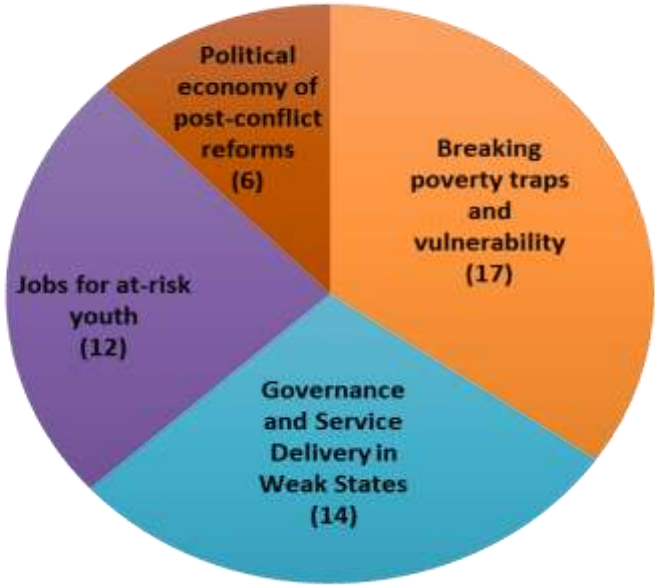
Employment and Violence in Fragile States: Evidence and Insights from Recent Studies

Eric Mvukiyehe, Research Department

January 30, 2018

The FCV Research Program

By Research Area



Total IEs in Fragile and Conflict Setting

49 IEs in 25 countries

Thematic white papers	**Summarize the current body of evidence and policy implications and highlight future research directions.**

State and Peacebuilding Fund

i2i DIME TRANSFORM DEVELOPMENT

Research Questions

- **Can employment generation help stabilize and rebuild social and political order in fragile states?**
  - ***To what extent does unemployment/under employment breed conflict and violence? Is there an alternative mechanism?***
  - ***Are employment interventions—such as emergency public works programs—the appropriate response to the issue of conflict and violence? Or are there more cost-effective policy alternatives?***

The FCV Context

2 Billion people face bleak economic prospects:

- 1.2 billion in FCV contexts, 800 million in countries with highest homicide rates.
- Majority is stuck in poverty traps ➔ threat to social stability ➔ risk of vicious cycle of poverty and violence.

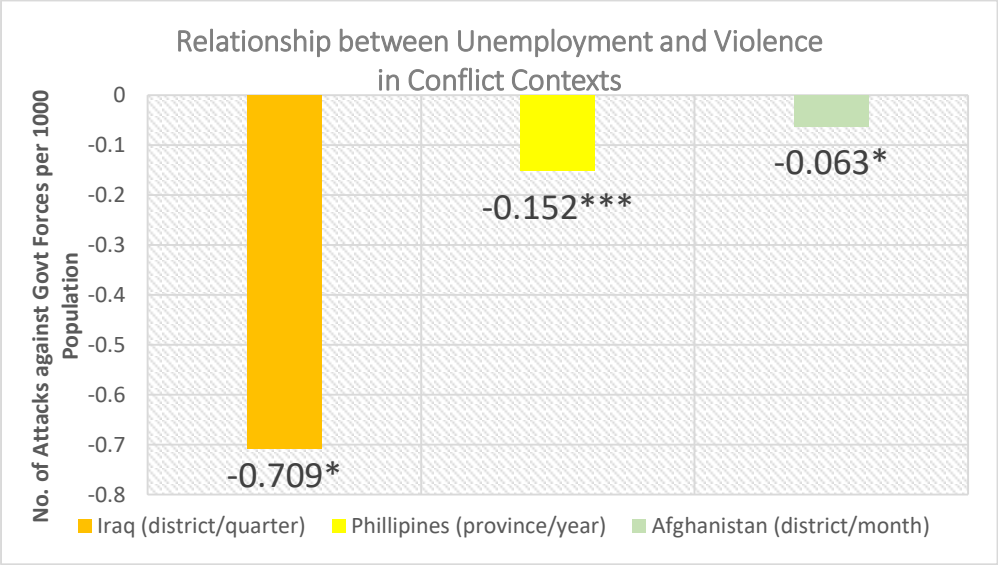
- **Employment generation is top priority in FCV**
  - Such aid is motivated by opportunity cost theory to alter incentives of would be rebels or criminals (Becker 1968; Grossman 1991).
    - Violence is an occupational choice that declines as peaceful opportunities improve
    - More lucrative peaceful opportunities make recruitment costlier
    - Result is a decrease in amount of violence
- Evidence of an opportunity cost effect is decidedly mixed.

Mixed evidence base

- **Natural experiments** (e.g., Miguel et al. 2004; Harari and La Ferrara 2014; Dube and Vargas 2013) find evidence of link.

- When unemployment figures, rather than economic shocks are considered **relationship disappears** (Gilligan 2016).

- Berman et al. (2011): Afghanistan, Iraq & Philippines finds **no evidence of a positive relationship.**



- Lack of rigorous studies of impacts of **actual employment programs on violence.**

Objectives and results preview

- **Objectives**
  - Present new findings from multi-country RCTs of public works programs, as part of the FCV research program in DEC.
  - Use this evidence to shed new light on theories implicit in many type of emergency & development employment creation responses to situations of conflict and violence.
- **Overview of results:**
  - Evidence of improved livelihoods in the short-term, but no long-lasting effects.
  - No Evidence of impact on measures of conflict and violence at the micro-level.
  - Taken together with findings from broader literature, results suggest the need to consider other mechanisms to conflict and violence reduction.

Talk outline

1. Overview of PWPs cases and evidence

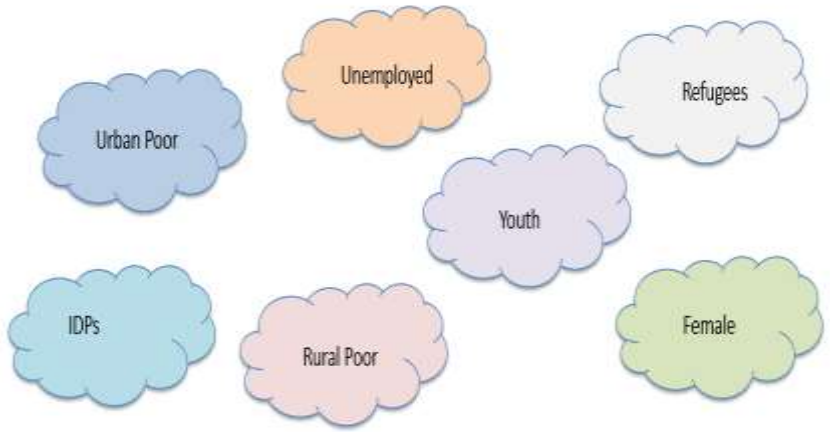
2. Insights and evidence from the behavioral literature

3. Policy implications and future research directions

Background on PWPs

- **Provide temporary employment to poor/at-risk youth** to increase earnings, while improving community assets.
  - Often **introduced during emergency or crisis** situations such as drought or crises to serve an important social protection function.
  - Also presumed to have positive social externalities (e.g., violence, collective action; civic engagement).
  - More than 200 in Africa alone in last 10 years. Used in many developing and FCV countries.
- Very costly, but until recently **rigorous evaluations were limited.**

Target Groups



The cases

5 countries (7 RCTs): 40k HHs

- Comoros
- Cote d'Ivoire
- DRC (2 IEs)
- Egypt (2 IEs)
- Tunisia

Share common features: Temporary employment through infrastructure projects, though some aspects vary.

IEs investigate basic and design research questions

State and Peacebuilding Fund

i2i DIME TRANSFORM DEVELOPMENT

IE design(s) and data sources

IEs have 2 key design features

EGYPT: COMMUNITY INFRASTRUCTURE

Sample (324 Communities)

Infrastructure project (221 communities)

No Infrastructure (103 communities)

PWP Job Offer

No job offer/control

Data sources for key outcomes

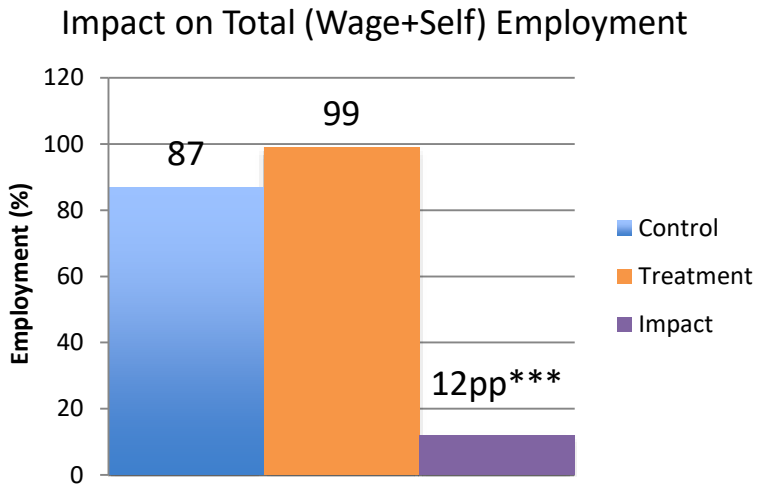
- **Household surveys**

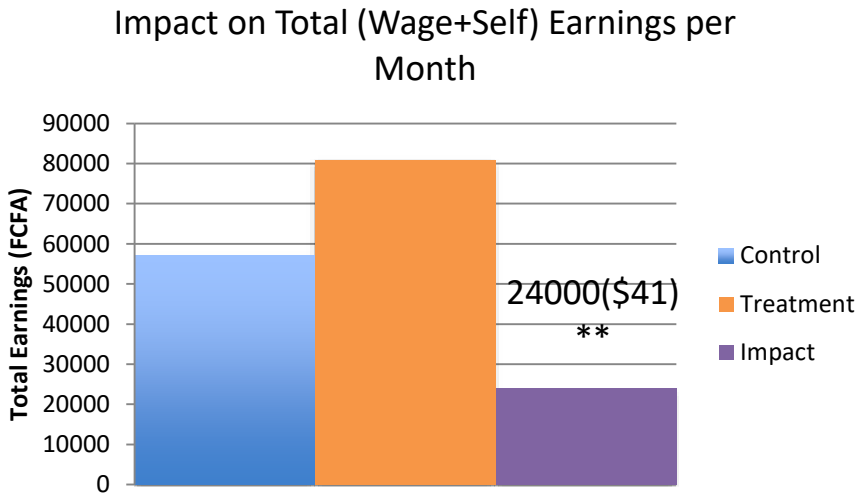
- **Community leader surveys**

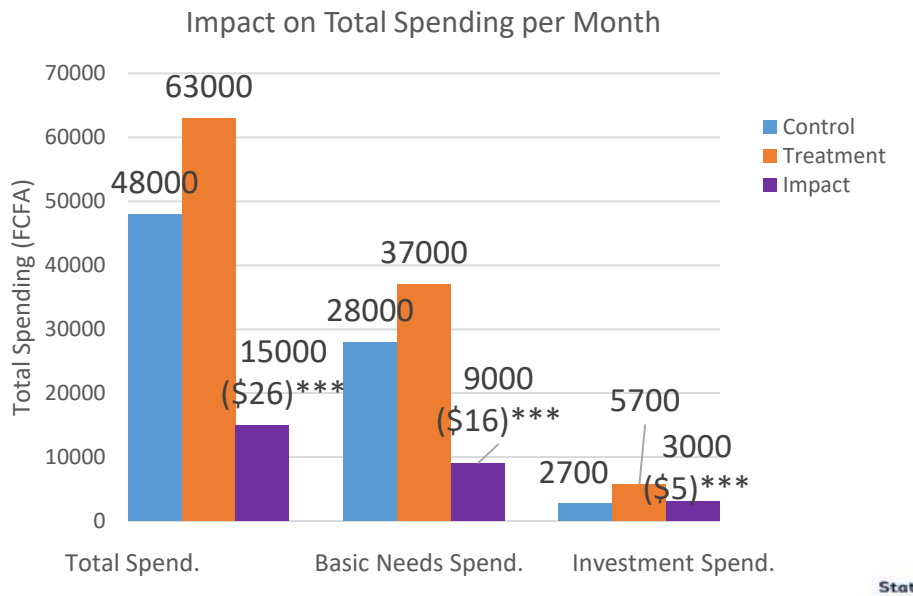
- **Administrative data (MIS)**

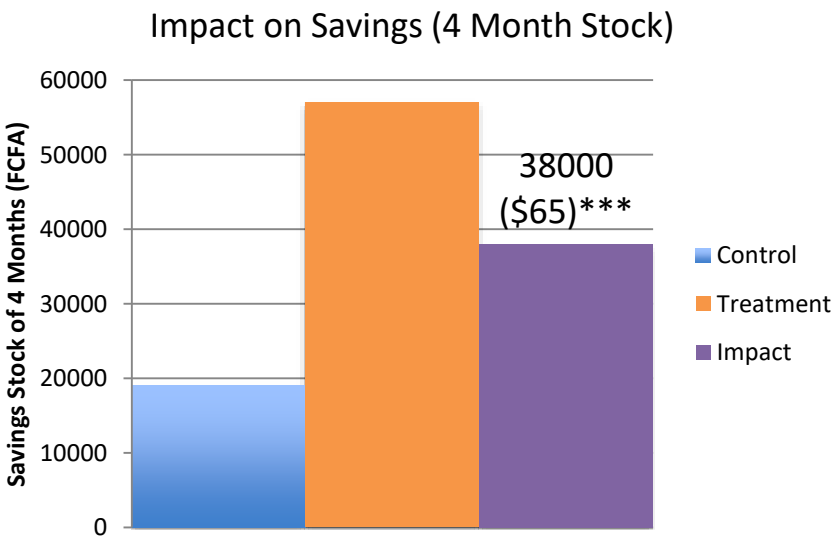
Do PWPs have positive impacts on economic welfare outcomes in the short-run (1 to 7 months post program)?

Cote d'Ivoire (4-7 Months)









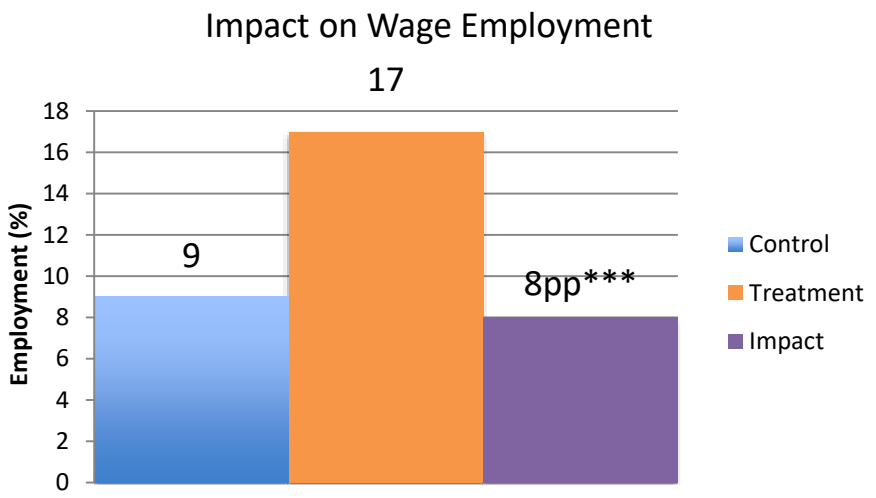
- Total **employment** increases modestly- 12 perc. points higher
- 38% increase in total monthly **earnings** increase
- **Earnings** increased much more for the most vulnerable
- Total **spending** over past month is $26 higher
- Amount of **savings** (4 month stock) is $65 more

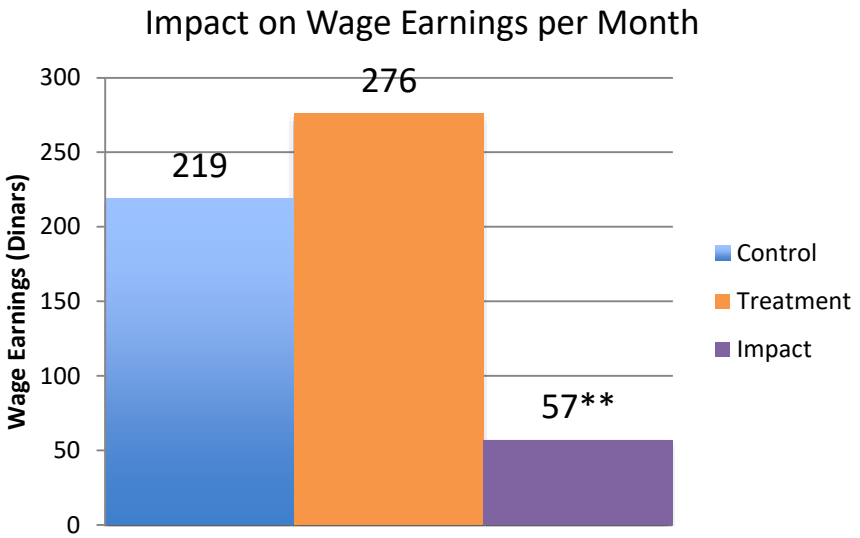
Bertrand et al. 2017

State and Peacebuilding Fund

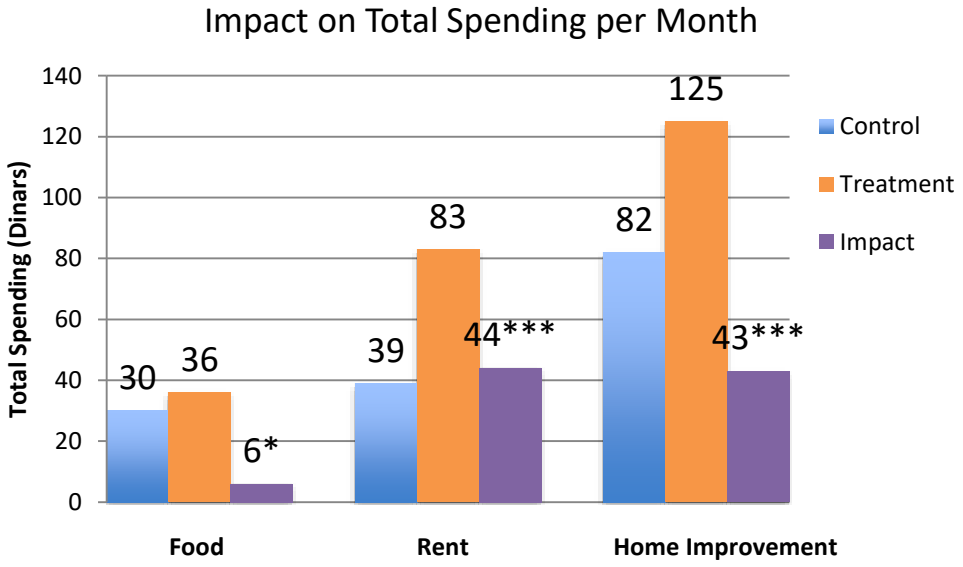
i2i DIME TRANSFORM DEVELOPMENT

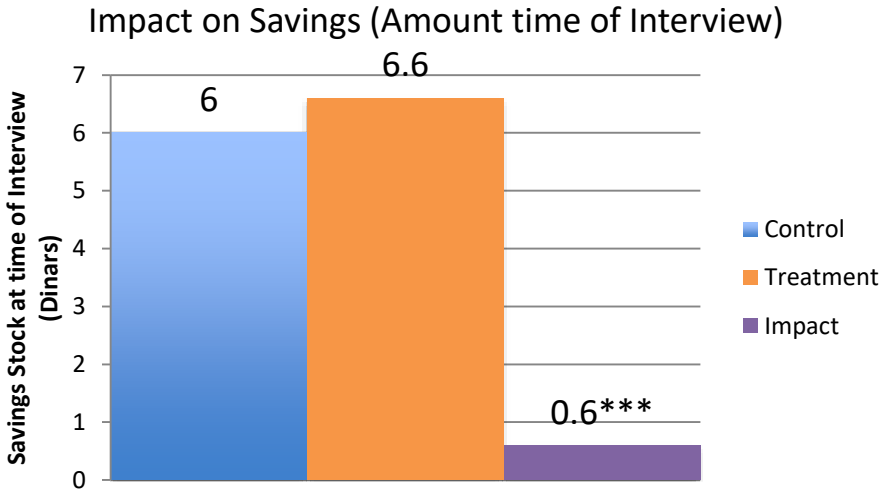
Tunisia (4-6 months)





- **Wage employment** is 8 perc. points higher
- Monthly **earnings** is 26% higher

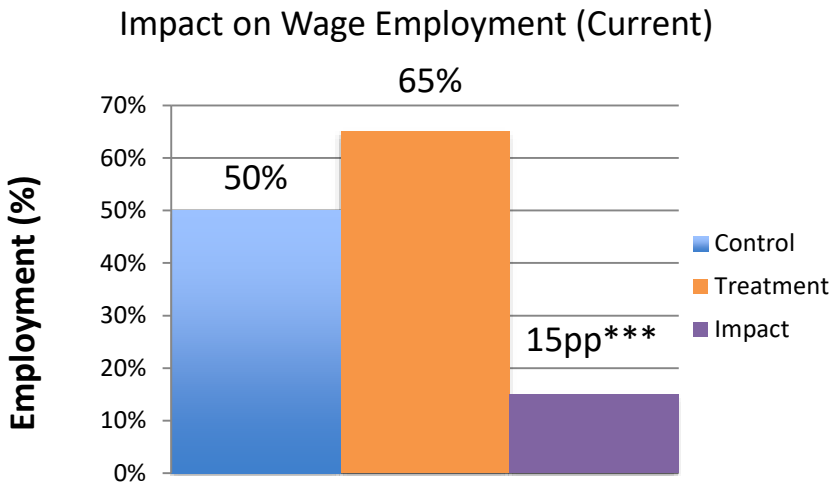


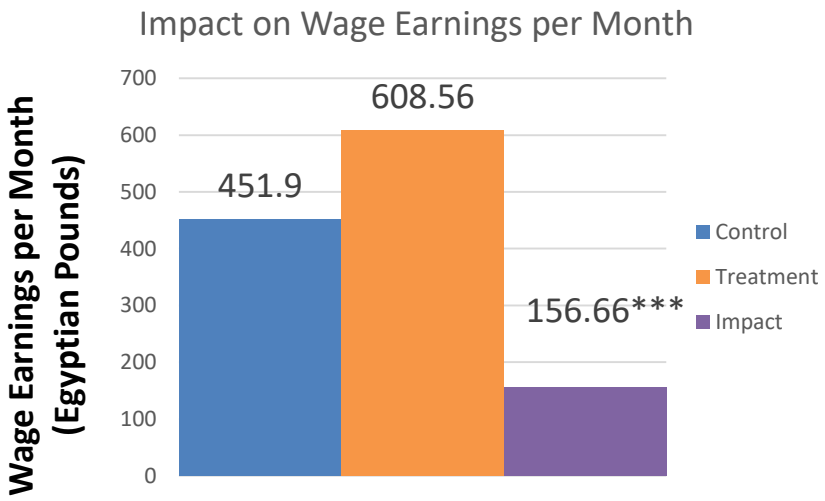


- **Rent** over past month is 112% higher
- **Expenditures on home improvement** over past year is 52% higher
- Amount of **savings** at time of interview is 10% more

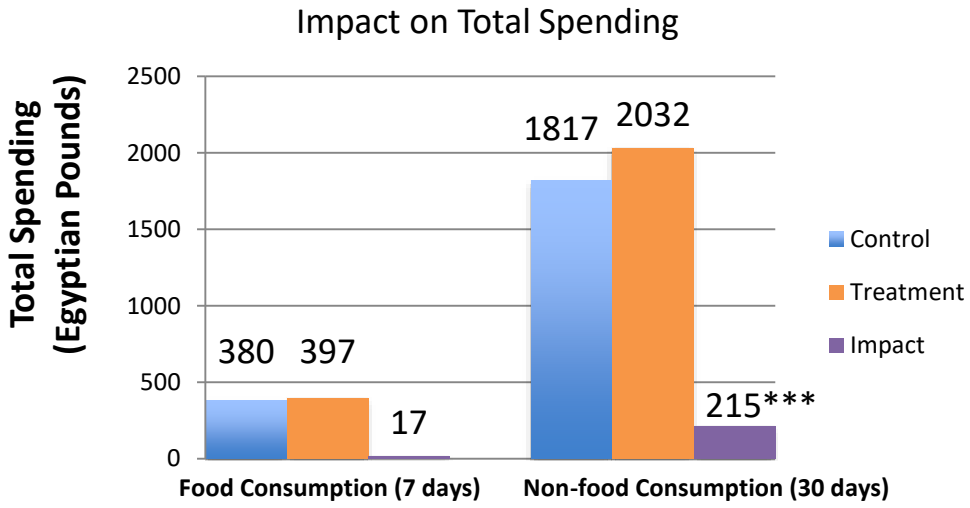
DIME Report (Tunisia) 2017

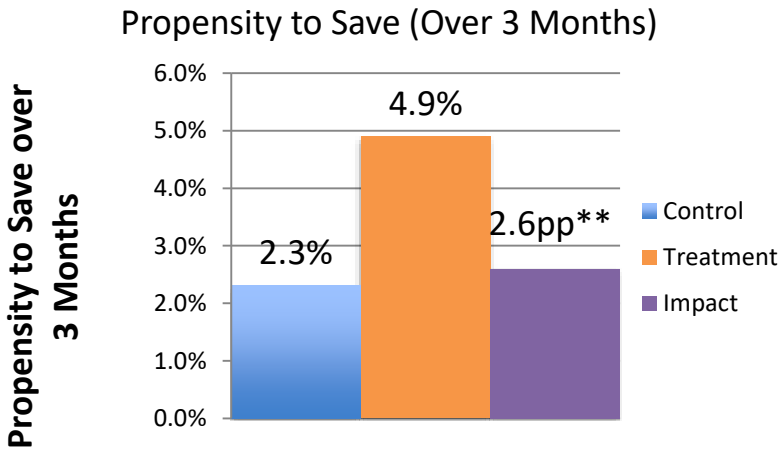
Egypt—Social Services (3-6 months)





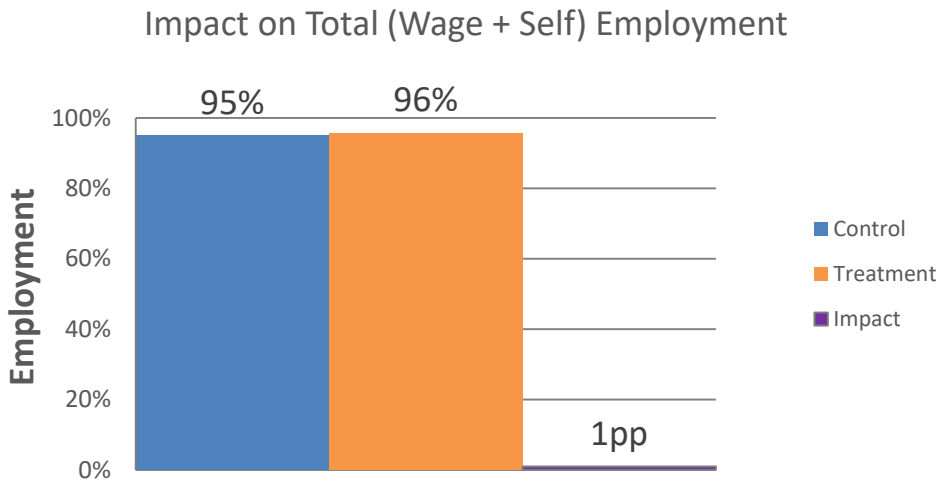
- **Wage employment** increases modestly- 15 perc. points higher
- Monthly **earnings** is 35 percent higher

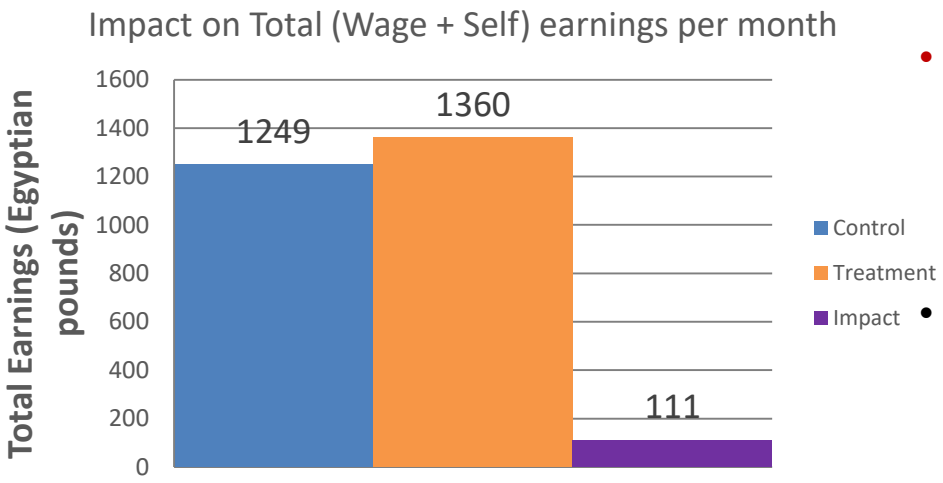




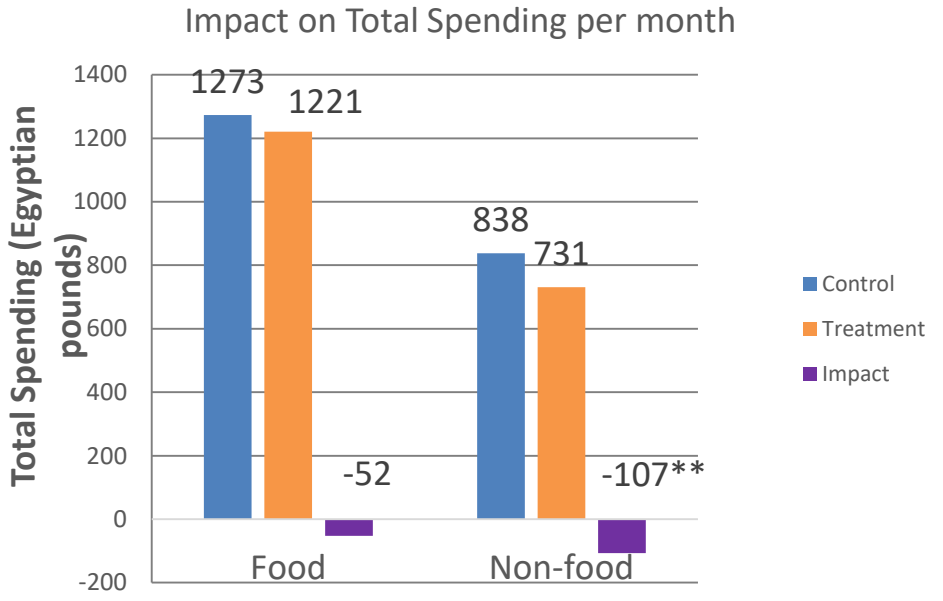
- Food spending is not significant
- **Non-food spending** is 11% higher
- The **propensity to save** in the last 3 months is over double

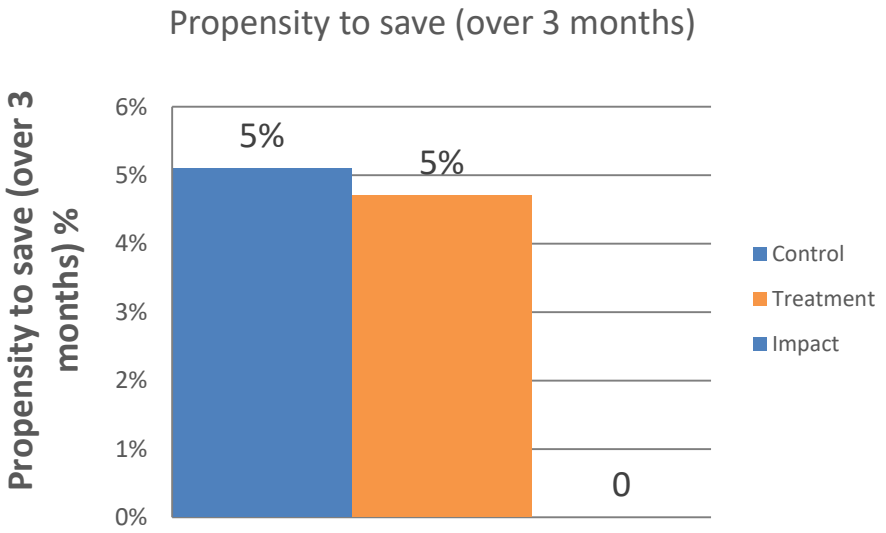
Egypt—Infrastructure (3-6 months)





- No significant difference in treatment community to have current **employment**
- Monthly **earnings** is not significantly different for program beneficiaries

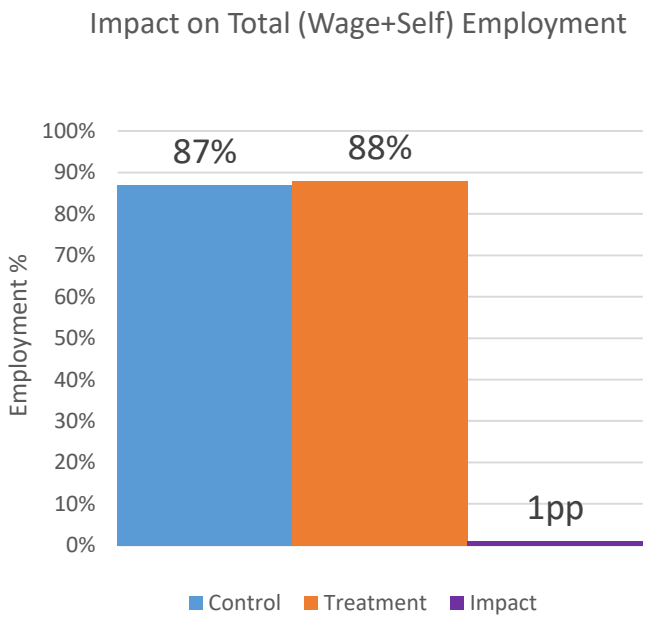


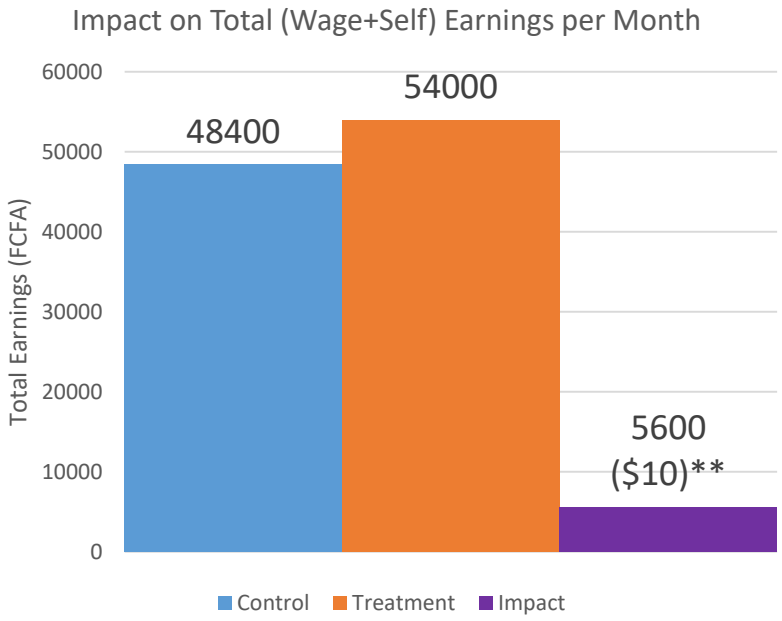


- No significant difference in total **spending** per month
- No significant difference in propensity to **save** in the last 3 months

Do PWPs have positive impacts on economic welfare outcomes in the <u>medium-term and long-term</u> (12-15 months post program)?

Cote d'Ivoire (12-15 Months)





- No impact on employment levels or composition (e.g., waged- and self-employment rates are similar)
- Modest impact on earnings, but there are some effects heterogeneity

- **Heterogenous impacts on earnings:**

  --Increase comes mostly from the group who participated in PWP and self-employment training

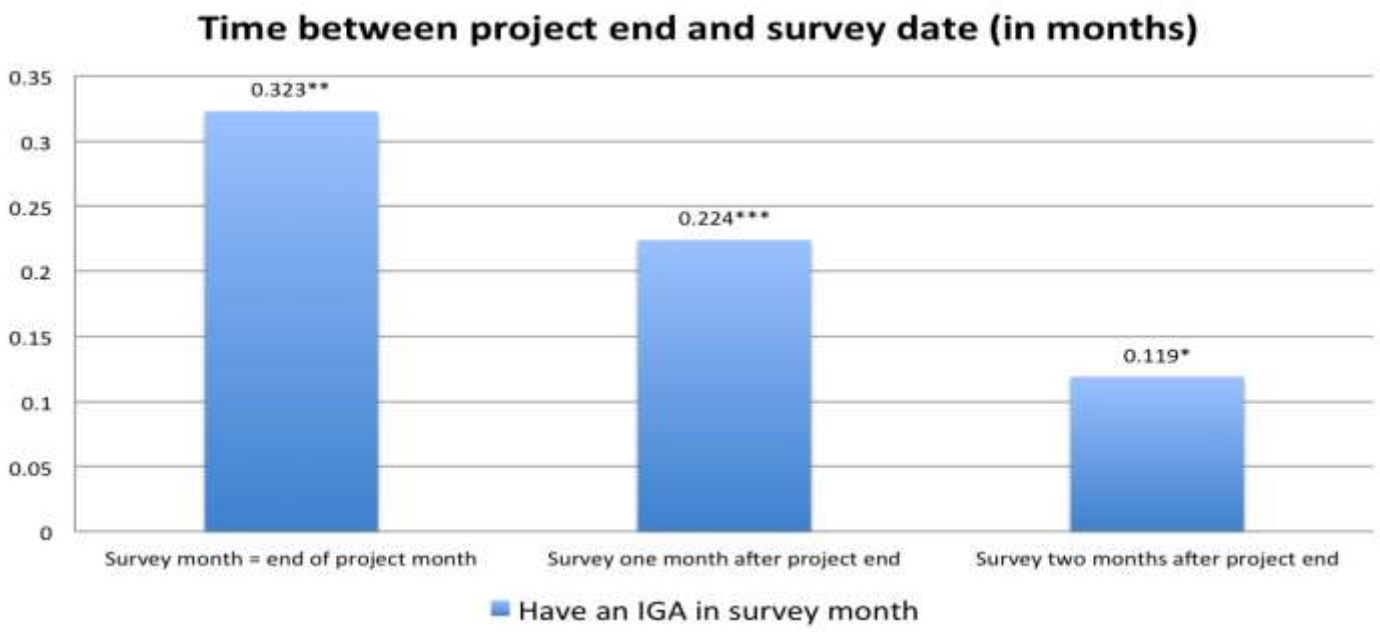
  --The most vulnerable who gained the most in the short term also benefit the most in the medium term

Bertrand et al. 2017

State and Peacebuilding Fund

i2i DIME TRANSFORM DEVELOPMENT

Egypt—Social Services (length of exposure)



- **Persistence of employment effects:**

--These figures highlight that the positive impacts of the treatment wane with time and suggest that there may be limited persistence of employment effects in the medium or long run.

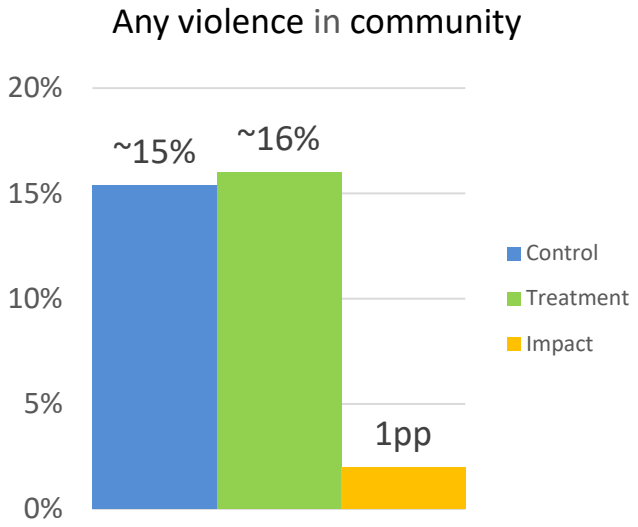
Do PWPs have positive impacts on measures related to conflict and violence?

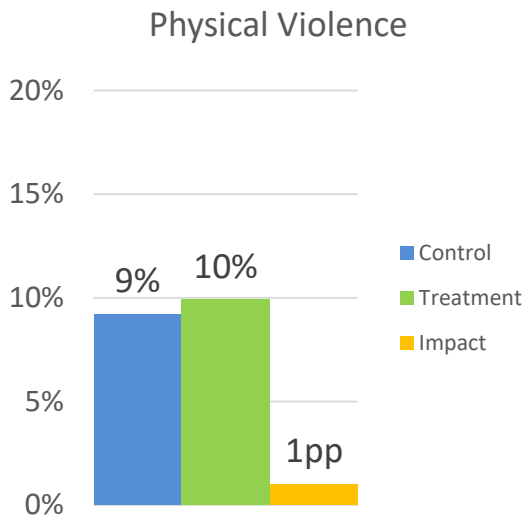
Measuring violence outcomes

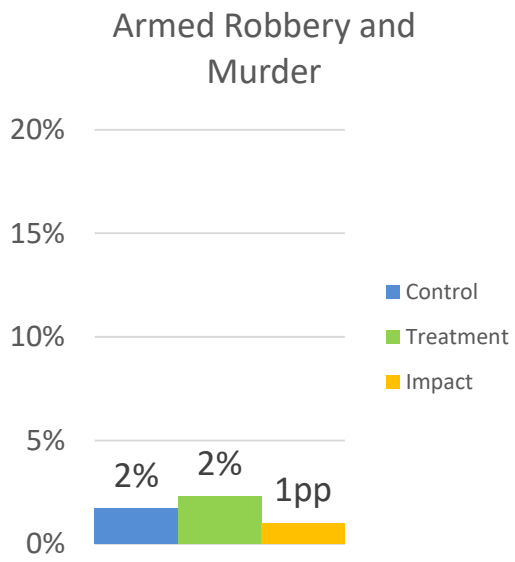
- **No consistent definition or measurement**
  - **WHO definition:** use of force/threat resulting in injury, death, other harms...
  - **In the conflict literature:** armed rebellions or interpersonal/communal conflicts
  - **In the crime literature:** 'anti-social behavior' or lawlessness

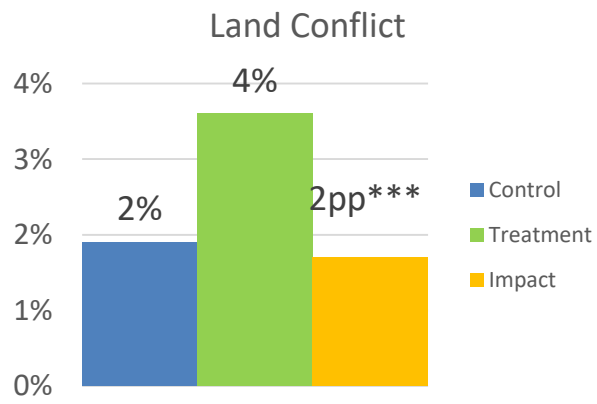
- **This study:**
  - Focuses on: (i) perpetration of violence (for material or non-material causes); (ii) victimization from violent acts; and (iii) crimes or disputes that are non-violent.
  - Pro-social behaviors such as trust; non-violence norms; civic engagement).

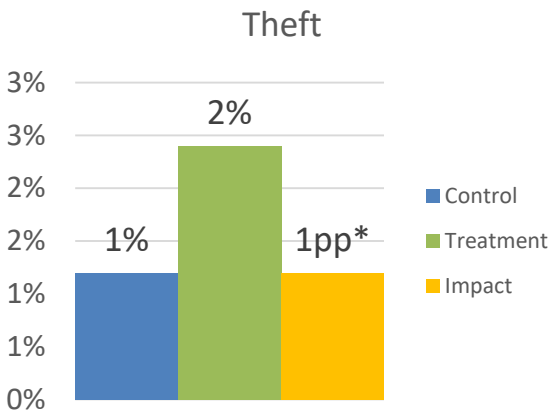
Egypt—Social Services (conflict & violence)

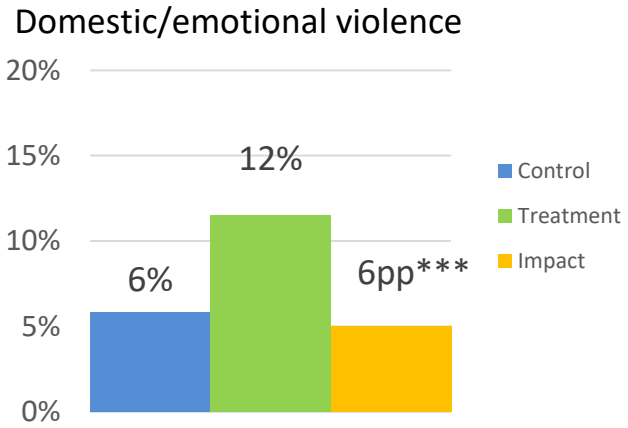












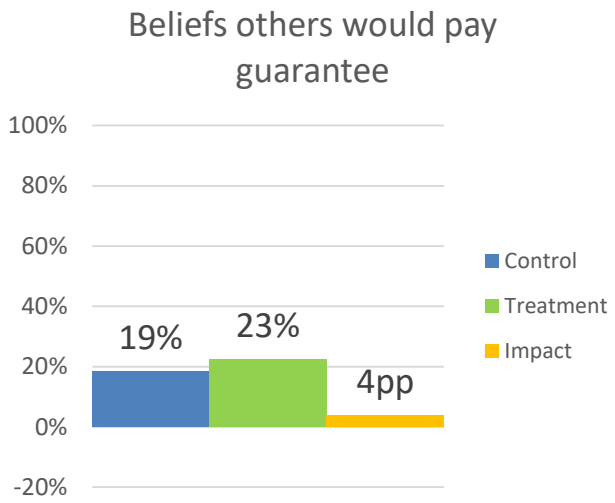
- 1pp increase in theft in treatment community.
- No significant impact on physical violence, armed robbery, or domestic violence in treatment communities.
- 6pp increase in domestic / emotional violence.
- No significant change in conflicts at the community level overall.
- A 2pp increase in land conflicts.

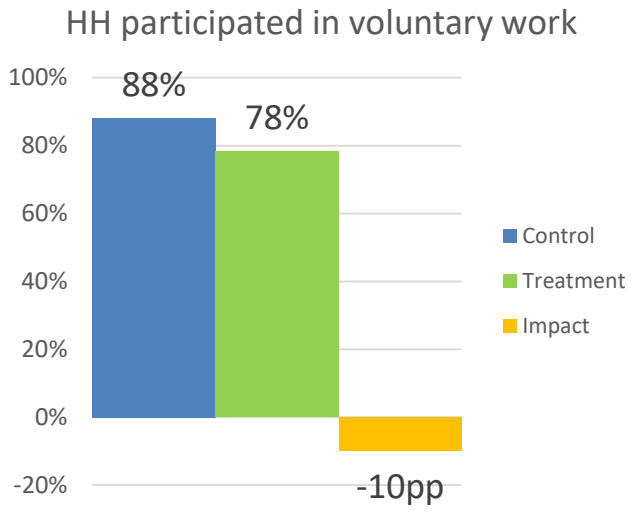
State and Peacebuilding Fund

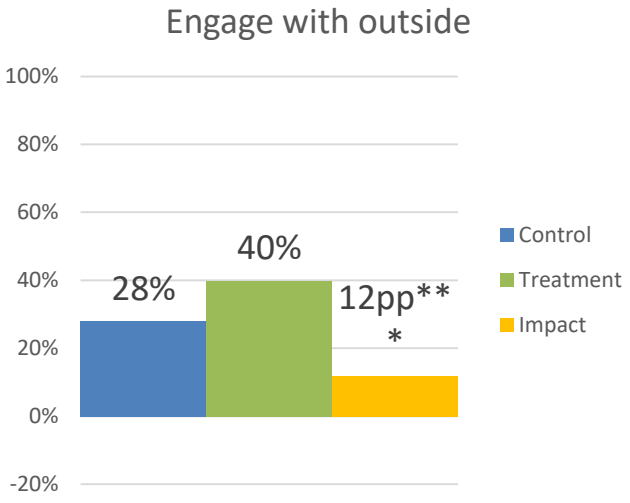
i2i DIME TRANSFORM DEVELOPMENT

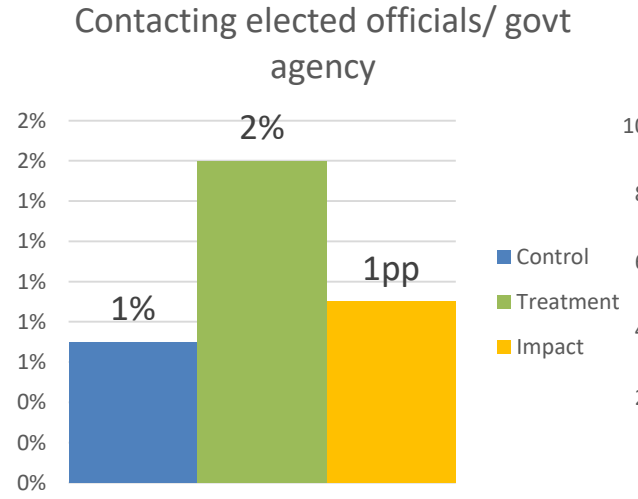
DIME Report (Egypt Social Services) 2017

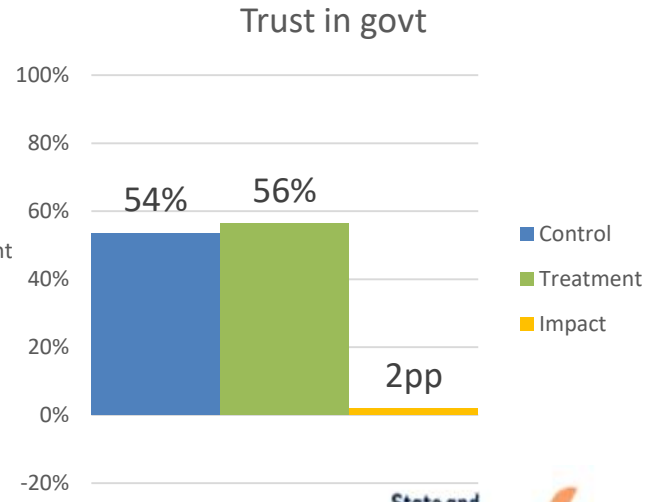
Egypt—Social Services (civic engagement)

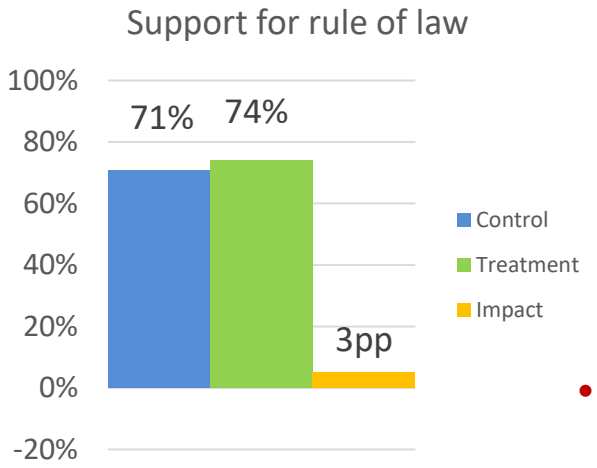












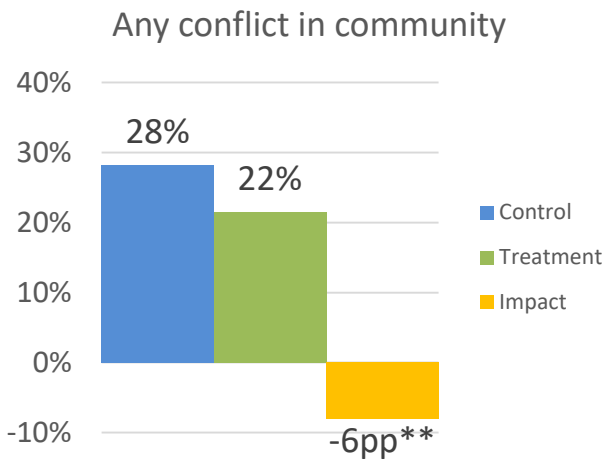
- No significant change in interpersonal trust.
- 12pp increase in engagement with outside communities.
- No significant changes in contribution to collective interestingly though, only 40% believe that others contribute.
- No significant impact on political participation & trust in government.

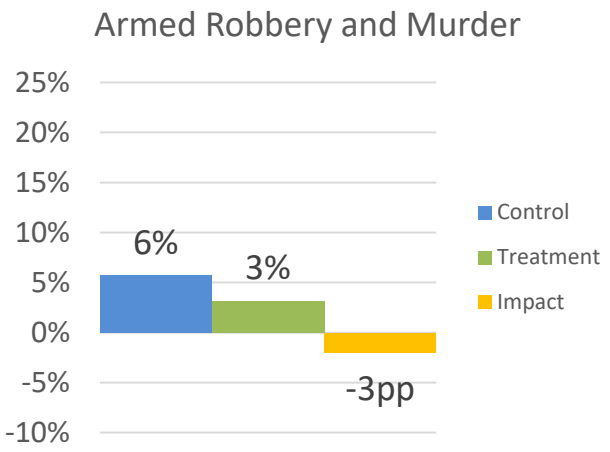
State and Peacebuilding Fund

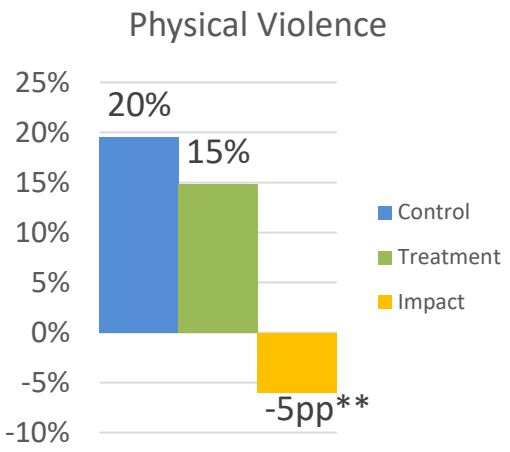
i2i DIME TRANSFORM DEVELOPMENT

DIME Report (Egypt Social Services) 2017

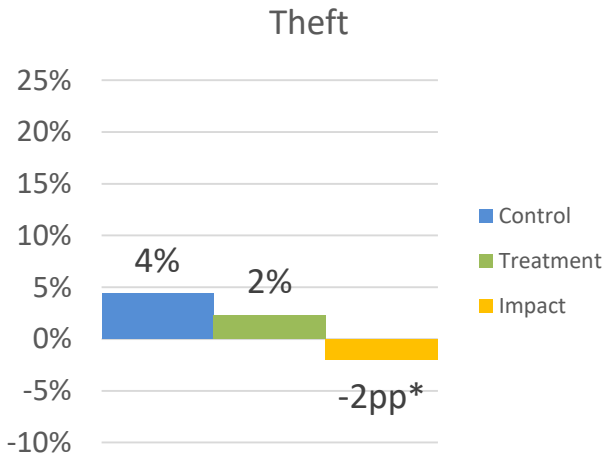
Egypt—Infrastructure (conflict & violence)

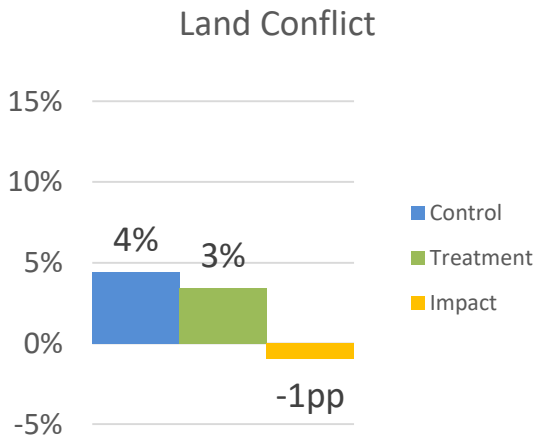


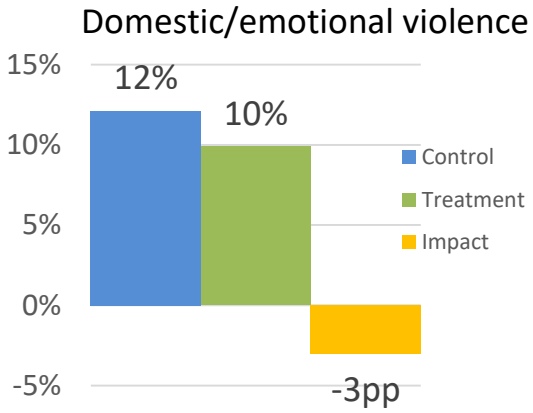




- 6 pp decrease in overall violence, likely driven by decreases in physical violence (5pp decline).







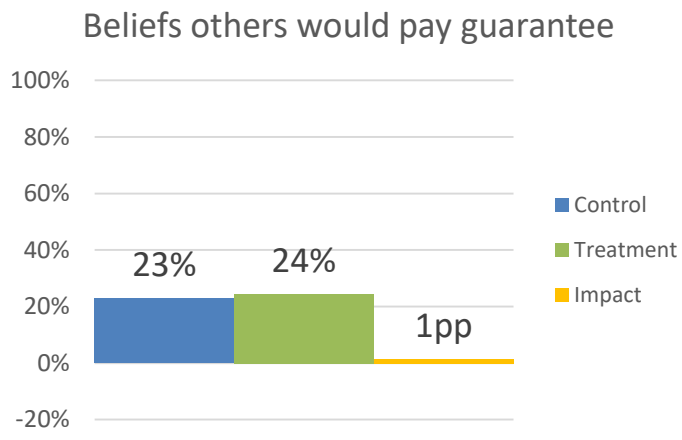
- No significant change in armed robbery/murder, land conflict, domestic/ emotional violence

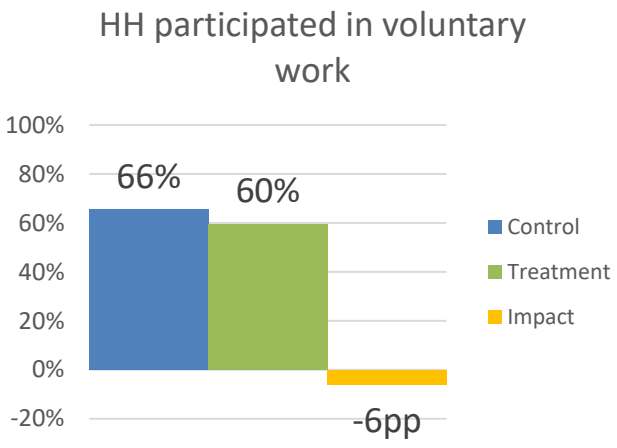
State and Peacebuilding Fund

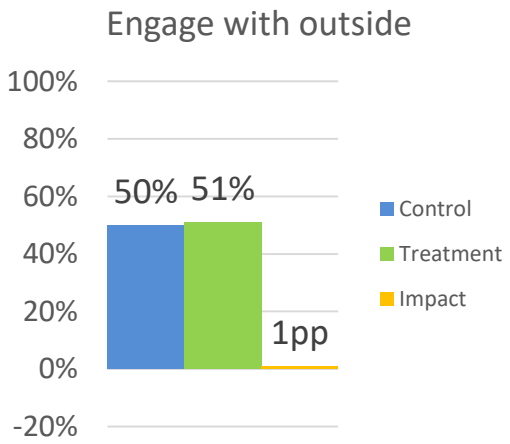
i2i DIME TRANSFORM DEVELOPMENT

DIME Report (Egypt Infrastructure) 2017

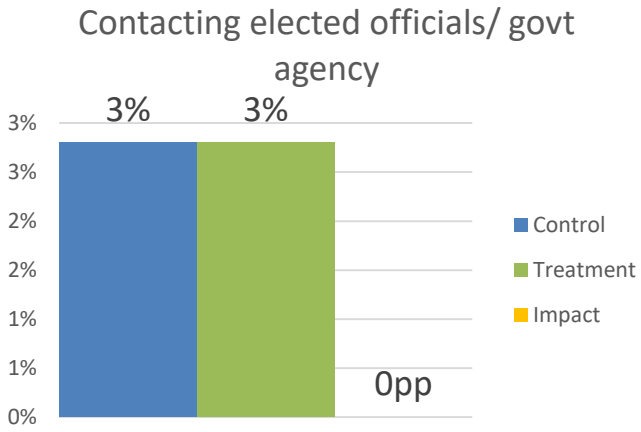
Egypt—Infrastructure (civic engagement)

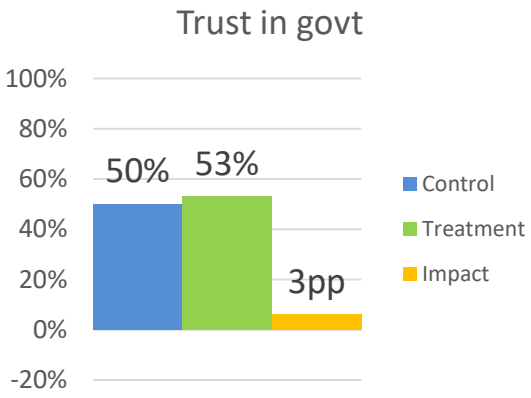


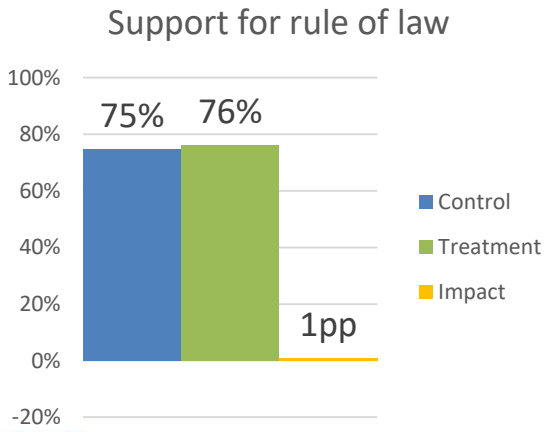




- No significant change in interpersonal trust
- No significant changes in propensity to contribute towards voluntary work.
- Interestingly though,
- ~60% of the households report contributing to CA while only 6% believe others do the same.





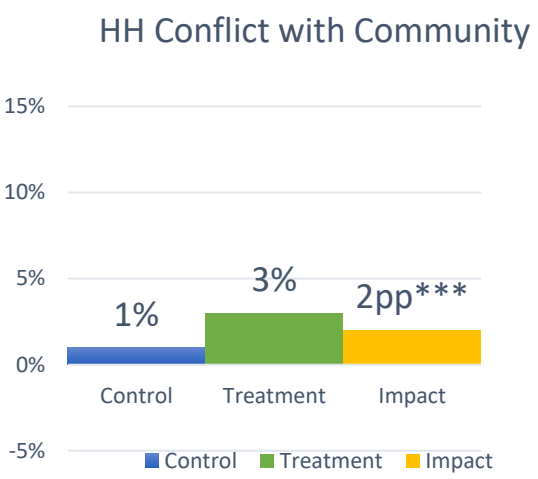


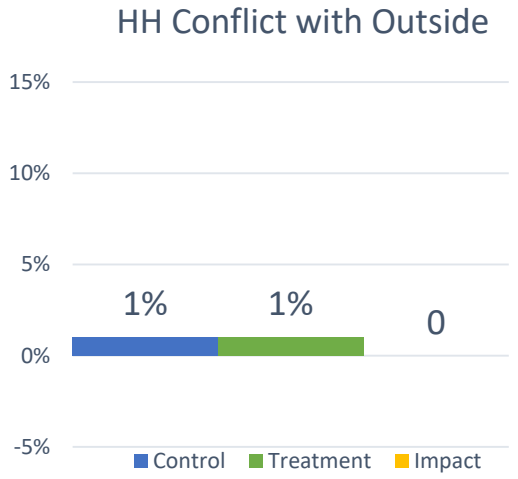
State and Peacebuilding Fund

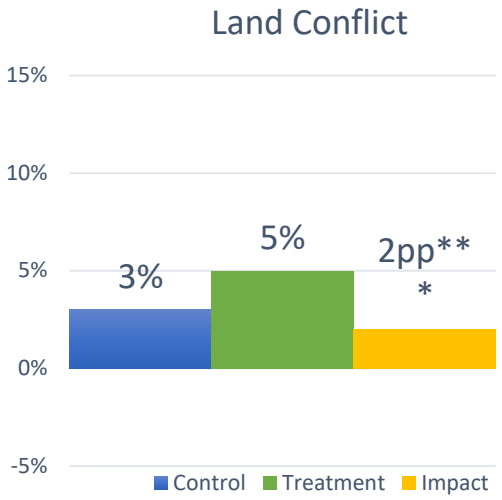
i2i DIME TRANSFORM DEVELOPMENT

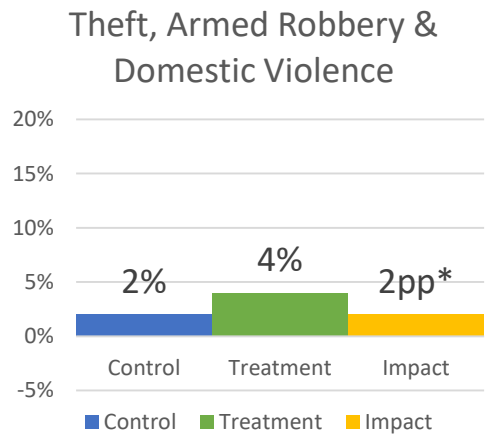
DIME Report (Egypt Infrastructure) 2017

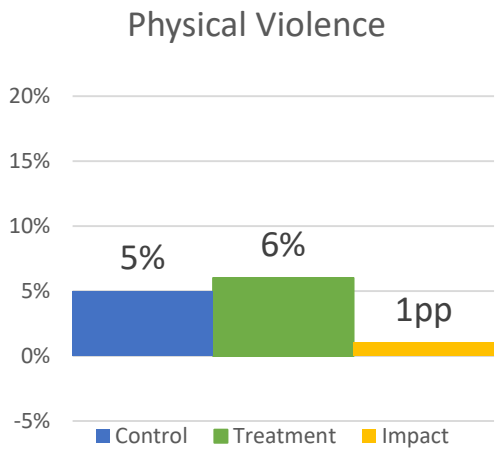
Tunisia: conflict & violence

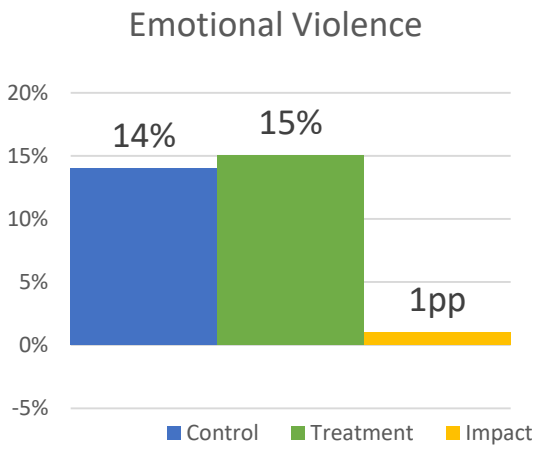












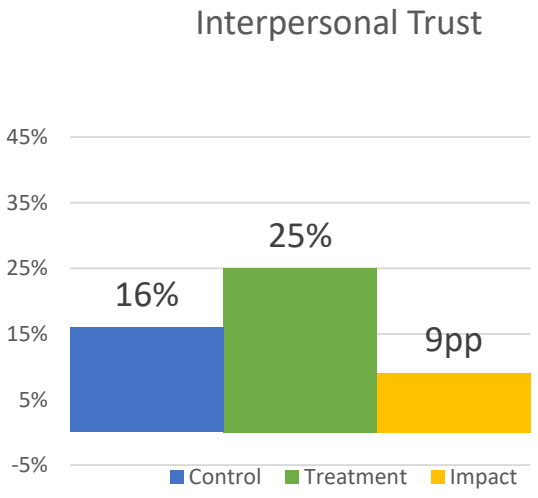
- 2 perc. point increase in land conflict and conflict with other community members, as well as increase in theft and armed robbery.
- No significant change in conflicts with outside communities, physical, or emotional violence.

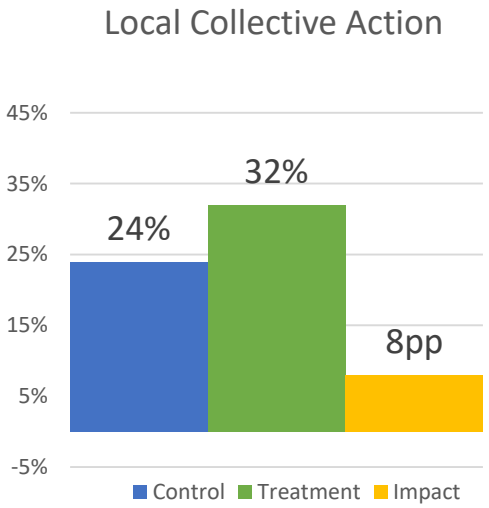
DIME Report (Tunisia) 2017

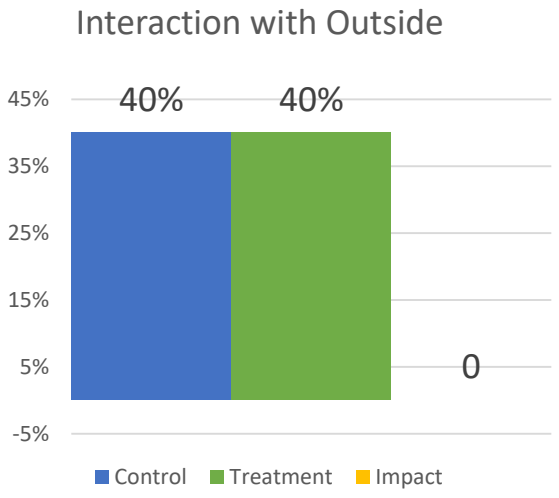
State and Peacebuilding Fund

i2i DIME TRANSFORM DEVELOPMENT

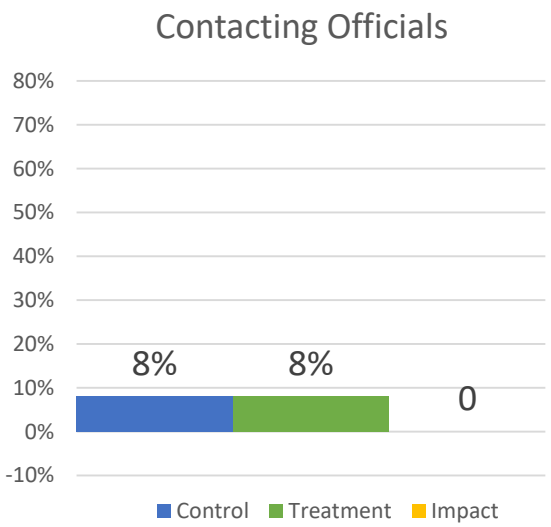
Tunisia: civic engagement

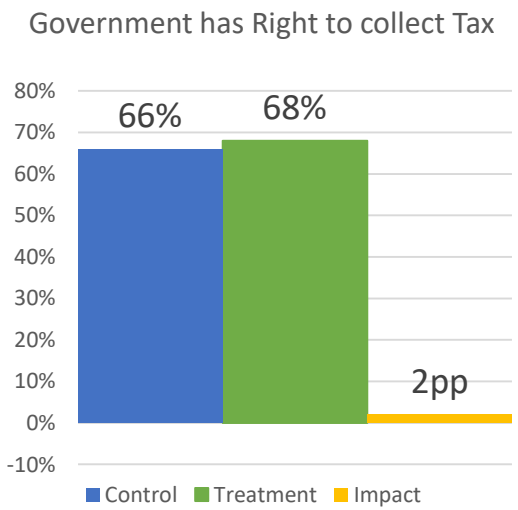


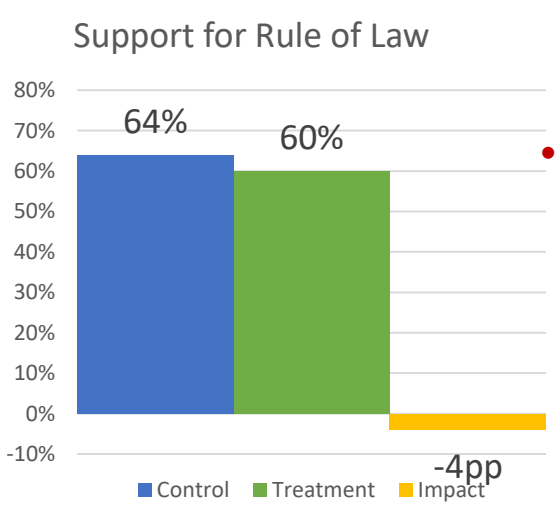




- No statistically significant change in interpersonal trust or collective action.







- No significant changes in civic engagement & support for democratic norms/values.

DIME Report (Tunisia) 2017

State and Peacebuilding Fund

i2i DIME TRANSFORM DEVELOPMENT

What to make of these results?

- **Short-term economic impact suggest PWPs fulfil at least their social protection function**
  - But is it enough? Are there more effective & cost-effective alternatives?

- **Opportunity cost effect unclear: 2 possible explanations**
  - Low or no demand for conflict and violence (low baseline levels)
  - Inadequate theory in deed of rethinking?

Evidence from youth entrepreneurship/DDR programs

- **Burundi**

(Gilligan et al. 2012).

- **Liberia**

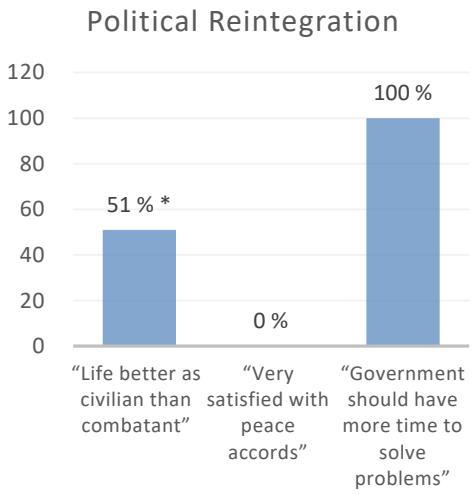
(Blattman & Annan 2016).

- **Uganda**

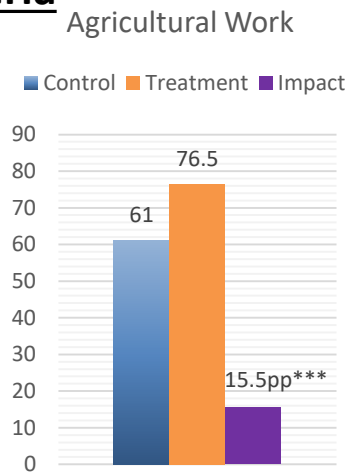
(Blattman et al. 2013).

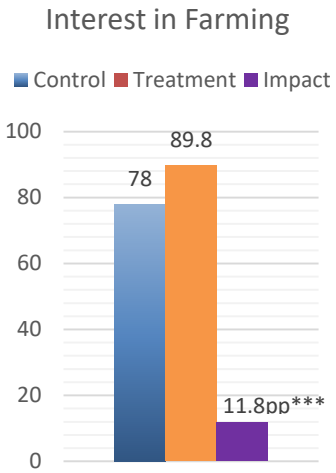
Evidence from youth entrepreneurship/DDR programs (1)

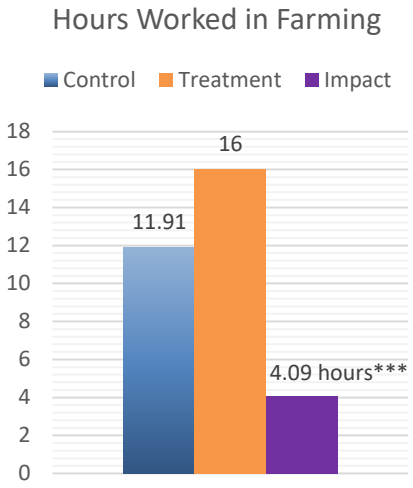
Burundi

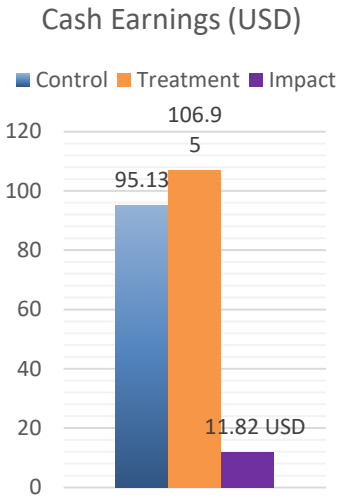


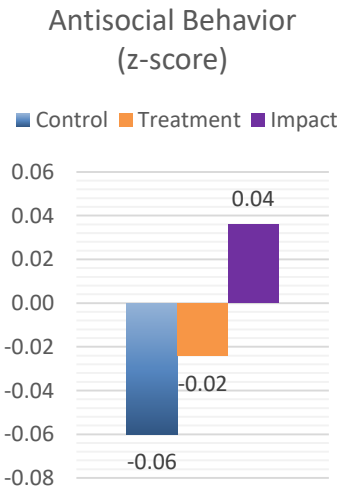
Liberia

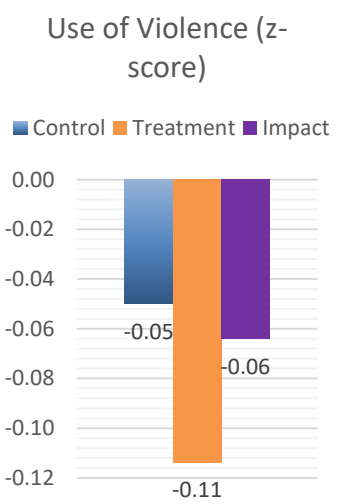


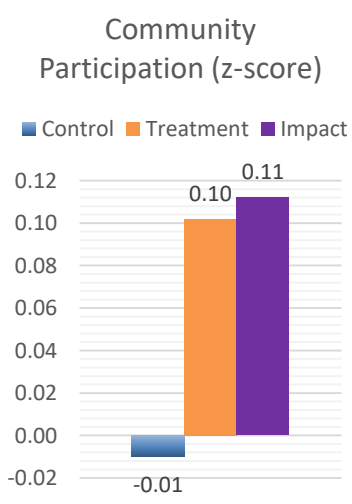


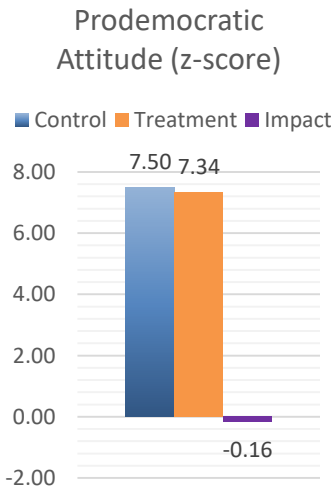










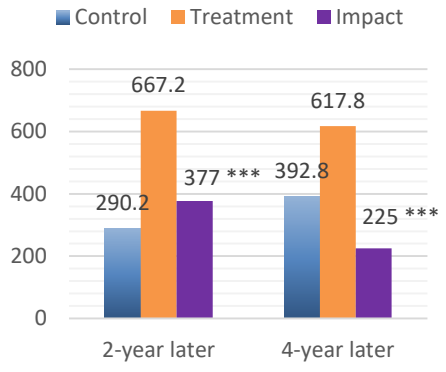


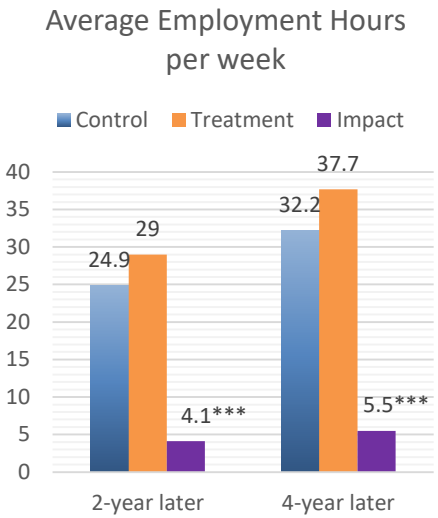
State and Peacebuilding Fund

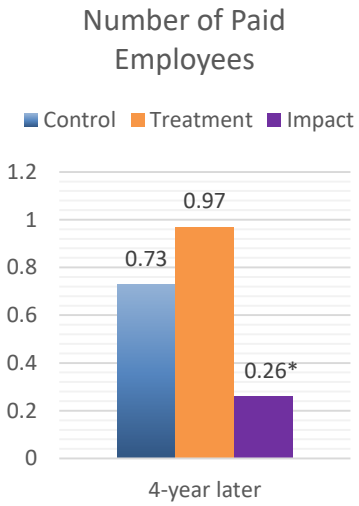
i2i DIME TRANSFORM DEVELOPMENT

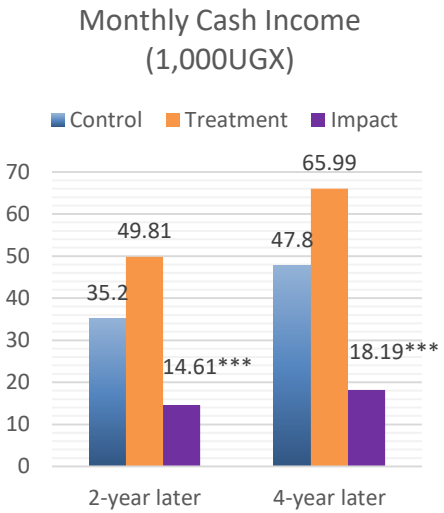
Evidence from youth entrepreneurship/DDR programs (2)

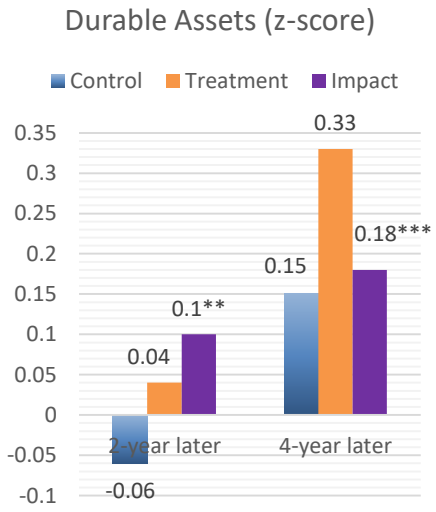
Uganda

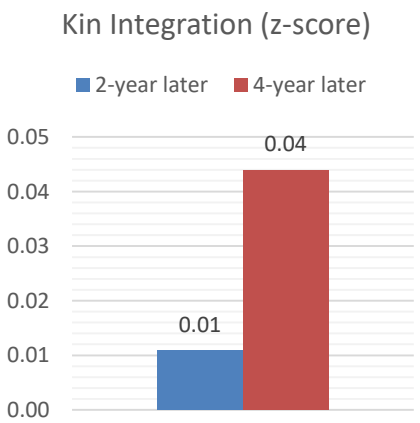


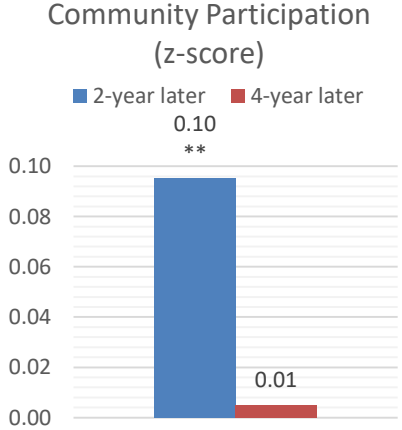


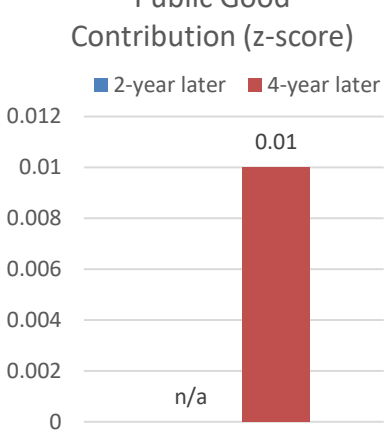


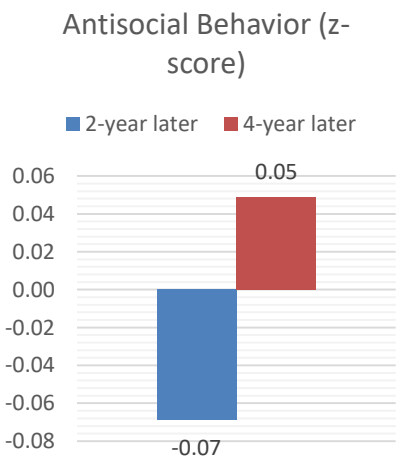


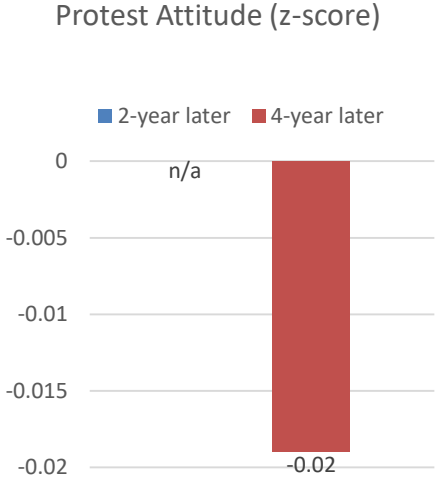












(Blattman et al. 2013).

Inadequate theory?

- **Economic incentives/material gains are not always primary motivation for conflict and violence**
  - Opportunity cost theory may explain ‘materially-motivated’ violence, but not all. Social causes (grievances & injustice, etc.) may also be at play.
  - Research on terrorism and civil conflict suggest role of ideology and socialization by organizations in shaping people’s identities/incentives (e.g., club goods).
  - Research in US also suggests violence is not always used strategically, pointing to behavioral constraints instead (e.g., error in judgment and decision-making).
    - For e.g., in Chicago, police believe that roughly 70% of homicides stem from “altercations,” compared to only about 10% from drug-related gang conflicts (Heller et al. 2013).

Evidence from behavioral programs

What is Cognitive Behavioral Therapy?

- common, short-term psychological intervention
- actively challenges harmful, automatic patterns of thinking or behavior and foster new ones
- program recipients practice new skills and behaviors in real life settings, including self-regulation, self-image and patience ("learning by doing")

GOAL: Reduce violence and criminality and other destructive behaviors among children and adolescents

High-risk urban men in Liberia's capital city, participate in a behavioral therapy program with cash grants.

Key Program Features

- ❑ **Short term treatment**
- ❑ **Group therapy sessions**
- ❑ **Individual mentoring**

Add On

- ❑ **Cash transfer**
- ❑ **Employment program**
- ❑ **After school program, such as sports**

Photo by David Gilkey/NPR/NPR

Participants in the Becoming a Man (BAM) program gather for a session in the gym at Little Village Academy in Chicago

State and Peacebuilding Fund

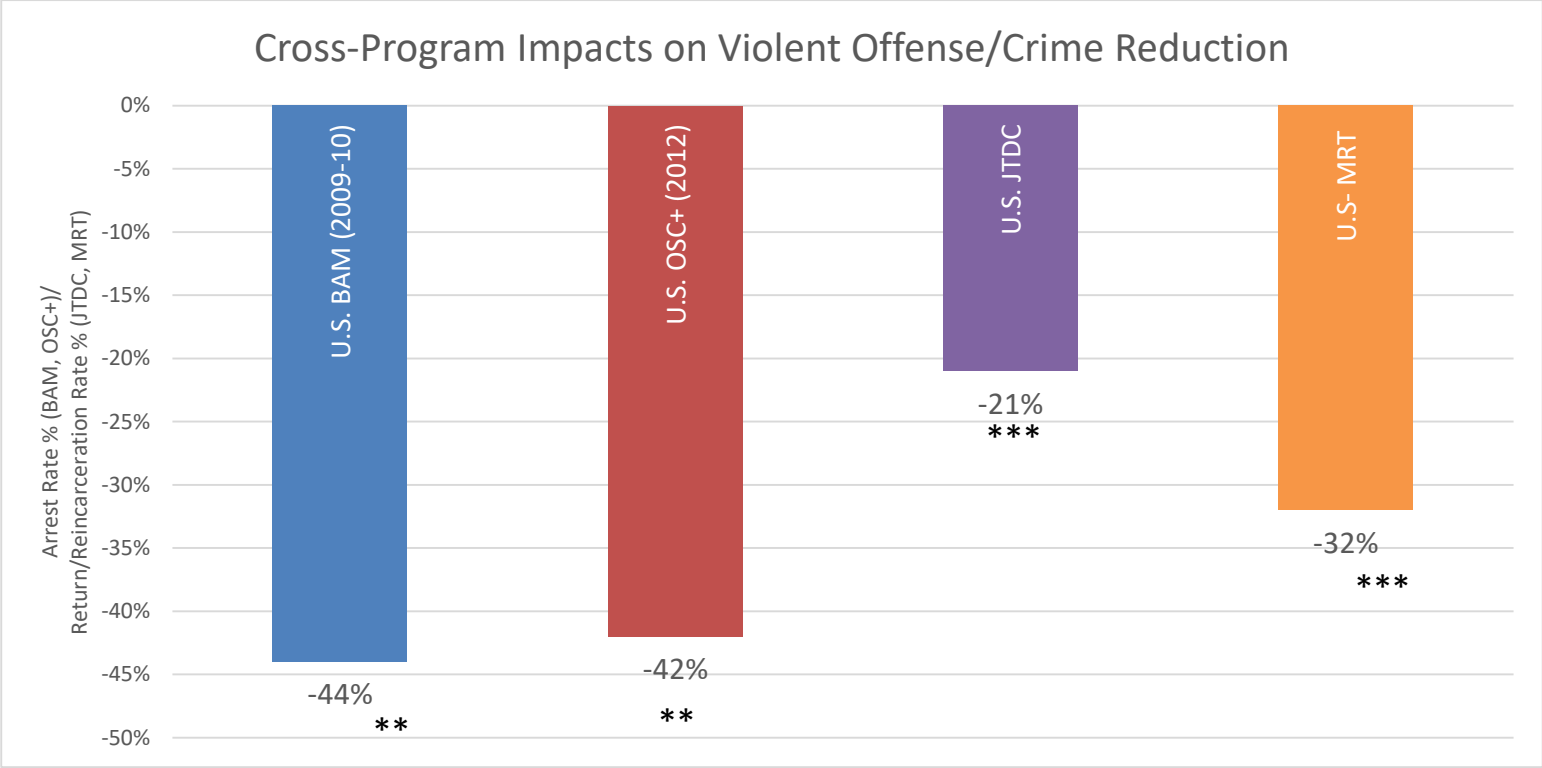
i2i DIME TRANSFORM DEVELOPMENT

Evidence from behavioral programs…

- **Liberia**

- **United States (Chicago)**

Evidence from behavioral programs…



BAM: Becoming a Man

OSC+: One Summer Chicago Plus JTDC: Juvenile Temporary Detention Center

MRT: Moral Reconation Therapy

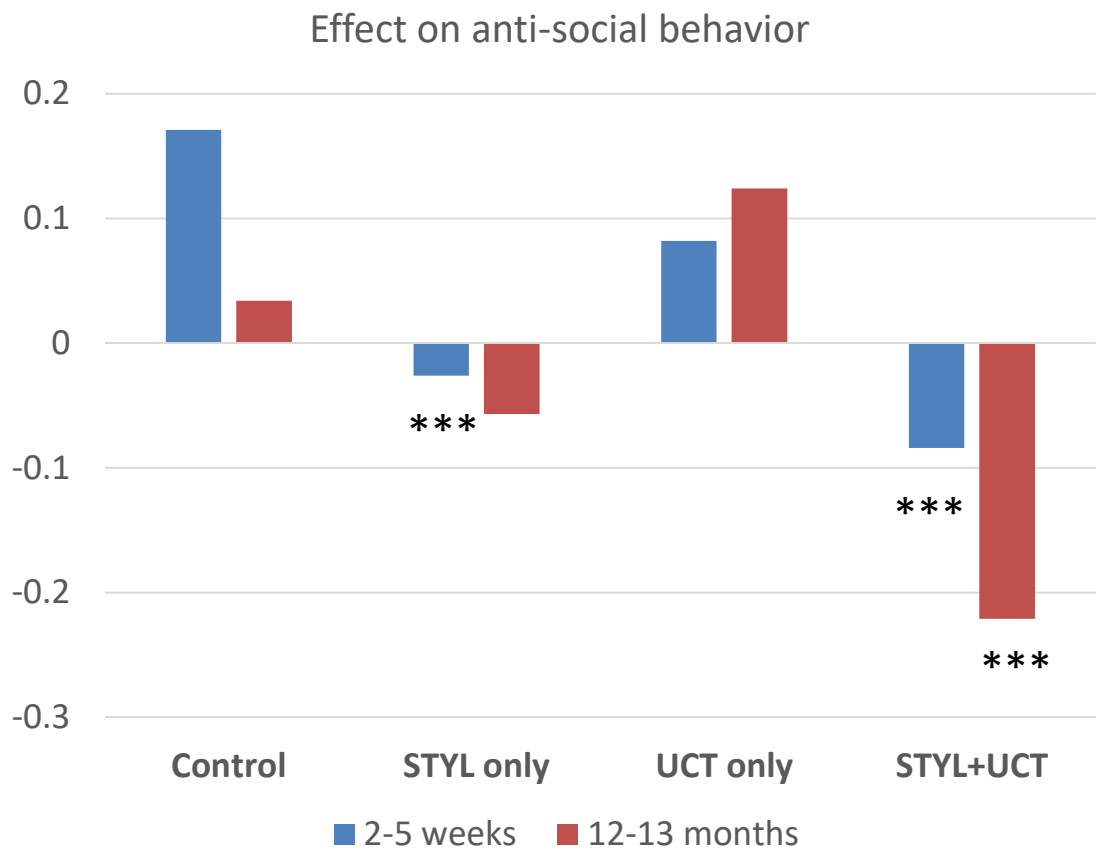
- BAM- Participation *reduced* violent-crime arrests by 44%. (Heller et al. 2013).
- OSC+- Participation *reduced* violent-crime arrests by 42%. (Davis, J., & Heller, S. B. 2017).
- JTDC- Participation *reduced* return rates of high risk youth back to the juvenile center for any offense by 21%. (Heller et al. 2017).
- MRT- Participation *reduced* re-incarceration rates of felony drug offenders by 32%. (Little, G. L., Robinson, K. D., & Burnette, K. D. (1993).

State and Peacebuilding Fund

i2i DIME TRANSFORM DEVELOPMENT

Evidence from behavioral programs…

- Index incl. aggressive and hostile behaviors, disputes/fights, selling drugs, carrying weapon, arrests thefts/robberies, in past 2 weeks
- In the short run, anti-social behavior falls significantly with STYL and with STYL+UCT
- In the long run, anti-social behavior falls only with STYL+UCT (e.g. crimes fall by 37%)



STYL: Sustainable Transformation of Youth in Liberia

UCT: Unconditional Cash Transfer

Blattman, C., Jamison, J. C., & Sheridan, M. (2015).

Policy implications

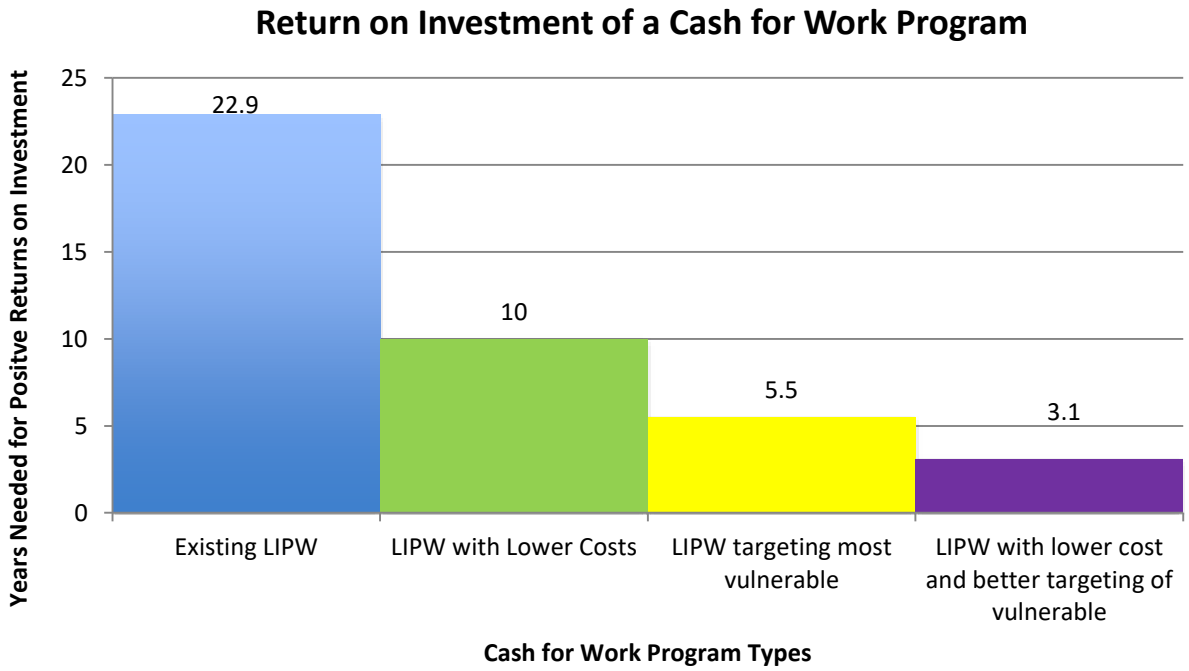
- **Need to be problem-driven, rather than solutions-driven**
  - What's the core problem to be addressed—poverty/ vulnerability reduction OR conflict/violence reduction?

Policy implications…

- **If the core issue is poverty/vulnerability reduction:**
  - Employment programs such as PWPs can help in the short-run, but long-term effects are limited.
  - Also need to ask questions about the cost-effectiveness and ***targeting*** of these programs
    - The tale of 2 components of Egypt PWP
    - Example of the Cote d'Ivoire PWP
  - Are there more effective/cost-effective policy alternatives?
    - Evidence from **capital-centric interventions** and **the graduation approach.**

PWP and targeting in Cote d'Ivoire

- **The IE can inform targeting decisions as well as program costs**
  - Program that would target only the most vulnerable and reduce costs of outside transfers would become much more cost-effective, i.e. break even in about 3 years



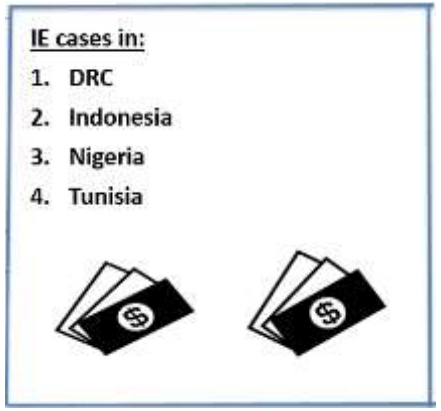
Bertrand et al. 2017

Enhancing PWP impacts through capital injections

- **Capital injections, such as cash, capital good and livestock**
  - Stimulate self-employment and raise long-term earning potential
- **Public-work programs complemented with capital infusions**
  - Can put people to work and boost incomes more sustainably

Unconditional cash via mobile phone

A group of young men engaging in woodwork
ng cash grant to start vocations



Blattman and Ralston 2015

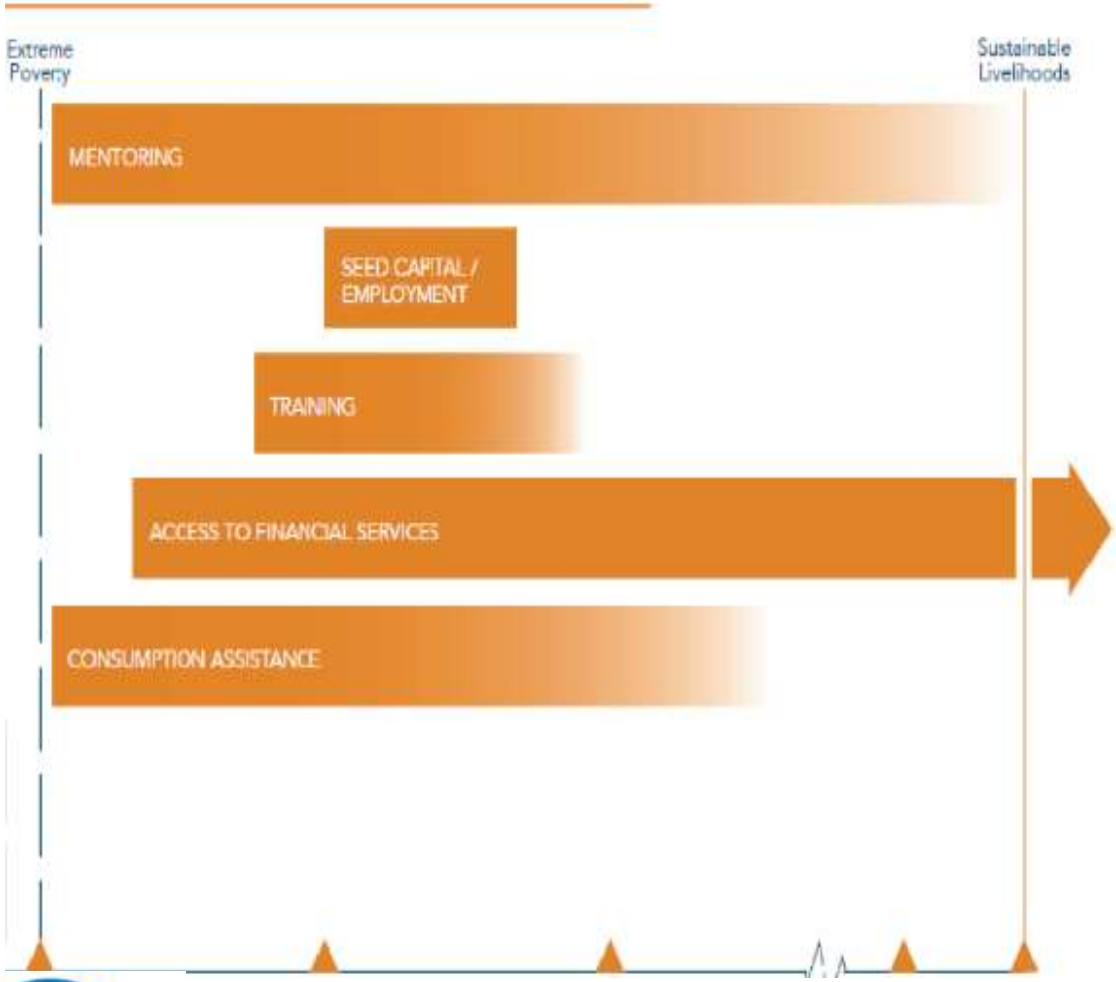
State and Peacebuilding Fund

i2i DIME TRANSFORM DEVELOPMENT

The Graduation Approach for the Ultra Poor (UP)

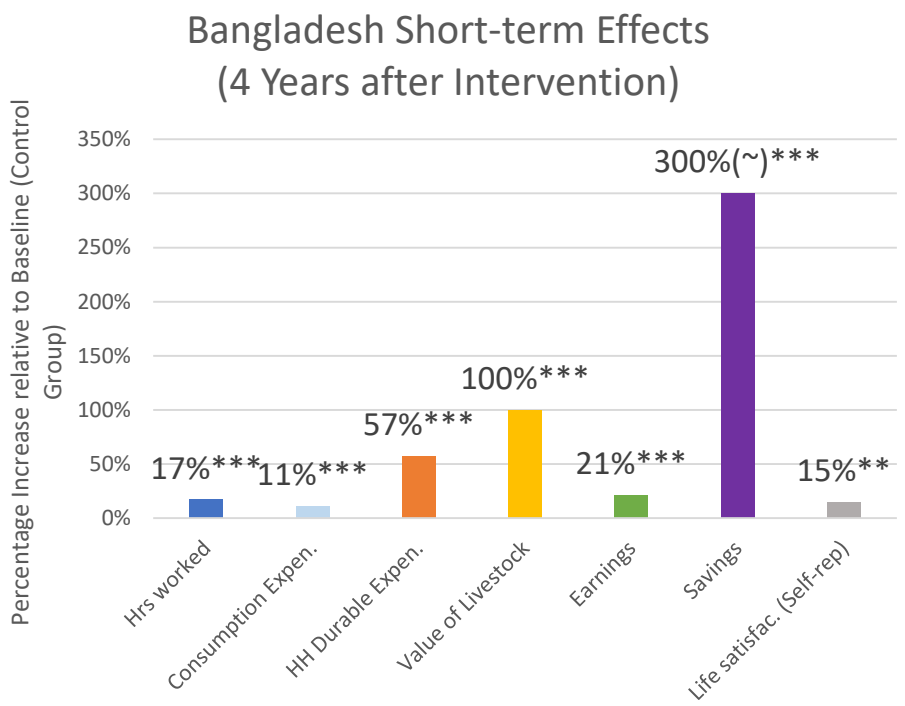
- **Idea:**
  - A time-bound, carefully sequenced, multi-sector intervention (e.g., asset grant, coaching, training, safety net, etc.) that targets UP with short-term aid & longer-term support
- **Goal:**
  - To alleviate multiple constraints simultaneously and help the UP establish sustainable self-employment activities & lasting well-being.
- **The context: IEs in 7 countries**

- **The model**



Source: UNHCR

Graduation Approach: The Evidence



Bangladesh Long-term Effects
(7 Years after Intervention)

Impacts after 7 years are at least as large as the 4-year impacts.

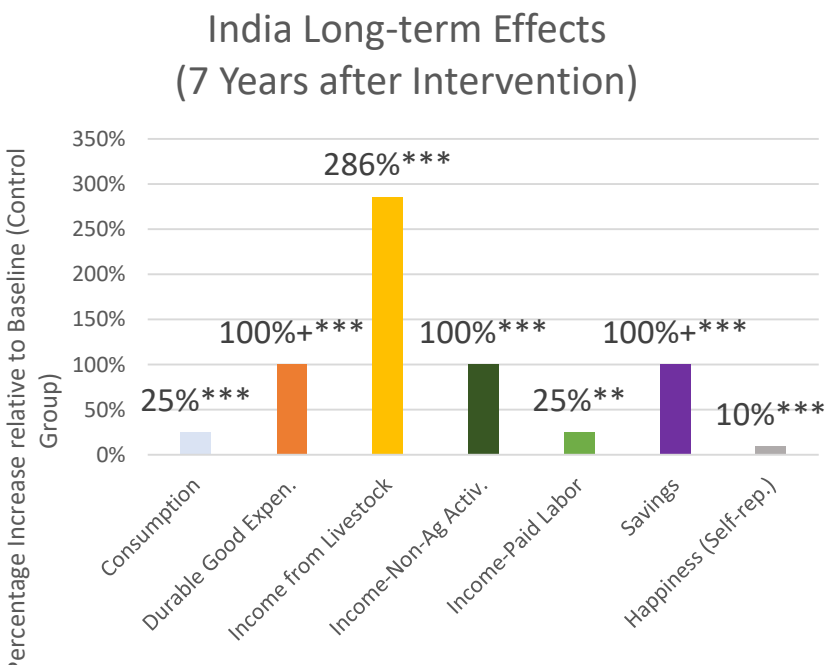
(Bandiera et al. 2017)

Programs are cost-effective

Positive returns range from 133% in Ghana to 433% in India.

For every US $1 spent on the program in India, Ultra-Poor HH had US $4.33 in long-term benefits.

(Banerjee et al. 2015)



India Long-term Effects
(7 Years after Intervention)

In the India study, the control group was left entirely untouched for seven years.

(Banerjee et al. 2016)

State and Peacebuilding Fund

i2i DIME TRANSFORM DEVELOPMENT

Policy implications…

- **If the core issue is conflict/violence reduction:**
  - There is no evidence employment programs have an impact, esp. when violence is not materially-motivated.
  - Evidence of absence or absence of evidence?
    - Levels of conflict and violence are relatively low at baseline. Perhaps evidence from cases with active conflict (e.g., DRC) may show different results.
  - Conflict/violence have diverse motivations and so should the solutions.
    - ***Behavioral programs (CBTs) show promise,*** but need more research on how to effectively & cost-effectively implement them in FCV settings.

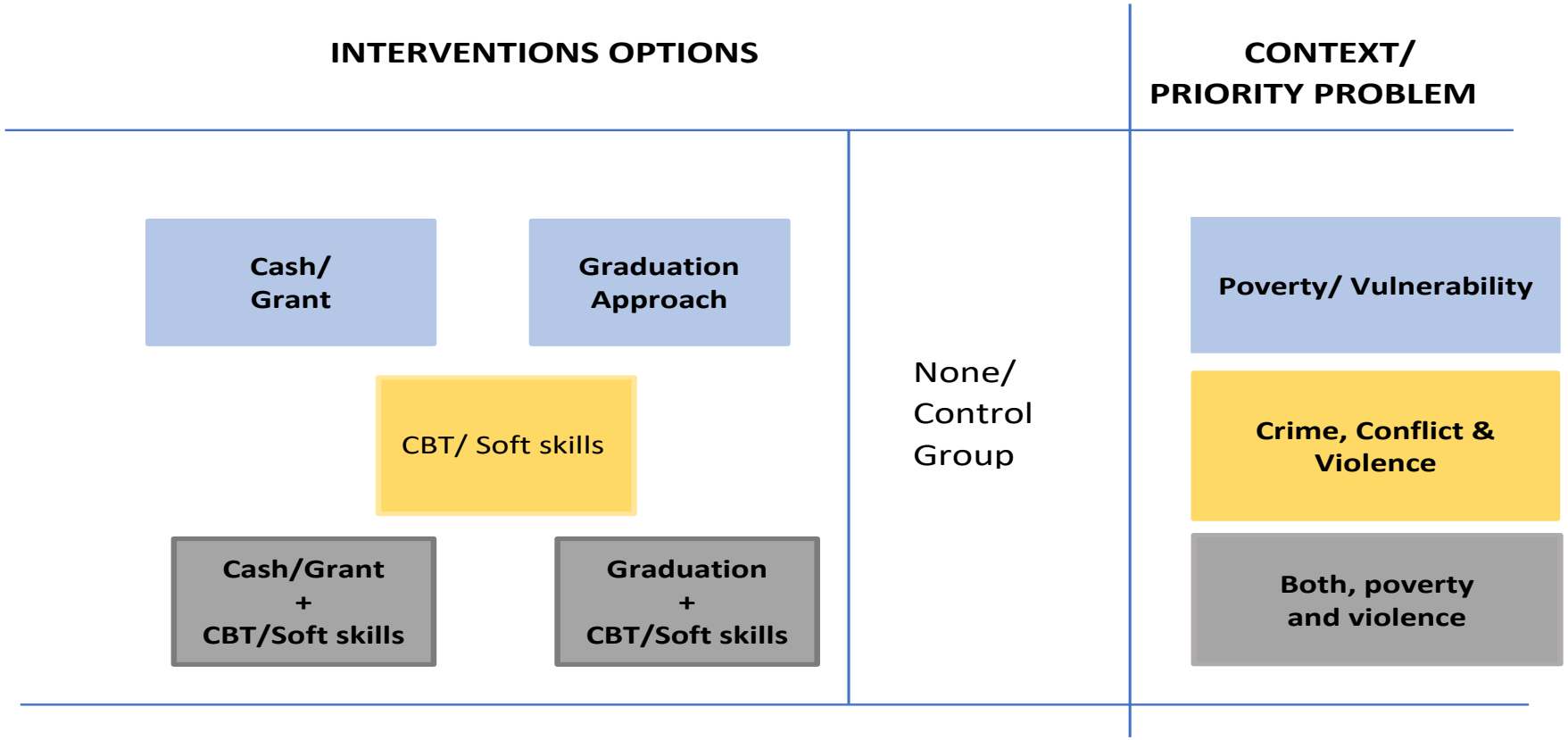
Future research directions

- **More studies of employment programs**
  - Focus on longer-term effects of PWPs, side-by-side with different policy alternatives and in cases with protracted violence.
  - Proposed intervention options & combinations.

- **More studies to better understand violence & policy responses**
  - More experimentation with innovative policy responses (e.g., CBTs; soft-skills) that may successfully address violence with or without an employment component.
  - Better measurement of conflict/violence behaviors and related attitudes (e.g., support for non-violence; pro-social behaviors; civic engagement).
  - Complement survey data with other data sources (e.g., administrative; independently produced such as ACLED).

Future research directions…

A multi-country (4-5 cases), 4 -5k participants



Thank You!

References

Relationship between Employment and Crime/Violence. Papers can be accessed here.

Becker, Gary S. "Crime and punishment: An economic approach." The economic dimensions of crime. Palgrave Macmillan, London, 1968. 13-68. Paper can be accessed here.

Berman, Eli, et al. "Do working men rebel? Insurgency and unemployment in Afghanistan, Iraq, and the Philippines." Journal of Conflict Resolution 55.4 (2011): 496-528. Paper can be accessed here.

Dube, Oeindrila, and Juan F. Vargas. "Commodity price shocks and civil conflict: Evidence from Colombia." The Review of Economic Studies 80.4 (2013): 1384-1421. Paper can be accessed here.

Grossman, Herschell I. "A general equilibrium model of insurrections." The American Economic Review (1991): 912-921. Paper can be accessed here.

Harari, Mariaflavia, and Eliana La Ferrara. "Conflict, climate and cells: A disaggregated analysis." (2013). Paper can be accessed here.

Miguel, Edward, Shanker Satyanath, and Ernest Sergenti. "Economic shocks and civil conflict: An instrumental variables approach." Journal of political Economy 112.4 (2004): 725-753. Paper can be accessed here.

Public Works/Employment. Papers can be accessed here.

Blattman, Christopher and Ralston, Laura, Generating Employment in Poor and Fragile States: Evidence from Labor Market and Entrepreneurship Programs (July 19, 2015). Paper can be accessed here.

Bertrand, Marianne; Crépon, Bruno; Marguerie, Alicia; Premand, Patrick. 2017. Contemporaneous and Post-Program Impacts of a Public Works Program: Evidence from Côte d'Ivoire. World Bank, Washington, DC. © World Bank. Paper can be accessed here.

Public Works and Welfare: A Randomized Control Trial of a Labor Intensive Public Works Program focusing on Community Infrastructure in a Lower Middle Income Country. Final Evaluation Report. DIME. December 2017. Paper can be accessed here.

References

Public Works and Welfare: A Randomized Control Trial of a Labor Intensive Public Works Program focusing on Community Social Services in a Lower Middle Income Country Final Evaluation Report. DIME. 2017. Paper can be accessed here.

Public Works and Welfare: A Randomized Control Trial of the Community Works and Local Participation Project in Rural Tunisia. Endline Report. DIME. August 2017. Paper can be accessed here.

Employment and DDR

Blattman & Annan (2016). "Can Employment Reduce Lawlessness and Rebellion? A Field Experiment with High-Risk Men in a Fragile State" American Political Science Review, 110(1): 1-17. Paper can be accessed here.

Blattman et al. (2013). "Generating Skilled Self-Employment in Developing Countries: Experimental Evidence from Uganda" Quarterly Journal of Economics, 129(2): 697-752. Paper can be accessed here.

Gilligan et al. (2012). "Reintegrating Rebels into Civilian Life: Quasi-Experimental Evidence from Burundi" Journal of Conflict Resolution, 57(4): 598-626. Paper can be accessed here.

Cognitive Behavioral Therapy. Papers can be accessed here.

Blattman, C., Jamison, J. C., & Sheridan, M. (2015). Reducing crime and violence: Experimental evidence from cognitive behavioral therapy in Liberia (No. w21204). National Bureau of Economic Research. Paper can be accessed here.

Davis, J., & Heller, S. B. (2017). Rethinking the Benefits of Youth Employment Programs: The Heterogeneous Effects of Summer Jobs (No. w23443). National Bureau of Economic Research. Paper can be accessed here.

Heller, S., Pollack, H. A., Ander, R., & Ludwig, J. (2013). Preventing youth violence and dropout: A randomized field experiment (No. w19014). National Bureau of Economic Research. Paper can be accessed here.

References

Heller, S. B., Shah, A. K., Guryan, J., Ludwig, J., Mullainathan, S., & Pollack, H. A. (2017). Thinking, fast and slow? Some field experiments to reduce crime and dropout in Chicago. The Quarterly Journal of Economics, 132(1), 1-54. Paper can be accessed here.

Little, G. L., Robinson, K. D., & Burnette, K. D. (1993). Cognitive behavioral treatment of felony drug offenders: A five-year recidivism report. Psychological Reports, 73(3_suppl), 1089-1090. Paper can be accessed here.

Graduation Approach. Papers can be accessed here.

Bandiera, O., Burgess, R., Das, N., Gulesci, S., Rasul, I., & Sulaiman, M. (2013). Can basic entrepreneurship transform the economic lives of the poor?. Paper can be accessed here.

Bandiera, O., Burgess, R., Das, N., Gulesci, S., Rasul, I., & Sulaiman, M. (2017). Labor markets and poverty in village economies. The Quarterly Journal of Economics, 132(2), 811-870. Paper can be accessed here.

Banerjee, A., Duflo, E., Goldberg, N., Karlan, D., Osei, R., Parienté, W., ... & Udry, C. (2015). A multifaceted program causes lasting progress for the very poor: Evidence from six countries. Science, 348(6236), 1260799. Paper can be accessed here.

Banerjee, A., Duflo, E., Chattopadhyay, R., & Shapiro, J. (2016). The Long-Term Impacts of a 'Graduation Program: Evidence from West Bengal. Unpublished paper, Massachusetts Institute of Technology, Cambridge, MA. Paper can be accessed here.