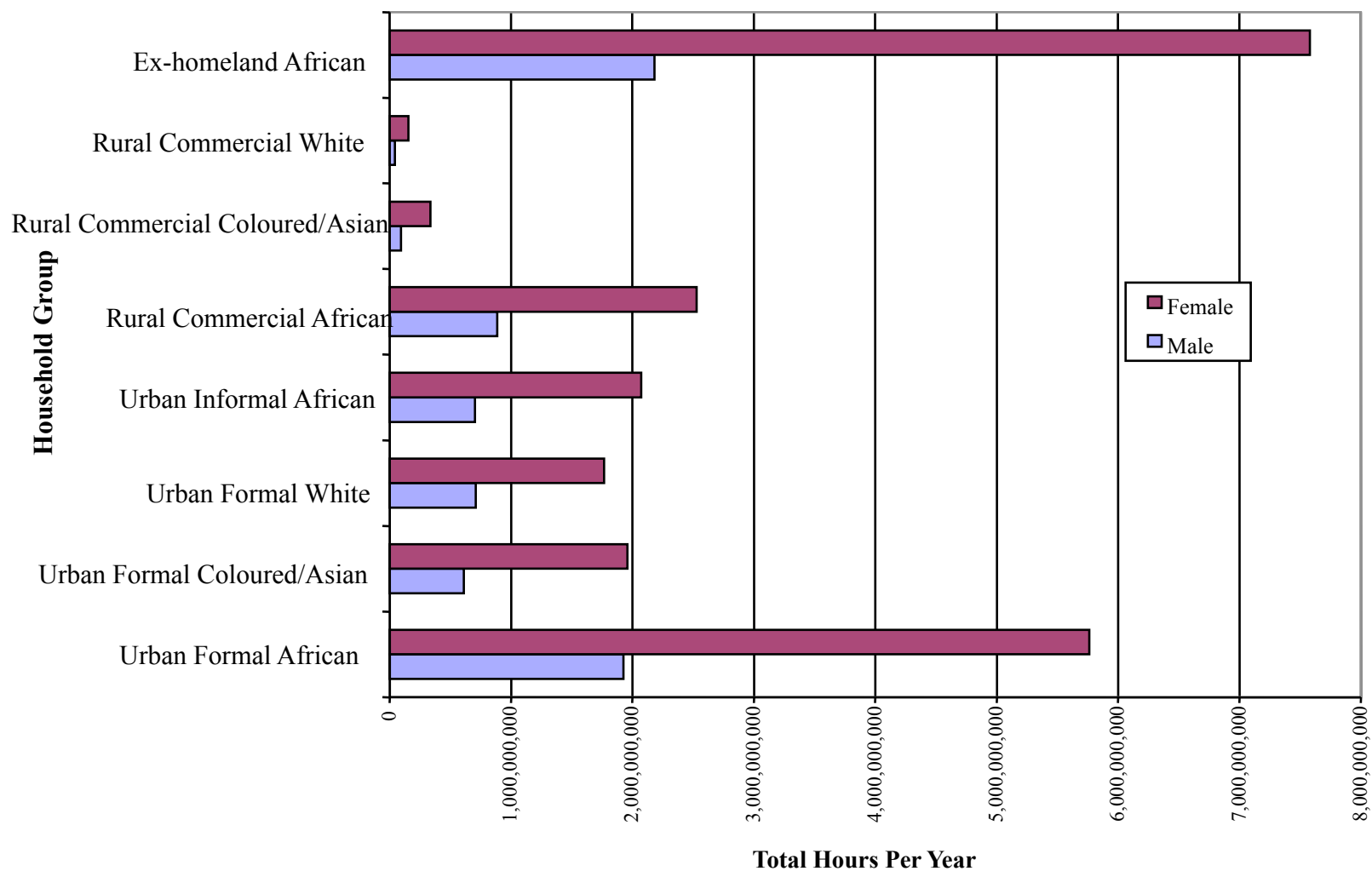
# Time spent on unpaid work SA by status of Employment



# Unpaid work in South Africa by Poverty Status



## Total Hours Spent on Unpaid Work per Year by **Household Type** and Gender



# Background on the Study

- **Research project** on micro-macro impact of scaling up public job creation
- **South Africa Study:** Kijong Kim (Levy Institute), EPWP interviews , Irwin Friedman (Health Trust Fund) and PROVIDE team (Dept. of Agriculture),
- **Type of Intervention** : scaling up Early Childhood Development and Home/Community Based Care
- **The right to work , the right types of projects?**  
unpaid work and gender issues

# EPWP

## Types of Community Projects

Road construction and maintenance

Water delivery

Ecological latrines

**Early childhood development (unpaid work)**

**Home and community based care (unpaid work)**

Environmental water conservation

Prevention of fires

# Policy Simulations

- **All Existing Types of Projects** have the potential to reduce unpaid work and facilitate creation and access to basic services

EPWP Working for Water; environment sector (*Tsitsikamma 2004/05*)

**EPWP Social Sector** (*Health Trust Fund*)

EPWP Infrastructure; Access roads and Water Reticulation (*SCIP Engineering Group*)

- **Options for Job allocation scheme**

Jefes variation by population weights (part time year around)

NREGA scheme (100 days)

Poverty weights-normalized by population

Unemployment weights normalized by poverty incidence

- **Target population**

Poor and ultra poor households comprising (50% of the unemployed); “unskilled” wages according to programme stipulations and skilled according to SAM

# Impact of EPWP Injection

## **ex-ante evaluation of policy scenarios**

- Direct and indirect job creation (skill level/gender/sector)
- Direct and indirect income received by type of hh
- Depth of poverty reduction
- GDP growth? Pro-poor growth? Sectoral growth?
- Fiscal space expansion?
- *Impact of new assets and service delivery for participants and community*



# The SAM for South Africa

- Based on PROVIDE, Dept. of Agriculture
- Factors disaggregated by skill and gender
- 26 sectors
- 20 types of hhs
- 7 exogenous sectors

1 FGOS  
2 FMaleUS  
3 FMaleSk  
4 FFemUS  
5 FFemSk

1 HUF\_Af1\_3  
2 HUF\_Af4  
3 HUF\_Af5  
4 HUF\_Co1\_3  
5 HUF\_Co4  
6 HUF\_Co5  
7 HUF\_Wh  
8 HUI\_Af1\_3  
9 HUI\_Af4  
10 HUI\_Af5  
11 HRF\_Af1\_3  
12 HRF\_Af4  
13 HRF\_Af5  
14 HRF\_Co1\_3  
15 HRF\_Co4  
16 HRF\_Co5  
17 HRF\_Wh  
18 HRI\_Af1\_3  
19 HRI\_Af4  
20 HRI\_Af5

E	53	1 SALTAX
X	54	2 IND TAX
O	55	3 DIRTAX
G	56	4 GOVT
	57	5 KAP
	58	6 DSTOC
	59	7 ROW

A	27	1 Cagric
C	28	2 Cmining
T	29	3 Cfood
I	30	4 Ctext
V	31	5 Cpaper
I	32	6 Cpetro
T	33	7 Cnonmet
I	34	8 Cmetals
E	35	9 Cmachin
S	36	10 Ccomeq
	37	11 Ctrnseq
	38	12 Comanuf
	39	13 Celec
	40	14 Cwater
	41	15 Cbuild
	42	16 Cconstr
	43	17 Ctradacc
	44	18 Ctrnscom
	45	19 Cfin serv
	46	20 Cbusserv
	47	21 Ceduc
	48	22 Cogovserv
	49	23 Chealth
	50	24 Csocial
	51	25 Coserv
	52	26 Cdomserv

# Types of Households

1 HUF_Af1_3	Urban Formal African Non-Poor
2 HUF_Af4	Urban Formal African Poor
3 HUF_Af5	Urban Formal African Ultra Poor
4 HUF_Co1_3	Urban Formal Colored Non-Poor
5 HUF_Co4	Urban Formal Colored Poor
6 HUF_Co5	Urban Formal Colored Ultra Poor
7 HUF_Wh	Urban Formal White Non-Poor
8 HUI_Af1_3	Urban Informal African Non-Poor
9 HUI_Af4	Urban Informal African Poor
10 HUI_Af5	Urban Informal African Ultra Poor
11 HRF_Af1_3	Rural Commercial African Non-Poor
12 HRF_Af4	Rural Commercial African Poor
13 HRF_Af5	Rural Commercial African Ultra Poor
14 HRF_Co1_3	Rural Commercial Colored Non-Poor
15 HRF_Co4	Rural Commercial Colored Poor
16 HRF_Co5	Rural Commercial Colored Ultra Poor
17 HRF_Wh	Rural Commercial White Non-Poor
18 HRI_Af1_3	Ex-homeland African Non-Poor
19 HRI_Af4	Ex-homeland African Poor
20 HRI_Af5	Ex-homeland African Ultra Poor

# EPWP: Social Sector

- Social Sector consists of ECD/Education and HCBC/Health
- High female intensity (60 and 69% respectively)
  - addresses female unemployment in the short run and builds skills in the long-term
- *Data source:* Friedman, Irwin, Bhengu, L., Mothibe, N., Reynolds, N., and Mafuleka, A., (2007) *Scaling up the EPWP*, Health Systems Trust, November, Volume 1-4. Study commissioned by Development Bank of South Africa and EPWP.

# Simulation Results

9 billion Rand, full time-year around jobs

- Direct job creation (600,000 to 1,2million)
- Indirect job creation: for every 3 EPWP, another one in the economy is created
- GDP (+1.7%), tax expansion (1/3 recovered)
- Poverty reduction: pro-poor growth!

# Costs and Benefits

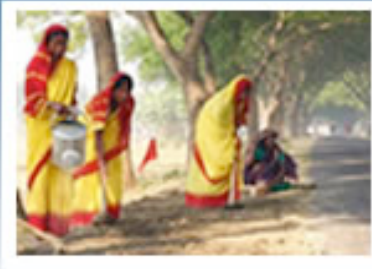
- Social inclusion
- Income-Poverty reduction? This depends on the length and duration of jobs, wages and targeting method
- Asset poverty reduction!!!
- Service delivery!!!
- Gender equality in unpaid and paid work
- Pro-poor development
- Monetary cost: 1% of GDP ....?3% of GDP?
- Opportunity cost of not mobilizing domestic resources?

Thank you

member institutions...

A WEBSITE PROMOTING EMPLOYMENT GUARANTEE POLICIES, EMPLOYER OF LAST RESORT PROGRAMS, & THE RIGHT TO A JOB.

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for full  
employment**



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member institutions...



**we are...**

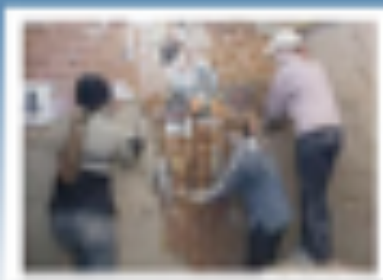
a group of economists working towards building a global informal network of academics, policy advisors, institutions, advocates and members of government, committed to the realization of the *right to work*...

**we are committed to...**

joining forces with all who foster public dialogue and seek to promote employment guarantee around the world. Together, we can provide coherent, viable policy alternatives that lead to inclusive and just outcomes for all...

# economists for **full** employment

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