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Addressing unemployment and poverty through public works programmes in South Africa

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The Expanded Public Works Programme is one of South African government's short-to-medium term programmes aimed at providing additional work opportunities coupled with training. It is a national programme which covers all spheres of government and state-owned enterprises. The EPWP is a programme which cuts across all government departments and all spheres of government. Under the EPWP all government bodies are required to make a systematic effort to target the unskilled unemployed. They will do this by formulating plans to utilise their budgets to draw significant numbers of the unemployed into productive work. This must be done in such a way that workers gain skills while they work. This will increase their chances of getting out of the marginalised pool of unemployed people. The Department of Public Works acknowledges the critical role played by its multiple partners and implementing bodies, and that its achievements are the result of this collective resolve to critically reduce the numbers of unemployed people in the country, and to provide access to skills in the process. The EPWP is committed to create one million job opportunities by 2009 and fulfil the Millennium Development Goals specifically the objective to halve unemployment and poverty by 2014. This paper is providing an overview of the EPWP, with an emphasis on the infrastructure, unemployment reduction and creating employment opportunities.

Key words: Poverty, unemployment, infrastructure, labour-intensive, public works programme

INTRODUCTION

The Expanded Public Works Programme (EPWP) is one of the key elements of government's drive to alleviate poverty and unemployment in South Africa. The EPWP aims to provide short-term work opportunities and training to unemployed and unskilled individuals. The programme is implemented through existing government structures and within existing budgets. It is a programme of the whole government of South Africa. It is not just a Public Works Department programme.

This paper highlights accounts from different stakeholders committed to creating employment opportunities for marginalised communities, through implementing specific projects using labour-based methodologies and programmes, in this case, the EPWP. It also highlights some of the challenges in implementing the programme.

The South Africa's expanded public works programme

Defining EPWP

The EPWP is seen as a cross-cutting programme to be implemented by all spheres of government and other state entities. Phillips (2004) says it is defined as a nation-wide programme which will draw significant numbers of the unemployed into productive work, so that workers gain skills while they work, and increase their capacity to earn an income. The objective of the EPWP is to utilise public sector budgets to alleviate unemployment by creating temporary productive employment opportunities coupled with training. It is one of government's short-to-medium term programmes which aim to alleviate

poverty. It will achieve this aim by providing work opportunities coupled with training. It is a nationwide programme which covers all spheres of government and state-owned enterprises (Song and Nell, 2006; EPWP Guidelines, 2005).

EPWP sectors

The following sectors were identified as having potential of creating EPWP employment opportunities (Phillips, 2004):

- Infrastructure (increasing the labour intensity of government-funded infrastructure projects).
- Environment (creating work opportunities in public environmental improvement programmes).
- Social (creating work opportunities in public social programmes e.g. home-based care workers and early childhood development workers).
- Economic (e.g. income generating projects and programmes to utilise government expenditure on goods and services to provide the work experience component of small enterprise learnership/incubation programmes).

Workers are usually employed on a temporary basis (either by government, by contractors, or by NGOs), under employment conditions governed by the Code of Good Practice for Special Public Works Programmes, or by the Leadership Determination for Unemployed Learners.

Workers are provided with a combination of work experience and training.

There is a deliberate attempt by the public sector body to use its expenditure on goods and services to create additional work opportunities for the unemployed (usually unskilled).

The public sector body attempts to identify and develop exit strategies for workers when they leave the programme.

The following are the common features of the EPWP across the abovementioned sectors:

Background to EPWP

In 1999, unemployment and resulting poverty were identified as one of the most significant threats to South Africa's new democracy. In December 2002 the 51st African National Congress Conference resolved that (McCutcheon et al., 2007):

It is captured as a new heading before 'Background to EPWP' An expanded public works programme must be a major priority... providing infrastructure, in particular basic social and municipal services through labour-intensive methods to maximise job creation and skills

development. The most important socio-economic challenge that faced government in the wake of the second democratic elections was therefore fourfold: to reduce unemployment, to alleviate poverty; to strengthen the general skills base, and to improve social services. Against this backdrop in 2003 the government convened the Growth and Development Summit (GDS). At this summit it resolved that an Expanded Public Works Programme (EPWP) would be established that would ensure that R100 billion of planned government expenditure will be targeted for employment intensive programmes. The programme was launched in May 2004 by President of the Republic, in line with governments 'People's Contract for a Better Life for All' election campaign of that year.

Aimed at creating a million new work opportunities within a five-year period, the objective of the programme is to ensure that a large number of unemployed people are drawn into productive work, that they receive skills training while working, and that they are so enabled to become economically active and productive members of society in the long term. Delivery is primarily through employment-intensive infrastructure projects. In terms of the EPWP Seminar Report (2007) where economically and technically feasible, and without compromising end-quality, labour must be used in preference to machinery during construction, with the objective of providing either temporary or contract-based employment, as well as skills development, to local people

Labour-intensive infrastructure projects

Labour-intensive refers to methods of construction involving a mix of machines and labour, where labour, utilising hand tools and light plant and equipment, is preferred to the use of heavy machines, where economically and technically feasible (EPWP Guidelines, 2005). Labour-intensive infrastructure projects under the EPWP include:

- Using labour intensive construction methods to create employment opportunities to local unemployed people.
- Providing training and skills development to workers employed locally.
- Building cost-effective and quality assets.

The employment of locally employed temporary workers on all EPWP labour-intensive infrastructure projects must be in accordance with the Code of Good Practice for Employment and Conditions of Work for Special Public Works Programmes issued in terms of the Basic Conditions of Employment Act, 1997 (Act No 75 of 1997). Labour-intensive works comprise the activities described in SANS 1921-5, *Earthworks activities which are to be performed by hand*, and its associated specification data. Earthworks must be designed taking consideration of the method of construction, namely labour intensive. In terms of the EPWP Guidelines (2005) the types of

infrastructure suitable for construction using labour-intensive methods include roads, stormwater, sewers, water, haul of material, electricity, and houses, schools and clinics. The EPWP involves multi-sectors initiated by the government to create jobs. In the case of the Infrastructure Sector existing government expenditure has to be re-aligned by using labour intensive technologies and construction methods to ensure that job opportunities are created. This involves using a combination of plant and labour, where labour is preferred and plant is used appropriately (RSA, 2004).

The EPWP focuses on the infrastructure sector. Song and Nell (2006) maintain that within this sector, municipalities are required to identify projects that will yield work opportunities for unemployed and unskilled workers. To achieve this end the EPWP encourages the use of labour intensive and other techniques in the construction, rehabilitation and maintenance of all forms of infrastructure. The requirement for the application of the EPWP is stipulated in the South African Division of Revenue Act of 2004 (Act No 5 of 2004) which deals with the Municipal Infrastructure Grants (McCutcheon et al., 2007). The implications of the EPWP for municipalities is that they must restructure the way in which infrastructure projects are conceived, designed and implemented. In addition in order to fulfil the requirements of the EPWP, local government must ensure that workers who access jobs on EPWP projects also access training.

EPWP support from business

The Business Trust, in partnership with the National Department of Public Works, initiated a programme called the Expanded Public Works Support Programme (EPWSP). The Business Trust was initiated by business and government with the aim of facilitating the creation of jobs and employment opportunities and the development of human capacity in South Africa. The Trust was established in 1999, and is being financed by South Africa's leading companies and governed by a board made up of government and business leaders (Song and Nell, 2006). The Business Trust has set aside R100-million to be spent on the programme. ABSA, one of South Africa's major banks, is also providing financial assistance to contractors who are part of the programme (BuaNews, 2008).

The aim of the EPWSP is to support the implementation of the EPWP. The EPWSP seeks to enhance and complement the efforts of the Department of Public Works to implement the EPWP. This is done by undertaking prioritised support programmes, which aims ultimately to maximise the achievement of the targets of the EPWP. Four support programmes are being supported in terms of this programme, namely: Technical/Strategic Fund, Infrastructure Support Programme, Social Sector Support Programme, and Environmental Sector Support Programme.

The EPWP will link in with various existing poverty relief programmes, including the Land Care, Faranani-Pushing Back the Frontiers of Poverty, People and Parks, Coastal Care, Sustainable Land-based Livelihoods, Cleaning up South Africa, and Growing A Tourism Economy programmes (SouthAfrica.info, 2008).

Creation of permanent jobs

The government intends spending an additional R4,1 billion on the EPWP for the next three years. The programme has created and sustained one million short-term jobs over the past four years in infrastructure, construction, environmental and social services (The Mercury, 2008). But it has been criticised for providing too few days' work for people to learn sufficient skills to equip them for formal employment.

To remedy this, the second phase of the programme will focus on three broader areas:

- Long-term public sector employment.
- Project-based employment.
- Programmes fully or partly funded by the government, but managed by NGOs.

According to the Minister of Finance, Trevor Manuel, it is anticipated that this programme will be phased up to grow the number of full-time equivalent jobs from about 145 000 to more than 300 000 a year.

To enhance the creation of jobs and reduce unemployment, a model has been developed to support the EPWP. The support model comprises a public-private partnership whereby the private sector through the Business Trust has established dedicated capacity called the EPWSP. This comes in the form of a highly experienced technical team that provides support to the public sector officials for co-ordinating and implementing the EPWP. The basis of providing the support is to maximise the achievement of the targets of the set programmes. The basis on which the EPWSP is established and provides support is as follows (Song and Nell, 2006):

The EPWSP provides technical and strategic support to the implementing officials in a manner that seeks to address key challenges innovatively.

The EPWSP prioritises its activities so as to achieve maximum impact in respect of key strategic issues. Activities undertaken are agreed jointly by the EPWP Unit and the EPWSP.

The EPWSP does not profile its activities in any way, but operates on a basis that the relevant officials lead the implementation process.

The EPWSP is system driven and focused on achieving clearly defined targets and milestones.

Experienced staff and technical expertise are employed on a permanent and contract basis as required. Perma-

ment staff is employed on an outcomes-based performance management basis where they are paid in accordance with the meeting of agreed milestones.

Through government projects, thousands of people who had no income can now support their families (Vukuzenzele, March 2007).

EPWP targets

The EPWP is one of government's short-to-medium term programmes which aim to:

Create temporary work opportunities and income for at least one million unemployed people;

Provide needed public goods and services, labour-intensively, at acceptable standards, through mainly public sector resources and public and private sector implementation capacity; and Increase the potential of participants to earn a future income by providing work experience, training and information related to local work opportunities, further education and training, and small, medium and micro enterprise (SMME) development.

The overall objective of the EPWP is to create additional employment and work opportunities, combined with training, for at least a minimum of one million people (at least 40% women, 30% youth and 2% disabled) in South Africa over a period of five years (that is, by 2009). Recent figures indicate that the EPWP has exceeded its annual targets since the programme's inception (Umsobomvu, 2008).

The Department of Public Works made a commitment during the launch of EPWP to endorse the National Youth Service to recruit at least 10 000 South African unemployed youths and graduates to participate in EPWP projects. By the end of September 2007, mid-way through the EPWP's fourth year, the national Department of Public Works had recruited and trained 2064 youth beneficiaries across all regions, and the provincial public works departments had recruited 5041 beneficiaries across all nine provinces (Umsobomvu, 2008). The National Youth Service programme is a joint initiative between the National Youth Commission and the Umsobomvu Youth Fund and is part of EPWP. Youth with some experience or interest in fields such as building, painting, plumbing and brick-laying will benefit (Vukuzenzele, May 2007).

The EPWP Seminar Report (2007) indicates that by the end of its third year, more than 661 000 net work opportunities had been created through more than 14 000 projects at a cost of R12,8 billion. The equivalent work opportunities created thus far is already well ahead of the 555 000 work opportunities targeted by the EPWP.

EPWP achievements since 2004

This section looks at what the EPWP has achieved in the

period since it was launched in 2004. The EPWP has come to be regarded as the flagship employment project of the government since its launch. It sets out to provide temporary employment and job opportunities, which are supported by training, so as to enable job seekers to access more permanent employment.

At the Growth and Development Summit the EPWP was considered to be 'large enough to have a substantial impact' on the problem of mass unemployment (HSRC Review, 2008). Although it is one of a number of initiatives to increase jobs, the hope of the masses of unemployed people rests on such public provision of jobs. Short- and long-term objectives are aimed at alleviating poverty by halving unemployment by 2014. The argument is that for the EPWP to be an effective instrument to contribute significantly to halving unemployment by 2014, its contribution must be measured by more than a million jobs annually. At the launch, the target of 1 million jobs was set over a five-year period.

According to the HSRC Review (2008) the following findings can be drawn. The first finding is that the EPWP appears to be succeeding in three important ways:

- The target of 1 million employment and work opportunities is in sight.
 - The targeted proportion of employment and work opportunities for women and youth (although not for the disabled) has been reached.
 - In getting departments to take EPWP seriously by allocating funds to the Department of Public Works.
- But the EPWP seem to be failing in several other ways in:

Decent work: Minimum standards for length of a job have not been reached.

Training: Only 19% of training targeted has been met.

Actual spending: Only 59% of the funds allocated over 3 years have been met.

Wages: Overheads and other costs continue to rise while wages are static.

Earnings: Earnings per job have declined over time (HSRC Review, 2008).

But it must be emphasised that according to its fourth quarterly report, the EPWP has created a total of 223 400 employment and work opportunities in its first year of programme. In the Environment and Culture Sector at least 30 600 employment and work opportunities were created in the first quarter. This figure stands at almost 58 800 for the fourth quarter. In the Economic Sector there was an increase of almost 2 500 employment and work opportunities since the third quarter (The Good News, 2008).

International labour organisation and employment approaches

The International Labour Organisation (ILO) is a specialised agency of the United Nations which has the primary goal of promoting opportunities for men and women to

obtain decent and productive work, in conditions characterised by freedom, equity, security and human dignity. Since the mid-70s, the ILO, through its Employment-intensive Investment Branch, has supported governments, employers' and workers' organisations, the private sector and community associations in optimising the use of local resources and employment creation in infrastructure investments (EPWP Seminar Report, 2007).

Several countries in Africa, Asia and Latin America, are promoting and have institutionalised the increased use of local resources and labour-based methods in infrastructure delivery. In a number of African countries, this approach to infrastructure development is widely applied and embedded into national poverty reduction strategies and development plans. To promote employment-friendly approaches to infrastructure delivery, the ILO works at different implementation levels (EPWP Seminar Report, 2007):

- At national level, ILO supports the creation of an enabling environment, through awareness creation, the development of appropriate policies, strategies and legislation, and capacity-building.
- At local level, ILO focuses on developing implementation capacities of local authorities to contract and supervise.
- At community level, the ILO works with communities to improve their capacity to participate, organise and negotiate so that they attain appropriate projects to meet their needs; and remains actively involved in the execution.

The international experience of public works programmes

According to McCord (quoted by Phillips 2004) there is wide international experience of Public Works Programme (PWP). This ranges from small programmes to very large-scale initiatives such as the Maharashtra Employment Guarantee Scheme in India and the New Deal programme during the Great Depression in the USA, both of which absorbed up to 30% of the unemployed. The lesson from the international experience is that the impact of a PWP on unemployed levels will sometimes depend on the scale of the EPWP.

Based on the international experience, it is possible to identify mistakes to be avoided and best practices to be emulated in order for PWPs to be successfully implemented, regardless of their scale. Phillips (2004) maintains that following mistakes must be avoided:

An attempt to achieve too much too soon (this usually sacrifice at least one of the goals of the PWP, for example providing quality services, or using labour-intensive methods).

Not allowing time for planning properly and building the

required institutional and management capacity for effective and efficient implementation.

- Many small projects without a common programme, resulting in loss of economies of scale, duplicating learning and training costs, and inconsistencies in performance.
- An overload of the programme with too many objectives, with the result that the programme fails to achieve any of them.
- Lack of consistent political support.

According to Phillips (2004) best practices to be adopted include:

- Consistent political support and multi-year budgeting for the programme.
- Resources and time allocated to plan the programme, and to developing the capacity to implement it.
- Planning of programmes to ensure that the pace of implementation is linked to the pace of development to meet the required implementation capacity.
- Strong institutions set up to manage or coordinate the implementation of the programme.
- High priority given to effective systems of monitoring and evaluation.

International and local experience has shown that, if there is well-trained supervisory staff and an appropriate employment framework, labour-intensive methods can be used successfully for infrastructure projects involving low-volume roads and sidewalks, stormwater drains, and trenches. Based on this experience, and due to high levels of unemployment, the South African government has decided to require that these infrastructure projects must be carried out labour-intensively (EPWP Guidelines, 2005).

Challenges of EPWP

The biggest challenge facing the EPWP at present is how to mobilise all the relevant national, provincial and local government bodies to implement the programme. Further, there are a number of implementation challenges which everyone will have to overcome (Phillips, 2004):

Mobilisation is required to overcome the tendency for the EPWP to be regarded as a Department of Public Works programme rather than as a programme of the whole of government.

It is also required to overcome the tendency for people to view the unemployment problem as a responsibility of somebody else.

Some people involved in infrastructure programmes maintain that their task is to deliver infrastructure projects, not to alleviate unemployment.

It is also crucial to address the widely-held perception that labour-intensive methods are more difficult to mana-

ge, take longer, are more costly, and result in inferior quality products.

Another challenge is that the government's EPWP, which has made inroads in stimulating some poorer regions, tends to create short-term employment (Business Report, December 2007). What may be needed now are projects that have a longer-lasting impact on the society, like permanent jobs or entrepreneurial opportunities. The current wave of construction and infrastructure spending is viewed to be heavily concentrated in metropolitan areas. Local government observers note that something that might work for South Africa is training local government officials to recognise investment opportunities and bring them to their municipalities.

The HSRC Review (2008) has recommended that the EPWP must be substantially redesigned so that it can have an impact on the level of unemployment. The labour intensity of infrastructure should be channelled and mainstreamed, must direct government employment undertaken by line departments, and enterprise development supported by the Department of Trade and Industry.

Conclusion

The important view is that the EPWP has the potential to make a significant contribution to employment creation, poverty alleviation and skills development. The immediate challenge is to ensure that current targets of the programme are met. Once the programme is well established and is seen to be economically effective, motivation may then be made to increase the levels of funding to take the programme to a larger scale and greater heights (Phillips, 2004).

This paper has raised the issue that EPWP must not be seen as a solution to the unemployment problem. The employment creation which will result from EPWP is problem. The EPWP has been designed to function within the budgetary constraints of the medium term expenditure framework (MTEF). The recommendations are for the EPWP to promote public works programmes in infrastructural development, re-orient public sector investments, and create productive labour-absorbing jobs to labour-intensive approaches.

The government has committed itself to work with all South Africans to implement detailed programmes that would allow the country to move forward as quickly as possible to build the new South Africa. Creating jobs and reducing poverty are at the heart of these programmes. In creating employment opportunities South Africa needs a bigger Expanded Public Works Programme.

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