

The Role of Employment Programmes: Expanded Public Works Programme

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N A L E D I

National Labour and Economic Development Institute

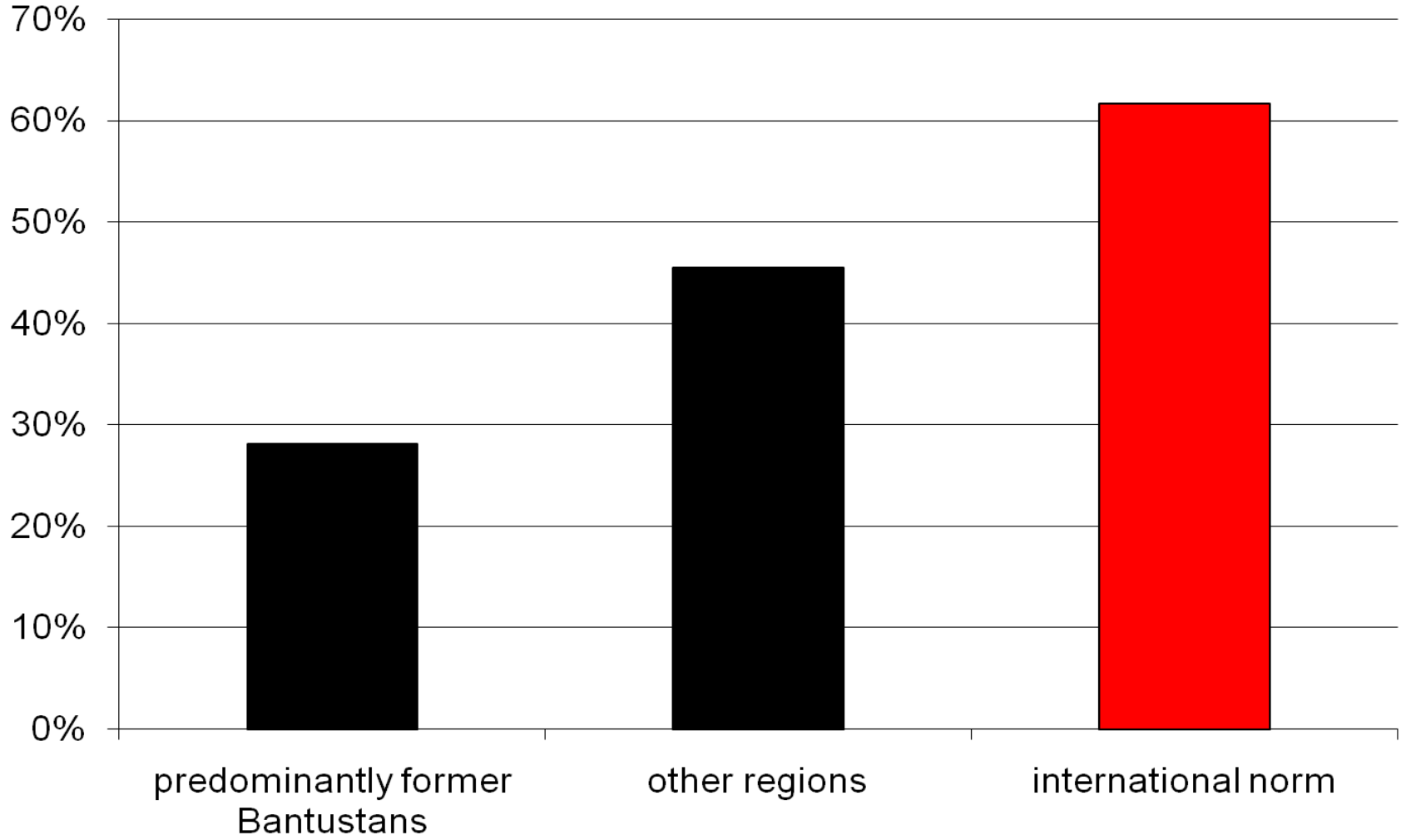
Introduction and Background

- Significant social and economic changes since democracy in 1994 BUT core challenges remain
- On an employment front, SA continues to have one of the highest comparator unemployment rates, with official data (using narrow definition) estimating an unemployment rate of 24,3% - this remains a worrying indicator given the targets set by government to halve unemployment and poverty by 2014
- Global Crisis resulted in more than 900 000 jobs lost in 2008-9, while social security measures played an important role in halting a slide into severe household poverty.

Introduction and background

- On a poverty level, while there is evidence of a decline in poverty headcount, it remains high, with a poverty line of R 524-00 per month (\$66.3) suggesting poverty rates of 49%, and a lower poverty line of R 388-00 (\$49) suggesting a poverty rate of 39%
- The poverty gap – which measures distance between incomes and the poverty line – also seems to have been reduced, falling from 25% in 2000, to 19% in 2008
- However, inequality remains remarkably resilient and one of the highest globally. In 2008, the bottom 10% of income earners accounted for a measly 0,57% of total income, whilst the top 10% accounted for a massive 53,1% of income.

Employment in South Africa by region compared to international standards, 2007 (includes self employment)



Equitable Growth Challenge

- Two factors underpinned inequality: very low levels of income-generating employment, and unusually inequitable wage structures by international standards.
- Well under half the working-age population had some kind of income-generating employment, compared to an international norm of around 60% (see chart)
- Growth of the mid-2000s led to the creation of 1,8 million net new **employment opportunities**, entirely in retail, construction, the public services and lower-level private services like security - resulted in an increase of working age adults earning some kind of income albeit at lower levels

Equitable growth Challenge

- Relatively low employment and wage levels reflected
 - The failure of government to restructure the economy and shift towards a more inclusive, labour absorptive growth paradigm
 - The continued dominance especially on capital-intensive sectors – the mining value chain, including heavy chemicals, plus the auto industry
 - The fact that apartheid deprived the majority of the population of access to assets, education and certified skills, and marketing and financial institutions

Emergence of EPWP

- While decent employment opportunities remain a core programme, interventions through the Expanded Public Works Programme (EPWP) has been one of the major attempts by government to provide short-term income support and training
- Between 1998 and 2003, the public works programme was implemented with varying degrees of success. Importantly, due to strict macroeconomic budget setting, the initial Community Based Public Works Programme (CPWP) was focussed in the three poorest provinces ((i.e. Eastern Cape, KwaZulu-Natal and Northern Province)
- The Expanded Public Works Programme (EPWP) took centre stage at the Growth and Development Summit (GDS) convened in 2003 - “more jobs, better jobs, decent work for all.”

EPWP Objectives

- Draw significant numbers of the unemployed into productive work to enable them to earn an income;
- Provide unemployed people with education and skills;
- Ensure that beneficiaries of the EPWP are either enabled to set up their own business/ service or become employed once they exit the programme; and
- Utilise public sector budgets to reduce and alleviate unemployment.

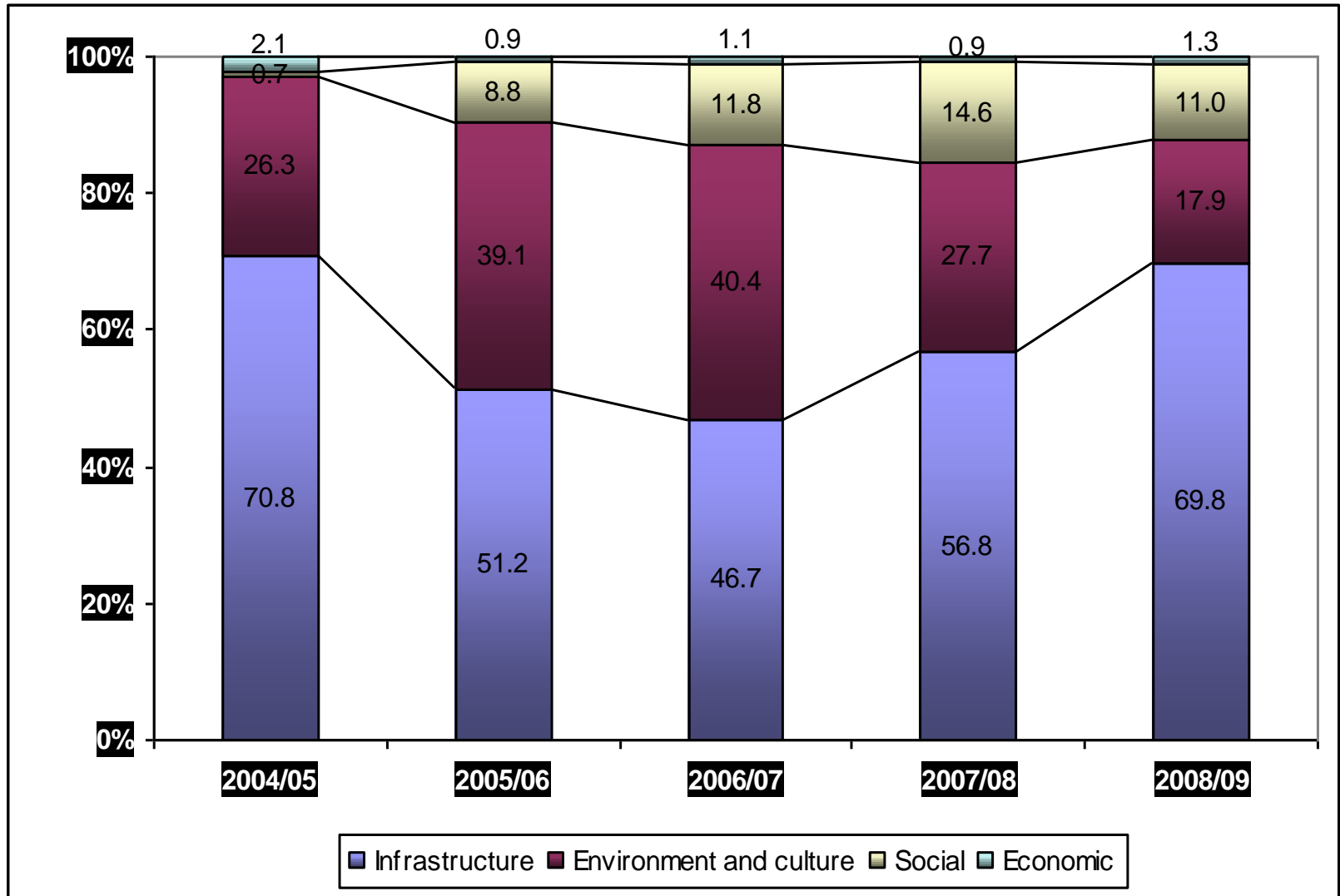
EPWP Initial Targets

- Creating temporary work opportunities and income for at least 1 million unemployed South Africans by 2009;
- Increasing the potential for at least 14% of participants in the programme earn future income by providing work experience training and information related to local work opportunities
- To direct programs which would alleviate unemployment amongst women, youth and the disabled (40% women, 30% youth and 2% disabled)
- To have a demonstrable impact on reaching the unemployed.

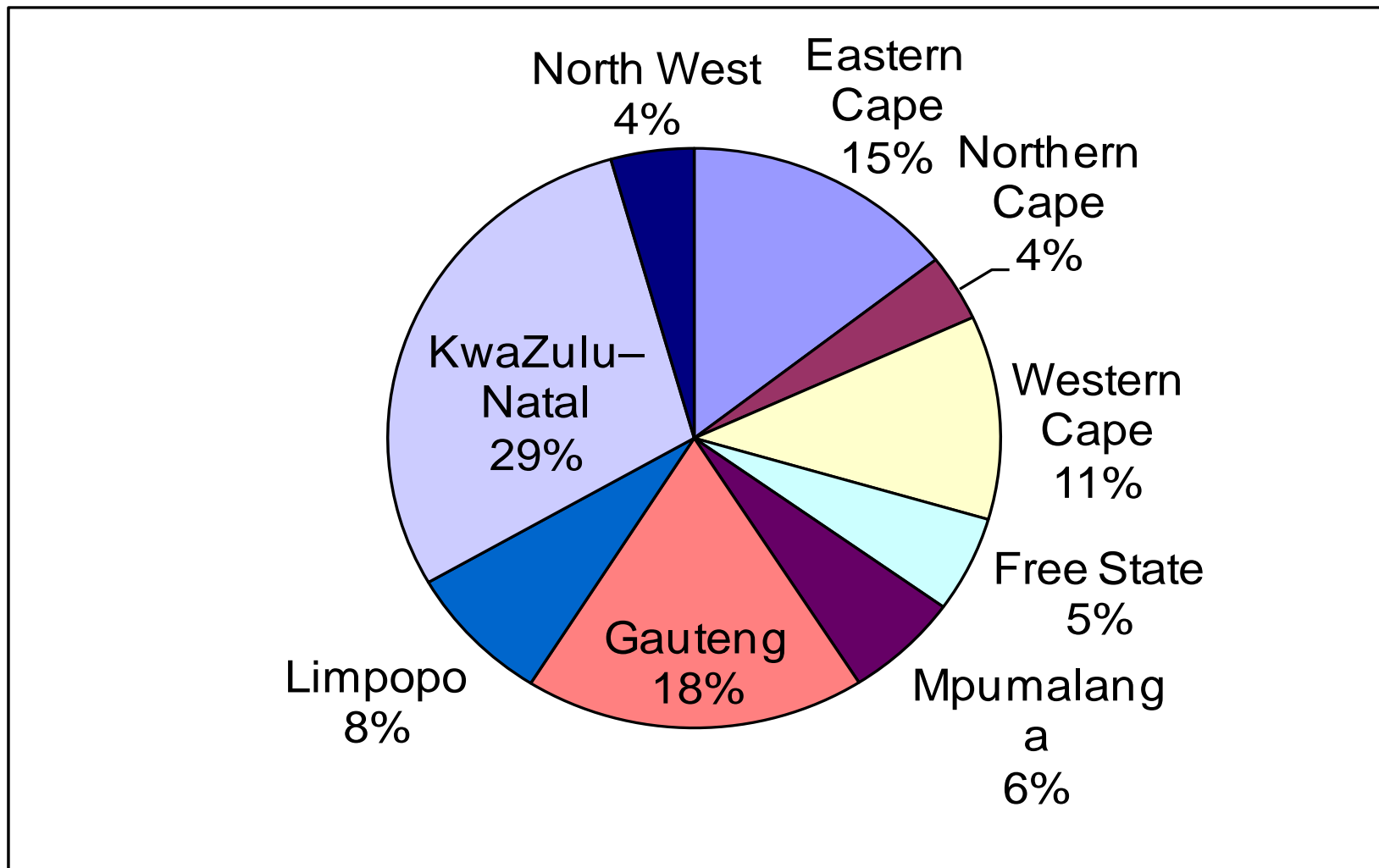
EPWP Indicators

EPWP Indicator	5-year Target	3-year Status	% Progress	5-Year Status	% Progress
Number of work opportunities created	1 000 000 +	716399	72%	1617696	145%
a. Infrastructure	750 000	362257	48%	955233	127%
b. Environment & Culture	200 000	269233	135%	467720	234%
c. Social	150 000	57064	38%	174366	116%
d. Economic	12 000	10003	83%	20377	170%
Training (number of person days)	15 579 000	2861153	19%	7186143	46%
a. Infrastructure	9 000 000	1124840	12%	3397697	38%
b. Environment & Culture	2 005 000	1110870	55%	1650647	82%
c. Social	4 535 000	603261	13%	2081882	46%
d. Economic	39 000	22182	57%	55917	143%
Demographic characteristics of workers					
a. Youth	(40%) 400 000	280176	70%		
b. Women	(30%) 300 000	332187	111%		
c. Disabled	(2%) 20 000	7192	36%		

Opportunities in EPWP across sectors (2004-2008)



Provincial shares of EPWP work opportunities (2004-2008)



Challenges emerging from Phase 1

- Provincial interventions is disproportionate to unemployment challenge faced. Provinces and municipalities that require greater intervention do not have capacity and/or structures to rollout EPWP
- Leads to poor planning and coordination between different spheres of government
- Budget growth to R12bn but income earned remains stagnant at R1bn for the period
 - beckons the question as to why EPWP cannot be used as an income distributive programme
 - EPWP has not been targeted to ensuring “sufficient income” through multiple employment opportunities and/or in combination with social security measures, are earned
 - Significant review of the NEDLAC agreement on Public Works through a sectoral determination

Challenges emerging from Phase 1

- No adequate understanding on work distribution and working periods
- How do we deal with Early Child Development (ECD) and Home-based Care (HBC) – do we still categorise them as EPWP jobs or can they be incrementally shifted into the formal public service?
- Skills component requires intervention that would allow significant labour absorption to meet labour market demands in the short-run

Up scaling EPWP

- First, there is an attempt to provide longer-term employment particularly in the social sector, which provides Early Childhood Development (ECD) and Home Based Care (HBC)
- Second, there is a return to ‘application based’ projects, but with significant improvements. The non-state sector would also seek to provide longer term community based employment through a range of work that is conducted
 - **Area based:** These will include programmes within a specific area that will generally involve a large range of activities as identified in consultation with the community and local government
 - **Activity based:** These will include programmes by non-state actors that have specific focus areas such as health care, child care, community safety etc

Up Scaling EPWP (2)

- Third, the funding mechanism has changed, with the introduction of a fiscal incentive. The intent of the incentive is to encourage participation by provincial and local governments in the public works programme, and shift behaviour towards labour intensive production
- There are also proposals to introduce an overall EPWP minimum income level, which is being discussed

EPWP Phase 2

Years	Local	Provincial	National	Non-State	Totals
2009-2010	61 922	117 554	22 698	8 696	210 870
2010-2011	74 371	136 630	28 999	20 870	260 670
2011-2012	97 342	181 667	40 991	41 739	361 739
2012-2013	125 853	243 527	56 272	76 522	502 174
2013-2014	157 086	320 692	76 570	130 435	684 783
Totals	516 573	1 000 070	225 531	278 261	2 020 435

Community Public Works

- Community Work Programme is included as a new element of the EPWP Phase 2
- CWP is an area-based programme, tasked with identifying opportunities for 'useful work' at the local level. This allows it to target spatial poverty traps, and provide a source of income security over time
- CWP aims to increase the probability that people can earn sufficient incomes from multiple economic opportunities by supplementing existing livelihood strategies - without displacing them or the contribution they make to household income

Community Public Works

- ILO definition of 'decent work' takes into account the combined impact of earnings from work, entitlements and social protection. CWP is 'safety net' that addresses a social protection gap - in a way that contributes to earnings from work
- CWP strengthens the interface between communities and the state at the most local level, in a way that strengthens participation in development decision making
- CWP offers a minimum level of regular employment to unemployed or underemployed people in a given local area

CWP Test Sites

- Munsieville (Gauteng)
 - In the pilot phase, it offered work opportunities on Thursdays and Saturdays, for one day of work per participant per-week, targeting 1000 people
- Alfred Nzo (Eastern Cape)
 - Spread across 10 villages, with approximately 1,000 people participating. In this pilot, people work for one week a month
 - CWP offers home base care services; it provides the labour required to maintain household food security in vulnerable households
- Bokfontein (North West)
 - 375 people work in a Saturday Work Programme each week. CWP has provided the infrastructure for food allotments, renovated a derelict farmhouse as a crèche for 150 children and as a community centre
- Sekhukhuneland (Limpopo)



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