

Public Works and Welfare

A Randomized Control Trial of the ELIIP Community Infrastructure Component in Egypt

The World Bank

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Beneficiaries rehabilitate a school as part of the ELIIP infrastructure component.

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:

- ❖ **324 pre-identified villages randomized**
- ❖ **221 villages planned to receive treatment in wave 1; 103 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 locally generated subprojects such as community level infrastructure construction and rehabilitation in consultation with local government. These subprojects focused on school, youth center, and social unit rehabilitation. SFD hired local contractors via a competitive bidding process. The hired contractors, in turn, targeted the poorest of the poor within their specific communities to participate in the cash-for-work project. These workers were typically male laborers in their 20s and employment lasted for approximately 1 week to 3 months. The study included seven governorates in poor rural and urban communities.

Targeted Governorates: Beni Suef, Giza, Qualubiya, Luxor, Meniya, Beheira, Sharkia

ELIIP Activities: Rehabilitation of youth centres, schools, and social units

ELIIP Key Characteristics:

- Local contractors were hired by SFD to undertake rehabilitations
- Targeted unskilled or semi-skilled young males (18-35) who struggled to find alternative employment
- Paid ~70 EGP per day over the course of 1 week to 3 months

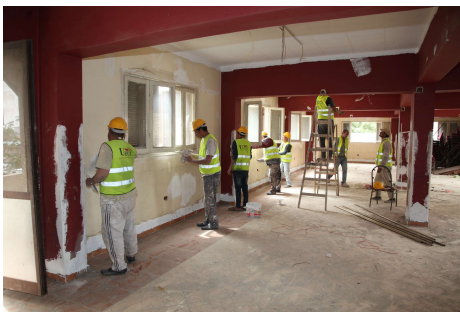
Research Questions

1. *What are the direct and indirect effects of temporary employment in a cash-for-work program on the social and economic outcomes of poor workers and their households?*
2. *What are the effects of community infrastructure created as part of the cash-for-work program on the social and economic outcomes of recipient communities?*

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. 324 villages were pre-identified and randomized. 221 were selected for phase 1 treatment and 103 were selected for phase 2 treatment. Phase 2 villages were then matched to 2 treatment villages, creating a triplet. Due to anticipated procurement issues, some villages dropped out of the projects. 166 treatment villages and 94 control villages remained active in the sample.

For the worker-level randomization, contractors 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 men who have similar characteristics to treatment workers were randomized and surveyed, to serve as synthetic control workers.



A group of beneficiaries rehabilitating a youth centre.

Photo Credit: SFD

Findings

The results show little evidence to suggest ELIIP had any significant impact on measures associated with consumption, or more broadly, economic welfare. Participants spend marginally less on food than synthetic control workers. On debt and savings, we don't see any significant differences in debt, savings or propensity to have a savings account. Lastly, we don't find any significant differences in barriers to employment, but treatment workers do tend to work a day less (on average) than synthetic control workers over the last year. Furthermore, the evidence suggests ELIIP did not enlarge the work force or bring previously unemployed individuals into the workforce. We do not see find positive evidence of the ELIIP infrastructure component on social participation measures such as inter-personal trust or collective action in the form of contribution to community public goods. We find that program participation has positive effects on perceptions towards taxation and women's rights. Finally, we find a significant positive impact of the ELIIP infrastructure component on measures of psychological well-being for program participants; results are largely driven by lower occurrence of depression.

Demographics



- The average household in the sample has a monthly expenditure level of 1,790 EGP (for a household of 4). This is below the 1.5 USD per day World Bank poverty line.
- 25% of the sample was urban villages, 75% was rural.

Policy and Program Design Lessons

The infrastructure component of ELIIP, according to the findings, resulted in little significant impact in providing employment to unemployed vulnerable populations. If true, then, it is important for the project to **re-think strategies to target the most vulnerable and needy individuals**, rather than potentially displacing other economic opportunities.

Another policy implication suggested by the findings of our study is that ELIIP infrastructure's very design may undermine its ability to serve as an effective measure as a social safety net. It is unlikely that ELIIP-type public work projects can be designed and rolled out in a timely enough fashion to reach the right set of households at the right time. An overhaul of the system to provide social insurance may be desirable. A program of limited duration such as the ELIIP infrastructure component cannot be expected to provide sufficient relief during a protracted economic crisis. For that, a longer-term response might be needed.

Social, Psychological, Civic Engagement



- Treatment workers are 4% more likely to trust their neighbor compared to synthetic control workers.
- ELIIP participation seems to influence a large impact on perception towards having a favorable view of taxes and women's rights.
- Program participants were significantly less likely to report distressing memories, feel sad or depressed, or feel irritable as compared to synthetic control workers (PTSD and Depression Index).

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