



GORDON INSTITUTE
OF BUSINESS SCIENCE

University of Pretoria

**The Expanded Public Works Programme: A strategy for poverty alleviation
and job creation**

Hediyih Ghiassi-Razavi

11356848

A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration.

7 November 2012

Abstract

In the context of the high unemployment and poverty rates in South Africa, this research was undertaken to explore the best practices of successful international public works programmes (PWPs) around the world. The aim was to develop a strategy for poverty alleviation and job creation with respect to the infrastructure sector of the Expanded Public Works Programme (EPWP) in South Africa. The purpose of the EPWP is to make the unemployed more employable through offering beneficiaries temporary employment and training opportunities. In the literature review, the strategy for poverty alleviation and job creation was formulated in terms of the design elements and implementation aspects of PWPs. This strategy was then used to evaluate the infrastructure sector of the EPWP. The data collection took the form of interviews with key informants who are directly involved with the infrastructure sector of the EPWP. The nature of the enquiry was qualitative, with narrative and content analysis used to explore the data. The research found that, overall, the design elements and the implementation aspects of the infrastructure sector of the EPWP are not appropriate for enabling the unemployed to become more employable on a large scale. Based on the international best practices, recommendations were then put forward as improvements which would enable the infrastructure sector of the EPWP to achieve its objectives more effectively.

Keywords

Unemployment, Poverty, Public Works Programme (PWP), Expanded Public Works Programme (EPWP), Best Practices

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Date: _____

Hediyih Ghiassi-Razavi

Signature: _____

Acknowledgements

The completion of this research project would not have been possible if it were not for the support and assistance of certain people. I would like to dedicate this research project to all of you:

To all of the respondents; in particular, the Department of Public Works, The City of Johannesburg's Department of Economic Development, the Johannesburg Roads Agency and Professor McCutcheon of MPA Consulting. Thank you for your assistance, your valuable insights, your time and your selfless cooperation.

I owe an enormous amount of gratitude to my supervisor, Dr. Johan Olivier, who allowed me to research this topic under his supervision, and provided endless guidance and clear direction. You have made an impossible task a very simple one to execute and you have inspired me to pursue my interest in this field. It was an absolute pleasure to work with you.

To my boss, Micheal Palmer, and the rest of my colleagues at Jones and Wagener Consulting Civil Engineers: thank you for giving me the leeway to pursue my passion and for cheering me on.

I would like to thank my family; especially my parents, brother and sister, for their endless encouragement and support. I would have not embarked on this journey if it were not for their help, inspiration and reassurance.

To my closest friends: You have been like family to me during the last two years and I am eternally grateful for all that you have done for me. I would like to extend a huge vote of thanks to Nooshin Erfani who graciously agreed to do last minute sub-editing for me. You have no idea how grateful I am!

Finally, to my MBA classmates: You've all provided me with an opportunity to learn from each of you over the past two years and this experience will stay with me for the rest of my life. You guys rock!

Contents

Chapter 1: Introduction to the Research Problem	1
1.1 Background to the unemployment and poverty problem	1
1.2 Definition of research problem	2
1.3 The Expanded Public Works Programme (EPWP)	2
1.4 Research Motivation	4
1.5 Statement of Research objectives	5
1.6 Structure of the report	5
Chapter 2: Theory and Literature Review	6
2.1 Definitions of Unemployment	6
2.2 Theories of unemployment	7
2.3 Reasons for a country`s high unemployment rate	8
2.4 Government policy intervention responses to high unemployment and poverty rates	10
2.5 The role of PWP in addressing unemployment and poverty	10
2.6 The design aspects of PWPs	11
2.7 The implementation aspects of PWPs	19
2.8 The EPWP in South Africa	23
2.9 Design elements of the EPWP	24
2.10 Implementation aspects of the EPWP	27
2.11 Effectiveness of the EPWP	29
2.12 Conclusion	29
Chapter 3: Research Questions	31
Chapter 4: Research Methodology	32
4.1 Research design	32
4.2 Scope	32

4.3 Population	32
4.4 Sampling	34
4.5 Research instrument	35
4.6 Data analysis	36
4.7 Research limitations	37
4.8 Comments on interviews	38
Chapter 5: Research Results	39
5.1 Introduction.....	39
5.2 The Role of the Infrastructure Sector of the EPWP	44
5.2.1 Why is it important?.....	44
5.2.2 What are the successes of the infrastructure sector of the EPWP to date?	44
5.2.3 What are the challenges of the infrastructure sector of the EPWP to date?	45
5.3 Results for Research Question 1.....	48
5.4 Results of Research Question 2.....	54
5.5 Results of Research Question 3	60
5.6 Conclusion	64
Chapter 6: Discussion of Research Findings	65
6.1 Introduction	65
6.2 Research Question 1.....	65
Are the design elements of the infrastructure sector of the EPWP appropriate for making the unemployed more employable?	65
6.3 Research Question 2.....	74
Are the implementation aspects of the infrastructure sector of the EPWP appropriate for making the unemployed more employable?	74
6.4 Research Question 3.....	82
What improvements can be made to the infrastructure sector of the EPWP to ensure that it achieves a significant reduction in the	

unemployment and poverty rates in South Africa by making the unemployed more employable?	82
6.5 Conclusion	86
Chapter 7: Conclusion and Recommendations.....	87
7.1 Introduction	87
7.2 Research Project Review	87
7.3 Research Findings.....	88
7.4 Key recommendations for the design and implementation elements of the EPWP.....	90
7.5 Recommendations for further research.....	94
7.6 Concluding remarks.....	94
References	96
Appendix 1: Interview Schedules	103

Chapter 1: Introduction to the Research Problem

1.1 Background to the unemployment and poverty problem

The primary purpose of this research is to develop a strategy for poverty alleviation and job creation with respect to the infrastructure sector of the EPWP. This is in response to the high levels of unemployment and poverty in South Africa which are a detriment to the economic growth of any country.

Unemployment and poverty are two of the major challenges that are facing the global economy at present (EconomyWatch, 2010). Unemployment leads to financial strain and reduces the purchasing power of a country. This results in an increased reliance on debt and the occurrence of poverty (EconomyWatch, 2010). Consequently, unemployment and poverty lead to the slowing of economic growth due to a reduction in the output of goods and services, a reduction in tax revenue and a rise in government expenditure (EconomyWatch, 2010).

In addition to the economic consequences, the social consequences of poverty are social exclusion (Leibbrandt & Mlatsheni, 2011), a lower socioeconomic status and damaged sense of self (Turner, 1995), increasing mortality, increased disease and malnutrition, prostitution, child labour, displacement and forced migration, increased crime and social breakdown, environmental degradation and vulnerability, as well as a loss of material security (Slabbert & Ukpere, 2009).

In order to alleviate the negative effects of global unemployment and poverty, the International Labour Organisation anticipates that the world faces the enormous challenge of creating 600 million jobs over the next decade to generate sustainable growth while maintaining social cohesion (International Labour Organisation, 2012). Even if this challenge is met, this would still leave 900 million workers and their families (mostly in the developing countries) below the US\$2-a-day poverty line. It is thus clear that unemployment and poverty have an immense negative impact on the economic and social health of the world.

1.2 Definition of research problem

Local and international researchers (Kingdon & Knight, 2000; Levinsohn, 2008; Burger & Von Fintel, 2009) report that South Africa has one of the highest structural unemployment rates in the world. In 2012, South Africa's official unemployment rate was 25.5% of the working age population, i.e. 18 years old and older. This means that almost four and a half million people are currently jobless in South Africa (StatsSA, 2012).

One of the reasons for South Africa's high unemployment rate is that its economy is unable to create employment for a growing number of workers, especially among the unskilled (McCord, 2003). Another important cause of high unemployment in South Africa is the insufficient creation of formal sector jobs which prohibits the absorption of new labour market entrants (Leibbrandt & Mlatsheni, 2011). In addition to the negative economic and social impacts, high unemployment in South Africa has been compounded by rising government expenditure in the form of 'handouts' through social grants (Noble, Ntshongwana, Surender, & Wright, 2010). In 2008, a total number of 12.7 million grants were paid out, amounting to 3.5% of GDP (Noble et. al., 2010). No other developing country redistributes a large portion of its GDP through social grants systems (Noble et. al., 2010). This has raised media and political concern that the social grant system acts as a disincentive to the unemployed in seeking work (Noble et. al., 2010).

Thus, the structure of the South African economy is such that unemployment cannot be significantly reduced without major government intervention in the creation of employment opportunities (McCord, 2003). This research focuses on the Expanded Public Works Programme (EPWP), a government intervention policy in South Africa that seeks to promote employment creation through public works and labour-intensive projects.

1.3 The Expanded Public Works Programme (EPWP)

In 2004, when unemployment was at 26% (StatsSA, 2012), the government embarked on a special nation-wide public works programme (PWP), called the Expanded Public Works Programme (EPWP) (Department of Public Works, 2004). PWPs are social

assistance programmes, also known as active labour market programmes (Bree & Fuess, 2007), used by governments around the world as a tool to hastily reduce unemployment in a country. This is achieved by increasing the labour-intensity of production to promote various types of economic activity such as building and maintaining roads, and developing agricultural land (Fourie, Mohr & associates, 2004).

The EPWP is viewed as South Africa's largest active labour market intervention (Meth, 2011) and it was introduced as a policy response to the high incidence of unemployment amongst young South Africans who are 'unemployable' due to their lack of skills (McCord, 2002). The EPWP intended to draw significant numbers of unemployed South Africans into productive work and assist these workers to gain skills while they work, thereby increasing their capacity to earn an income (Department of Public Works, 2004). This goal was to be achieved by generating work opportunities in four sectors of the economy: infrastructure, environment, social and economic (McCutcheon and Parkins, 2012). This research focuses on the infrastructure sector of the EPWP.

In addition, the EPWP objectives also include a number of social development objectives as a response to the distortions created by the apartheid-era labour, education and resource distribution policies (McCord, 2003). As a result, the anticipated broader benefits of PWP are increased livelihoods, reduced poverty, the creation of sustainable employment, community empowerment and economic growth (McCord, 2003).

While in some international cases of PWPs, such as India's Maharashtra Employment Guarantee Scheme (EGS), reducing poverty or addressing structural unemployment through PWPs has been successful (Kostzer, Lal, Lieuw-Kie-Song & Miller, 2010), the role of PWPs is generally seen as a short-term safety net (Subbarao, 1997). This is because PWPs are seldom implemented on a scale that would reduce structural unemployment and poverty (Kostzer et al, 2010). In other words, PWPs do not necessarily move participants out of poverty, but instead offer short-term relief (McCord, 2003) by offering them temporary work opportunities and training that will hopefully make them more employable in future. PWPs reduce the depth of poverty during the period of employment but do not offer sustainable livelihoods without complementary social development interventions (McCord, 2003). Despite this, active labour market programmes have been found to be the most potent in combating chronic

unemployment (Bree & Fuess, 2007) in numerous countries around the world, such as India and the United States of America.

1.4 Research Motivation

While the EPWP in South Africa has met its target of providing one million employment opportunities with training to unemployed people within the first five years of the programme (Lieuw-Kie-Song, 2009), only 8.3% of unemployed people in South Africa have benefitted from this initiative. Given that the trend in South Africa's unemployment levels has remained relatively stable – moving from 26% in 2004 to 25.5% in 2012 (StatsSA, 2012) – this is quite a small measure.

In addition, it was reported that 22 million South Africans lived on less than R144 a month in 2009 (Slabbert & Ukpere, 2009) and South Africa's Gini coefficient remained high at 0.68 in 2010 (SabinetLaw, 2010). This renders South Africa as one of the most unequal countries in the world (SabinetLaw, 2010), providing additional evidence of the miniscule impact that the EPWP has had so far. Therefore, despite the objective of the EPWP to reduce unemployment, all indications are that poverty and unemployment will remain key challenges in South Africa for some time to come.

The purpose of this research is therefore to use international case studies of PWP's to determine the best practices for designing and implementing a successful PWP, so that the high rates of structural unemployment and poverty, such as those in South Africa, can be curbed significantly. The strategy that is developed from the international case studies will be used to evaluate the infrastructure sector of the EPWP. The success of South Africa's EPWP infrastructure sector will then be evaluated in terms of its own mandate as well as in terms of international best practice. Based on the outcome of the evaluations, recommendations can then be made to enhance the success and sustainability of the infrastructure sector of the EPWP as a policy intervention towards substantially addressing unemployment and poverty in South Africa.

According to the World Economic Forum Competitiveness Report 2011/12, South Africa is ranked the 50th most competitive country out of 142 countries (Schwab, 2011). If four

and a half million more people could gain skills and join South Africa's workforce, it is clear that South Africa could be a lot more developed and competitive than it is today.

1.5 Statement of Research objectives

1. To identify design and implementation best practices and mistakes from international case studies of PWPs.
2. To develop a strategy for poverty alleviation and job creation based on these design and implementation best practices.
3. To use the strategy as a framework to evaluate the success of South Africa's EPWP in terms of its own mandate and in terms of international best practice.
4. Based on the evaluations, recommend key changes to the design and implementation elements of the EPWP to improve its effectiveness in reducing South Africa's high unemployment rate.

1.6 Structure of the report

Chapter 1 has introduced the research problem, the rationale for the study and the research objectives. Chapter 2 consists of a literature review which examines the literature related to unemployment, poverty and PWPs, particularly in terms of the need for PWPs and their key elements. Chapter 3 sets out the three research questions that deal with the appropriateness of the elements of the EPWP as a response to South Africa's high unemployment and poverty problem. Chapter 4 details the research method that was employed which is qualitative in nature. Chapter 5 presents the findings and analysis of the research. Chapter 6 discusses the findings and integrates this with the literature whilst answering the research questions. Chapter 7 is the final chapter and discusses the main findings of the research, its limitations and recommendations for further research.

Chapter 2: Theory and Literature Review

This chapter reviews the literature with respect to unemployment, poverty and PWP. It explores the various definitions of unemployment; the theory of unemployment; the reasons for a high unemployment rate; government policy interventions in response to high unemployment and poverty rates; and the role of PWP in addressing unemployment and poverty. The strategy for poverty alleviation and job creation is then developed by looking at the design and implementation elements of the best practices of international case studies of PWP. Finally, the EPWP, South Africa's PWP, is introduced.

2.1 Definitions of Unemployment

The strict definition of unemployment is the status in which individuals are without a job but are looking for one (EconomyWatch, 2010). The broad definition of unemployment is the status where people are without a job and are either looking for a job or have lost motivation to look for one. South Africa's unemployment rate by the strict definition is 25% (StatsSA, 2012), whilst its unemployment rate by the broad definition is between 30-40% (StatsSA, 2012).

According to EconomyWatch (2010), there are four types of unemployment:

- Cyclical unemployment – this type of unemployment is consistent with trade cycles. When there is an economic boom, unemployment reduces. When there is an economic recession, unemployment rises again.
- Seasonal unemployment – this type of unemployment rises and falls with trades that are seasonal such as hotel, catering or fruit picking businesses.
- Frictional unemployment – this type of unemployment occurs when an individual is between two jobs, where he has lost one job and is searching for another.
- Structural unemployment – this type of unemployment occurs due to a change in the composition of some industries. For example, technological progress may make a labour intensive industry a capital intensive one, thus diminishing the need for

labour. Guichard & Rusticelli (2010) also define structural unemployment as the rate of unemployment that is consistent with inflation.

South Africa's economy currently experiences mostly structural unemployment (McCord, 2003). The implications of structural unemployment for a country are negative in that workers remain unemployed for long periods of time and thus become less attractive to employers due to their undeveloped skills and experience. This is a result of either declining human capital or because workers reduce the intensity of their job search which puts less downward pressure on wages and inflation (Guichard & Rusticelli, 2010). Consequently, structural unemployment affects the supply of labour in a country and thus its potential output and productivity (Guichard & Rusticelli, 2010). As a result, the unemployed workers' standards of living deteriorate due to having no income in the face of rising prices and this results in poverty.

2.2 Theories of unemployment

Jacobs and Slaus (2011) refer to employment as a fundamental human right and the most essential function of any economic system as it makes a significant contribution towards human economic welfare. According to Pope Benedict XVI, "*work enables people to realize their potential and contribute to the good of society as long as their work is undertaken in full respect of human dignity and common good*" (Pope Benedict XVI : Slabbert & Ukpere, 2009, p.40).

Employment is a function of a range of variables such as private and public investment; money supply; availability of credit; interest rates; public and consumer debt; prevailing wage rates; access to markets; labour productivity; technological innovation; migration; and demographic trends. Jacobs and Slaus (2011) argue that changes in all of these variables have corresponding relationships with levels of employment rates, where these relationships are predictable.

John Maynard Keynes asserted that most people living in modern-day capitalist economies must work for a wage as a primary source of employment and income (Wray, 2009). However, the inability to obtain a job lowers the income of populations and, thus, their capacity to spend money (Wray, 2009). As a result, economic growth suffers. This

is similar to Howell's (2001) assertion that poverty and limited access to jobs reduces the productivity of vulnerable groups and lowers their capacity to save or invest.

To counteract the negative effects of unemployment, Wray (2009) explains that Keynes advised putting unemployed labour to work in socially productive ways through government spending that would provide useful economic output and thereby alleviate market inefficiencies or failures. Keynes thus advocated a mixed economy, like that of South Africa, where monetary and fiscal policy interventions of a government are necessary to stabilize the economic productivity of a country. In a mixed economic system high unemployment is an area of concern for policy makers and labour market participants (Burger & Von Fintel, 2009). This is because high unemployment aggravates poverty and inequality and impacts negatively on the economic and social development of a country.

While South Africa's economic structure emulates the above ideologies of Jacobs and Slaus (2011) and Keynes (Wray, 2009), it still has not been able to curb unemployment significantly over the years. This solicits an investigation into the reasons why unemployment and poverty rates remain high in countries such as South Africa.

2.3 Reasons for a country's high unemployment rate

Slabbert & Ukpere (2009) state that high global unemployment can be attributed to globalisation. The competitive profit-making management techniques of outsourcing, corporate migrations, downsizing and widespread automation have left millions of people around the world jobless over the last three decades (Slabbert & Ukpere, 2009). In addition, the current information age provides cheap access to information but has created job losses in other sectors of the global economy (Slabbert & Ukpere, 2009). Currently, customers make use of innovations and developments in the IT sector to access services previously offered by an employed person and which are now automated. This includes making online travel bookings, performing banking transactions, as well as other kinds of purchases and retail trade via the internet (Slabbert & Ukpere, 2009).

A high unemployment rate is also attributed to the presence of structural inefficiencies in the supply-side factors of labour, such as skills development and labour market inflexibility (McCord, 2002). Labour market inflexibilities are imposed in the market in the form of fixed minimum wage, fixed working hours, strong trade union involvement and stringent labour regulations in terms of hiring and firing (White, 2010).

In the South African context, McCord (2002) explains that a critical factor aggravating poverty is the contraction of the formal sector's demand for unskilled labour during the past three decades. This is confirmed by Banerjee, Galiani, Levinsohn, McLaren & Woolard (2008), who assert that changes in labour supply and stagnant labour demand produced unemployment rates that peaked during the period 2001 to 2003. According to them, this resulted in unemployment levels that were unlikely to self-correct without government intervention.

Another reason for the aggravation of unemployment in South Africa is that the demand for unskilled labour has declined over the years due to a changing structure of the economy after apartheid (Burger & Von Fintel, 2009). They claim that for most black recent-market-entrants, a strong surge into unemployment can be attributed to overage education policies. These policies have, since 1996, forcefully and prematurely sped up the transition of young adult students from school into the labour market. Their analysis reveals that this segment, which makes up a large part of the South African population, has a lower probability of finding employment than others. As a result, large groups of individuals have been added to a long job queue of unskilled people (Burger et. al., 2009).

Given the factors that have contributed towards high unemployment rates as well as the presence of market inefficiencies that will not self-correct without government intervention, it is now necessary to explore the types of government policy responses towards the issues of unemployment and poverty.

2.4 Government policy intervention responses to high unemployment and poverty rates

To address high unemployment and reduce the occurrence of poverty within a country, there are three main government policy responses:

- formal sector employment creation (McCord, 2002)
- informal sector employment generation (McCord, 2002)
- social assistance programmes like PWPs (Howell, 2001)

This research focuses on PWPs that have the potential to contribute towards high growth in countries that have failed to redistribute social and economic opportunities to vulnerable groups, and as a result, have low growth and continued instability (Howell, 2001) due to high unemployment and poverty rates. Howell (2001) argues that PWPs are a vital mechanism for vulnerable groups to reattach themselves to the labour market and develop skills, and can thus play a potentially important role in addressing high unemployment and poverty rates in countries such as South Africa.

2.5 The role of PWPs in addressing unemployment and poverty

The primary purpose of PWPs is poverty alleviation through labour absorption. Governments achieve this by spending money on the creation of public assets through labour intensive methods (McCord, 2002). PWPs are often used as a social protection instrument to address the needs of the working-age poor (Overseas Development Institute, 2012). PWPs are expected to reduce reliance on social protection and contribute towards local economic development. This is what makes them an attractive policy option for governments.

According to Quene, Samson and Van Niekerk (2006), PWPs appeal to policy makers in four ways:

1. Vulnerable groups are less susceptible to dependency through PWPs. This is consistent with the ideology of not giving beneficiaries “something for nothing” (Wahenga.comments, 2007).

2. PWPs lead to job creation for social protection, providing a “win-win” combination of welfare transfers and the creation of productive assets (Wahenga.comments, 2007).
3. The creation of productive assets helps achieve the growth objectives of government.
4. The low wage rates of PWPs efficiently target the poorest of the poor which ensures that social protection is effectively provided to vulnerable groups.

However, PWPs are generally viewed as short-term emergency responses to cyclical shocks in labour markets and are not generally considered an appropriate response towards addressing structural employment challenges and chronic poverty (Kostzer et. al., 2010). Despite this notion, other international experience shows that large-scale PWPs can be successful in substantially reducing unemployment. This is evident in the examples of the Maharashtra Employment Guarantee Scheme (EGS) in India and the New Deal Programme during the 1930`s Great Depression in the USA, which both absorbed up to 30% of the unemployed in their respective countries (McCord, 2003 : Phillips, 2004).

The varying successes of PWPs around the world are attributed to variations in their design features and their implementation elements (Howell, 2001). This is similar to McCord`s (2003) assertion that the achievement of the objectives of PWPs depends on programme design, institutional capacity for implementation and the addition of social development considerations to PWP projects that are conceived and executed.

The literature review will now explore the best practices with regard to both the design and implementation aspects of PWPs by considering international case studies of PWPs that have succeeded and failed in the past. This study will provide the bedrock for the development of a strategy for poverty alleviation and job creation with respect to PWPs.

2.6 The design aspects of PWPs

PWPs are usually designed according to the state`s capacity, the programme`s cost effectiveness, the intensity of labour required and the targeting of the poorest of the poor (Quene, Samson & Van Niekerk, 2006). These design factors, in turn, influence some of the best practices that are incorporated into the mandate of PWPs, such as:

- a. Wage rate paid
- b. Wage payment arrangements
- c. Timing and duration of employment
- d. Skill and labour-intensity
- e. Exit policies
- f. Microfinance
- g. Assets/Infrastructure created

These best practices determine the livelihoods impact of PWPs (McCord, 2003). Each best practice will now be elaborated upon with examples of international case studies.

a. Wage rate

The self-targeting concept advocates that a PWP's wage in a low-income country should be no higher than the market rate for unskilled labour. It is argued that a sufficiently low rate will ensure self-targeting by the poor. This will reduce the chance of the less vulnerable from participating in the PWP and thus provides wider coverage for the most vulnerable groups. The logic rests on the assumption that anyone who is willing to do unskilled manual labour for such a low wage is poor and that workers will take up alternative, better paying work if it becomes available (Quene et. al., 2006).

However, one criticism of the self-targeting principle is that the value of transfer benefits made through PWPs are deliberately set so low that they still leave the participants well below the poverty line. It is thus argued that the dependency of vulnerable groups on governments to provide poorly paid employment is no less dangerous than dependency on governments to provide direct transfers through grants (Wahenga.comments, 2007).

For this reason it is often useful to consider supplementary mechanisms which ensure that the poor are targeted (Quene et. al, 2006). For example, in the case of the Maharashtra EGS programme, self-selection reduced the administrative burden of targeting by keeping wage rates a little lower than the normal agricultural wage rates in private farms. However, to supplement the low wage rate, a number of welfare benefits were included in the project, such as shelter during breaks, first-aid boxes, crèches and

babysitters to look after the children of labourers, maternity benefits to women labourers, rent for working tools, and the availability of work within eight kilometres from the residence of the labourer (Pellissery, 2008).

However, there is a trade-off between targeting and the level of wages paid. Besides targeting, the amount of wages paid is also a significant consideration because tiny transfers have tiny impacts (McCord, 2003). It is argued that the poor use incremental income to satisfy basic consumption needs first, then invest in human capital (education and health) and social capital, and then invest in income-generating activities (Devereux, 2000; McCord, 2003). Thus, the wages that are paid out by PWP are usually only enough to satisfy basic human consumption needs, and do not allow for the satisfaction of human and social capital and investment needs (McCord, 2003). Thus, if PWPs are to make a significant impact on poverty reduction, wage levels that satisfy all three needs are required.

b. Wage payment arrangements

Quene et. al. (2006) states that payments must be regular, and must be based on transparent processes clearly communicated to workers. Fragmented payment arrangements, which often result from poor administration or funding constraints, can dramatically erode the benefits of the PWP. This is evident in the Maharashtra EGS programme where lapses in payment resulted in certain irregularities and work delays (Pellissery, 2008). Delays and widely varying payments arrangements create confusion, resentment and social tension among the workforce (Quene et. al, 2006).

Depending on the structure of the PWP, payment can be made in the following ways:

- on a piece-rate system,
- on a task-based system, or
- on a time-based system.

According to Quene et. al. (2006), piece-rate and task-based payment systems provide greater flexibility in scheduling work and are often preferred over time-based systems because they avoid labour incentives that may be compromised. Task-based

arrangements, however, can lead to confusion. Transparency and communication are critical in avoiding resentment-provoking misunderstandings (Quene et. al., 2006).

In addition, linking work performance to payment is inappropriate in PWPs as this may compromise the regularity of payments. It is recommended that performance issues be addressed through management interventions rather than compensation penalties since these can lead to payment delays and are found to be almost always counterproductive (Quene et. al, 2006).

c. Timing and duration of employment

According to Quene et al. (2006), another essential design feature of a PWP is the duration of employment offered. PWPs should respond to the duration, frequency and intensity of the risks that vulnerable groups face. While most cash transfer programmes are long term in nature, most PWPs offer only temporary employment (Quene et. al., 2006). McCord (2003) also asserts that the length of employment offered is critical in terms of the ability of participation in a programme to have a sustained impact on poverty.

However, as mentioned earlier, some PWPs such as the Maharashtra EGS programme and Ethiopia's Productive Safety Net Programme have been effective in addressing chronic poverty. These offered longer term jobs (Quene et. al., 2006).

PWPs which aim to address chronic poverty should also provide an opportunity for households to save and accumulate assets, and allow participants to take part in additional developmental activities such as training for permanent employment or establishing income-generating activities (Quene et. al., 2006). In the case of the Maharashtra EGS programme, the longer duration of employment increased the stabilization effect of a transfer of income to the poor (McCord, 2003). Stabilization enables consumption smoothing and reduced vulnerability to shocks (McCord, 2003). McCord (2003) argues that the stabilization effect, rather than the immediate transfer of cash, has the most significant impact on poverty reduction, where reduced fluctuations in income can prevent acute distress to the poor. Thus, the existence of any form of continuous income for the poor is very important for poverty reduction.

Korea provides a good example of appropriate duration of employment. Preceding the economic boom of the late 1970s, the Korean government offered temporary employment at an unskilled-labour wage by implementing infrastructure projects such as roads. As the boom continued into the 1980s and market-labour costs soared, the more productive workers found higher paying jobs. Consequently, unemployment fell which led the government to replace the PWP with a cash transfer programme that provided social protection more effectively to people who were unable to supply labour to the market. The programme lasted for as long as the unemployment of productive workers was a chronic problem. PWPs thus need to be flexible enough to deal with changing circumstances, and allow the introduction of more appropriate instruments when required (Quene et. al., 2006).

Longer duration PWPs can also reduce the long term costs of intervention. Many programmes in Bangladesh and India which focus on developing domestic capacity, for example, operate continuously throughout the year. This is because in the absence of established capacity, projects are likely to suffer delays, particularly when social protection is needed the most. Permanent duration, and the associated building of capacity, therefore help support PWPs as a viable social protection instrument against unemployment and poverty (Quene et. al., 2006).

Another appropriate option for sustained employment creation is a focus on part-time asset/infrastructure maintenance, rather than asset/infrastructure creation (McCord, 2003).

Another way in which the timing and duration of employment can be looked at is in terms of the type of poverty or unemployment that a country is experiencing. If there is a temporary disruption of livelihoods, such as in the event of a natural disaster, a PWP that protects consumption on a short-term and one-off basis is appropriate. If a country experiences seasonal or cyclical poverty or unemployment, then the PWP will have to be implemented on a cyclical basis. If the country experiences chronic poverty or structural unemployment then the PWP needs to provide employment on an ongoing, demand-basis (that is long term) as a form of income insurance to protect consumption, rather

than on a once-off basis which is typical for many PWPs (Overseas Development Institute, 2012).

d. Skill and labour-intensity

PWPs tend to make use of labour-intensive methods to create employment. Labour-intensive is used to describe an operation where proportionately more labour is used than the other factors of production (such as machines) (McCutcheon & Parkins, 2003)

According to the World Bank (1986), it was found that for countries with no traditional experience with labour-intensive technologies, a minimum of three years of preparation is required for mobilization, staff training and the introduction of specialized institutional arrangements, before the large-scale use of unskilled labour can start. A pilot phase is also usually necessary, during which considerable technical assistance inputs are required.

Labour-intensive works are also management-intensive, and require special attention in this respect, especially where labour relations are not well developed (World Bank, 1986). This implies the importance of certain cadres of staff, for example, foremen and gangers, and also the need for para-professionals to cater for the special professional and mid-level management requirements of labour-intensive work. Thus, the training of supervisory and other staff and office personnel are also very important at the start of a PWP project.

Labour-intensity is measured in terms of the share of PWP expenditure that is spent on wages. The greater the share of PWP expenditure on wages, the more effective will the intervention policy be at reducing poverty for the participants in the short term. However, there may be a trade-off between higher labour-intensity and the ability of the PWP to generate indirect or medium-term benefits from the assets that are created (Quene et al., 2006). This is evident in the Maharashtra programme where EGS projects were selected on the basis of the intensity of the use of unskilled labour. When the EGS started, it was required to have 90% of the cost of the project spent on wages for unskilled labour and 10% on skilled labour and material. However, in later years this ratio was found difficult to maintain, so it was adjusted to a ratio of 60:40 of unskilled to skilled labour (Pellissery, 2008).

According to McCutcheon & Parkins (2003), some of the key principles of successful labour-intensive approaches are that the project must be treated as a professional engineering project while giving serious consideration to carefully selected socio-economic objectives besides the asset itself, with particular emphasis on employment generation.

However, other authors suggest that an excessive focus on labour-intensity may undermine the ability of a PWP to build the capacity of a participating worker. This is because the skills development of unemployed workers requires training costs and other forms of additional non-wage expenditure. Failure to purchase technical inputs and materials could render the assets that are created of little value to communities. While a greater investment into these non-labour inputs will shift resources away from wages, in the longer term, PWPs may generate greater socio-economic benefits for vulnerable groups, their communities and their nation as a whole (Quene et. al., 2006).

However, the assumption that participation in PWPs will offer experiential and formal training and absorb future participation into the labour market, does not take into account the limited demand for labour in the context of current unemployment levels (McCord, 2003). McCord (2003) asserts that training under a short duration of work is unlikely to impact on future labour market success, as some projects last as little as three months and developing marketable skills takes longer than this (Adato et. al., 1999; McCord, 2003). Thus, under short-term employment durations, the quality of training received is often not adequate and not a sufficient guarantee of the future employability of participants in PWPs (McCord, 2003).

e. Exit policies

Policy-makers often assume that participation in a PWP will enable a participant to rise out of poverty. However, the reality is that in the absence of an effective exit strategy, most participants in PWPs will sink back into poverty once the scheme ends (Quene et. al., 2006).

PWPs will only stimulate employment if local enterprises are able to respond to the demand generated by the increased purchasing power of vulnerable groups. For

example, irrigation infrastructure and rural roads produced by the Maharashtra EGS had led to further employment creation. By creating assets that boosted productivity in agriculture and rural non-agricultural activities, this PWP created a virtuous circle where the need for PWPs was reduced by increasing employment opportunities in the more remunerative private sector. Similarly, the secondary economic benefits stimulated by the availability of cash in the local economy (due to wage transfers) further supported private sector job creation. However, this is only likely if the PWP has a long-term focus and if the scale of interventions (in terms of employment) is sufficiently large, leading to a sustained cash infusion into the local economy (Quene et. al., 2006). McCord (2003) further asserts that it would be incorrect to assume that assets created under PWPs contribute to growth and poverty reduction, unless the assets created or maintained through PWPs are strategically selected for their benefits to the poor and the wider economy. In addition, their construction must be given adequate technical management to ensure that they are of acceptable and sustainable quality.

Another exit policy is skills development which enables workers to move into employment and aims to provide a ladder up from the low wages of PWPs. Most PWPs, however, provide only the basic skills necessary to carry out the specific duties of the job and these skills rarely have significant value in the local market place for work. Thus, the value of any training will depend on its quality and its relevance in the labour market (Quene et. al, 2006).

f. Microfinance

McCord (2003) states that the provision of training as one aspect of PWPs is problematic without simultaneous access to capital, through either savings or micro-credit facilities, especially if the low wage level and short-term nature of employment provided has not enabled participants to accumulate capital directly from wage earnings. Without the provision of capital for formal or informal income generating activities, the livelihoods impact of a training intervention is unlikely to be successful, as a lack of access to capital is a major form of discouragement towards self-employment among PWP participants (McCord, 2003).

g. Assets/Infrastructure created

McCord (2003) asserts that the evidence base for the real value of assets or infrastructure created through PWP is limited. There is often a disjuncture between the aspirations of a project and the actual quality, appropriateness and strategic value of the assets created (McCord, 2003). For instance, where a road was built in a rural area in South Africa in order to boost employment, increase accessibility and reduce the cost of freight and passenger services, the anticipated multiplier effects were not necessarily realized (Mashiri & Mahapa, 2002; McCord, 2003). Money earned by workers who built the road did not circulate within the community and the anticipated improvement in road passenger services did not materialize, nor did the benefits in terms of improved access to market and other amenities. This failure was attributed to a lack of genuine participation of local communities in selecting assets and priorities for the project (Mashiri & Mahapa, 2002; McCord, 2003). Thus, assets and infrastructure created by PWPs need to be strategically selected, in conjunction with the participation of the local community and participants of the PWP, to realize real value in the assets that are created.

Given the best practice design elements of PWPs, it is now necessary to look at their implementation aspects. These are outlined in the following section.

2.7 The implementation aspects of PWPs

McCord (2003) asserts that the social and economic performance of PWPs depends on the institutional context in which they are implemented and the social development processes in which they are embedded. Without adequacy in either the institutional or social development context, it is unlikely that PWPs will meet their objectives (McCord, 2003).

Howell (2001) proposes the following implementation tools for PWPs:

- a. Goal setting
- b. Financial sustainability
- c. Integration and building of partnerships

- d. Management, co-ordination and administration
- e. Monitoring and evaluation
- f. Governance, politics, accountability and corruption

a. Goal setting

Howell (2001) states that governments should set specific goals and decide on what the levels of deprivation and vulnerability should be in a society (Howell, 2001). For example, Ganokendra, which is considered to be an innovative model for poverty alleviation in Bangladesh, was successful partly because of its focus on specific objectives such as the improvement in the quality of life of its communities, social empowerment and economic self-reliance (Alam, 2006). In addition, the Maharashtra EGS programme successfully operationalized the constitutional recommendation of the 'right for work for all'. Under this right, if the government failed to provide work to a person who demands work, the government was legally obliged to pay Rs.10 per day to that person within seven days of the demand being made (Pellisery, 2008).

b. Financial sustainability

Financial constraints faced by many governments usually prohibit the large-scale implementation of PWPs and cutbacks in public spending have undermined the quality of service provision (Howell, 2001). Howell (2001) proposes cost-recovery and increased privatisation of PWPs. The Maharashtra EGS programme achieved this successfully by demanding that 50% of the financing of the EGS is sourced through levying a tax on urban workers and that the state contribute the other 50%. This put the responsibility of rural development on the comparatively well-off population in the urban areas (Pellisery, 2008). In addition to the issue of financial sustainability, Phillips (2004) calls for multi-year budgeting of PWPs.

The cost-effectiveness of PWPs is also important (Overseas Development Institute, 2012). PWPs are a more expensive way of delivering cash to households in comparison to alternative social protection measures. This is due to the additional capital, technical and managerial costs imposed by employment and asset creation. This premium is only reasonable if the skills and assets created through the PWP will promote commensurate

and economic benefits and productivity gains for either the beneficiaries or the wider economy (Overseas Development Institute, 2012).

c. Integration and building of partnerships

Islam (2001) asserts that PWP's aimed at raising the productivity and incomes of the poor have the best chance of success when they are implemented within a macro policy environment which is conducive to their operation. This ensures that sufficient resources and time are allocated to planning the PWP and developing the capacity to implement it (Phillips, 2004).

Howell (2001) also proposes that establishing partnerships amongst key stakeholders of the PWP is necessary for the effective implementation and the long-term sustainability of a PWP. Partnerships between statutory institutions, the private sector and social welfare institutions should be formed, paying attention to regulation and facilitation in order to direct provision.

For example, in the Maharashtra EGS programme, implementation was a division of responsibilities between the state, junior engineers (JE) and the local elite of the local communities. Organising and managing the labourers, as well as distributing and supervising work was carried out by the local elite. The keeping of attendance registers of labourers, the measurement of work done; obtaining the money from the government and the distribution of money to the labourers was done by the JE. This integration and partnership provided increased capacity to successfully implement a large-scale PWP (Pellissery, 2008).

According to the World Bank (1986), early involvement of the local communities to be served by the completed works is essential. Collaboration with local communities must be obtained for the supply of labour, the provision of "rights-of-way" and quarries for materials. This will enhance the use of labour-intensive techniques in construction in terms of efficiency and could also possibly also reduce the effective average price of labour.

d. Management, co-ordination and administration

Phillips (2004) asserts that strong institutions should be put in place to manage and co-ordinate the implementation of the PWP. Howell (2001) also suggests that an effective PWP requires a capable and accountable administrative system of considerable complexity. Howell (2001) proposes that governments should be responsible for this administration in the following ways:

- Governments can introduce consistent and transparent criteria to evaluate the effectiveness of the PWP.
- Codes of conduct for all delivery agents can be developed in conjunction with the beneficiaries in determining standards to be achieved and ethics to be maintained.
- Governments can introduce benchmarks that all delivery agents must meet. For example, not more than 5% of total funding can be spent on administration.
- Governments can also review performance on a quarterly or annual basis, where PWPs are longer-term projects.

In addition, Phillips (2004) emphasizes that effective planning of the PWP is crucial to ensure that the pace of implementation is linked to the pace of the development of the required implementation capacity.

e. Monitoring and evaluation

Phillips (2004) suggests that high priority be given to effective systems of monitoring and evaluation of the PWPs. Monitoring and evaluation are important to ensure that the PWP is achieving the objectives that it set out to achieve. For example, it is important to monitor whether the benefits of the PWP are reaching all or most of the intended beneficiaries, whether the PWP is cost effective and/or whether there has been a leakage of program benefits to non-target groups (Howell, 2001).

McCord (2003) also asserts that monitoring and evaluation are important in collecting data and baseline information about the impact of PWPs. Information such as workdays created, units of training delivered, kilometres of road constructed and number of workers recruited are important for analysing the real impacts on the livelihoods of

participants of the PWPs against the government investments made in those PWPs (McCord, 2003).

f. Governance, politics, accountability and corruption

Phillips (2004) recommends that successful PWPs require consistent political support. However, the negative side of this is that PWPs are popular with politicians because governments claim to be creating jobs but projects are not always structured and targeted to have the best interests of the community at heart (Wahenga.comments, 2007). A study of emergency employment programmes in Argentina found that politics affected the targeting and thus the effectiveness of these programmes, and that these programmes were vulnerable to political manipulation because they were not conducted in a “clientelistic way” (Giraudy, 2007).

In addition, a case study on the National Rural Employment Guarantee Programme in Andhra Pradesh and Rajasthan in India (Gaiha, Jha, & Shankar, 2010) showed that corruption was major barrier in the success of this PWP. This is congruent with Howell’s (2001) assertion that vulnerable groups pay a high price for corruption and that governance and accountability are pertinent to the success of any PWP.

Given the general design and implementation elements of successful PWPs, it is now necessary to provide a brief overview of some of the targets, design and implementation features of the EPWP in South Africa.

2.8 The EPWP in South Africa

The EPWP was introduced as a policy response to the high incidence of unemployment amongst young South Africans who are ‘unemployable’ due to their lack of skills (McCord, 2002). The sole aim of the EPWP is to make the unemployed more employable. The mandate of the EPWP is to draw significant numbers of unemployed South Africans into productive work and assist them to gain skills while they work, thereby increasing their capacity to earn an income in future (Department of Public Works, 2004). EPWP thus serves the dual purpose of increasing and preserving the

future employability of young adults while also providing needed public services and infrastructure (Department of Public Works, 2004). This is particularly relevant in the South African context given the inequitable distribution of infrastructure due to the apartheid dispensation, and the political commitment to widespread infrastructure provision (McCord, 2003).

Employment opportunities have been created in four sectors, namely:

- a. the infrastructure sector
- b. the environmental and culture sector;
- c. the social sector; and
- d. the non-state sector which includes the Community Work Programme (CWP).

The EPWP has a variety of objectives and is seen as *“among the most innovative (PWP) in the world, with multiple objectives that include not only job creation, poverty reduction, and infrastructure development, but simultaneously job training and community capacity building”* (Adato et. al., 1999: McCord, 2003, p. 9).

2.9 Design elements of the EPWP

a. Wage rate paid

According to the EPWP Guidelines, an appropriate wage rate complies with the principles of a “fair wage for a fair day’s work” and should not be too low to be exploitive but also not too high to attract labour from other sustainable initiatives (Department of Public Works, 2012).

Phase 2 of the EPWP (2009-2014) introduced the “Intergovernmental Fiscal Wage Incentive” to drive programme growth and work duration. Under this incentive, all implementing government bodies can claim R50 per person-day of work created in all sectors and activities (Lieuw-Kie-Song, 2009). This was instituted to help make infrastructure projects more labour-intensive.

b. Wage payment agreements

In terms of payment arrangements, the EPWP's *Code of Good Practice* states that payment should be made on a task-based system upon completion of work (Department of Labour, 2002). However, a daily wage rate is also used by the National Department of Public Works (DPW).

c. Timing and duration of employment

In terms of duration of employment, the EPWP's *Code of Good Practice* also stipulates that no person may be employed for more than 24-months within a 5-year cycle, except in circumstances where no other local labour is available (Department of Labour, 2002). This principle is employed to ensure that as many people as possible are provided with a work opportunity to participate in the programme.

d. Skill and labour-intensity

In terms of training, the EPWP's *Code of Good Practice* stipulates that beneficiaries are entitled to two days of training for every 22 days worked (Department of Labour, 2002). Workers will also be paid a training allowance when they are required to attend approved training programmes. This is equivalent to 75% of the daily task rate or 75% of the daily rate for time-rated workers. There will be no payment for training prior to the engagement. However, all costs of training will be covered, for example, travel, trainers, material etc.

In addition, in 1994, a National Qualifications Framework (NQF) and a system of Sector Education and Training Authorities (SETA) were established. In 2004, upon request of the DPW, the Construction Education Training Authority (known as CETA) funded the development of unit standards for the design, supervision and management of labour-intensive construction at NQF levels 2,4,5 and 7 for small contractors, supervisors, technicians and engineers (ILO, 2012). It was stipulated that in order to secure works using labour-intensive work methods, provinces and municipalities should appoint contractors and consulting engineers who have been trained in the design, supervision and management of labour-intensive works.

Also, CETA and the DPW have developed a labour-intensive Contractor Learnership Programme, *Vukuphile*. This was modelled on another successful learnership programme, *Gundo Lashu*, in the Limpopo Province, which provided training by accredited local training providers (ILO, 2012).

A guiding framework for the implementation of labour-intensive projects was issued by the EPWP in 2004 and updated in 2005. These include specific directions regarding contract clauses that promote the use of labour-intensive methods (ILO, 2012).

e. Exit policies

One of the objectives of the training that the beneficiaries are earmarked to receive is to help identify possible career paths available to workers who exit the PWP project (Department of Labour, 2002).

f. Microfinance

No provisions have been made for this.

g. Assets/Infrastructure created

One of the key conditions of the EPWP is that certain types of infrastructure projects must be done labour intensively (Department of Public Works, 2005). For example, in the construction of roads, the spreading, shaping, camber formation, loading, trenching, sloping, gravelling and finishing of roads and sidewalks must only be done labour-intensively (Department of Public Works, 2005).

In order to build capacity to implement large numbers of labour intensive projects, training is carried out in partnership with CETA and the South African Qualifications Authority (SAQA) (Department of Public Works, 2005). This training is integrated with existing learnerships and skills development programmes (Department of Public Works, 2005).

2.10 Implementation aspects of the EPWP

a. Goal setting

The EPWP targets all the unemployed and marginalized groups within South Africa (Department of Public Works, 2005). According to the EPWP's *Code of Good Practice*, the beneficiaries of the EPWP should preferably be non-working individuals from the most vulnerable sectors of disadvantaged communities who do not receive any social security pension income (Department of Labour, 2002). More specifically, the EPWP's *Code of Good Practice* (Department of Labour, 2002) states that the targeted beneficiaries of the EPWP should be 60% women, 20% youth from 18 to 25 years of age and 2% disabled South Africans.

The EPWP has managed to achieve its initial target of providing employment opportunities with training to one million unemployed people within the first five years of the programme, from 2004 to 2009 (Lieuw-Sie-Kong, 2009). The next five years, 2009 to 2014, hopes to create approximately 4.5 million jobs within South Africa (Lieuw-Sie-Kong, 2009). This is in line with South Africa's Millennium Development Goals of halving unemployment by 2014 (Lieuw-Kie-Song, 2009). The DPW uses the term "full-time equivalence" to achieve its targets. Full-time equivalence refers to the number of working hours that represents one full-time employee during a fixed time period, such as one month or one year. Full-time equivalence simplifies the measurement of work by converting work load hours into the number of people required to complete that work (Department of Public Works, 2005).

b. Financial sustainability

In terms of financing, the EPWP involves the large-scale re-orientation of line budgets so that government expenditure results in more work opportunities in the short-to medium-term (Department of Public Works, 2005). The EPWP is thus a decentralized government programme, relying on the contribution of national, provincial and local governments (Lieuw-Kie-Song, 2009). No special budgets have been made especially for the EPWP. Instead, additions have been made to existing budgets and conditional intergovernmental mechanisms have been put in place for provincial and municipal

governments to use their own budgets as well (Lieuw-Kie-Song, 2009). This was done to ensure that employment creation is engrained into the core function of government and is not viewed as a peripheral function (Lieuw-Kie-Song, 2009).

c. Integration and building of partnerships

The projects that are started under the EPWP require integration with the local community.

The DPW has partnered with the International Labour Organisation (ILO) which provides support at the national level in terms of technical assistance (ILO, 2012). The support that the ILO provides is in terms of policy development and promotion; skills and capacity development; technical and managerial advisory support; research contributing to the optimization and mainstreaming of the use of labour-intensive methods; and the advocacy of strategies, processes and tools that contribute to the up scaling of the EPWP.

d. Management, co-ordination & administration

Although the EPWP is a national programme, it is implemented by the provinces and municipalities. This means that the programme is dependent on the capacity of local government institutions to manage and implement works and their support of the use of labour-intensive works technology in their respective programmes (ILO, 2012).

Thus the majority of job opportunities are created within the framework of the Provincial Infrastructure Grants (PIGs) and Municipal Infrastructure Grant (MIGs). Conditions are placed on the PIGs and MIGs via the 2004 Division of Revenue Act (DORA), which require provinces and municipalities to execute public works such as low-volume roads, storm-water drains and trenching work using labour-intensive methods in accordance with the guidelines produced by the DPW, and approved by the South African Local Government Association and the National Treasury (ILO, 2012).

e. Monitoring and evaluation

The DPW is the overall EPWP-coordinating department and the sector-coordinating department for the infrastructure sector. As the overall coordinating department, the DPW is responsible for monitoring and evaluation, progress reports to Cabinet, promoting linkages, between sectors, establishing common support programmes and common monitoring, evaluation, exit strategies and training frameworks (ILO, 2012).

f. Governance, politics, accountability and corruption

In terms of administration and management, the EPWP Unit in the DPW is responsible for the programme design, coordination and mobilization, monitoring and evaluation, communication, technical support and reporting back to Cabinet (Lieuw-Kie-Song, 2009).

2.11 Effectiveness of the EPWP

McCord (2003) states that the employment creation performance of PWP's in South Africa has been limited due to:

- The scale of budgetary allocations (less than one per cent of the annual social security and welfare budget);
- Institutional constraints (relating to programme conceptualization and design);
- Project management capacity (in both the public and private sectors); and
- Multiplicity of fragmented programme objectives that has contributed to a lack of focus which has reduced the amount of employment generated.

2.12 Conclusion

The literature covered above shows that PWPs can be an appropriate tool for addressing high unemployment and poverty rates in a country. It outlined the international best practices of the design elements and implementation aspects of successful PWPs. These best practices form the basis of a strategy for making the

unemployed more employable with regard to PWPs. This is viewed as a means for effectively alleviating poverty and unemployment in a country. The literature also expanded on the current best practices that the infrastructure sector of the EPWP currently employs. It is against this backdrop that the main questions of this research project are raised.

Chapter 3: Research Questions

As stated in Chapter 1, this study intends to develop a strategy for poverty alleviation and job creation with respect to PWP. This strategy will then be used to evaluate the success of South Africa's EPWP in terms of its own mandate and in terms of the international best practices.

The literature review in Chapter 2 provided an investigation of international best practices with regard to the design and implementation elements of PWPs. This investigation has provided the foundation for the formulation of a strategy for poverty alleviation and job creation with respect to PWPs.

According to (Lewis & Saunders, 2012), studies often approach the research problem as open ended questions that are to be explored and answered rather than specific hypotheses to be proved. The open ended questions that will be answered in this research are:-

- **Research Question 1:** Are the design elements of the infrastructure sector of the EPWP appropriate for making the unemployed more employable?
- **Research Question 2:** Are the implementation elements of the infrastructure sector of the EPWP appropriate for making the unemployed more employable?
- **Research Question 3:** What improvements can be made to the infrastructure sector of the EPWP to ensure that it achieves a significant reduction in the unemployment and poverty rates in South Africa by making the unemployed more employable?

Chapter 4: Research Methodology

4.1 Research design

This study explores the improvements that the EPWP can make in terms of significantly reducing unemployment and poverty in South Africa by developing a strategy for poverty alleviation and job creation from international best practice case studies of PWP. Lewis and Saunders (2012) recommend that this type of study requires a qualitative approach, where qualitative research is about discovering general information about a topic that is not clearly understood by the researcher. Qualitative research lends itself to the discovery of new phenomena where the researcher may not be prepared to launch into an in-depth, full-scale research but may only want some insight into the study (Lewis & Saunders, 2012). An exploratory study is usually followed up with more detailed research to provide more dependable answers (Lewis & Saunders, 2012).

The most common ways of conducting exploratory research are through searching the academic literature (as in Chapter 2), interviewing experts in the subject and conducting interviews with stakeholders (Lewis & Saunders, 2012).

4.2 Scope

The scope of the research was the evaluation of the EPWP in South Africa in terms of its design and implementation elements. This evaluation was carried out in accordance with the strategy for poverty alleviation and job creation that was formulated in Chapter 2.

4.3 Population

For the evaluation of the EPWP, the sample population for this study was the government-funded infrastructure projects. There were three main reasons for the choice of this sample population.

Firstly, PWPs in South Africa were originally conceptualized as an instrument for asset and employment creation, on the basis of a two-pronged approach: promoting a community-based PWP, and changing the rules governing the provision of infrastructure

to increase labour-intensity across all government departments that are responsible for infrastructure delivery (Adato et. al., 1999; McCord, 2003). This indicates that infrastructure has been put to the forefront of employment creation in South Africa.

Secondly, South African Finance Minister Pravin Gordhan announced in the 2012/2013 budget speech that infrastructure expansion investment is one of the top priorities of this year's government budget (Global & Local Financial Consultants (PTY) Ltd, 2012). According to Deloitte Consulting Services (2012), budget allocation to public infrastructure will increase from R804 billion to R844 billion in the 2012 budget with much of the increased allocation going to transport. The allocation to energy infrastructure (electricity) will be R292 billion, with R262 billion allocated to transport and logistics infrastructure and R75 billion allocated to water and sanitation. Furthermore, R3.2 trillion worth of infrastructure projects will be considered for approval in the next 8 years (to 2020) and the bulk of these are energy projects (approximately R1.9 trillion) (Deloitte, 2012). It is thus clear that significant investments in these infrastructure projects will drastically influence the jobs and skills development opportunities for beneficiaries absorbed into this sector of the EPWP.

Thirdly, according to the Development Bank of Southern Africa Report 1998, infrastructure is the "foundation of development" in terms of improving people's lives (Heymans & Thorne-Erasmus, 1998). According to Heymans and Thorne-Erasmus (1998), infrastructure lowers the cost of production and consumption and makes it easier for participants in the economy to enter into transactions. Increasing the efficiency of infrastructure will thus improve growth performance, service provision and facilitate the achievement of a country's developmental goals (Heymans & Thorne-Erasmus, 1998). It is evident, therefore, that the infrastructure sector has a pivotal role to play in the alleviation of poverty and unemployment in South Africa.

In addition, the research was conducted on EPWP infrastructure projects that are located within the Gauteng province. This province has been chosen as it is the economic 'hub' of South Africa and is most likely where a sizable proportion of the investment in infrastructure will be made.

4.4 Sampling

To conduct the evaluation of the infrastructure sector of the EPWP, a small sample of current EPWP infrastructure projects was selected as case studies, which were reviewed and evaluated to make logical generalisations about the population.

a. Sampling technique

The sampling technique that was employed in this research was random sampling (Lewis & Saunders, 2012). Random sampling was deemed appropriate for this research as it is used to ensure adequate representation in terms of sample size and geographic spread (Lewis & Saunders, 2012). Through this sampling technique, any infrastructure project within the population had an equal chance of being chosen (Lewis & Saunders, 2012) and a more accurate inference about the population could thus be made. If this approach was not followed, the researcher could have run the risk of selecting a “dependent variable”, in other words, selecting only those projects where employment creation was high. This would thus skew the inferences about the population towards those projects that have successfully created employment and would therefore not provide an accurate reflection of the population (Lewis & Saunders, 2012).

b. Sample size

The evaluation of the EPWP was conducted on a sample size of three infrastructure projects. This was deemed sufficient to meet the objectives of this qualitative research and make generalisations about the population (Lewis & Saunders, 2012).

4.5 Research instrument

a. Design

For this qualitative study, in-depth information was required (Lewis & Saunders, 2012). Data for an in-depth study was thus collected in the following ways:

- Through secondary data sources through searching academic literature on international best practice case studies of PWP.
- Through a desk-top evaluation of the EPWP from secondary sources.
- Through a face-to-face expert interview with Mr. Robert McCutcheon who is a Professor Emeritus in the School of Civil and Environmental Engineering, at the University of Witwatersrand, in Johannesburg. His work focuses on employment generation, skills development and programme management in the field of public works.
- Through a face-to-face expert interview with Mr. Ignatius Ariyo, the Chief Director of the infrastructure sector of the EPWP who is responsible for Housing, Roads and National and Provincial infrastructure development. Mr. Ariyo's technical advisor, Mr. Gamelihle Sibanda from the International Labour Organisation, also joined in the interview and made contributions to some questions.
- Through semi-structured focus-group interviews with at least three key stakeholders (e.g. the beneficiaries and project managers) involved in each of the selected EPWP infrastructure projects in Gauteng (eight stakeholders in total).

The academic research of relevant literature was important for the development of the strategy for poverty alleviation and job creation. This was accomplished by investigating the best practice design and implementation elements of international case studies of PWP. The findings are described in Chapter 2.

The expert interviews were necessary to obtain primary data to aid the desk-top evaluation of the EPWP. This first-hand data was obtained through gaining insight into the opinions of experts who are directly involved in the design and implementation

aspects of the infrastructure sector of the EPWP, and who are also involved in labour intensive activities in South Africa.

The focus-group interviews were important to obtain insight into how the EPWP has impacted the livelihoods of key stakeholders. This aided the evaluation of the EPWP in determining its successes. The expert interviews were recorded by means of an audio device and then transcribed. The semi-structured focus group interviews were recorded by means of hand-written notes. Excel was used to analyse all of the interview data manually. The data was grouped into themes and categories. Common responses were acknowledged and unusual insights were highlighted. The responses were then analysed against the literature reviewed.

Please see Appendix 1 for the draft schedules of the expert and semi-structured focus-group interviews.

b. Reliability and validity

The data that was collected for the research was considered reliable because the research made use of primary data from sources directly involved with the EPWP, and also made use of secondary data derived from credible sources such as academic journals and recognized institutions, such as the Department of Public Works (DPW) in South Africa (Lewis & Saunders, 2012).

The data was also considered to be valid because the data collection instruments accurately measure what they are intended to measure in order to achieve the objectives of the research (Lewis & Saunders, 2012).

4.6 Data analysis

The data was analysed qualitatively through text analysis using Excel (Lewis & Saunders). Text analysis is of three types (Creswell, 1994; Clarke, 2006), namely:

- Narrative enquiry
- Constant comparative

- Content analysis

Narrative enquiry was applicable during and after the interviews, where this method was used to analyse the respondents' responses to the interviews and search for hidden meanings behind words (Oakley, 1997; Clark, 2006).

Constant comparative was applicable in the evaluation of the EPWP where the best practices in the strategy for poverty alleviation and job creation were compared to the collected primary and secondary data of the EPWP. This method was used after the narrative analysis of each interview (Clark, 2006).

Content analysis was also applicable as it provides a detailed examination of the contents of the data; in this case the interview notes. In this analysis, the frequency of the use of certain words was tallied and presented in a frequency table (Clark, 2006).

4.7 Research limitations

Due to the nature of this study various limitations were identified, including time constraints:

- a. Limited scope: This research project was confined to the government-funded infrastructure sector of the EPWP, and did not include an evaluation of the other three sectors, namely, the public environmental programme sector, the public social programme sector and the non-state sector. Suggestions for future research thus include the need for the evaluation of the EPWP in terms of the remaining three sectors in order to obtain a more complete evaluation of the EPWP.
- b. Systematic error: This error results from an imperfect aspect of the research design (such as choosing an incorrect sampling technique or instrument) that could cause execution errors. This error could also arise from administrative and data-processing errors (Lewis & Saunders, 2012). To mitigate these errors, random sampling was incorporated into the research design and checks on the data-processing were outsourced externally to ensure that all errors were detected and addressed appropriately.

- c. Non-response and response errors: A non-response error arises when any of the respondents decline to be interviewed. A response error arises when respondents do not mean what they say or say what they mean (Lewis & Saunders, 2012). To mitigate this error, as many key stakeholders as possible were asked to be interviewed until at least three interviews had been conducted for each selected infrastructure project. The expert interviews were conducted as planned since the experts had already indicated that they are willing and available.
- d. Interviewer error: This error arises when the interviewer records responses incorrectly and this could lead to the falsification and misrepresentation of data (Lewis & Saunders, 2012). To mitigate this error, interviews will be recorded and transcribed in addition to taking interview notes. This was done to ensure that the reporting of data was as accurate as possible.

4.8 Comments on interviews

The respondents contributed very positively during the interview process and were willing to participate and assist where they could. The disclosure of ethical clearance from GIBS assisted the researcher with securing interviews and site visits. All the respondents were satisfied that their information would be kept confidential. All the interviews were completed within the allocated time. Early planning provided the researcher with sufficient time to collect all the data and this resulted in the interviews being completed on time. The results of the interviews are presented in the following chapter.

Chapter 5: Research Results

5.1 Introduction

The following chapter summarises the results from the qualitative research obtained from the expert-interviews and unstructured focus-group interviews. The objective of the interviews was to gain a deeper understanding of the design and implementation aspects of the infrastructure sector of the EPWP and its impact on South Africa from experts, participants and beneficiaries. The interviews were therefore structured to elicit information that would answer the three main research questions listed in Chapter 3. The research questions are restated below for ease of reference:

Research Question 1: Are the design elements of the infrastructure sector of the EPWP appropriate for making the unemployed more employable?

Research Question 2: Are the implementation aspects of the infrastructure sector of the EPWP appropriate for making the unemployed more employable?

Research Question 3: What improvements can be made to the infrastructure sector of the EPWP to ensure that it achieves a significant reduction in the unemployment and poverty rates in South Africa by making the unemployed more employable?

The interviews followed the interview schedules in Appendix 1. Where permission was granted, the interviews were recorded on an audio device and then transcribed. Where permission was not granted, handwritten notes of the interviews were taken. Interviews with eleven people who were directly involved in the infrastructure sector of the EPWP were conducted. The details of the interviewees are summarized in Table 1.

Table 1: Summary Description of Interviewees

Entity	Number and Nature of Interviews	Designations	Interview Reference
National Department of Public Works	Structured Expert Interview with 2 participants	Interview was comprised of the Chief Director of the infrastructure sector of the EPWP and his Technical Advisor from the International Labour Organisation	1 & 2
MPA Consulting	1 Unstructured Interview and 1 Structured Expert Interview	Interviewed the Director of Employment Creation and Development at MPA Consulting and who is also Professor Emeritus at the School of Civil and Environmental Engineering at the University of Witwatersrand	3
Johannesburg Roads Agency (JRA)	1 Structured Expert Interview	Project Manager for Co-ordination for EPWP Projects	4
Johannesburg Roads Agency (JRA)	Semi-structured Focus Group Interview with 3 participants held on site	Project Manager for Implementation for EPWP Projects	5
City of Johannesburg Department of Economic Development		Administrative Officer	6
Independent Development Trust (IDT)		Social facilitator working in partnership with the EPWP for implementation	7
Craighovan Stormwater Upgrade and Erosion Protection Project	Semi-structure Focus Group Interview with 3 beneficiaries held on site	1 Site Foreman, 2 Labourers	8,9,10
City Power Electrification Project in Bryanston	1 Semi-structured Interview with 1 beneficiary held on site	Labourer	11

Of the respondents that were interviewed, four are considered to be experts who are directly involved in the infrastructure sector of the EPWP. The remaining seven respondents are participants and beneficiaries of projects related to the infrastructure sector of the EPWP.

The expert interviews were conducted at the offices of the respondents, namely, the National Department of Public Works in Pretoria, MPA Consulting in Johannesburg and Johannesburg Roads Agency (JRA) head office in Johannesburg. Two interviews were conducted with an expert in the field of labour-intensive construction, who has worked on successful projects that began before the inception of the EPWP and were never a part of the EPWP infrastructure sector. The semi-structured focus group interviews were conducted on the project sites. Two site visits were conducted on two of JRAs storm-water upgrade and erosion protection projects; in Craighovan and the Killarney Country Club Golf Course. Another site visit was conducted on City Power's electrification project in Bryanston. These projects all fall under the infrastructure sector of the EPWP.

The large amounts of information that were generated from the interviews were analysed and major themes were identified for discussion. In order to explore the research questions fully, the researcher began with an exploration of the role that the infrastructure sector of the EPWP plays in addressing South Africa's high unemployment and poverty rates. This included a look at its successes and challenges to date and is outlined in Section 5.1.

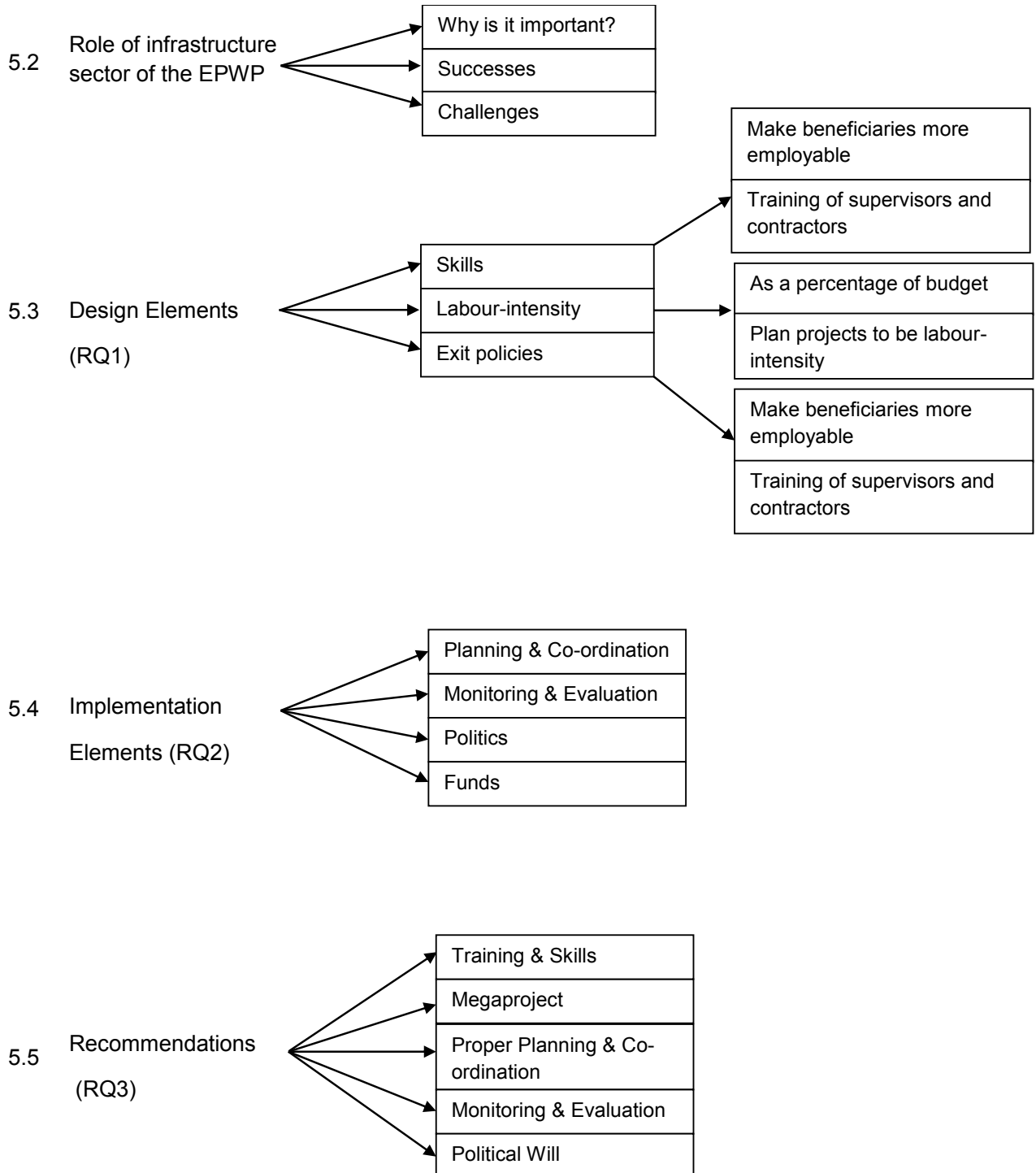
In response to Research Question 1, Section 5.2 focuses on the appropriateness of the design elements of the infrastructure sector of the EPWP. Challenges of skills, labour-intensity and exit policies emerged as themes.

In response to Research Question 2 and following a similar approach to that followed in Section 5.2, the appropriateness of the implementation aspects of the infrastructure sector of the EPWP is examined in Section 5.3. Challenges with planning and coordination, monitoring and evaluation, politics and funds emerged as themes.

The final part of this chapter (Section 5.4) explores the views of the respondents in terms of improvements that can be made to the design and/or implementation aspects of the infrastructure sector of the EPWP to ensure that it achieves a significant reduction in the unemployment and poverty rates in South Africa by making the unemployed more employable.

The structure of this chapter is diagrammatically presented in Figure 1. This structure was chosen for ease of reading and analysis and follows the ordering of the research questions.

Figure 1: Structure of Findings



5.2 The Role of the Infrastructure Sector of the EPWP

5.2.1 Why is it important?

The aim of this section is to first ascertain the respondents' views about the importance of the infrastructure sector of the EPWP in South Africa and to determine its successes and challenges to date. In summary, the respondents who are considered to be the experts in this field indicated that the infrastructure sector of the EPWP plays a very important role in improving people's lives, through paid employment which also provides them with a skill to become employable in the future.

Respondent 1: *"The infrastructure sector of the EPWP plays an important role in South Africa because it creates work opportunities using labour intensive methods of construction and also provides paid employment."*

Respondent 3: *"The infrastructure sector of the EPWP is important because of the high level of unemployment. To counteract high levels of unemployment, you need to develop skills.... This is achieved through the labour-intensive methods of construction. There is a direct link between skills and employment in this field if done properly."*

Respondent 4: *"It plays a major role in the form of creating jobs and improving people's lives where they get employed for a certain period of time."*

5.2.2 What are the successes of the infrastructure sector of the EPWP to date?

The purpose of this question is to provide a preliminary assessment of the positive impact that the infrastructure sector of the EPWP has had to date. The respondents who are the experts in the field acknowledged that the infrastructure sector of the EPWP had met all its target on the national, provincial and municipal levels. The respondents who were beneficiaries of the infrastructure sector of the EPWP also acknowledged some of the benefits that they had received as a result of participating in projects related to the EPWP. Below are the responses of the interviewees with regard to this question.

Respondent 1: *“It has met its target of creating one million work opportunities.”*

Respondent 2: *“It has also led to successful road maintenance programmes in Kwa-Zulu Natal where work opportunities for 40 000 people were created as well as in the Eastern Cape where work opportunities for 30 000 people were created.”*

Respondent 3: *“On the labour intensive projects that I worked on, that was before the EPWP started, and was not a part of the EPWP, the success was that it was a proper engineering project...They were at least giving a good technical product and they were employing additional people productively and there was some training.”*

Respondent 4: *“For JRA there were a number of successes. Like last year we were targeting to create 2 000 jobs and we ended up creating 2 500 jobs. Besides that we are also developing SMMEs. We were targeting 50 new entrants on construction related skills. These people were capacitated in terms of training and were also given projects to work on as subcontractors [sic]....”*

Respondents 9 and 10: *“We enjoy working and being employed...we are able to support our families. It has made quite a difference.”*

Respondent 11: *“The stipend makes an improvement because we go to bed having eaten something but it’s not a big deal.”*

5.2.3 What are the challenges of the infrastructure sector of the EPWP to date?

The purpose of this question is to ascertain whether some factors have impeded the success of the infrastructure sector of the EPWP to date. This question revealed that there are numerous challenges with the infrastructure sector of the EPWP.

Since the EPWP is a decentralised programme, the interviews revealed that the main challenges of the infrastructure sector of the EPWP include co-ordination across the different spheres of government; low technical capacity at local government level; a lack of funding for training; and high staff turnover of the various institutions.

Another concern was the fact that only a very small percentage of the total expenditure in the infrastructure sector of the EPWP went to the poor. One respondent revealed that very often infrastructure projects are sometimes not earmarked or planned as an EPWP (labour-intensive) project but due to time constraints and the pressure to meet targets, any project underway can and will be classified as EPWP. This defeats the purpose of the EPWP in terms of making the unemployed more employable.

Other respondents revealed that the type of work is not very appealing to beneficiaries as it is usually hard manual labour that nobody wants to do (such as trench digging). Sustainability was also raised as a challenge as people are not necessarily able to use the skills that they obtained (such as trench-digging) elsewhere and employment opportunities are rotated between beneficiaries. Other challenges that were listed were political interference, corruption, side-lining of labour-intensive construction and the lack of exit policies for beneficiaries. The beneficiaries of the EPWP infrastructure projects that were interviewed revealed that living far away from the project sites (10 to 20 km away) was a big challenge for them as they could not afford taxi fare and had to walk to and fro from work every day. Below are the responses of the interviewees with regard to this question.

Respondent 1: *“Co-ordinating across the different spheres of government; low technical capacity at local government level; a lack of funding for training; and staff turnover in the various institutions affect implementation.”*

Respondent 3: *“The concern and effort has gone in to measure the full-time equivalence, the number of people that are so-called ‘employed’. It is not treated as an engineering project. To me it’s incredibly sad. I’m very depressed about what happened in the EPWP. R21 billion was spent per year, that’s a lot of money. And nowhere near as much money goes to the poor. If it’s 6%, it should actually be 30% minimum that goes to the poor. So 5 times more money should be going to the poor. And amongst those poor should be a cadre of people with skills.”*

Respondent 4: *“...the problem is co-ordination. Starting from National [DPW]. Let me give the practical example of where I am now. Our financial year starts in June, and their financial year starts in April. And we don’t have proper co-ordination...they don’t monitor*

us and they don't visit us. They are there [in Pretoria] full time and don't ensure that our implementation is done properly with the guidelines of the EPWP. So I think that's the weakness that the EPWP has. You find that there are even projects that are not properly recorded.... But because there is no proper differentiation everything just becomes EPWP. So I think that we need to target certain types of projects that are earmarked to create jobs.... I also think that maybe [it is due to] the lack of skills from our management, those who are planning. And also we don't report directly to Public Works. We report to the City of Johannesburg. So the City of Johannesburg to be honest, they don't monitor us. They also know. They don't monitor the projects and their implementation. It's a very fragmented situation... it's a lack of identifying the correct or appointing the correct contractor and the delays. Like now as I say, from project management, you cannot appoint a contractor in December and say he should be finished in April in a gravel roads project that extends for two or three kms."

Respondent 5: "People with education and no skills don't want to dig or perform hard manual labour. They don't want to do trades but this is what the country needs.... Another challenge is the issue of sustainability. People don't use the skills that they are given....Political interference is another challenge....Ideally; they should start SMMEs with the skills that are required. But this does not happen. There should be means to help them maintain infrastructure but there are none [sic]....Corruption also steals money, and this also makes it not sustainable....Also, most departments implement projects at the "11th hour" and if they don't implement they get penalized. So they do conventional construction and labour-intensive construction is side-lined."

Respondent 6: "We have been trying to look at exit policies and track beneficiaries. But there are no projects to follow up on."

Respondent 7: "The rotation of beneficiaries is difficult for sustainability. For training of two to three months we have to apply for funds from DPW. But sometimes this takes too long and then the project is finished by then."

Respondents 9 and 10: "The transport costs are high but wages are low. We live in Cosmo City which is far away from the project. We have to walk 10 km's every morning

and evening and start walking at 5 am. We don't earn enough money to open a bank account."

5.3 Results for Research Question 1

Q1: Are the design elements of the infrastructure sector of the EPWP appropriate for making the unemployed more employable?

The purpose of this question was to assess the perception of the appropriateness of the design elements of the infrastructure sector of the EPWP for making the unemployed more employable. In response to this question, the critical themes that surfaced were related to skills, labour-intensity and exit policies. The responses from the interviewees indicated that the overall design elements of the infrastructure sector of the EPWP are not appropriate for making the unemployed more employable. Below are the interviewee responses to each of the design elements of the infrastructure sector of the EPWP.

a. Wage rate

Responses about the wage rate revealed that although the daily wage rate is set at the minimum (R63.18) at the national level, the City of Johannesburg has set the minimum daily wage rate at R120.00 due to strike pressures from the beneficiaries who have stated that R65.00 a day is not enough.

Respondent 1: *"Minimum wage rate paid is R63.18. This is contained within the Ministerial Determination and increases with inflation."*

Respondent 4: *"As the labour legislation says it has to be R65.00 and upwards but here in the City of Joburg you cannot pay them less than R120.00. They don't want that... They say R65.00 is not sustainable. Because a lot of people toyi-toyi [strike]. This is another area in our city where we have got a very serious challenge."*

Respondents 9 and 10: *"R120.00 per day."*

Respondent 11: *"Wage rate is R100/day set by the contractor."*

b. Wage payment arrangements

Responses to questions about the wage payment arrangements revealed that although the EPWP guidelines stipulate that wages should be paid per task, in reality the wages are time-based, i.e. paid daily or monthly.

Respondents 1 and 2: *“Wages are paid by the contractors. It is a daily wage rate. It is ideally paid per task.”*

Respondent 3: *“On the successful labour-intensive projects that I worked on that started before the EPWP and were not related to the EPWP, the wage payment agreements were task-based.”*

Respondent 4: *“...payment wage rate does not depend on the task. It is related to the number of days you work. It comes as a monthly wage. Not as per task as prescribed.”*

Respondents 8, 9 and 10: *“...wages are paid per day....”*

Respondent 11: *“I am paid monthly.”*

c. Timing and duration of employment

The responses revealed that overall the duration of the infrastructure projects related to the EPWP fall short of the stipulated 100 days and are generally of too short a duration to make a real impact in terms of making the unemployed more employable.

Respondents 1 and 2: *“The timing and duration of employment varies with the type of project. In the infrastructure sector, employment is of short duration (for example, a week). On average the duration is three months. The ideal target of duration is one hundred days.”*

Respondent 3: *“For the people that you are training it should be at least 18 months.”*

Respondent 4: *“It’s not permanent but in a normal situation it runs from three to six months or a year depending on the duration of the projects. But the majority of our projects start from three months, like storm-water....[and] rubble road is a one year project.”*

Respondents 9 and 10: *“We have been employed since 19 July 2012. And we will be employed until the project ends [around the end of September] [approximately two and a half months]. We have never been employed [for this long] before.”*

Respondent 11: *“July to mid-September [two and a half months].”*

d. The skills training and labour-intensity

The responses about skills training and labour-intensity revealed that the proper development of skills of the unemployed was lacking, mostly due to a lack of funding, of planning and time. This has implications for the success of the labour-intensive method of construction, which is the crux of the infrastructure sector of the EPWP.

Respondent 1 and 2: *“There is training included in the EPWP but it is linked to a sub-programme. For Phase I there was training. [Currently] for Phase II there is no emphasis on training as it is not considered to be efficient or productive for short programmes. There is also a lack of funding for this training. So only particular programmes are targeted for training.”*

Respondent 3: *“...the EPWP was structured to have a training component in it but it has since let that training component lapse, therefore, it is with regret that the EPWP, in my opinion, is no longer labour-intensive in terms of employing people productively. Yes, it might have people being employed, but not many of them are employed in a particularly well-organised fashion because there has been no training The emphasis has to be on the training....Labour-intensity was 9% in 2009 and has gone down to 6% in 2010/2011 when [in theory] at least 40% of construction expenditure should go towards labour-intensity [wages].”*

“You cannot have effective labour-intensive projects, in other words, you cannot employ large numbers of people if you have not generated the skills of the site supervisors who are able to organize and control the work of the large number of people who are doing the physical work.”

“There is a direct link between skills and employment in this field if done properly. In order to employ large numbers of people productively you need to have site supervisors, artisans, the people who are capable of organizing and managing the technical organisation required for a large number of people to be productive. You have to develop serious skills at that level of site supervisor and the level of site supervisor is an NQF 4 qualification which takes about 18 months to obtain using a mixture of classroom and site training, and mentored work after the course work is completed. You can’t address the unemployment problem unless you develop a serious level of skills amongst the unemployed.”

Respondent 4: *“Yes they do get training but that’s another challenge...We’ve got an HRD unit here or the JRA College which has been earmarked for creating artisans [and] short programmes in skills development and learnerships. But everything happens so fast. I think the problem is planning. By the time the project starts we should have trained these people, we should have started training them and also directing them in terms of identifying the correct projects and the skills needs. So it just happens haphazardly. You find that some of their projects start and finish without them being trained....But we have a unit here called HRD, they are responsible for JRA college which is accredited with the CETA which conducts training. And if that does not happen we have got another way where a contractor or JRA has to recruit a training provider who goes on site and conducts training. But so far, for the past three years that I have joined, it has been a dwindling situation. It has not been that effective and is not properly done.”*

Respondent 5: *“Training depends on the job. 1% of the project budget accommodates for training. JRA facilitates the training....This is not an EPWP project [the Craighovan Storm Water Upgrade and Erosion Protection Project] but every project in the City of Johannesburg must use labour-intensive construction methods. We are currently in a new financial year so projects are in the design and planning phase and we are currently*

not implementing any projects. However, the DPW has stipulated that everyone in Johannesburg must use labour-intensive construction methods....The budget for this project [Killarney Country Club Golf Course Storm Water Upgrade and Erosion Protection] is R1 million, 30% of which has to go to labour. However, the contractor also has to buy from local suppliers. Basically, for every R20 000 spent, one work opportunity must be created.”

“They also have the “Adaptor” programme which is a supervising and training learnership programme. This is, however, capital intensive. There are 13 departments and ten entities and only one entity has done this. So this has been difficult to do due to lack of inter-departmental co-ordination. Johannesburg Water and City Power did this programme and the Department of Economic Development was meant to be present. However, this had high financial implications.”

Respondents 9 and 10: *“We acquired skills and training in making gabions.”*

Respondent 11: *“I received no training. I only have primary school education.”*

e. Exit Policies

The responses to the question about exit policies revealed that beneficiaries rarely have access to an exit policy at the completion of a project.

Respondent 1: *“The infrastructure sector of the EPWP does have exit policies. It provides training for youth in artisan trades for one year through its National Youth Service programme. It also has a Vukuphile programme that focuses on contractor development as an exit policy. Exit policies are targeted at particular sub-programmes....The cross-sectional studies that were conducted by external consultants showed that 80% of participants of the EPWP were able to get employment. Participating in the EPWP thus made the participants more employable.”*

Respondent 3: *“With the Mohlaletsi programme [a successful labour intensive project that I worked on that is not linked to the EPWP] we had them linked up with the trainees. Trainees would go and become site supervisors on projects in Gundolashu in Limpopo,*

and this is a project that was under the EPWP. This is part of the reason why the Mohlaletsi programme was successful.”

Respondent 4: “No but I try my best to work together with the Department of Labour to refer some, for example, those who have been trained and they have got a skill to go for artisanship, trade test and all those things. But normally there`s no exit strategy. If the project is finished, it`s finished. And there`s nothing they can do. But I do from my personal interest [sic]....I have the names of all those people but we can`t employ them again because the City policy says that you come in and you go out. And you should employ another person because when you employ the same person they don`t count that person as another job created because he has already benefitted. They must come in and go out. Even if you have worked for a month, you`ve worked. That`s the policy of [DPW]... it`s not sustainable. Because of the way they are doing it now. And they say it`s not about sustainability. It`s about making a difference in someone`s life... They say that if the person has earned for 21 days worked that is a lot. And that`s our argument because first they were saying that each and every month we have to hire a new person. I said I don`t have the energy, I can`t do that. Because its laboursome and it disrupts the project continually because the contractor has to hire new people, teach them again etc...”

Respondent 6: “We have been trying to look at exit policies and track beneficiaries. But there are no projects to follow up on.”

Respondents 9 and 10: “(After the project finishes) we will either look for another job or go back to the robot.”

Respondent 11: “I don`t know if I`ll find another job after the project finishes.”

f. Microfinance

No provision has been made for this in the infrastructure sector of the EPWP.

g. Assets/Infrastructure created

The interviews revealed that the assets that are created through labour-intensive methods are usually of a low-skill level such as storm-water upgrading and erosion protection, clearing, trench digging, cable pulling and pavement building.

Respondent 4: *“The projects usually involve storm-water upgrading and erosion protection, building and clearing rubble roads etc...”*

Respondent 5: *“The labourers are in charge of clearing, stone packing and tying of gabions [on the Craighovan site]... [and for] the repair and replacement of damaged panels in a canal and the repair of a collapsed wall [at the Killarney Country Club golf course site].”*

Respondent 6: *“The workers are responsible for three kms of trench digging, cable pulling and pavement building [at the Bryanston electrification project].”*

5.4 Results of Research Question 2

Q2: Are the implementation aspects of the infrastructure sector of the EPWP appropriate for making the unemployed more employable?

The purpose of this question was to assess the perception of the appropriateness of the implementation elements of the infrastructure sector of the EPWP for making the unemployed more employable. In response to this question, the critical themes that surfaced were related to planning and co-ordination, monitoring and evaluation, politics and funding. The responses from the interviewees indicated that, overall, the implementation aspects of the infrastructure sector of the EPWP are not appropriate for making the unemployed more employable. Below are the interviewee responses to each of the implementation aspects of the infrastructure sector of the EPWP.

a. Goal setting

The interviews revealed that goals are set for the infrastructure sector of the EPWP at the national and local level.

Respondent 1 and 2: *“Phase II aims to create 4.5 million work opportunities which is the same as two million full-time equivalence. The concept of full-time equivalence helps determine the impact on the reduction of unemployment.”*

Respondent 3: *“On the successful labour intensive projects that I worked on before the EPWP started and that are not a part of the EPWP, yes, there was definitely goal-setting. It was planned, proper engineering.”*

Respondent 4: *“Yes, like here in JRA we have a target. Every year its 2 000 jobs. Like the City has its own target, but each entity has to have its own. Last year, it was 1 000, but we created 2 500. And then for training it was 600 to go for accredited training. Because the DPW does not want any other form of training except accredited training. And then we also use that normal target of EPWP, 2% people with disability and 60% youth/women. But that’s difficult. Because especially when you finish school you don’t want to go and dig a trench. That (problem) comes with it. And it’s more labour intensive. It needs strong men...They tend to be lazy and contractors don’t want to employ people with disabilities. Because they say it’s going to delay their project, they need to bring devices and all that.”*

b. Financial sustainability

In terms of financial sustainability the interviews revealed that whilst there are adequate funds available for projects that fall under the infrastructure sector of the EPWP, sometimes the funds are not directed in the best possible way to meet the objectives of the EPWP, which is making the unemployed more employable through skills training and development.

Respondent 1 and 2: *“EPWP infrastructure sector acquires funding from the fiscus and National Treasury. It is quite sustainable in that government was going to spend that money anyway.”*

Respondent 3: *“The funds come from the taxpayer. The source of sustainability is thus external. It is not a free-market element.”*

Respondent 4: *“We`ve got two [sources of] funding. One that comes from MIG (Municipal Infrastructure Grants), the one that comes from DBSA (Development Bank of Bank), and one that comes from the City of Johannesburg which funds the projects.”*

Respondent 5: *“This is the first phase of a storm water upgrade and erosion protection project [in Craighovan]. There is severe erosion along this spruit. However, we are only protecting one side of the spruit as there is not enough money to build along both sides. Not enough funds.”*

c. Integration and building of partnerships

The interviews revealed that partnerships do exist with NGOs, community-based organisations, and other state entities. However, internal and external integration remains a challenge.

Respondent 1: *“The EPWP has partnered with the International Labour Organisation (ILO) who also partners with many countries` PWPs throughout Africa, the Americas and Asia. There are also partnerships with NGOs in the non-state sectors, community based organisations, and state-owned enterprises, such as Eskom. A wage subsidy is provided to these partners to help them employ people.”*

Respondent 2: *“The ILO looks at employment creation and fair labour practices. It learns lessons from other programmes around the world and helps benchmark and adapt the EPWP.”*

Respondent 3: *“[Through partnering with the local community] we built a school. And we were directly linked to the paramount chief and to the local priest and to the local business community. So we partnered entirely with the local community. We employed people to build the school and we arranged for accommodation. It was done quite well...Someone did an analysis of the Free State EPWP and their considered opinion was that the Mhlaletsi model should be the model for the country.”*

Respondent 4: *“Integration is a problem... I think it [EPWP] can do better if it was done with proper consultation and with proper co-ordination and integration of the whole programme. I think that it can create more jobs...what it lacks is a proper integrated system and proper monitoring and evaluation....In terms of partnerships, there`s the City of Johannesburg and DBSA. At some point we were having a partnership with the Department of Transport. They would give us money if we were short.”*

Respondent 5: *“There are eight to ten workers working on this project. They are mostly unemployed and found through Job Pathways or from an area near to where the project is located. Some of these workers have some skill or experience that came along with the contractors. The workers are usually sourced by the contractor...this is not an easy model to follow. Support from DPW is low, [and there is] continual changing of mentorship etc. There are no incentives for entities. It`s quite a fragmented model. It is organised by the entity (JRA, City Power etc.) but then co-ordinated by a steering committee at the City of Johannesburg`s Department of Economic Development.”*

Respondent 7: *“The IDT [Independent Development Trust] will soon engage in community dialogue in Thembisa. It will be about information sharing about the EPWP. There are still some municipal and public officials who do not know about EPWP. There is also a problem with co-ordination and implementation.”*

d. Management, co-ordination and administration

The interviews revealed that there are structures in place to manage, co-ordinate and administer the infrastructure sector of the EPWP. However, despite these structures being in place, earlier conversations about the infrastructure sector of the EPWP alluded

to the fact that the ability to manage, co-ordinate and administer these projects was limited due to capacity constraints.

Respondent 1: *“The EPWP is managed at the Deputy Director General Level. Across the various sectors, each has a lead department. The Infrastructure Sector is managed, co-ordinated and administered by the Department of Public Works. The Environmental and Cultural Sector is managed, co-ordinated and administered by the Department of Environmental Affairs. The Social Sector is managed, co-ordinated and administered by the Department of Social Development. All of these three lead departments then co-ordinate and manage the non-state sector. The lead departments are then co-ordinated by the PIGs (Provincial Infrastructure Grants) and MIGs (Municipal Infrastructure Grants) for all the provinces except for KZN, which is co-ordinated by the Department of Transport.”*

Respondent 3: *“On the labour intensive infrastructure projects that I worked on that began before the EPWP and were not a part of the EPWP, there was a group called LITE – Labour Intensive Training in Engineering. They no longer exist. Umzovumbo changed its funding to demand that the local authority [MIG] should provide the minimal amount, just the materials, but unfortunately, the local authority at that stage, eight years ago, was not in a position to understand that and so that led to the end of the project.”*

Respondent 4: *“JRA manages, co-ordinates and administers these projects...We also do projects for other departments. Like for [the] water [department] we do their bridges. And gabion fencing and culverts. So they give us money. Or we do the projects and then claim it back.”*

Respondent 5: *“JRA.”*

e. Monitoring and Evaluation

The responses with regard to the monitoring and evaluation of infrastructure projects related to the EPWP revealed that while there are intentions, and structures in place, to conduct monitoring and evaluation at the national level, monitoring and evaluation are neglected at the local level.

Respondent 1: *“The National Co-ordinating Committee and the Provincial Co-ordinators and Steering Committee are responsible for monitoring and evaluation. They are responsible for quantitative and qualitative research and the production of quarterly reports. For qualitative research, cross-sectional studies are conducted by external consultants. This helps acquire baseline information. For quantitative data, the EPWP has an internal Management Information System (MIS) that captures gender, demographics etc. of the participants.”*

Respondent 3: *“Yes. LITE was responsible [on the labour-intensive projects that I worked on that started before the EPWP and were never part of the EPWP].”*

Respondent 4: *“That’s lacking both from national and from provincial [government]. I think they should be coming to the projects. When the budget is approved normally, ideally they should sit down and assist the supply chain unit with monitoring and guiding them to tender a project through labour intensive methods, or advertising.... At the office of the City of Johannesburg, they are not properly monitoring. They also admitted [this]. There are no people who go out and monitor projects, in the form of inspectors etc...”*

f. Governance, politics, accountability and corruption

The responses with regard to governance, politics, accountability and corruption revealed that while these are present to some degree at the national level, these are major challenges at the local level where actual implementation is carried out.

Respondent 1: *“In terms of governance, the Minister of Public Works signed protocol agreements [with respect to the EPWP targets] with premiers of the various provinces. These protocol agreements were also signed between the Minister of Public Works and all mayors, so that these mayors also have ownership of the programmes. The Members of the Executive Council (MECs) also take political responsibility....The Public Finance Management Act handles the corruption aspects.”*

Respondent 4: *“Yes, a lot in terms of governance, it’s a problem because sometimes the politics of the area in which projects occur, results in stoppages to the projects. For instance, the councillor in the area may not be happy about the project and some councillors may want something from the contractor. They want to benefit some [people]. They want to bring their own sub-contractors in the form of friends or relatives or colleagues. And politics can make the projects be a success or failure because councillors have an influence on the local labour and they can stop a project.”*

Respondent 5: *“In 1996/1997 this type of work was not acceptable with the politicians as it was viewed as inferior work. They would question why this would occur in townships and not in the suburbs. The mentality should change to make it more sustainable and also provide exit strategies.”*

Respondent 6: *“We also need buy-in from politicians. But this should not be used/seen as a means to protect their own power. This should rather be seen as job creation to assist communities.”*

Respondent 7: *“Project running for 230 days is ideal or full-time equivalence. But we need the political will to do this. Politics plays a huge game. It’s a government problem but we try to not focus on political issues.”*

5.5 Results of Research Question 3

Q3: What improvements can be made to the infrastructure sector of the EPWP to ensure that it achieves a significant reduction in the unemployment and poverty rates in South Africa by making the unemployed more employable?

The responses to this question revealed that the infrastructure sector of the EPWP needs to improve in many ways to achieve its ultimate aim of making the unemployed in South Africa more employable. In particular, it should look at ways where labour-intensive methods of construction can be employed on a much larger scale. To do this, skills training is vital, both in terms of developing skills within the unemployed population and also in terms of creating management and supervisory skills to facilitate large numbers of people into productive work. Another area of improvement suggested by

one of the respondents was to formally integrate the infrastructure sector of the EPWP as a mega-engineering project. This would make it a more systematic programme. In this way, one is able to train and employ the participants effectively while also creating proper infrastructure that could justify the large amount of expenditure in this sector.

Another area of improvement is ensuring that in the implementation phase, the guidelines of the EPWP are adhered to, which requires proper planning, monitoring and evaluation. Some of the respondents also talked about the need for a champion from the senior management of the various entities as well as the political will to make the infrastructure sector of the EPWP successful. Another suggestion made by one of the respondents was creating awareness about the infrastructure sector of the EPWP, as apparently many government officials and potential beneficiaries in many localities are not aware of the EPWP and the potential benefits that it can provide to South African communities.

Respondent 1: “We should look at unemployed people as a resource rather than a burden... Greater productivity could still be achieved...Keep labour-intensive methods of construction to create employment and to also focus on maintenance...Carry out skills training as far as possible or as much as is viable...have a monitoring and evaluation framework...try to adapt what was implemented in the Maharashtra EGS programme...have an EPWP design plan.”

Respondent 2: “Training should be part of the norm of doing of work and should not be part of special programmes....The projects should be designed as labour-intensive from the onset. Most projects are not designed this way and only become labour-intensive as the project progresses....The EPWP will be there for as long you as have the unemployment problem.”

Respondent 3: “It [labour-intensive construction] has to be formally integrated into the normal way of things. It can’t just be ad hoc things that you do. These have to be formally integrated into the provision of infrastructure and building works....If you approach infrastructure from a social welfare point of view,the engineering falls off and you end up with an inferior product and usually it’s an expensive inferior product. The RDP houses and their [bad] quality are related to this sort of thing. The concern in this

case is more about buildings being built quickly instead of actually treating it as a ‘mega-project’.”

“One major reason is the emphasis changed from being construction with a socio-economic spin-off in terms of skills development and employment creation into social welfare. And we just want to hand out this money. There is a big difference...the programme is fundamentally an infrastructure programme. But instead of the focus being on engineering, getting a good quality product and getting skills and the positive spin-off being generating more jobs, somehow they have just gone for the number of people who have been hanging around or doing something on site. So it became purely social welfare orientated.”

“They have become caught up with just measuring the amount of people that were around any of the sites. Instead of worrying about the [quality of] staff they were worrying about the number. They fast-tracked the projects because they wanted to get the results quickly. You can’t do that. You have to have a programme. You have to approach it systematically. If you try and start it too quickly, if you want to fast-track something the only way you can do that is use existing systems. The existing systems are based on the use of machinery. And that employs very few people. Currently they are more caught up in political fast-tracking, and have got to show that’s its being done and because of that they are trapped in the existing socio-technical system of machinery-based, few-people projects, instead of being based on a new socio-technical system that is based on new skills, small, simple machinery that can be locally made as well.”

“It should develop a programme. You see it’s called a programme but it’s not really a programme. It should be much more formalized, treated as a mega-project. Don’t look for quick-fixes. One of the major reasons for failure is trying to fast-track, trying to get it done so that we have the product tomorrow. We can’t do that. It doesn’t work. If you want to generate employment in this area you’ve got to plan a programme. Make it long term, just like the nuclear power stations that are going to go online only in 2025.”

Respondent 4: *“I think we can do more than what we are doing now. Through identifying correct projects. Like every project, even if when it does not follow the guidelines of the EPWP policy, they say it’s EPWP because its job creation. Let’s take an example of*

sub-contractors. Sub-contractors cannot go and work for three weeks and you say they are sub-contractors. It has to maybe be a two-year programme where they are supervised [and] mentored. So we don't use those things. And there is money that we can claim from DPW but it's not being done. And some, like a champion, in our company, is not familiar with EPWP but he happens to be appointed "champion" of EPWP. There is a champion who works at a high level at the office of the MD but he is not clued up about the EPWP, or civil engineering or understanding construction management and all these. So [we need] the relevant skills."

"I think that starting from presidency, this starts from there. There has to be proper planning. In the infrastructure environment they need the project to maybe last for more than six months for someone to have a sustainable income. And also ensure proper coordination. In the DPW, they will introduce things and it comes to us very late and our budget is not the same. It does not run on the same timeline with them. And they should be involved with something like the appointment of contractors and monitor the supply chain if they are implementing and maybe administer penalties. These are not being done."

"What cheats us most, or make us to fail is planning [or lack thereof]. Planning and design should be done in April or May and then in July we should start with the implementation immediately. Consultants are still planning the programme but as a project designer you know that you need something like three or four months to plan so they are only going to start appointing main contractors in December. And December is the rainy season. It's not easy to work and all the people have gone home or some have gone on holiday. And when you come back its rush-rush to finish. I think we need to improve that. And also to have a good working relationship with the local people. I think we lack in terms of introducing projects to the locals. The way we are doing it, we should maybe advertise, I think that's the proper way, so that local people know about these projects in their areas."

Respondent 5: *"This programme needs proper planning...We also need buy-in from the senior management of [the different] entities. The CEO must drive the initiative. So we need leadership. Because they are the decision-makers, they set the budget etc...."*

5.6 Conclusion

The relevant findings of the qualitative research process were presented in the sections above. The responses from each of the respondents was recorded, grouped and allocated as an answer to each of the three research questions. The interview process found that while the infrastructure sector of the EPWP has so far met its targets in terms of work opportunities created, there are still many challenges that inhibit its success in terms of making the unemployed more employable.

In terms of the research questions, responses to Research Question 1 revealed that many of the design elements of the infrastructure are not appropriate for making the unemployed more employable especially in terms skills, labour-intensity and exit policies. Responses to Research Question 2 revealed that many of the implementation aspects of the infrastructure sector of the EPWP are also not appropriate for making the unemployed more employable especially with regard to planning and co-ordination, monitoring and evaluation, politics and funding. The responses to Research Question 3 provided many recommendations from the respondents to improve the infrastructure sector of the EPWP. Suggested improvements made by the respondents are an emphasis on training and skills, treating the infrastructure sector of the EPWP as a megaproject, employing proper planning and co-ordination, employing proper monitoring and evaluation and having the political will to make the EPWP a success. In the next chapter, the findings in this chapter will be analysed and compared to the strategy developed in the literature review in Chapter 2.

Chapter 6: Discussion of Research Findings

6.1 Introduction

This chapter discusses the research findings that were outlined and reported in Chapter 5 in light of the literature review in Chapter 2 and the research questions in Chapter 3. The interviews with the respondents provided an extensive set of data from which a series of themes were drawn providing insights into each of the three research questions.

The research results discussed in this chapter add to a better understanding of the literature regarding the design and implementation elements of PWP as a response to high unemployment and poverty rates. The findings are analysed by comparing the international best practices in Chapter 2 against the guidelines and codes of practice of the infrastructure sector of the EPWP and the responses of the interviewees for each of the design elements and implementation aspects. The analysis is provided in the sections that follow.

6.2 Research Question 1

Are the design elements of the infrastructure sector of the EPWP appropriate for making the unemployed more employable?

This question sought to determine if the design aspects of the EPWP are appropriate for making the unemployed more employable in the context of South Africa's high unemployment rate. The results from the interviews with the respondents provided the following insights.

a. Wage rate

From the literature review, the international best practices state that the wage rate paid should be set at a sufficiently low rate to ensure self-targeting by the poor. This is to reduce the chances of the less poor participating in the PWP and thus provides wider

coverage for the most vulnerable groups. The *EPWP Guidelines* adhere to this practice of paying the minimum wage rate which is currently set at R63.18 per day.

However, from the insights gained from the interviews, the stipulated minimum the wage rate is not adhered to in practice, since a wage rate of between R100 and R120.00 a day is set by the City of Johannesburg and other contractors, which is almost twice the amount of the stipulated wage rate. The reason for the high wage rate is due to strike pressure from the participants of the infrastructure projects, who claim that the low wage rate is not sustainable for their livelihoods, especially since transport costs to and from the project sites are high and food prices are rising. This indicates that the wage rate set by the EPWP may not be enough to meet even the basic consumption needs of the participants and their families, let alone their human and social capital needs. However, this also shows that the EPWP wage rate provides for flexibility to market conditions in particular areas. However, for urban areas, the EPWP may not be targeting the most vulnerable groups (poorest of the poor).

The wage rate of the infrastructure sector of the EPWP is thus deemed appropriate for being able to remain flexible to respond to market conditions. However, in the urban areas it might not be targeting the most vulnerable groups of people.

b. Wage payment agreements

According to the literature in Chapter 2, piece-rate and task-based payments are preferred over time-based systems because they avoid perverse labour incentives and provide greater flexibility in scheduling work. The *EPWP Code of Good Practice* also states that payment should be made on a task-based system upon completion of work. However, a daily wage rate could also be used.

The interviews revealed that the participants are paid per day worked and not per task. However, on the successful labour-intensive projects that begun before the EPWP and were not a part of the EPWP, the wage payment agreements were task-based. The daily wage rate of the EPWP follows the principle of “a fair day’s wage for a fair day’s work” (McCutcheon & Parkins, 2003) and is deemed appropriate especially since the DPW

measures the targets of the EPWP according to the number of person days of work created, which is also known as “full-time equivalence”.

c. Timing and duration of employment

According to the literature in Chapter 2, the length of employment is critical in order for the PWP to have a sustained impact on poverty. PWPs should provide households with an opportunity to save and accumulate assets as well as allow participants to take part in additional developmental activities such as training for permanent employment or establishing income generating activities. The *EPWP Code of Practice* stipulates that no person may be employed for more than 24-months within a 5-year cycle, except in circumstances where no other local labour is available. This principle is employed to ensure that as many people as possible are provided with a work opportunity to participate in the programme.

The interviews revealed that the duration of employment is very much dependent on the duration of the infrastructure project. The average duration is three months and the ideal duration is 100 days. However, in practice the projects that were visited were approximately two months in duration. In addition, once a participant is employed in a project he/she cannot be employed again due to the fact that the benefits of the EPWP must be rotated to those that have not yet benefitted.

It is thus evident that the duration of employment of the infrastructure sector of the EPWP is, in practice, not sufficient to have a sustained impact on poverty and employment reduction. In addition to the low wage rate, the short duration of the EPWP infrastructure projects do not allow participants the time to save and accumulate assets and take part in additional developmental activities which are essential to making them more employable.

On the successful labour-intensive projects that began before the EPWP and were not a part of the EPWP infrastructure sector, the participants were employed for at least 18 months. Their employment included training which would allow them to become employable and thereby obtain employment even after the project was completed.

McCord (2003) asserts that training under a short duration of work is unlikely to impact on future labour market success, as some projects last as little as three months and developing marketable skills takes longer than this (Adato et. al., 1999: McCord, 2003).

Thus, under short-term employment durations, the quality of training received is often not adequate and not a sufficient guarantee of the future employability of participants in PWP (McCord, 2003). The duration of employment in the infrastructure sector of the EPWP is thus deemed inappropriate for making the unemployed more employable in the context of high unemployment and poverty rates in South Africa.

d. Skill and labour-intensity

The development of skills and the labour-intensity of construction in the infrastructure sector of the EPWP are important in making the unemployed more employable. According to the literature in Chapter 2, labour-intensity is measured in terms of the proportion of PWP expenditure that is spent on wages. The best practice in the Maharashtra EGS was to ensure that 60% of the cost of a project went to unskilled labour and the remaining 40% to skilled labour and materials. However, in addition to the labour-intensity of infrastructure projects, non-wage expenditure such as technical skills and materials are also important as they contribute towards the creation of higher value assets. While a greater investment into these non-labour inputs will shift resources away from wages, in the longer term, PWPs may generate greater socio-economic benefits for vulnerable groups, their communities and their nation as a whole.

In terms of the infrastructure sector EPWP in South Africa, the *Code of Good Practice* states that beneficiaries are entitled to two days of training for every 22 days worked. It also stipulates that in order to secure projects using labour-intensive work methods, provinces and municipalities should appoint contractors and consulting engineers who have been trained in the design, supervision and management of labour-intensive works.

In addition, in 1994, a National Qualifications Framework (NQF) and a system of Sector Education and Training Authorities (SETA) were established. In 2004, upon request of the Department of Public Works, the Construction Education Training Authority (known as CETA) funded the development of unit standards for the design, supervision and

management of labour-intensive construction at NQF levels 2,4,5 and 7 for small contractors, supervisors, technicians and engineers (ILO, 2012). Also, Phase II of the EPWP (2009-2014) introduced the “Intergovernmental Fiscal Wage Incentive” to drive programme growth and work duration. Under this incentive, all implementing government bodies can claim R50 per person-day of work created in all sectors and activities (Lieuw-Kie-Song, 2009). This was instituted to help make infrastructure projects more labour-intensive.

The interviews revealed that currently, in Phase II of the EPWP, there is no emphasis on training and skills development and that these are confined to particular sub-programmes. Training and skills development has been side-lined because these activities are considered to be inefficient and unproductive for short programmes. The rest of the respondents expressed their dismay with the lack of training in the infrastructure sector of the EPWP. One respondent asserted that there is a direct link between skills and employment creation. According to him, a programme cannot have labour-intensity of construction; in other words, employing large numbers of people productively, if it does not train people to be skilled in artisanship, and to manage and supervise large numbers of people who perform manual labour. According to him, there is nowhere that is carrying out systematic training and thus the infrastructure sector of the EPWP has not been able to achieve effective labour-intensity of construction.

In addition, only 6% of expenditure on the infrastructure component of the EPWP during Phase I (2004 to 2009) went to the poor (McCutcheon & Parkins, 2012). The total expenditure on the infrastructure sector of the EPWP amounted to R40 billion during Phase I (McCutcheon & Parkins, 2012). This shows that the infrastructure sector of the EPWP is not labour-intensive at all and is failing to sustainably employ large numbers of unemployed people and make them more employable, in spite of the supervisor training programmes and the Intergovernmental Fiscal Wage Incentive.

In practice, the other respondents indicated that training, skills development and labour-intensity still remain a challenge in Phase II, as only between 10-15% of a project’s budget is spent on wages. In addition, due to a lack of planning, the participants are often not trained by the time a project begins and thus the projects starts and finish without any training taking place. Another reason why projects fail to be labour intensive

is because implementation of projects often happens quite late (due to poor planning and co-ordination) and contractors often get penalized for any delays. Thus, labour-intensity of construction often becomes side-lined due to time pressures and instead machinery and conventional methods of construction are used, defeating the purpose of the EPWP.

For all these reasons, the level of skills and labour-intensity of the infrastructure sector of the EPWP are deemed to be inappropriate for making the unemployed more employable in the context of high unemployment and poverty rates in South Africa.

e. Exit policies

The literature in Chapter 2 states that in the absence of an effective exit strategy, most participants in PWP will sink back into poverty once the scheme ends. According to the EPWP guidelines, one of the objectives of the training that the beneficiaries are earmarked to receive is to help identify possible career paths available to workers who exit the PWP project (Department of Labour, 2002). However, In light of the fact that participants of the infrastructure sector of the EPWP are not receiving systematic formal training, one can conclude that there are no exit strategies for the participants after the infrastructure projects are completed.

The interviews verify this assumption. One respondent claimed that there are exit strategies but they are targeted for particular sub-programmes only. This respondent also claimed that the cross-sectional studies that were conducted by external consultants showed that 80% of participants of these sub-programmes were able to get employment. Participating in the EPWP thus made the participants more employable.

In practice, however, this tells a different story. The respondents who were directly involved in the implementation of infrastructure projects related to the EPWP, stated that there are no exit policies for participants, especially since employment on infrastructure projects had to rotate to ensure that the benefits of the EPWP are spread across as many beneficiaries as possible. The labourers of the EPWP infrastructure projects that were visited stated that they did not have another job to go to after the project was completed and that they would have to look for another job themselves or stand at a

traffic light to try and sell something or 'ask for change'. The reality is thus that beneficiaries want more permanent work opportunities (McCutcheon & Parkins, 2012) but none have been created for them so far.

In light of this, the fact that the infrastructure projects of the EPWP rarely have exit policies for participants, deems it inappropriate for making the unemployed more employable in the context of high unemployment and poverty rates in South Africa.

f. Microfinance

The literature in Chapter 2 states that the provision of training as one aspect of PWP is problematic without simultaneous access to capital, through either savings or micro-credit facilities, especially if the low wage level and short-term nature of employment provided has not enabled participants to accumulate capital directly from wage earnings. Without the provision of capital for formal or informal income generating activities, the livelihoods impact of a training intervention is unlikely to be successful, as a lack of access to capital is a major form of discouragement towards self-employment among PWP participants (McCord, 2003). However, no provision has been made for this in the infrastructure sector of the EPWP. This is deemed inappropriate in the context of high unemployment and poverty rates in South Africa, as access to capital is vital for enabling participants to eventually become independent of social grant systems.

g. Asset/Infrastructure created

The literature reviewed in Chapter 2 states that assets and infrastructure created by PWP need to be strategically selected in conjunction with the participation of the local community and participants of the PWP to realize real value in the assets that are created. One of the key conditions of the EPWP is that certain types of infrastructure projects must be done labour-intensively (Department of Public Works, 2005). For example, in the construction of low-cost, low-volume roads, storm-water drainage and trenches, the following tasks must be undertaken labour-intensively: spreading, shaping, camber formation, loading, trenching, sloping, gravelling and finishing (Department of Public Works, 2005). The labourers that were working on the projects that were visited

performed these tasks so the asset/infrastructure that is created through these EPWP projects is deemed appropriate.

h. Conclusion to the discussion of the research findings of Research Question

1

In summary, the general impression from the interviews was that the *EPWP Guidelines* and *Codes of Practice* adhere to the international best practices of the design elements of PWPs in some ways (wage rate paid, wage payment arrangements and value of assets/infrastructure created). However, in reality most of the international best practices are not carried through in implementation of the infrastructure projects of the EPWP (targeting, timing and duration of employment, skills and labour-intensity, exit policies and microfinance). In particular, the level of skills and labour-intensity of construction are viewed as huge challenges that have impeded the success of the infrastructure sector of the EPWP in making the unemployed more employable in the context of South Africa's high unemployment and poverty rates.

Table 2 overleaf shows the perception of the general appropriateness of the design elements of the infrastructure sector of the EPWP. The design elements of the infrastructure sector of the EPWP are overall deemed inappropriate for the making the unemployed more employable in the context of South Africa's high unemployment and poverty rates.

Table 2: Appropriateness of the Design Elements of the EPWP

Design Element	Appropriate according to international best practices	Inappropriate according to international best practices
Wage rate paid	X	X
Wage payment arrangements	X	
Timing and duration of employment		X
Skill & labour-intensity		X
Exit policies		X
Microfinance		X
Assets/Infrastructure created	X	

6.3 Research Question 2

Are the implementation aspects of the infrastructure sector of the EPWP appropriate for making the unemployed more employable?

This question sought to determine if the implementation aspects of the EPWP are appropriate for making the unemployed more employable in the context of South Africa's high unemployment rate. The results from the interviews with the respondents provided the following insights.

a. Goal setting

According to the literature outlined in Chapter 2, it is important for government to set goals with regard to improvements in the quality of life of its communities, social empowerment and economic self-reliance. The targeted beneficiaries of the EPWP should be 60% women, 20% youth (18 to 25 years old) and 2% disabled South Africans. In addition, the EPWP claims to have achieved its initial target of providing employment opportunities (full-time equivalence) with training to one million unemployed people within the first five years of the programme, from 2004 to 2009 (Lieuw-Sie-Kong, 2009). The next five years, 2009 to 2014, hopes to create approximately 4.5 million employment opportunities (full-time equivalence) within South Africa (Lieuw-Sie-Kong, 2009). This is in line with South Africa's Millennium Development Goals of halving unemployment by 2014 (Lieuw-Kie-Song, 2009).

The interviews conducted at the project sites that were visited revealed that the entities that do undertake projects in the infrastructure sector of the EPWP also set targets in terms of the employment opportunities created (full-time equivalence). However, because most of these projects entail hard manual labour, it was also ascertained that it is unrealistic and difficult to employ women and people with disabilities, and that youth often do not aspire to digging trenches as a job after leaving school. Thus, targeting the right beneficiaries (women, youth and people with disabilities) are often not followed in practice.

While the EPWP has been successful in meeting its targets of providing one million work opportunities (full-time equivalence) in Phase I of the EPWP, one has to look at the real successes in terms of the impact that it has had on improving the quality of life of the beneficiaries as well as their social empowerment and economic self-reliance. Due to the fact that beneficiaries are often employed for less than three months and cannot be employed after that and often do not receive any skills or access to microfinance to become more employable or self-reliant after the project is complete, it is clear that the goals of the infrastructure sector of the EPWP are not appropriate for creating real impact in the lives of the unemployed. As one labourer who interviewed stated *“The stipend makes an improvement because we go to bed having eaten something but it’s not a big deal.”*

b. Financial sustainability

According to the literature in Chapter 2, financial constraints faced by many governments usually prohibit the large scale implementation of PWP and cutbacks in public spending have undermined the quality of service provision (Howell, 2001). The cost-effectiveness of PWP is also important (Overseas Development Institute, 2012). PWP are an expensive way of delivering cash to households compared to alternative social protection measures. This is due to the additional capital, technical and managerial costs imposed by employment and asset creation. This premium is only reasonable if the skills and assets created through the PWP will promote commensurate and economic benefits and productivity gains for either the beneficiaries or the wider economy (Overseas Development Institute, 2012).

In terms of the infrastructure sector of the EPWP, no special budgets have been made especially for the EPWP. Instead, additions have been made to existing budgets and conditional intergovernmental mechanisms have been put in place for provincial and municipal governments to use their own budgets as well.

The interviews revealed that there are adequate funds for the infrastructure sector of the EPWP. However, it can be argued that the infrastructure sector of the EPWP is financially constrained and not very cost-effective. The interviews revealed that there are often not enough funds for proper training, skills development and appropriate

development of the assets/infrastructure. However, the actual expenditure of the infrastructure sector of the EPWP in Phase I amounted to R40 billion (McCutcheon & Parkins, 2012). To put this figure into perspective, the construction of the Gautrain, which was viewed as a mega-project in engineering terms, cost R25 billion to build. While the infrastructure sector of the EPWP involves construction projects amounting to almost twice the cost of the Gautrain project, it is not treated as a mega-engineering project and instead comprises an *ad hoc* collection of existing and new projects that are generally viewed as low-value (gravel roads and erosion protection) (McCutcheon & Parkins, 2012).

In addition, the percentage of expenditure as wages on labour-intensity dropped from approximately 27% to 9% during the period between 2004 and 2008 (Phase I of the EPWP) (McCutcheon & Parkins, 2012). While the main objective of the EPWP is to provide temporary employment, and the creation of assets is a subsidiary objective, the expenditure appears to be high given the fact that only a small percentage of the expenditure went to the poor and inadequate formal training took place. This gives further evidence that the infrastructure sector of the EPWP is not only cost ineffective, but had also become lax in terms of its goals of making the unemployed more employable through the labour-intensity of construction and skills development. Cost effectiveness could also be brought about through privatising a part of the EPWP (for example, the implementation of projects). This would encourage efficiency and cost recovery.

c. Integration and building of partnerships

The literature in Chapter 2 states that planning, integration and partnerships with communities and the macro policy environment are crucial to the successful implementation of PWP. This is because planning, integration and partnerships ensure long-term sustainability in that sufficient resources and time are allocated to planning the PWP and developing the capacity to implement it (Phillips, 2004).

The infrastructure sector of the EPWP in South Africa has developed partnerships with the local communities that it impacts and has also developed a strong partnership with the ILO at the national level. The local communities provide the labour for the

infrastructure projects and the ILO assists the DPW with policy development and promotion; skills and capacity development; technical and managerial advisory support; research contributing to the optimization and mainstreaming of the use of labour-intensive methods; and the advocacy of strategies, processes and tools that contribute to the upscaling of the EPWP.

The interviews revealed that although there are partnerships on the national level, there is insufficient integration between the DPW, the municipal government and the local entities that carry out the infrastructure projects. Some respondents revealed the infrastructure projects under the EPWP are implemented in a *“fragmented manner”* and that the EPWP *“can do better if it was done properly with proper consultation and with proper co-ordination and integration of the whole programme. It can create more jobs...what it lacks is a properly integrated system”*. One respondent also expressed concern that some municipal and public officials still do not know about the EPWP and that information sharing sessions had to still take place.

Thus, while the infrastructure sector of the EPWP has built some partnerships with local communities and other agencies, it itself is not well-integrated internally. This lack of integration is deemed inappropriate for the effective implementation of the infrastructure sector of the EPWP. Learning from the Maharashtra EGS programme, the EPWP should also partner with the private sector to help build institutional and technical capacity. This would also aid with integrating the infrastructure sector of the EPWP.

d. Management, co-ordination & administration

According to the literature in Chapter 2, strong institutions should be put in place to manage and co-ordinate the implementation of the PWP. In addition, Phillips (2004) emphasizes that effective planning of the PWP is crucial to ensure that the pace of implementation is linked to the pace of the development of the required implementation capacity.

Although the EPWP is a national programme, it is implemented by the provinces and municipalities. This means that the programme is dependent on the capacity of local

government institutions to manage and implement works and on their support of the use of labour-intensive works technology in their respective programmes.

While these institutions are in place, the interviews revealed that in practice, co-ordination and planning amongst these various institutions and entities are a challenge. An example that one respondent gave was that an entity whose financial year begins in June, whilst that of the DPW begins in April. The impact of this is that neither of these institutions plans on the same timeline which makes co-ordination of funding, training and implementation difficult.

Another challenge with co-ordination is that the infrastructure projects that fall under the EPWP are often not planned and implemented according to the EPWP guidelines. Some respondents expressed concern that many projects do not start out as labour-intensive and only become labour-intensive as the project progresses to meet certain targets. This shows ineffective planning and implementation of infrastructure projects that fall under the EPWP and thus management and co-ordination are deemed to be insufficient and cause a huge impediment to the success of the programme.

e. Monitoring and evaluation

Chapter 2 contains evidence which suggests that high priority be given to effective systems of monitoring and evaluation of the PWP's Phillips (2004). Monitoring and evaluation are important to ensure that the PWP is achieving the objectives that it set out to do, such as whether the benefits of the PWP are reaching all or most of the intended beneficiaries; whether the PWP is cost effective; or whether there has been a leakage of program benefits to non-target groups (Howell, 2001).

The guidelines of the EPWP in South Africa state that the DPW is the overall EPWP-coordinating department and the sector-coordinating department for the infrastructure sector. As the overall coordinating department, the DPW is responsible for monitoring and evaluation, progress reports to Cabinet, promoting linkages, between sectors, establishing common support programmes and common monitoring, evaluation, exit strategies and training frameworks (ILO, 2012).

In practice, however, the respondents of the interviews revealed that monitoring and evaluation of the infrastructure projects that they have been involved in does not take place. The DPW has a management information system (MIS) that collects the demographic information of participants (quantitative data) and makes use of external consultants to collect baseline (qualitative) data of beneficiaries. However, one respondent revealed that monitoring and evaluation of projects does not happen from the national and provincial governments. *“I think they should be coming to the projects. When the budget is approved, ideally they should sit down and assist the supply chain unit by monitoring and guiding them on how to tender a project through labour-intensive methods... For instance, at the office of the City of Johannesburg, they are not properly monitoring. They also admitted [this]. There are no people or inspectors who go out and monitor projects...there are even some EPWP projects that are not properly recorded.”*

Thus, in accordance with the international best practices, the level of monitoring and evaluation is deemed inadequate for determining the performance of projects that fall under the infrastructure sector of the EPWP.

f. Governance, politics, accountability and corruption

The literature in Chapter 2 recommends that successful PWPs require consistent political support. However, the negative side of this is that PWPs are popular with politicians because governments claim to be creating jobs but projects are not always structured and targeted to have the best interests of the community at heart (Wahenga.comments, 2007). In addition, corruption can be a major barrier in the success of a PWP and the poor often pay a high price for corruption. Thus, governance and accountability are essential to the success of any PWP.

The guidelines of the EPWP state that the necessary institutions must be in place. As one respondent explained: *“The Minister of Public Works signed protocol agreements [with respect to the EPWP targets] with the premiers of the various provinces. These protocol agreements were also signed between the Minister of Public Works and all mayors, so that these mayors also have ownership of the programmes. The Members of the Executive Council (MECs) also take political responsibility...The Public Finance Management Act handles the corruption aspects.”*

The practice, however, revealed by the interviews, is that politics and corruption hamper the success of the infrastructure sector of the EPWP. As one respondent claimed “...it’s a problem because sometimes the politics of the area in which projects occur results in stoppages to the projects, and also maybe the councillor in the area is not happy about the project, and some councillors may want something from the contractor. They want to benefit some [people]. They want to bring their own sub-contractors in the form of friends or relatives or colleagues. Politics can [therefore] make the projects be a success or failure because councillors have an influence on the local labour as they can stop a project, like the normally do.”

The lack of political will was also identified as an impeding factor in the successful implementation factor of infrastructure projects that fall under the EPWP. One respondent explained that “in 1996/1997 this type of work was not acceptable with the politicians as it was viewed as inferior work. They would question why this would occur in townships and not in the suburbs....We need buy-in from politicians. But this should not be seen as a means to protect their own power. This should rather be seen as job creation to assist communities... we need the political will to do this. Politics plays a huge game. It’s a government problem but we try to not focus on political issues.”

g. Conclusion to the discussion of the research findings of Research Question 2

In summary, the general impression from the interviews was that the *EPWP Guidelines* and *Codes of Practice* adhere to the international best practices of the implementation aspects of PWPs in some ways (building of partnerships). However, in practice most of the international best practices are not carried through in practice (goal setting, financial sustainability, integration, management, co-ordination, monitoring and evaluation, corruption and politics).

Table 3 overleaf shows the perception of the general appropriateness of the implementation aspects of the infrastructure sector of the EPWP. The implementation aspects of the infrastructure sector of the EPWP are overall deemed inappropriate for

the making the unemployed more employable in the context of South Africa's high unemployment and poverty rates.

Table 3: Appropriateness of the Implementation Aspects of the EPWP

Implementation Aspect	Appropriate according to international best practices	Inappropriate according to international best practices
Goal setting		X
Financial sustainability		X
Integration & building of partnerships	X	X
Management co-ordination & administration		X
Monitoring & evaluation		X
Governance, politics, accountability & corruption		X

6.4 Research Question 3

What improvements can be made to the infrastructure sector of the EPWP to ensure that it achieves a significant reduction in the unemployment and poverty rates in South Africa by making the unemployed more employable?

In light of the findings that, in practice, most of the design elements and implementation aspects of the infrastructure sector of the EPWP are not adequate or appropriate for addressing the high unemployment and poverty rates in South Africa, this question sought to find improvements that the infrastructure sector of the EPWP can make based on the international best practices highlighted in Chapter 2. Recommendations are made for each design element and implementation aspect that is deemed inappropriate or inadequate.

a. Wage rate paid

The international best practices recommend that the wage rate that is paid should be as low as possible to target the most vulnerable groups. It also recommends that the wages should be based on a task-based system to ensure efficiency and productivity. In addition, the infrastructure sector of the EPWP can also include supplementary targeting mechanisms such as transportation or the availability of work within eight kilometres of the residence of the labourer.

b. Timing and duration of employment

The duration of the infrastructure projects of the EPWP should be longer than three months. This is because, according to the international best practices in explored Chapter 2, the length of employment offered is critical in enabling the unemployed to become more employable. Given South Africa's structural unemployment and poverty, the duration of employment should be at least 18 months to give participants time to develop skills and save and accumulate assets.

Infrastructure projects should not only focus on labour-intensive construction but also labour-intensive maintenance to prolong the duration of employment. The unsustainable

concept of rotating the benefits of short-durations of employment should also be scrapped in favour of longer term employment that includes certified training and real skills development (such as NQF Level 4 training).

c. Skills development and labour-intensity

In order to make the projects of the infrastructure sector of the EPWP more labour intensive, the World Bank (1986), found that for countries with no traditional experience with labour-intensive technologies, a minimum of three years of preparation is required for mobilization, staff training and the introduction of specialized institutional arrangements, before the large-scale use of unskilled labour can start. A pilot phase is also usually necessary, during which considerable technical assistance inputs are required.

The EPWP infrastructure projects that intend to employ labour intensive methods of construction must be planned and integrated to be labour intensive from the beginning. As Respondent 2 pointed out: *“Training should be part of the norm of doing of work and should not be part of special programmes only.”* Respondent 3 also stated that *“It [labour- intensive construction] has to be formally integrated into the normal way of things. It can’t just be ad hoc things that you do. These have to be formally integrated into the provision of infrastructure and building works....If you approach infrastructure from a social welfare point of view what happens is the engineering falls off and you end up with an inferior product and usually it’s an expensive, inferior product.”*

Respondent 3 also emphasised that the infrastructure projects of the EPWP should change its focus from being viewed as a social welfare programme, to an engineering project. In his view, the failing of the EPWP to sustainably lift people out of poverty is that *“they have become caught up with just measuring the amount of people that were around any of the sites. Instead of worrying about the [quality of] staff they were worrying about the number. They fast-tracked the projects because they wanted to get the results quickly. You can’t do that. You have to have a programme. You have to approach it systematically. If you try and start it too quickly, if you want to fast-track something the*

only way you can do that is use existing systems. The existing systems are based on the use of machinery. It's a socio-technical system based on the use of machinery. And that employs very few people. It should be much more formalized, treated as a mega-project. Don't look for quick-fixes. One of the major reasons for failure is trying to fast-track, trying to get it done so that we have the product tomorrow. We can't do that. It doesn't work. If you want to generate employment in this area you've got to plan a programme. Make it long term, just like the nuclear power stations that are going to go online only in 2025".

d. Exit policies

The international best practices state that exit strategies are crucial to the success of any PWP. Since the infrastructure sector of the EPWP currently does not follow through with exit policies for most participants, it should begin to do this formally and on a large scale instead of only targeting sub-programmes. The *Mohlalets*, *Vukupile* and the *NYS* programmes that focus on contractor development should be expanded to include most of the participants of the infrastructure sector of the EPWP. This would allow the participants to effectively become more employable and self-reliant once they exit the programme.

e. Microfinance

The provision of microfinance is currently not included in the *EPWP Guidelines and Code of Practice*. Based on the international best practice case studies, it is recommended that some form of microfinance be included to supplement making the unemployed more self-reliant and eventually less dependent on the government for social grant transfers.

f. Goal setting

Based on the international best practices, governments should set goals based on real improvements of quality of life, social empowerment and economic self-reliance, and should not be based on number or full-time equivalence. Therefore, it can be argued that the concept of full-time equivalence is not an accurate measure of the success of a PWP

because it is purely based on numbers and not on the real value that a PWP could potentially bring to lifting the unemployed out of poverty.

g. Financial sustainability

The analysis found that the infrastructure sector of the EPWP is currently cost ineffective and only a small proportion of the total money spent actually went to the poor. To make the implementation of the infrastructure sector of the EPWP, more funds should go into the systematic training of participants and projects should be planned as a programme with proper integration of labour-intensity of construction from the onset. Based on the international best practices, this will ensure that the EPWP will promote commensurate economic benefits and productivity gains for the beneficiaries and the wider economy.

h. Integration, management, co-ordination and administration

The analysis revealed that the infrastructure sector of the EPWP is very fragmented and comprised of a series of *ad hoc* activities across the national, municipal and local levels. Treating the infrastructure sector of the EPWP as a mega-engineering project would ensure the integration and systematisation of this sector. It is essential that a programme of the scale of the infrastructure sector of the EPWP be treated as a mega-project and not an assemblage of 9603 odd projects (McCutcheon & Parkins, 2012). This would ensure that the guidelines of the EPWP are properly followed and the benefits thereby become a reality.

i. Monitoring and evaluation

Monitoring and evaluation should be carried out at the grassroots level: at the level of each individual project. If this is not done, there is no way to ensure that the infrastructure projects that fall under the EPWP follow the guidelines and the objectives of the EPWP. Lack of monitoring and evaluation leads to wasted funds and inefficiencies in delivering benefits to participants.

j. Governance, politics, accountability and corruption

Political will is required to make the infrastructure sector of the EPWP a success. Thus, all leaders at the national, provincial, municipal and local levels need to be made aware and committed to the EPWP to ensure its systematic and sustainable success. Policies to root out corruption and promote accountability and transparency at the local level are also essential. Proper monitoring and evaluation at every level will ensure this.

k. Conclusion to the discussion of the research findings of Research Question 3

In summary, the infrastructure sector of the EPWP has a lot to learn from the international best practices outlined in Chapter 2. Since the analysis found a discrepancy between what is stated in the EPWP guidelines and what is done in practice, it was useful to review the design elements and implementation aspects of successful PWPs around the world to ensure that the infrastructure sector of the EPWP is able to make the unemployed more employable in the context of high unemployment and poverty rates in South Africa.

6.5 Conclusion

Overall, the findings from the research indicate that although the *EPWP Guidelines and Codes of Practice* follows some of the international best practices, in practice, the infrastructure sector falls short, in its design elements and implementation aspects, in making the unemployed in South Africa more employable. The international best practices were then used as a basis to make improvements to the infrastructure sector of the EPWP to help meet its objectives in a more sustainable and systematic manner.

Chapter 7: Conclusion and Recommendations

7.1 Introduction

The following chapter will report the main findings of the research. Thereafter recommendations are presented for implications to relevant stakeholders and lastly recommendations are made for future research.

7.2 Research Project Review

The main objectives and scope of the research project are now summarized.

The aim of this study was to use international case studies to determine the best practices to be emulated when designing and implementing a public works programme (PWP). The research problem was triggered by the context of high rates of structural unemployment and poverty in South Africa. In response to the high unemployment rate, the Expanded Public Works Programme (EPWP) was created in 2004 to make the unemployed more employable by creating temporary work opportunities supplemented with skills training. However, despite the best intentions of the EPWP, unemployment and poverty rates in South Africa still remained high eight years into the programme. The main objective of the research, therefore, was to use the best practices from the international case studies to evaluate the infrastructure sector of the EPWP and make recommendations for it to become more effective at making the unemployed more employable.

Based on the literature reviewed, there is evidence from international case studies that suggest that PWPs can curb unemployment and poverty within a country. The international best practices of successful PWPs around the world were used to formulate a strategy for poverty alleviation and job creation in terms of the design elements and the implementation aspects of the PWPs. This strategy was the basis for evaluating the appropriateness of the design elements and implementation aspects of the infrastructure sector of the EPWP.

The research design was qualitative and exploratory in nature (Lewis & Saunders, 2012). The research was carried out by making use of two primary instruments, namely expert interviews and semi-structured focus-group interviews. The interviews were conducted with a selected number of experts, project managers and beneficiaries who are directly involved in the infrastructure sector of the EPWP in the Gauteng Province at the national, provincial and municipal levels. The reason for this was to get a holistic understanding of the current status of the infrastructure sector of the EPWP in this province and to identify the ways in which it can improve. The unit of analysis is the infrastructure sector of the EPWP at the national level (visit to the national office of the Department of Public Works) and the local level where visits to Johannesburg Road Agency and three EPWP projects were conducted. The expert interviews were recorded on an audio device and were then transcribed. The semi-structured focus-group interviews were recorded by means of handwritten notes. The data was then analysed manually using Excel and thereby grouped into themes and categories. Common responses were acknowledged and unusual insights were highlighted. The responses were then analysed against the literature review.

7.3 Research Findings

Although the respondents did not represent the entire population of the EPWP in South Africa, the results of the research provided insight into the appropriateness of the infrastructure sector of the EPWP for making the unemployed more employable in the context of high unemployment and poverty rates in South Africa. The insights gained included that, overall, the design elements and the implementation aspects of the infrastructure sector of the EPWP are not appropriate for making the unemployed more employable on a large scale. In addition, some of the best practices of international case studies of PWP around the world (outlined in Chapter 2) are required as improvements to the infrastructure sector of the EPWP to help achieve its ultimate goals more effectively.

The insights were discussed in Chapter 6 and are summarized in Table 4 overleaf

Figure 4: Tabled Summary of Research Findings

Research Question	Key Findings
<p>Q1: Are the design elements of the infrastructure sector of the EPWP appropriate for making the unemployed more employable?</p>	<p>In summary, the general impression from the interviews was that the <i>EPWP Guidelines</i> and <i>Codes of Practice</i> adhere to the international best practices of the design elements of PWPs in some ways (wage rate paid, wage payment arrangements and value of assets/infrastructure created). However, in practice most of the international best practices are not carried through in implementation of the infrastructure projects of the EPWP (targetting, timing and duration of employment, skills and labour intensity, exit policies and microfinance). In particular, the level of skills and labour-intensity of construction are viewed as huge challenges that have impeded the success of the infrastructure sector of the EPWP in making the unemployed more employable in the context of South Africa's high unemployment and poverty rates.</p>
<p>Q2: Are the implementation elements of the infrastructure sector of the EPWP appropriate for making the unemployed more employable?</p>	<p>In summary, the general impression from the interviews was that the <i>EPWP Guidelines</i> and <i>Codes of Practice</i> adhere to the international best practices of the implementation aspects of PWPs in some ways (building of partnerships). However, in practice most of the international best practices are not carried through in practice (goal setting, financial sustainability, integration, management, co-ordination, monitoring & evaluation, corruption and politics). The implementation aspects of the infrastructure sector of the EPWP are overall deemed inappropriate for the making the unemployed more employable in the context of South Africa's high unemployment and poverty rates .</p>
<p>Q3: What improvements can be made to the infrastructure sector of the EPWP to ensure that it achieves a significant reduction in the unemployment and poverty rates in South Africa by making the unemployed more employable?</p>	<p>In summary, the infrastructure sector of the EPWP has a lot to learn from the international best practices outlined in Chapter 2. Since the analysis found a discrepancy between what is stated in the EPWP guidelines and what is done in practice, it was useful to review the design elements and implementation aspects of successful PWPs around the world to ensure that the infrastructure sector of the EPWP is able to make the unemployed more employable in the context of high unemployment and poverty rates in South Africa.</p>

7.4 Key recommendations for the design and implementation elements of the EPWP

Based on the strategy for poverty alleviation and job creation that was formulated in Chapter 2, the following recommendations for the design and implementation elements of the EPWP are made:

a. Wage rate paid

Since the wage rate paid in the infrastructure sector of the EPWP is flexible and responds to market conditions and is considerably higher than the minimum wage rate, the most vulnerable groups may not be targeted as a result, especially in the urban areas. To counteract this, the most vulnerable groups could be targeted by setting the wage rate low and supplementing this low wage rate with targeting mechanisms as they did in the Maharashtra EGS programme. Examples of targeting mechanisms could include locating projects close to where the beneficiaries live, providing shelter and refreshments during breaks, providing babysitters and crèches for the children of labourers and even providing an additional transport stipend.

b. Wage payment arrangements

Employing a task-based payment arrangement as opposed to a time-based system could ensure that beneficiaries get the training that they require to perform a particular task. This training will then translate into a particular skill that the beneficiaries can use elsewhere. According to the literature, time-based systems encourage perverse labour incentives and do not necessarily conduce to making the unemployed more employable. The number of days that a beneficiary works does not make him/her more employable. What does is the skills that he/she acquires.

c. Timing and duration of employment

Due to South Africa's structural unemployment challenge, the duration of employment should no longer be dependent on the duration of the project, as often projects are not long enough (two months) to create a lasting impact on the unemployed. In addition, the

fact that employment opportunities have to be rotated to other potential participants does not create a sustainable system for making the unemployed more employable. The duration of employment should be long enough to ensure that beneficiaries acquire adequate training and an opportunity to practice their skills before exiting the programme. The literature showed that the PWPs (Maharashtra EGS and Ethiopia's Productive Safety Net Programme) that effectively addressed chronic poverty provided employment opportunities on an on-going basis. According to the World Bank (1986), the recommended duration of employment should be at least 18 months to give participants time to develop skills, save and accumulate assets.

d. Skill and Labour- Intensity

Labour-intensity is the best way to create employment opportunities for a large number of people. To achieve this effectively, it is recommended that skills training should no longer be side-lined and should instead be heavily invested in (at least 18 months of employment and skills training is required for each of the beneficiaries). Skills-training is important to not only create skilled tradesmen and craftsmen which are needed in South Africa, but to also develop the managerial and supervisory capacity that are necessary for managing a large workforce. Without training and skills development, the purpose of the EPWP cannot be achieved and the challenge of structural unemployment and chronic poverty will remain in South Africa.

e. Exit policies

There are currently no formalised exit policies available to participants of the infrastructure sector of the EPWP. However, literature shows that without an exit policy the participants will sink back into poverty. Thus, it is necessary to emphasise the need for an effective exit policy strategy that should be incorporated into the type of assets created. For example, if a road is built labour-intensively, an opportunity for an exit strategy could be for the participants to maintain the road on an on-going basis. Another exit strategy could be for the participants to undergo a certain degree of skills training that they can use elsewhere.

f. Microfinance

Microfinance should be incorporated into the infrastructure sector of the EPWP as an exit policy so that participants who are skilled and trained can then start their own SMME and become self-employed. This would lessen their dependency on the social grant systems and the government for employment opportunities.

g. Infrastructure assets created

The infrastructure assets that are created should be conducive to employing labour-intensive methods during construction and should maintain employment opportunities through labour-intensive maintenance after construction.

h. Goal-setting

The infrastructure sector of the EPWP should focus on goals that improve the quality of life of communities, and positively impact social empowerment and economic self-reliance. Goals that focus only on the number of temporary work opportunities created are not conducive to achieving these important objectives. A focus on short-term goals makes the EPWP no different from a social grant transfer. Thus, goals that emphasise skills training and provide employment on an on-going basis will create real, lasting impact in terms of making the unemployed more employable. To do this, the EPWP infrastructure projects should be planned as labour intensive from the beginning and skills training should also form a large component of the goals that are set.

i. Financial sustainability

The infrastructure sector of the EPWP should become more cost effective by ensuring that a larger proportion of expenditure goes to the poor. Currently, less than 10% of expenditure goes to the poor which means that not a lot of benefits are filtering down to the most vulnerable groups. According to the literature, the Maharashtra EGS programme ensured that 60% of expenditure goes to the poor. Thus, more funds should be spent towards training, capacity building and wages in order to make the EPWP more

impactful. The infrastructure sector of the EPWP could also privatise a component of the projects (such as implementation) to generate cost recovery and efficiency.

j. Integration and building of partnerships

The infrastructure sector of the EPWP needs to be more integrated across the national, provincial and local levels. This is especially evident as very little planning currently takes place and given that even the financial year of the DPW is not in line with the financial year of the local entities, This shows that the infrastructure sector of the EPWP is a very fragmented system. Aligning goals and timelines across the various entities and incorporating proper planning of EPWP projects (which emphasise training and exit strategies) will ensure greater success.

While the infrastructure sector of the EPWP has some partnerships, it should also create more partnerships with local communities, since it was found that a lot of people, even government officials, still do not know about the EPWP. Partnering with relevant private sector entities (such as engineering consulting firms, contractors, banks, etc.) are also necessary to build institutional capacity and efficiency at the provincial and municipal levels when implementing projects related to the infrastructure sector of the EPWP.

k. Management, administration and co-ordination

While various institutions and structures are in place for the management, administration and co-ordination of the infrastructure sector of the EPWP, they have not been effective due to capacity constraints, which impacts on the successful implementation of EPWP projects. The infrastructure sector of the EPWP should therefore look at ways of building institutional capacity at the national, provincial and municipal levels to ensure proper planning and integration in meeting its objectives.

l. Monitoring and evaluation

The infrastructure sector of the EPWP should focus on monitoring and evaluation, at the grassroots level, once its systems and institutions are properly integrated and co-ordinated. This is vital to ensure that its objectives are met and that the unemployed are

truly benefitting from the EPWP. If proper monitoring and evaluation are not carried out, then the EPWP becomes just another social grant system.

m. Governance, politics, accountability and corruption

Political will and champions at high levels of management are necessary to make the infrastructure sector of the EPWP a real success. This study has shown that the resources are available for making the EPWP a success. What is required, however, is the will to direct the resources in a proper manner that will ensure long-term benefits (employability) are transferred to the unemployed.

7.5 Recommendations for further research

There are a number of ways in which this research can be expanded in order to enrich the findings and evaluate the successes and challenges of the EPWP more holistically. The following topics are suggested for further research:

1. A research project that is similar to this one which evaluates the performance of the EPWP infrastructure projects in other provinces.
2. A research project that is similar to this one which evaluates the performance of the other three sectors of the EPWP; namely the environmental and culture sector, the social sector and the non-state sector which includes the Community Works Programme.
3. Quantitative studies that could build on the findings of this research project and could quantify the results in greater detail.

7.6 Concluding remarks

In the researcher's view, PWPs can play a significant role in the economic development of a country, especially where structural unemployment and chronic poverty are prevalent. However, PWPs can only be successful if its design elements and implementation aspects are appropriate for responding to unemployment and poverty on a large scale.

The contribution of this research should be to make recommendations for areas of improvement with regard to the design elements and implementation aspects of the infrastructure sector of the EPWP. These recommendations, based on international best practices, have been made so that the infrastructure sector of the EPWP can more effectively contribute towards curbing unemployment and poverty in South Africa by making the unemployed more employable. This is vital in ensuring the improvement in the quality of life of a large proportion of South Africa's population and to ensure that its economy continues to grow sustainably and productively. Finally, it was a privilege to be involved in this research project and to engage with people who, in their different capacities, are involved in making a real difference in South Africa.

References

- Alam, K. R. (2006). Ganokendra: An Innovative Model for Poverty Alleviation in Bangladesh. *International Review of Education*, 10(52), 343-352.
- Banerjee, A., Galiani, S., Levinsohn, J., McLaren, Z., & Woolard, I. (2008). Why has Unemployment Risen in the New South Africa? *The Economics of Transition*, 16(4), 715-740.
- Bree, D., & Fuess, S. M. (2007). Labour Market Institutions and Unemployment: Can Earlier Findings be Replicated? *Quarterly Journal of Finance and Accounting*, 46(4), 23-44.
- Burger, R., & Von Fintel, D. (2009). *Determining the Cause of the Rising South African Unemployment Rate: An Age, Period and Generational*. Working Paper No. 158, University of Stellenbosch and the University of Oxford.
- Clark, D. (2006). *Voluntary Turnover of Senior Women in Large South African Organisations*. Unpublished master's thesis, Gordon Institute of Business Science, University of Pretoria, South Africa.
- Deloitte. (2012). *Budget 2012 Macroeconomic Forecasts*. Retrieved April 18, 2012, from http://www.deloitte.com/view/en_ZA/za/services/taxservices/theannualbudget/index.htm
- Department of Labour. (2002). *Basic Conditions of Employment Act: Code of Good Practice for employment and conditions of work for Special Public Works Programmes*. Pretoria, South Africa.

- Department of Public Works. (2004). *Introduction to the Expanded Public Works Programme (EPWP)*. Retrieved 4 January 2012, from <http://www.epwp.gov.za/index.asp?c=Downloads#AboutUs>.
- Department of Public Works. (2005). *Implementing the EPWP in the Infrastructure Sector* (Introduction to the EPWP). Johannesburg, South Africa: Department of Public Works.
- Department of Public Works. (2012). *EPWP Infrastructure Project Cycle Management* (3rd ed.) [Brochure]. Pretoria, South Africa.
- EconomyWatch. (2010, October 14). *Unemployment and Poverty*. Retrieved June 3, 2012, from www.economywatch.com Web site: www.economywatch.com/unemployment/poverty.html
- Fourie, L., Mohr, P., & Associates. (2004). *Economics for South African Students*. Pretoria, South Africa: Van Schaik Publishers.
- Gaiha, R., Jha, R., & Shankar, S. (2010). National Rural Employment Guarantee Programme in Andhra Pradesh in Rajasthan: some recent evidence. *Contemporary South Asia*, 18(2), 205-213.
- Giraudy, A. (2006). The Distributive Politics of Emergency Employment Programs in Argentina (1993-2002). *Latin American Research Review*, 42(2), 33-55.
- Global, & Local Financial Consultants (PTY) Ltd. (2012, February 22). *2012 Parliamentary Budget Speech Summary and Commentary*. Retrieved April 18, 2012, from http://www.globallocal.co.za/downloads/2012/2012_Budget_Surprises.pdf

- Guichard, S., & Rusticelli, E. (2010, December). *Assessing the impact of the financial crisis on structural unemployment in OECD countries*. Unemployment Developments After the Crisis presented at the 7th European Central Bank / Centre for Policy Research Labour Market Workshop, Frankfurt, Germany.
- Heymans, C., & Thorne-Erasmus, J. (1998). Infrastructure: a foundation for development - key points from the DBSA Development Report 1998. *Development Southern Africa*, 15(4), 661-667.
- Howell, F. (2001). *Strategies for Improved Social Protection in Asia: Social Assistance (Project and Program Issues)*. The paper was delivered at the "Social Protection Workshop 3: Equitable Growth and Access: The Role of Social Assistance presented at the Asia and Pacific Forum on Poverty, Manila, Philippines.
- International Labour Organisation. (2012). *Global Employment Trends 2012*. Retrieved June 3, 2012, from http://www.ilo.org/wcmstp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_171679.pdf
- International Labour Organisation (ILO). (2012). In International Labour Organisation (Ed.), *Study on Enhancing Labour-Intensity in The Expanded Public Works Programme Road Infrastructure Projects*. Pretoria, South Africa.
- Islam, R. (2001). *Poverty Alleviation, Employment, and the Labour Market: Lessons from the Asian Experience*. Paper prepared on behalf of the Asian Development Bank presented at the The Asia and Pacific Forum on Poverty: Reforming Policies and Institutions For Poverty Reduction, Manila, Philippines.
- Jacobs, G., & Slaus, I. (2011). Global Prospects for Full Employment. *The Cadmus Journal*, 1(2), 60-89.

- Kingdon, G., & Knight, J. (2000). *Incidence of Unemployment in South Africa* (Trade and Industrial Policy Secretariat: 2000 Annual Forum at Glenburn Lodge, Muldersdrift). Oxford, England: University of Oxford, Economics Department: Centre for the Study of African Economies.
- Kostzer, D., Lal, R., Lieuw-Kie-Song, M., & Miller, S. (2010, June). *Public Works and Employment Programmes: Towards a Long-Term Development Approach* (Working Paper Number 66). Poverty Group of the United Nations Development Programme & Policy International: Centre for Inclusive Growth
- Leibbrandt, M., & Mlatsheni, C. (2011). Youth unemployment in South Africa: challenges, concepts and opportunities. *Journal of International Relations and Development*, 14(1), 118-126.
- Levinsohn, J. (2008). *Two Policies to Alleviate Unemployment in South Africa* (CID Working Paper No. 166). USA: Ford School of Public Policy: University of Michigan and NBER.
- Lewis, P., & Saunders, M. (2012). *Doing Research in Business and Management*. Essex, England: Pearson Education Limited.
- Lieuw-Kie-Song, M. R. (2009, June). *The South African Expanded Public Works Programme (EPWP) 2004-2014*. Presentation about the EPWP presented at the Conference on Employment Guarantee Policies, Levy Institute, New York, United States of America.
- McCord, A. (2002). *Public Works as a Response to Labour Market Failure in South Africa* (CSSR Working Paper No.19, pp. 1-112). Cape Town, South Africa: University of Cape Town: Centre for Social Science Research.

- McCord, A. (2003). *An Overview of the Performance and Potential of Public Works Programmes in South Africa*. Paper prepared for the Dpru/Tips Forum, Johannesburg, South Africa.
- McCutcheon, R., & Parkins, F. T. (2003). *Employment and High-Standard Infrastructure*. Johannesburg, South Africa: Work Research Centre for Employment Creation in Construction, School of Civil and Environmental Engineering, University of Witwatersrand.
- McCutcheon, R., & Parkins, F. T. (2012). The Expanded Public Works Programme: policy, rhetoric, reality and opportunities forgone during the expenditure of over R40 billion on infrastructure. *Journal of Civil Engineering*, 20(6), 34-46.
- Meth, C. (2011). *Employer of Last Resort? South Africa`s Expanded Public Works Programme (EPWP) (Working Paper Series, 58)*. Cape Town, South Africa: Southern Africa Labour and Development Research Unit, University of Cape Town.
- Noble, M., Ntshongwana, P., Surender, R., & Wright, G. (2010). Social Assistance and Dependency in South Africa: An Analysis of Attitudes to Paid Work and Social Grants. *Journal of Social Policy*, 39(2), 203-221.
- Overseas Development Institute (ODI). (2012). In Am. McCord (Ed.), *Appraising Productivity Enhancing Public Works Programmes* (Social Protection Tool sheet, pg. 1-8). Retrieved August 22, 2012, from Overseas Development Institute (ODI) Web site: <http://www.odi.org.uk/resources/docs/7683.pdf>

- Pellissery, S. (2008). Micro-politics of social protection: examining the effectiveness of 'employment rights' for the informal sector in rural Maharashtra. *Contemporary South Asia*, 16(2), 197-215.
- Phillips, S. (2004). *Overcoming underdevelopment in South Africa`s second economy*. Paper prepared for the EPWP Conference, jointly hosted by the UNDP, HSRC and DBSA, Johannesburg, South Africa: National Department of Public Works.
- Quene, K. M., Samson, M., & Van Niekerk, I. (2006). Chapter 10: Design Issues for Public Works Programmes. In *Designing and Implementing Social Transfer Programmes* (pp. 1-17). Cape Town, South Africa: Economic Policy Research Institute Press, accessed from www.epri.org.za (15 April 2012)
- SabinetLaw. (2010). *Government releases development indicators for 2010*. Retrieved June 12, 2012, from SabinetLaw Web site: <http://www.sabinetlaw.co.za/presidency/articles/government-releases-development-indicators-2010>
- Schwab, K. (2011). In World Economic Forum (Ed.), *The Global Competitiveness Report*. Retrieved February 23, 2012, from <http://reports.weforum.org/global-competitiveness-2011-2012>.
- Slabbert, A. D., & Ukpere, W. I. (2009). A relationship between current globalisation, unemployment, inequality and poverty. *International Journal of Social Economics*, 36(1/2), 37-46.
- Statistics South Africa. (2012). *Unemployment rate: November 2011*. Retrieved January 4, 2012, from <http://www.statssa.gov.za/keyindicators/keyindicators.asp>.
- Subbarao, K. (1997). *Public Works as an Anti-Poverty Campaign: An Overview of Cross-Country Experience* (Paper submitted for the invited session of the ASSA Annual

Meetings). Washington, USA: Poverty and Social Policy Department of the World Bank

The National Department of Public Works. (2012). *EPWP Infrastructure Project Cycle Management* (3rd ed.) [Brochure]. Pretoria, South Africa: Author.

Turner, J. B. (1995). Economic Context and the Health Effects of Unemployment. *Journal of Health and Social Behaviour*, 36(3), 213-229.

Wahenga.comments. (2007). In Regional Hunger & Vulnerability Programme (RHVP) (Eds.), *Public Works Don't Work!* Retrieved January 7, 2012, from <http://www.saldru.uct.ac.za/pwp/briefs/Wahenga.htm>

White, G. (2010). Labour, Commodities and the Labour Market: A Heterodox Perspective. *The Economic and Labour Relations Review*, 21(1), 89-104.

World Bank. (1986). In Transportation Department. Operations Policy Staff (Ed.), *The Study of the Substitution of Labour and Equipment in Civil Construction (SOL)* (A research and completion report).

Wray, L. R. (2009, April). *The Social and Economic Importance of Full Employment* (Working Paper Number 560). Kansas City, USA: The Levy Economics Institute of Bard College, University of Missouri

Appendix 1: Interview Schedules

Expert Interview Schedule 1: Professor R. McCutcheon of WITS University and MPA Consulting

1. Why are labour intensive approaches to infrastructure projects important in South Africa?
2. Are labour intensive approaches to infrastructure an appropriate and sustainable tool for addressing South Africa's high unemployment and poverty levels, with particular respect to the EPWP?
3. Which projects in South Africa have so far incorporated labour intensive approaches, inside and outside of the EPWP?
4. What were the successes of these projects?
5. What were the challenges/mistakes of these projects?
6. What were the (international?) design best practices that were incorporated in these projects in terms of the wage rate paid, the wage payment agreements, the timing and duration of employment, skills training and labour-intensity, exit policies after completion of the project, micro-financing for participants of the projects and the real value/benefit of the assets/infrastructure that were created to the local community and the participants of the project?
7. What were the implementation best practices that were incorporated into these projects in terms of goal setting, financial sustainability, integration and building of partnerships, management, co-ordination & administration, monitoring & evaluation, and governance, politics, accountability & corruption?
8. What training did the participants of these projects receive?
9. Were the participants of these projects lifted out of poverty and were they able to find job opportunities after the projects were completed?
10. How are participants kept track of after the project is completed?
11. What should these projects keep doing to achieve sustained employment and poverty reduction?
12. What should these projects do differently to achieve sustained unemployment and poverty reduction?

Expert Interview Schedule 2 and 3: Mr. Ignatius Ariyo, Chief Director of the Infrastructure Unit of the EPWP, Mr. Gamelihle Sibanda, Technical Advisor from the International Labour Organisation and Mrs. Mikateko Chauke, Project Manager for Co-ordination at Johannesburg Roads Agency

1. What role does the EPWP play in addressing South Africa`s high unemployment and poverty rates?
2. What have the successes of the EPWP been?
3. What have the challenges of the EPWP been?
4. What are the design elements of the EPWP in terms of
 - The wage rate paid
 - The wage payment arrangements
 - The timing and duration of employment
 - The skill and labour-intensity
 - Exit policies
5. What are the implementation aspects of the EPWP in terms of
 - Goal setting
 - Financial sustainability
 - Integration and building of partnerships
 - Management, co-ordination and administration
 - Monitoring and evaluation, quantitative data and baseline information collection
 - Governance, politics, accountability and corruption
6. Are labour intensive approaches to infrastructure projects adopted in the infrastructure sector of the EPWP?
7. Why?
8. Are labour intensive approaches to infrastructure an appropriate tool for addressing South Africa`s high unemployment and poverty levels?
9. Which infrastructure projects in the EPWP have so far incorporated labour intensive approaches?

10. What were the successes of these projects?
11. What were the challenges/mistakes of these projects?
12. What training did the participants of these projects receive?
13. Were the participants of these projects lifted out of poverty and were they able to find job opportunities after the projects were completed?
14. How are participants kept track of after the project is completed?
15. What should these projects keep doing to achieve sustained employment and poverty reduction?
16. What should these projects do differently to achieve sustained unemployment and poverty reduction?
17. How does the EPWP incorporate lessons learnt and international best practice into its operations – are these adequately done?
18. What are the targets/plans of the infrastructure sector of the EPWP in the future?

Interview Schedule 3: Semi-structured focus-group interviews with key participants and beneficiaries conducted at the sites of the selected infrastructure projects of the EPWP

1. What does this project entail? Are you aware of the goals of this project?
2. Who is involved in the project? Are there partnerships/integration with the local community?
3. Who manages, co-ordinates and administers the project?
4. Do you feel that there is accountability and transparency in this project?
5. What is your role in this project?
6. What is the duration of the project/your employment?
7. How is the project run?
8. Who is in charge of the project?
9. What wages are you paid? What do you use these wages for? Consumption needs? Human and social capital spending? Investment in income generating activities?
10. How are the wages paid and how often?
11. What training have you received? What skills have you developed? Have you tried to use them elsewhere in other projects, or to start your own income-generating business?
12. What other opportunities are available to you after the project is completed?
13. Do you have access to capital/micro-financing?
14. What value has the infrastructure/asset that you created brought to your life and the life of your community?
15. How has this project impacted your/family life positively? Has your/family life improved positively?
16. What would you change about the project for it to continually impact your life positively? What did you not like about this project?