

Public Works and Welfare

A Randomized Control Trial of the ELIIP Community Social Services in Egypt

The World Bank

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Health worker conducting a home visit, via the Community Social Services component of ELIIP

Photo Credit: SFD

Did you know?

Egypt experienced two revolutions in the past decade, in 2011 and 2013.

Since the revolutions, Egypt's economy has experienced struggles with a dramatic decline in tourism and rapid currency devaluation.

Randomized Control Trial design:

- ❖ **760 pre-identified villages randomized**
- ❖ **196 villages planned to receive treatment; 198 villages selected as control**
- ❖ **~10 workers randomized into treatment and 5 into control groups, per village**

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Context

Egypt's labor market has been sluggish since the 2011 revolution and the economic downturn that ensued in the revolution aftermath. Unemployment rates increased from 8.9 percent in 2010 to 12.5 percent in 2011, while poverty rates increased from 21.6 percent in 2009 to 25.2 percent in 2011. Low and unskilled workers from rural areas experienced the strongest adverse effects of these economic challenges, resulting in chronic food insecurity and poverty for this vulnerable population. Against this backdrop, the Government of Egypt, through the Social Fund for Development (SFD), implemented the Emergency Labor Intensive Investment Project (ELIIP), financed by the World Bank. The project, a cash-for-work program, provided a social safety net to millions of beneficiaries and aimed "to contribute to the reduction of negative impact of crisis that may lead to food insecurity and unemployment of the poor and vulnerable in selected areas, and support the protection and building of community assets in poor communities."

Intervention and Rationale

ELIIP, a labor intensive public works program (LIPW), provided short-term employment opportunities for unskilled and semi-skilled workers by supporting local NGOs in community social services. These services include (a) early childhood education, (b) cleanliness and environmental awareness, (c) mother and child health home visits, (d) illiteracy eradication, and (e) youth engagement in community initiatives. 60% of project costs must be labor, thereby, designating the program as "labor-intensive." The program targets mostly young women in rural communities.

Targeted Governorates: Aswan, Beheira, Beni Suef, Dakhalia, Giza, Luxor, Matroh, Menofia, Sohag, North Sinai*

ELIIP Key Characteristics:

- 80% of program participants are between 18 and 29 years old, at least 70% is female. Beneficiaries are considered the "poorest of the poor" within their community.
- Program participants are employed for about 12 months

*North Sinai was included in the sample, however, due to ongoing violence, data collection could not be undertaken in the governorate.

Research Questions

1. *What are the direct effects of temporary employment in a community service project on household level social and economic empowerment? Does youth and female labor force participation improve their economic welfare, social inclusion and psychological well-being?*
2. *What are the effects of community social services created as part of the cash-for-work program on the social and economic outcomes of recipient communities?*
3. *To what extent are different types of community social services associated with different outcomes and effects?*

Evaluation Methodology

The effects of the cash-for-work program were evaluated using a randomized control trial study design, with two levels of randomization: the village/ project level and worker/ beneficiary level. 760 villages were pre-identified and randomized. 196 were selected for treatment and 198 were selected for control. Additionally, 366 villages received the ELIIP intervention, but were not matched with a control villages. These villages are titled, 'overflow.' Due to anticipated procurement issues, some villages dropped out of the projects. 78 treatment villages, 86 control villages, and 70 overflow remained active in the sample.

For the worker-level randomization, NGOs submitted lists of 2-3 times the number of required workers. The lists were randomized, 2/3 were assigned treatment and 1/3 control. Additionally, in control villages, a list of individuals who have similar characteristics to treatment workers were randomized and surveyed, to serve as synthetic control workers.

At the time of the evaluation design, some NGOs had already selected certain locations for projects. To be included in the sample, the NGOs extended their proposed villages to include an equal number of alternative villages. This list was then randomized.



An Illiteracy Eradication class conducted as part of the Community Social Services ELIIP component

Photo Credit: SFD

Findings

Overall, results provide some evidence indicating that program participation has positive effects on the direct participants and members of their households. Employment was offered and taken to the targeted subpopulation and their household benefited. There is some evidence of improved consumption outcomes and increased spending on durable goods. There is evidence of significant and economically sizable improvement in the propensity of respondents to save. Notably, improvements in savings are fully driven by the female subsample.

There is little evidence suggesting that program participation had any improvement in psychological well-being, social cohesion, or empowerment. Findings show that there may be differential effects where NGOs have more discretion over proposing the set of locations they could work in.

Demographic Context



- In 2008/ 2009, 5.1 million Egyptians were severely food deprived
- 40% of the population was poor or near poor
- Youth unemployment, according to the World Bank, stands at nearly 40%

Policy and Program Design Lessons

The community social services component of ELIIP, according to the findings, resulted in significant impact in providing positive economic impacts to program participants and their households. If true, then, the findings suggest that the program is an effective social safety net as a cash-for-work program, especially for female participants. The findings suggest that coordination with community organizations, such as NGOs, assist in improved targeting and outcomes.

The effectiveness of the ELIIP community social services component can only be assessed relative to other viable policy options in order to provide concrete policy recommendations. Public-works programs are only one method to provide targeted transfers, compared to other conditional or unconditional cash transfers. As such, the present evaluation provides a benchmark and should be evaluated against other options of providing social assistance as this would provide for a more substantive comparison.

Gender Specific Effects



- Female workers are significantly more likely to be employed and work more days than male respondents.
- Households with female program participants are more likely to use program income to increase expenditures on household goods.
- Increase in reported savings is entirely driven by female participants.
- There is some indication that psychological wellbeing is improved among the female subsample.