The impact of Public Works Programme on poverty and off-farm employment: Evidence from Rwanda

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Abstract

Public works (PW) programmes have been recently becoming one of the popular interventions used by developing countries to protect the poor population's livelihoods. However, they have had limited effects or weak impact on intended outcomes. Through the "propensity score matching" models on pooled cross-section data, this study analyzes the impact of the Rwanda Vision 2020 Umurenge (VUP)-PW programme on poverty, off-farm wage employment, and financial inclusion as primary outcomes. The results indicate that VUP-PW works as a safety net with positive and statistically significant effects on consumption, poverty gap reduction, off-farm job creation, and increase in access to financial services. However, the programme does not translate into substantial improvement in other outcomes such as poverty headcount reduction and livestock ownership. In addition, the findings reveal that the VUP-PW programme resulted in limited impact or no effects due to ad-hoc and short-term nature of the programme in terms of job opportunities, heavy reliance on external funding, low and unpredictable PW payments, and these are an important consideration for the future design of similar programmes.

Key words: Poverty, off-farm employment, propensity score, public works, Rwanda