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FACT SHEET: EXPANDED PUBLIC WORKS PROGRAMME PHASE II

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1. Introduction

In an attempt to scale up and improve the delivery targets on the Expanded Public Works Programme (EPWP), the Department of Public Works studied best practices from national and international sources. Before the launch of the second phase of the EPWP, a number of stakeholders were brought together in September 2008, to evaluate the first phase of the EPWP and to discuss and receive input to improve the second five-year phase of the programme.¹ Below is an overview of the first phase of the EPWP and the suggested improvements for the second phase.

At the beginning of the Third Parliament, the first phase of the EPWP was launched and was implemented in 2004. This programme was one of the initiatives to help address the issue of poverty alleviation and unemployment in South Africa. The aim of the EPWP is to provide income for unemployed people of working age, to train them and to provide them with skills so that they may eventually enter into employment in the formal economy. It was expected that the EPWP would create 1 million job opportunities in four different sectors for 40 percent women, 30 percent youth and 2 percent people with disabilities. The programme achieved this a year earlier and exceeded the target by over 300 000 work opportunities. At the end of 2008, the programme had reached its target of creating 1 million work opportunities in the Infrastructure, Economic, Social, and Environment and Culture sectors.

The Department of Public Works in September 2008 brought together different stakeholders and role players working in the field that creates labour intensive work opportunities to discuss the achievements of the first phase of the EPWP, as well as to plan the second five-year phase of the programme. During the discussion of the successes and challenges of the EPWP first phase, the follow issues were highlighted:

- The programme achieved the target of 1 million work opportunities a year before the anticipated date of completion and indicated at the end of April 2009 that the programme had created an additional 617 697 work opportunities.²
- Many of the sectors reached the set targets of 40 percent work opportunities for women and 30 percent for youth, however the 2 percent target for people with disabilities was not reached.
- Targets set in the 4 sectors were achieved in the main, especially the infrastructure sector.
- It was acknowledged that while the Department of Public Works was the lead department responsible for the coordination of the EPWP, its inability to instruct other departments to follow the EPWP method, weakened the impact of the programme in other sectors.

¹ Department of Public Works (2008).

² Department of Public Works (2009), p.1.



- The erratic reporting of the departments on progress made within their respective programmes made it difficult for the Department of Public Works to discharge its coordination function.

The evaluation of the first phase of the EPWP led to different suggestions from the different stakeholders, national and international evaluators of the programme. The following suggestions for the second phase were highlighted:

- The programme needed to be scaled up and intensified.
- The short term aspect of the programme should be evaluated and longer term employment opportunities should be offered to beneficiaries.
- The training opportunities needed to be monitored more closely to ensure that this aspect of the programme is undertaken to enhance the skills of the beneficiaries.
- Beneficiaries should be enabled to enter the formal economy or to become small to medium business enterprises able to create job opportunities.

The participants from Argentina, Australia, India and South Africa outlined the different strands that were available to scale up the EPWP. But key among the issues raised included a larger budget to reach a wider network of beneficiaries, adjusting the current wage upward, as well as ensuring sustainable work opportunities.³ Besides these, the participants indicated the different options chosen to assist in reducing unemployment. Below is a summary of some of the inputs made:

Argentina

- Argentina opted for the Head of Households Programme with the aim to provide an income to a person who is able to devote 20 hours a week to the programme.
- Some of the activities under the programme included (baking; producing clothes and bricks; community farming; childcare and elderly care; teaching assistants; education and vocational training).
- Opted for the option where Government was the employer of last resort.
- Some of the challenges experienced include (inflationary pressures at local and national level; difficulty in accessing land and water; as well as accessing credit).⁴

India

- India opted for a legislative driven option, namely the National Rural Employment Guarantee Act (2005) or NREGA.
- It is estimated that NREGA costs India 0.4 percent of its Gross Domestic Product (GDP).
- In 2008 India had a fiscal deficit of 6 percent of its GDP.
- It is noted that in 1880 India spent 11 percent of its GDP on public expenditure. And that in 1980 public expenditure was spent at 45 percent of its GDP, on health, insurance and education.
- The NREGA programme began officially in February 2006.

³ Department of Public Works (2008).

⁴ Kostzer, Daniel (2008).



- It was estimated that 300 million people were unemployed in 1973 and 2005 in India's rural areas.
- The objective of NREGA was to provide rural employment of 100 days.
- The programme seeks to regenerate the agricultural sector.
- The aim of NREGA was to provide employment to landless labour and marginal farmers, with the intention of improving farm productivity, land productivity, income and employment over time.
- Some of the programmes undertaken include water conservation and water harvesting drought proofing including aforestation; land development; flood control works; as well as rural connectivity to provide all weather access.
- In 2008 46 percent of people working on the programme were women.⁵

The second phase of the EPWP took note of the suggestions including attempts to create longer sustained work opportunities as well as evaluating the current stipend paid to beneficiaries.

2. An overview of the EPWP Phase II

According to Statistics South Africa, the estimated population in mid-2009 currently stands at 49.32 million, an increase of 4.52 million from the 44.8 million indicated by the 2001 census.⁶ It is noted that South Africa is faced with a large unemployment and poverty challenge and this is highlighted by the fact that in June 2009 the unemployment rate stood at 23.6 percent and approximately 40 percent of the population lived below the poverty line.⁷ It is further indicated that the labour force available in the country consists of a large rate of 'working poor' meaning that they receive low pay relative to the cost of living and that finding a job does not necessarily assist a family to rise above their existing conditions of poverty.

In line with the commitment to reduce poverty and unemployment by 2014, the Government launched the second phase of the EPWP in April 2009 in the Western Cape. This follows the conclusion of the first five-year phase of the EPWP. In a presentation made to the Portfolio Committee on Public Works on the current status of the EPWP for the period (1 April 2009 to 30 June 2009) by the National Department of Public Works, the following was highlighted:

- Create the equivalent of 4.5 million work opportunities in five years (meaning the creation of 2 million full time equivalents).
- The 4.5 million equivalent work opportunities equal approximately 100-day work opportunities in five years.⁸
- First three sectors (infrastructure, environment and culture, and social) continue from the first phase of the EPWP, with the Non-State sector added as a new programme (with the aim to create work opportunities through Non-Governmental Organisations, Community Based Organisations and other Non-Profit Organisations).⁹

⁵ Mehrotra, Santosh, (2008).

⁶ Stats SA Online (2009)



- EPWP second phase targets vulnerable groups in the form of 55 percent women, 40 percent youth and 2 percent people with disabilities.
- Funding for the EPWP programmes is found within the allocated budgets of national departments, provinces and municipalities through the normal budgeting processes.
- The second phase of the EPWP also consists of a wage incentive of R4.1 billion over the medium term expenditure framework to be allocated to those public bodies that are performing well.¹⁰

In terms of the 500 000 work opportunities that need to be created by the end of December 2009 as per the 2009 State of the Nation Address, it is reported that for the period April to June 2009 just over 83 900 work opportunities have been created. The majority of these were in the infrastructure sector with 59 579 work opportunities created. This is short by 240 421 of the set overall target of 300 000 work opportunities for 2009/10. The environment and culture sector created 13 960 work opportunities. The target for this sector is set at 150 000 and there is 136 040 work opportunities that have to be filled by 2009/10. The social sector has a set target of 80 000 and has created 7 466 less than 72 534 work opportunities. While the Non-State sector was set an overall target of 20 000 and created 2 909 work opportunities and requires a further 17 091 to meet its target.¹¹

It is believed that the figure of 83 900 is conservative and not a true reflection of the work opportunities created in the different sectors of the EPWP in the nine provinces. The National Department of Public Works indicates that these figures reflect poor reporting, under-reporting as well as instances of non-reporting on active projects across all three spheres of Government. In an effort to address these issues, the Minister of Public Works signed memoranda of understanding related to the EPWP. The EPWP Unit provides technical support to provinces and municipalities to ensure that the creation of work opportunities is prioritised. The EPWP Unit has employed 90 data capturers to assist with the monitoring and evaluation of the programme.

While it appears as if the second phase of the EPWP is on track and might reach the targets set, it is still a concern that 15 percent of the overall target had been reached by June 2009. What plans has the Department put in place to reach the intended goal of 550 000 work opportunities by 2009/10? How will the expected 500 000 work opportunities be reached by December 2009? What contingency measures have been put in place if these are not reached? Besides the employing of data capturers, what other methods will the Department use to ensure that the different sections report timeously on the progress made on the EPWP?

Sources

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¹⁰ Henderson, S. (2009), pp. 8-9.

¹¹ Henderson, S. (2009), p. 13.



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