

UNIVERSITY OF KWAZULU-NATAL

**A STUDY OF THE IMPACT OF EXPANDED
PUBLIC WORKS PROGRAMME ON JOB
CREATION IN THE ZULULAND DISTRICT
MUNICIPALITY**

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ABSTRACT

This research measures and evaluates the impact of the Expanded Public Works Programmes on job creation in the Zululand District in order to guide government in developing a policy that will assist future job creation programmes. The Provincial government has prioritized poverty reduction and job creation as key focus areas in Kwazulu – Natal. This study attempts to determine whether the Expanded Public Works Programme contributes towards job creation and economic growth. The study was limited to the area of the Zululand District Municipality.

This research was quantitative in nature in order to meet the objectives of the study which relates to impacts of the Expanded Public Works Programme on job creation. Statistics will be used to justify the conclusions drawn about the percentage increase in employment creation in the area. . The sample was a representative of the population of the area under study. Efforts were made to eliminate any ambiguity in the questionnaires.

As training of people on the Expanded Public Works Programme is often conducted in less than six months and as the training is often not accredited, it is concluded that the jobs created by the Expanded Public Works Programme in the Zululand District Municipality are not sustainable. A high percentage of people worked on the Expanded Public Works Programme projects. Although these jobs are not sustainable, they do contribute towards the reduction of unemployment during the construction phase of the project. Most people agree with and support the Expanded Public Works Programme as a successful programme that gives hope for job creation. The output and impact of the Expanded Public Works Programme on skills training, monthly gross household income, daily wage, sustainable jobs and reduction in unemployment is shown to be minimal or not having a very noticeable impact.. Registered institutions under the Department of Education should be used to conduct training on these projects so that the level of training received can be consistent for all people trained

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ACRONYMS

EPWP: Expanded Public Works Programmes.

CBPWP: Community Based Public Works Programme.

ASGISA: Accelerated Shared Growth Initiative of South Africa.

ZDM: Zululand District Municipality

JIPSA: Joint Initiative for Priority Skills Acquisition.

LIC: Labour-intensive construction

CHAPTER ONE

BACKGROUND TO THE PROBLEM

1.1 INTRODUCTION

It is proposed that an in depth study be conducted to measure and evaluate the impact of the Expanded Public Works Programme on job creation in the Zululand District Municipality. The purpose of the study will be to present a detailed breakdown of the number of jobs created by the programme by counting the number of women, youth and disabled that were employed on the projects. The programme is one of an array of government initiatives to try to bridge the gap between the growing economy and the large number of unskilled and unemployed people who have not yet enjoyed the benefits of economic development.

The fundamental strategies to increase employment opportunities in the economy are aimed at increasing economic growth so that the number of nett new jobs being created, starts to exceed the number of new entrants into the labour market. This study will guide policy makers on the success and failures of the programme in order to come up with effective policies on job creation programmes.

1.2 STATEMENT OF PROBLEM

1.2.1 OVERALL PROBLEM STATEMENT

This research was directed at measuring and evaluating the impact of the Expanded Public Works Programmes on job creation in the Zululand District in order to guide government in developing a policy that will assist future job creation programmes. The reason for this is that the researcher wanted to determine how the Expanded Public Works Programme could be improved and be more effective in reducing poverty and creating jobs

The Expanded Public Works Programme is a national government programme that aims to draw significant numbers of unemployed people into productive work.

The Provincial government has prioritized poverty reduction and job creation as key focus areas in Kwazulu-Natal. These priorities are also in line with the thinking of the majority of the residents of KwaZulu-Natal. When asked in a national survey conducted by the Human Science Research Council (HSRC) in 2000 what they considered to be provincial priorities, approximately 63% of respondents in KwaZulu-Natal ranked jobs as the first priority (Deloitte & Touche,2003:21).

Statistics South Africa (as cited in Deloitte & Touché, 2003:21) mentions that the proportion of unemployed South Africans who had been out of work for three years or more rose from 34% in 1995 to 43% in 1999.

This study will attempt to determine whether the Expanded Public Works Programme contributes towards job creation and economic growth. King (1995:585) argues that because unemployment is so painful for those experiencing it, the government is often pressed to pursue policies which will secure 'full employment', but this does not mean zero unemployment.

The study will be limited to the area of Zululand District Municipality. It will be limited to the project undertaken from the period year 2005 to 2006.

1.2.2 SUB PROBLEMS

The first sub problem is to determine whether the Expanded Public Works Programme in the Zululand District Municipality contributes towards sustainable job opportunities.

The second sub problem is to collect data on the jobs created by the Expanded Public Works Programme in the Zululand District Municipality.

The third sub problem is to analyze and interpret the treated data in order to evaluate the impact of the programme in the creation of sustainable job opportunities.

1.3 THE OBJECTIVES : The objectives of the study are to:

- Measure the extent to which jobs created by the Expanded Public Works Programme are sustainable;
- Determine if the Expanded Public Works Programme contributes towards a reduction in unemployment levels;
- Critically evaluate the impact of jobs created by Expanded Public Works Programme on Economic Growth in line with the accelerated and shared growth initiative of South Africa;
- Ascertain the need to amend the policy on the Expanded Public Works Programme;and
- Make recommendations on how job creation programmes can be formulated.

1.4 VALUE OF THE STUDY

The study will benefit both policy makers in government and economists in their assessment of whether the Expanded Public Works Programme contributes towards economic growth in line with the Accelerated and Shared Growth Initiative of South Africa.

1.5 RESEARCH DESIGN

The research used the quantitative research method. A scientific approach of investigating the research subject was selected to ensure professional practice. All survey results were evaluated by means of mathematical and statistical data

treatment. The research methodology endeavoured to test the hypothesis as set in the problem statement. The following methods were utilized:

- Questionnaires;
- Interviews: structured type and face to face; and
- Literature surveys.

Representative's samples were obtained from completed questionnaires and extrapolated from the results of surveys. A large number of populations were sampled in order to get valid results. A random sampling technique was used in order to get valid sampling. The following electronic resources were used to conduct the literature survey:

- The library's OPAC electronic database to identify relevant references in one of the university's libraries.
- The library's electronic database records were used to conduct a NEXUS search to identify completed research at other South African institutions of higher education.
- The library's electronic database records were used to conduct a SABINET search to identify books in the libraries of other SA institutions of higher education.
- The library's electronic database records were used to conduct a Science Direct search to identify electronic (PDF versions) of articles that had been printed in peer reviewed scholarly journals.
- Google's search facilities such as Google Alerts, Scholar Google, Google Suggest, Google Print, etc were used
- Discipline-specific specialist websites were consulted.

- Specialist mailing lists were used

Any references that are cited by three or more other researches will influence the current study. A literature survey will inform the study:

- In defining key concepts and enabling the researcher to reach the main conclusions;
- To get the most recent, credible and relevant scholarship in the area of study; and
- To help in identifying different theories, models and hypotheses, existing data and empirical findings. Measuring instruments were developed to measure the extent or scope of unemployment:
- To ensure that this research did not merely duplicate a previous study;
- To discover what the most recent and authoritative theories about the subject were;
- To find out what the most widely accepted empirical findings were in the field of study area;
- To identify the instrumentation that has proven validity and reliability; and
- To ascertain that the most widely accepted definition of key concepts in the field are used.

SPSS will be utilized to analyze data and the questionnaire will be designed to suit the usage of SPSS when analyzing data. All information from the questionnaire will be encoded in the SPSS database. Questions from the questionnaire will be copied and pasted into SPSS. These are the phases of the data analysis to be followed:

- Setting up the database in SPSS;
- Entering the data from questionnaires;
- Verifying the accuracy of entered data;
- Representing the results by means of tables and graphs; and
- Interpreting the results as a basis of the findings.

1.6 LIMITATIONS OF THE STUDY

The study will be limited to the area of Zululand District Municipality. It will be limited to the projects undertaken in the period between 2005 and 2007.

1.7 PREVIEW OF DISSERTATION CHAPTERS

Chapter One overview is outlined above. Chapter Two will discuss the relevant literature related for job creation programmes, research methodology, and previous research design on the study. Chapter Three will discuss research design area of research sample and sampling, research instruments and ethical considerations. Chapter Four will discuss data analysis and the interpretation of findings. The summary recommendations and conclusion on the study will be discussed in chapter Five.

1.8 CONCLUSION

The increase in economic growth over the past ten years did not address the problem of unemployment as fully as had been hoped. There is thus a need to measure the impact of all government job creation programmes. This will help policy makers to review some of the policies in line with the outcome of the study. The next chapter is the Literature review.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This literature review is guided by the problem statement with regards to the impact of the Expanded Public Works Programmed in reducing unemployment and creating sustainable job opportunities.

The study is based on the concepts of Expanded Public Works Programmes, government policies, labour demand, labour legislation, socio- economic, causes and consequences, types of unemployment, extent of unemployment, dimensions and analyses of employment.

The research terms that were used include; unemployment, job creation and Public Works. The compilation of a concept matrix was used in order to categorize the various sources consulted into categories which were appropriate for this research. The sources consulted comprised journal articles, legislation and sundry sources. The sources were found by using some of the electronic data bases to which the University of KwaZulu-Natal library subscribes and these included Nexus, Ebsco Host and Sabinet. A number of library books were also consulted.

2.2 SURVEY OF LITERATURE THAT RELATE TO THE THEORETICAL FRAMEWORK OF THE DISSERTATION

2.2.1 DEFINITION OF UNEMPLOYMENT

The definition of unemployment is critical to be able to focus the study of EPWP. Unemployment as defined by (Schiller, 2000:106) is those participants who are not currently working but are actively seeking paid employment.

The labour force includes everyone aged 16 and older who is actually working as well as all those who are not working but who are actively seeking employment. Individuals are also counted as employed in a particular week if their failure to work is due to vacation illness, labour dispute (strike), or bad weather. All such persons are regarded as "with a job but not at work". Unpaid family members who work in a family enterprise (farming, for example) are counted as employed. People who are neither employed nor actively seeking work are not counted as part of the labour force. They are referred to as "nonparticipants". (Schiller, 2000:106)

According to Jhingan as cited by Amusan (2007:1), unemployment could be defined as "involuntary idleness of a person willing to work at the prevailing rate of pay but unable to find it." This particular definition will receive more of academic interrogation as the definition above fails to meet some conditions of unemployment in South Africa.

Schiller (2000:108) further argues that an expanding labour force not only increases our capacity to produce but also implies the need to keep creating new jobs. Even in the short run (with given resources and technology), we have to confront the issue of job availability.

Okun's Law as (cited in Schiller 2000:109) quantified the relationship between the shortfall in output and unemployment. According to the original formulation of Okun's Law, each additional 1 percent of unemployment translated into a loss of 3 percent in real output. More recent estimates of Okun's Law puts the ratio at about 1 to 2, largely due to the changing composition of both the labour force (more women and teenagers) and output (more services).

Because unemployment is so painful for those experiencing it, government is often pressed to pursue policies which will secure, full employment but this does not mean zero unemployment (Kings, 1995:585).

Fourie (1997:355) argues that there is really no problem of unemployment. Analysts in the classical monetarist school do not acknowledge the existence of unemployment. As far as they are concerned, employment and wages are determined by the equilibrium between supply and demand in the labour market. Therefore, all observed unemployment is nothing but voluntary unemployment: an unemployed person chooses not to work at the wage that is available in the market or if a person is willing to work at a lower wage, that person will always get work. The unemployed are persons who are pricing themselves out of the labour market. Therefore, in Fourie's view there is no real unemployment problem. Unemployment figures indicate a false problem according to the classical economists, (Fourie, 1997:355). One may partly agree with Fourie if one looks at the refugees from Zimbabwe who are willing to accept the low wages being offered by farmers and other companies. However, this cannot be taken as a general rule because it does not apply everywhere.

King (1995:582) argues that if someone is willing to do a job, but only for a much higher wage than the prevailing one, then it does not make sense to count that person as unemployed. Such a person could possibly have a job, but is not prepared to work at the wage rate offered. Nevertheless, he or she is counted as unemployed because he/she is not working. Correcting the unemployment data to take account of unrealistic wage expectations, would result in a lower measured unemployment rate.

Unemployment comes with costs. These include the loss of output and income that people would have earned if they had jobs, the loss of human capital and the increase in crime and dignity.

Fourie (1997:355) further states that analysts who do not accept the monetarist view explicitly accept the existence of involuntary unemployment. Very few analysts in South Africa take the voluntary unemployment view seriously.

May (2000:39) states that poor households are characterized by a lack of wage income, either as a result of low paid jobs, part time employment, casual employment or unemployment. In the rural areas in particular, formal jobs represent a poor and rather unstable source of income.

Klasen (as cited in May, 2000:39) argues that while the creation of more jobs is important, so are better jobs for those already employed. In practice, the formal definition and measurement of unemployment is not so easy. The basic problem is to decide whom to include in the labour force and what is meant by being unemployed (Fourie, 1997:356).

The unemployed form a sub group of the economical active population. The extent of unemployment is guided by the definition given. The extended definition of unemployment includes the unemployed who have not looked for a job, but who are willing to work. Under-employment is an imperfectly understood and imperfectly measured phenomenon. It relates to people who work only occasionally. Under-employment is also an element of the structural unemployment problem.

In South Africa unemployment is part of a larger problem caused by under development and poverty. In such a situation, one also encounters the tragic situation of the working poor, those who do have work but who are trapped in acute poverty because of the low wages they earn (Fourie, 1997:361).

Schiller (2000:111) argues that unemployment statistics do not tell the complete story about the human cost of a sluggish economy. When unemployment persists, job seekers become increasingly frustrated in their efforts to secure employment. After repeated rejections, job seekers often get discouraged.

Measuring unemployment is guided by the definition to determine how many people are actually employed based on census surveys. These surveys based their results only on when a person is both not employed and not actively seeking a job, he or she is counted as unemployed. Individuals neither employed nor actively seeking a job are counted as being outside the labour force. The responses to this survey provide the bases for estimating the total number of people who are unemployed across the country.

Miller (1999:149) argues that workers are unemployed because, at the going wage rate, the labour supply exceeds the demand.

Sloman (2003:402) reports that the longer people remain unemployed, the more deskilled they tend to become. This obviously reduces their potential to find a job as well as their actual income. There is some evidence that a higher unemployment rate leads to increased crime and vandalization. A workforce that is prepared to quit jobs and spend a short time unemployed will be a more adaptable, more mobile workforce, than one that is only responsive to changing economic circumstances. Such a workforce will lead to greater allocative efficiency in the short run and more rapid economic growth over the longer run.

In conclusion, clarifying the definition of unemployment that will be central to this research is critical to be able to focus the study. The study will focus on the impact of Expanded Public Works Programme (EPWP) in the creation of job opportunities. The area of the study is in the rural Zululand District Municipality.

Schiller's (2000:106) definition of a labour force excludes those who are not actively seeking employment. In a rural area such as that administered by the Zululand District Municipality, there is a high rate of unemployed people who are not actively seeking employment. Their unemployment status is linked to their poverty levels. These people do not seek their labour at any wage rate and not at current wages as defined by (Sloman, 2003:402).

The current definition for the study in the Zululand District Municipality will be that of Fourie (1997:355) who defines unemployment as those who wish to work but who cannot find employment. He excludes children, students and the retired.

2.2.2 EXTENT OF UNEMPLOYMENT

The provincial government has prioritized poverty reduction and job creation as key focus areas in KwaZulu – Natal. These priorities are also in line with the thinking of the majority of residents of KwaZulu-Natal. When asked in a national survey conducted by the Human Science Research Council (HSRC) in 2000 what they considered to be KwaZulu- Natal's Provincial priorities, approximately 635 of respondents in KwaZulu- Natal ranked jobs as the first priority followed by the delivery of basic services such as water, electricity, housing and transport. Crime was ranked as a third priority on which the provincial government should focus (Deloitte & Touché, 2003:15).

Todaro (1995:223) reports that Third World employment problems have much more complex causes than employment problems in developed countries. They therefore require a variety of policy approaches that go far beyond policies that merely expand aggregate demand. Whatever the discussions and causes of unemployment in Third World nations, it is associated with human conditions of abject poverty and low levels of living such as have rarely been experienced in the now developed countries. There is an urgent need for concerted policy action by both the less developed and the more developed nations.

Young people are disproportionately hit by the South Africa's unemployment rate, which is officially estimated to be 26%. In reality, it is closer to 40% because the government figure does not include the informal sector or those who have given up looking for a job (www.mg.co.za).

There are various reasons for a high unemployment rate in developing countries, particularly African Countries. In South Africa most of the losses of jobs in the formal sector, have been attributed to the restructuring of the world economy, which more than ever favours highly skilled individuals. While there has been some growth in the service and tourism sectors, this has not made up for the jobs which have been lost. Once those jobs are lost, they are lost forever (www.compcom.co.za).

The high unemployment rate among qualified graduates in South Africa has been attributed to the difference between the skills and training people are getting in the tertiary education sector and what is needed in the labour market (www.compcom.co.za).

There is some evidence that higher unemployment leads to increased crime and vandalization. A workforce that is prepared to quit jobs and spend a short time unemployed will be more adaptable, a more mobile workforce, than one that is responsive to changing economic circumstances. Such a workforce will lead to greater allocative efficiency in the short run and more rapid economic growth over the longer run.

There are three types of unemployment: frictional, structural and cyclical. (Kings 1995:583). Frictional unemployment arises from the normal turn over of people in the labour market. That is caused by people who constantly change their economic activities. Individual businesses are constantly changing, some are closing down and laying off their workers while others are starting up and hiring new workers. It is unlikely that frictional unemployment will ever disappear.

Structural unemployment arises when the number of jobs available in a particular region or industry falls because of permanent technological change. The cyclical unemployment arises from a slow down in the pace of economic expansion (Kings 1995:583).

Statistics South Africa (as cited in Deloitte and Touche, 2003:21) states that in South Africa the proportion of unemployed people who have been looking for work for three years or more rose from 34% in 1995 to 43% in 1999. In the same period, the proportion of Africans who had been seeking work increased from 37% to 46%. To fully appreciate the levels of employment and unemployment being experienced in the KwaZulu-Natal province, it is important to have a good knowledge and understanding of critical variables such as:

- the population growth rate (by race, by sex and by geographic location)
- the size of the population of the working age (15 – 65),
- the size of the labour force (employed and unemployed) and
- the labour absorption and labour force participation rates and changes in these rates.

What may appear to be a declining unemployment level may be misleading and subject to changes in all or some of the above variables. An increase in the labour participation rate has to be matched with increased labour absorption rate of the economy for it not to have a negative effect on employment levels. The elasticity of employment to production levels in South Africa and in KwaZulu-Natal has been erratic and unstable (Shabalala, 2007:146-147).

There is a particular urgency, and immense opportunity, to place the institutionalization of employment guarantees on the public dialogue table. One should not miss the opportunity to confront this issue, especially in terms of the achievement of the Millennium Development Goals, poverty alleviation and pro-poor growth. Well-designed public job creation has the potential to steer the economy in a direction that is both efficient and equitable (Antonopoulos, 2007:19).

Antonopoulos (2007:19) further argues that there is plenty of evidence that unemployment has far-reaching effects besides the obvious loss of income. These include: psychological harm, loss of work motivation skills and self-confidence, an increase in ailments and morbidity, disruption of family relations

and social life, hardening of social exclusion and accentuation of racial tensions and gender asymmetry.

Evidence of this can be seen in the xenophobic attacks that have taken place in South Africa which have their origins in the shortage of unemployment. Access to a job is not a panacea. Healthy growth rates, environmental sustainability, decent work conditions and a government that safeguards public good provisioning on a permanent base and strive for universal entitlements are all key ingredients for a humane, caring economy. For the poor and ultra poor who are willing to work but who do not have access to a job, public inaction constitutes social assignments of some to extreme hardship, poverty and social exclusion. (Antonopoulos 2007:20)

Statistics South Africa (as cited in Deloitte and Touche, 2003:21) further states that the same trends of the extent of unemployment have been observed among women. Statistics South Africa (as cited in Deloitte and Touche, Kwa-Zulu Natal Poverty reduction strategy 2003:21) further states that the numbers of unemployed women who had been seeking work for the three or more years increased dramatically from 35% in 1995 to 51% in 1999. The KwaZulu-Natal provincial government has prioritized poverty reduction and job creation as key focus areas in KwaZulu-Natal. The Expanded Public Works Programme has been developed by government to address the problem of unemployment. Historically disadvantaged areas in South Africa, both rural and urban (township), suffer from a lack of physical infrastructure and a lack of job opportunities. Inhabitants of disadvantaged rural areas have limited access to social services and cannot participate fully in the economy activity afforded by the growth of the South African economy.

2.2.2.1 DEPENDENCY RATIO IN THE KWAZULU—NATAL PROVINCE

The province has a high dependency ratio, with about 3.3 million people below the age of 15 years and 437 000 aged 65 years and over. The burden of

dependency is bigger than that portrayed by the age distribution figures. One has to take into account of the large number of people who are unemployed by the strict definition of unemployment.

Provincial Profile (as cited in EPWP KZN Framework 2004:2) states that the percentage of the province's household receiving income below the poverty line stood at 53% in 2002. This translates into a total of just over 5 million poor people in the province in 2002. The incidence of poverty is highest in the rural areas where some 74% of the population lives on incomes below the poverty line.

EPWP FRAMEWORK (2004:2) reveals that these people rely mainly on the various social welfare systems that support the poor and vulnerable through direct income support (grants) and welfare services. Currently, the province provides the bulk of the government's social security support programmes and welfare services. The seven grant types that are available to qualifying beneficiaries include:

- Grant for the aged;
- Grant for war veterans;
- Grant for the Disabled ;
- Grant in aid;
- Care dependency grant;
- Foster child grant; and
- Child support grant.

The budgeted expenditure on social grants in the province amounted to R 5.98 billion in the financial year 2002/2003. Together, grants for old age, disability and child support grant account for 95% of the total spending on social grants.

KwaZulu-Natal is relatively a rural province, with about 54% of the total population living in the rural areas, compared to 11% in Western Cape and 4% in Gauteng. The rural areas are occupied predominantly by Black people, while White, Coloured and Indian people live mainly in the urban areas. In 2002, it was

estimated that approximately 65% of the total Black population in the province lived in rural areas (EPWP KZN FRAMEWORK 2004:2).

Rural areas KwaZulu –Natal are characterized by demographics which reflect past policies, namely:

- Higher density areas with strewn settlement;
- Populations suffering from the lack of economic opportunities;
- Workers who live in isolated rural areas facing high transport costs;
- High levels of poverty and unemployment;
- Historical restrictions on entrepreneurial development and poor support for these.

The Government Job creation programmes should address some of these challenges.

2.2.2.2 UNEMPLOYMENT IN THE PROVINCE

In 2001, it was estimated that the average unemployment rate was approximately 42% (according to the strict definition). The expanded definition (this definition includes those unemployed people who are able to work but have stopped actively seeking employment) provides a far grimmer picture, with unemployment at 48.7% of the labour force.

Given the fact that employment opportunities are concentrated in urban areas, poverty levels are much greater in the the rural districts. An unemployment rate of 48.7% (according to the expanded definition) means that if the country is to meet government's goal of halving unemployment and poverty by 2014 then in excess of one million new jobs will have to be created. This is based on today's unemployment rate and population.

The Provincial Profile (as cited in EPWP KZN FRAMEWORK, 2004:3) reveals that unemployment levels vary between urban and rural district municipalities. The unemployment rate in the majority of the rural districts was even higher than the provincial average of 42%, and also higher than the national unemployment rate of 37%.

2.2.2.3 DEMOGRAPHIC DIMENSION OF UNEMPLOYMENT IN THE PROVINCE

It is also evident that unemployment is far more prevalent among blacks. In 2002 the unemployment rate for black households was 55.2%. Unemployment is also higher among females than males, reflecting in part the higher number of females in the province with no education which makes it more difficult for them to find jobs. The unemployment rate for women (especially African women) in the province is currently estimated at 54.8%, which is even higher than the national average of 37% (EPWP KZN Framework,2004:1).

In comparing Zululand with other district municipalities, Shabalala (2007) states that the total number of poor persons living in the area during the years 2001-2005 stood at 4.96 million. In 2001 Umkhanyakude District had the highest percentage of poor people at 72, 2% followed by Sisonke at 69, 6%, Zululand at 68, 8% and Umzinyathi 67, 5%.

2.2.2.4 AGE DIMENSION OF UNEMPLOYMENT IN THE KWAZULU—NATAL PROVINCE

KwaZulu-Natal is the most populous province in South Africa. The province has a youthful population of approximately 56.3% (i.e. 5.3 million people) of the total population in the province (i.e. 9.4 million people). The KwaZulu Natal youth under the age of 25 are greater in numbers than the entire populations of the Free State (2.7 million), Limpopo (5.2 million), Mpumalanga (3.1 million), Northern Cape (822 727), North West Province (3.6 million) and Western Cape (4.5 million) (Census 2001). The implication of the age demographics is that the province will have to identify programmes that are going to be able to address the needs of the youth in the various parts of the province (EPWP KZN Framework, 2004:4).

In conclusion, it is clear that unemployment affects many spheres of life. Unemployment needs to be addressed using different strategies including Expanded Public Works Programmes.

2.2.3 DURATION OF UNEMPLOYMENT

The duration of unemployment varies. A few of the unemployed may never have had a job and may be never will. For most, however, unemployment lasts only a certain period. For some it may be just a few days while they are between jobs, for others it maybe a few months, for others, such as the long- term unemployed, it could be several years. The longer people remain unemployed, the more disinclined they tend to become, there by reducing their employment potential as well as their actual income (Sloman 2003:402).

KwaZulu – Natal Poverty Reduction Strategy (2003:21) shows that the length of time that an unemployed person takes looking for work is an important indicator of labour market performance and that person's prospects. The longer the period of unemployment, the worse the unemployment situation becomes for people who have been seeking work without success. The higher the percentage of unemployed people who have been seeking work for a long period, the greater the pressure for effective job creation programmes (Deloitte & Touché, 2003)

The severity of the unemployment situation depends on how long the spell of joblessness lasts. About one third of unemployed workers return to work quickly, but many others remain unemployed for 6 months or longer. The reasons for joblessness are connected to economic conditions. In really bad years, most of the unemployed are job losers, and they remain out of work for a long time.

Unemployment statistics do not tell the complete story about the human costs of a sluggish economy. When unemployment persists, job seekers become increasingly frustrated in their efforts to secure employment. After repeated rejection, job seekers often get so discouraged that they give up the search and turn to their families, friends, or public welfare for income support. Discouraged workers are not counted as part of the unemployment problem because they are technically out of the labour force.

Some people cannot afford to be discouraged. Many people who become jobless have family responsibilities and bills to pay. They simply cannot afford to drop out of the labour force. Instead, they are compelled to accept a job, any job, just to keep body and soul together. The resultant job may be part-time or full-time and may pay very little. Nevertheless, any paid employment is sufficient to exclude the person from the count of the unemployed, though not from the condition of being underemployed. Underemployed workers represent labour resources that are not being fully and efficiently utilized. They are part of the unemployment problem, even if they are not officially counted as unemployed.

Although discouraged and underemployed workers are not counted in official unemployment statistics, some of the people who are counted probably should not be. Many people report that they are actively seeking a job even when they have little interest in finding employment. To some extent, public policy actually encourages such behaviour. For example, some adult welfare recipients are required to look for a job, even though some welfare mothers would prefer to spend all their time raising their children. Their resultant job search is likely to be perfunctory at best, including perhaps only one trip to the state employment office. Similarly, most states require people receiving unemployment benefits to provide evidence that they are looking for a job, even though some recipients may prefer a brief period of joblessness. Here again, reported unemployment may conceal labour-force non-participation (Schiller 2000:111).

One may argue that the duration of unemployment has the greater effect on the life of people. The duration of unemployment is linked to the way unemployment is defined. Some people may stay unemployed for a long time because they are not seeking any employment, but others may remain unemployed for a long time because they are not actively seeking employment. Whether people are employed for a shorter or longer time, the facts remain that people should get permanent employment that contributes to sustainable development.

2.3.4 SPECIAL EMPLOYMENT PROGRAMMES

Special employment programmes have been implemented in many countries. These programmes are commonly referred as Public Works Programmes or Labour-intensive Public Works Programmes. The most recent programme is called the Expanded Public Works Programme (EPWP).

By the end of the 19th Century in South Africa a growing number of poor, displaced and unemployed whites had begun to cause concern to the authorities. The 'poor whites' were largely an illiterate, rural population who considered education to be something alien to their everyday existence. For the most part they could perform only unskilled labour (Khosa1997:1).

Le Roux (As cited in Khosa 1997:2) suggests that the government's decision to focus on the poor white problem to the exclusion of poor black people was due to the potential political and military power of poor whites. The state intervened to solve the poor whites problem in three ways:

- Firstly through statutory measures by transforming the labour market and coercing the public sector to substitute black labour with white workers, with the private sector being pressurized along similar lines;
- Secondly by increasing government services to whites, especially in the areas of education, health and housing; and

- Thirdly, by launching an ambitious Public Works Programme to provide employment for unskilled whites who would otherwise not have been able to find employment.

Abedian and Standish (as cited in Khosa 1997:2) state that during the height of the depression in the 1930s, government expenditure on PWP's occupied a substantial portion of the government budget. It is estimated that over 230 000 people were assisted by PWP's in the 1930s. Over time, government departments absorbed the majority of the poor whites into non-subsidized schemes. Employment in subsidized schemes decreased steadily through the 1930s, while employment in unsubsidized jobs increased. The crucial role of the PWP's was to break the cycle of poverty and dependency in which poor whites had become trapped. Employment on the relief schemes gave them a sense of discipline and achievement, and taught them basic skills.

2.2.4.1 THE SUCCESS OF PUBLIC WORKS PROGRAMMES DURING 1930'S

The successes of South Africa's PWP's during the 1930s were possible for specific reason:

- The programme was comparatively small scale, tackling the needs only of poor whites;
- Assistance for poor whites was made at the expense of the majority of the population through the displacement of black labour and job reservation policies; and
- The country entered a period of high economic growth. This played a vital role in absorbing semi-skilled workers turned out by the public employment programmes.

Economic Research Unit, CSIR(as cited in Khosa, 1997:3) argues that for equivalent PWP programmes today, the crucial lesson of the 1930's, is that they must be accompanied by the eventual absorption of the beneficiaries into the formal sector if unemployment is to be permanently eliminated. In the absence of sufficiently

rapid economic growth, the growth in formal employment can only be secured through radical reorganization of the production methods of certain clusters.

During the 1970s and 1980s, a major objective was to generate employment opportunities for the poor. Later, policy makers and donors began to stress the need to target the “poorest of the poor”. This stemmed in part from experience across a range of development work that showed the “poorest of the poor” is a broad category including many people who are chronically ill, old, mentally and /or physically disabled – who will always be with us and will need support from those around them. Thus, the “poorest of poor should be the main focus of social welfare programmes and should not merely be linked to the construction and maintenance of infrastructure (Mc Catcheon & Parkins 2003:38).

By the 1980's unemployment was highest among blacks, who now found themselves in a similar predicament to that of the poor whites in the 1920s and 1930s. Poor standards of education, inadequate access to social services, and a lack of employment opportunities caused high levels of unemployment and poverty. In the late 1980s the government was weaker than it had been in the 1920s and 1930s, unemployment was greater, the recession longer lasting, and black South Africans did not have the right to vote. Moreover, in 1983 when the government responded with the Subjects Employment Creation Programme (SECP), it did not heed the important lesson from the programme in the 1930s: that proper project selection, planning, design, coordination and funding would make the programme sustainable in the long term. (Khosa 1997:3)

Statistics South Africa (as cited in Phillips, 2004:1) states that the magnitude of South Africa's structural unemployment crisis was such that in September 2003, 4.6 million people were unemployed in terms of the strict definition and 8.3 million in terms of the broad definition. In the 16 -34 age group, 70% of the unemployed had never worked, while 59% of all unemployed people had worked at some time. To reach the government's target of halving unemployment by 2014, about 546 000 new jobs would have to be created each year.

The government's current strategy to reduce unemployment involves increasing economic growth so that the number of net new jobs being created starts to exceed the number of new entrants into the labour market. The qualifications and skills of the workforce also need to be improved so that it is able to take advantage of the largely skilled work opportunities which economic growth is likely to generate. PWPs will not solve the unemployment problem in South Africa. They should rather be viewed as one of an array of short to medium-term interventions aimed at alleviating the poverty associated with unemployment, and should have a particular focus on able-bodied but unskilled adults. PWP's should be viewed as complementary to social grants, and not as an alternative to social grants, because they cannot provide for all of those who are in need (Phillips 2004:2).

PWPs are often criticized for being 'make –work' programmes, involving fruitless activities such as digging holes and filling them again. In this regard, it is important to distinguish between economically efficient and inefficient PWPs. In the apartheid years, South Africa witnessed a number of programmes of the latter type which, although they provided some temporary employment, were wasteful and did not result in the provision of quality services. By contrast, in an economically efficient PWP, the objective of providing good quality, needed services in a cost-effective manner must be as important as the social objectives of the programme. PWPs can only be sustainable in a resource-constrained environment if they are economically efficient. If PWPs do not result in the cost – effective delivery of quality public services, then pressures on the fiscus are likely to eventually result in PWPs being abandoned in favour of other, more efficient means of the delivery of services (Phillips 2004:2).

2.3.4.2 EXPANDED PUBLIC WORKS PROGRAMME GOVERNMENT INITIATIVE

At its policy conference in late 2002, the African National Congress resolved that there should be a large-scale expansion of the use of labour-intensive

construction methods to alleviate unemployment and to address the backlogs of infrastructure in previously disadvantaged areas. In June 2003, the Growth and Development Summit (GDS) resulted in agreement on number of interventions aimed at reducing household poverty and vulnerability. These initiatives included public investments initiatives, sector partnership and strategies, local procurement, small enterprise promotion, support for cooperatives, and expanded public works programmes. The GDS agreement stated that “EPWP can provide poverty and income relief through temporary work for the unemployed to carry out socially useful activities. These EPWPs will be designed to equip participants with a modicum of training and work experience, which should enhance their ability to earn living in future” (www.epwp.gov.za).

In his State of the Nation speech in February 2003, the President stated that: “... the government has decided that we should launch an Expanded Public Works Programme. This will ensure that we draw significant numbers of the unemployed into productive work and that these workers gain skills while they work, and thus take an important step to get out of the pool of those who are marginalized...” In February 2004 the President announced in his State of the Nation Address that the programme would create at least one million work opportunities in its first five years.

Government’s medium-long term programme to address unemployment include increasing economic growth, improving skills levels through education and training, and improving the enabling environment for industry to flourish. The EPWP will continue to exist until this medium-to-long term programme has been successful in reducing unemployment.

The programme involves reorientation line function budgets so that government expenditure results in more work opportunities, particularly for unskilled labour. EPWP projects will therefore be funded through the normal budgetary process, through the budget of line- function departments, provinces and municipalities.

Opportunities for implementing the EPWP have been identified in the infrastructure, environmental, social and economic clusters. In the infrastructure sector the emphasis is on creating additional work opportunities through the introduction of labour-intensive construction methods involving the use of an appropriate mix labour and machines, with a preference for labour where technically and economically feasible, without compromising the quality of the product.

All public bodies in infrastructure provision must make an attempt to contribute to the programme. As part of this initiative, through the 2004 Division of Revenue Act , the national government has placed some additional conditional ties on the Provincial Infrastructure Grant (PIG) and the municipalities are to use “Guidelines for the implementation of labour-intensive infrastructure projects under the EPWP” as agreed upon between SALGA, the National Treasury and the Department of Public of Works for identification, design and construction of projects financed through the MIG or PIG (EPWP Guidelines 200: i).

International and local experience has shown that, with well-trained supervisory staff and an appropriate employment framework, labour-intensive methods can be used successfully for infrastructure projects involving low-volume roads and sidewalks, storm water drains, and trenches. On the basis of this experience, and in the context of high levels of unemployment, the national government has decided to mandate that these infrastructure projects must be carried out labour-intensively. One can conclude that special employment programmes such as Public Works Programme contributes towards job creation. But these programmes are not the only solution to the problem of unemployment. These special employment programmes should involve the broader part of the economy including the private sector and should not to be limited to government alone.

2.2.5 ECONOMIC IMPACT AND GOVERNMENT RESPONSE

The interference of government policies is crucial in order to address the human rights that are affected by unemployment. Both the official South African unemployment rate and the strictly defined unemployment rate are significantly higher than those of most industrialized countries. South Africa is in fact on a par with the most of the undeveloped nations in the world. Without doubt, South Africa has a most serious unemployment problem (Fourie 1997:360).

In South Africa unemployment is part of a larger problem which is linked to underdevelopment and poverty.

Fourie (1997:370) supports the Public Works Programmes in which the government initiates special public construction projects in labour-intensive ways, can make a significant contribution to absorbing the structurally unemployed especially if they contain training and literacy programmes. Such projects could include the construction of roads, sewerage systems, housing, community centres schools and hospitals. Government could also attempt to raise the level of labour used in existing construction projects. There could be direct employment by the state together with a Public Works Programme similar to the one which was used in the 30s and 40s to address the so called poor white problem.

Over the past 10 years "jobless growth" has been a feature of the South African economy. Faced with such a reality, there are schemes which are simply minor expenditures with a marginal effects. There is a need to generate real jobs in the major economy. One of the means of achieving this is to improve the lot of the poor who are willing to work within the major economy. This has the potential to generate a significant increase in employment opportunities per unit of expenditure through the use of employment-intensive methods in one sector of the economy. The construction and maintenance of major infrastructure is essential. It challenges those engaged in the provision of infrastructure to grasp the opportunity to construct high standard infrastructure and achieve a critical

socio-economic objective, namely, employment. It also challenges other clusters to follow suit. Major problems cannot be solved by minor peripheral expenditures (McCutcheon & Parkins, 2003:1).

Economic growth, including growth in opportunities for self-employment together with the labour absorption capacity of the economy, matter in determining the potential and actual level of employment experienced in any country, region or province. Barnerjie (as cited in Shabalala, 2007:146) states that there are generally two factors in any unemployment rate or level: the equilibrium rate. The equilibrium rate is the rate at which, other things being equal, unemployment series converge and there may be deviation from that equilibrium. Any change in the equilibrium rate is more structural and it spells out movement towards a new equilibrium rate. Structural unemployment requires public policy interventions, which work with employers and worker organization (the tripartite system). Deviations from the equilibrium rate may be purely frictional or seasonal representing temporary shocks in the economy which, through time, are going to correct themselves. It is thus important at any given situation in the country, to determine the fundamental nature of unemployment that is being experienced.

There are certain policies and practices which the government can adopt to alleviate the level of unemployment in the country. One of the ways of doing this is the running of a deficit budget where more liquid cash will be made available in circulation. This will encourage marginal prosperity to consume and therefore encourage production by

the industries, provided that government imposes some measures to discourage the importation of goods and services. The imposition of trade barriers has its own shortcomings. It is also against the doctrine of The World Trade Organization (WTO) of which South Africa is a signatory member. (Amusan 2007:2).

Some people seeking employment prefer not to work in a hazardous environment, despite relatively high wages in such clusters. Also some people prefer to leave their job because of leisure resulted from huge amount of wages received from the work place. This should be addressed by the government in such a way that will increase the wealth of the nation. As discussed above, the capitalist system of economic development married by almost every state in the global system in antithesis to the creation of employment by the government through the Dow's long as the Third World is still contending with some attributes of underdevelopment, and then one can call for government intervention in creating employment.

Ligthelm (as cited in Shabalala, 2007:147) states that the extent to which employment changes, is a result of changes in economic growth or production. Being employed does not guarantee that one is not underemployed: nor does it guarantee decency of employment (doing a productive, meaningful and adequately paid job) There is, therefore, always a possibility of underemployment as well as the working poor.

The size of the non-economically active population is also influenced by the number of discouraged workers, that is those persons available to work but who are no longer taking active steps to look for work. Like in all open economies, within the dictates of the globalizing world, there has been a lot of churning going on in the labour market in South Africa: skilled workers have been replacing unskilled workers (yet the supply of unskilled workers blossomed from 1994) within most of the economic clusters; there has been a structural shift in the economy away from the low skill intensive clusters, and, within the tradable clusters, production techniques

have been continuously becoming capita and skill intensive. Low skill labour demand has been on the decline because of the declining economics clusters constituting better job opportunities for such potential workers (Shabalala 2007:147)

According to Kasuru (2003:64), the ongoing retrenchment of miners and the ever-growing workforce, coupled with low growth in employment opportunities, have resulted in an unemployment rate increase. Women and the youth are particularly hard hit by unemployment. Relatively small proportions of the population who still have access to waged employment have benefited from the economic growth.

The employment generation capacity of any economic growth is what matters. Different clusters have different potentials for economic growth. In the long run, both sectoral growth paths and supportive incentives for labour participation have to exist in tandem with competencies and the capacitating of job-seekers.

According to Mondlane (2007:1) South Africa has a wide range of Infrastructure Plans with Budgets (IPBs) which are to be executed. Over the next three years, government plans to spend R320 billion on the country's infrastructure.

Shortages of skills and capacity constraints are serious impediments that may result in delaying these plans. The priority projects before 2010 Soccer World Cup event are the Gautrain (R27 billion) and Stadia (R8 billion). Although attracting the most attention, these are insignificant when compared to the other infrastructure plans budgeted for in the Medium Term Expenditure Framework (MTEF) (as cited by Mondlane 2007:1) which includes the following:

- Electricity R71 billion
- Roads R62 billion
- Rail R46 billion
- Housing R30 billion
- Ports R16 billion
- Water and Sanitation R27 billion

There is a trade-off between full employment and price stability .Demand-side policies alone can never succeed completely but they cause some unwanted inflation or unemployment.

Africa, a continent with abundant natural resources and high economic potential ,is reeling under extreme levels of poverty and looks almost certain to fall short of achieving the Millennium Development Goals (MDG's). 80% of the continent's population lives in rural areas and in most circumstances those people find themselves handicapped and in a perpetual state of disadvantage and uncompetitive situations. One major cause of this is a lack or inadequacy of the infrastructure required to support their initiatives, external support systems and investment. 80% of the road networks in most African countries are either gravel or earth and the bad state of repair of some of these roads is adding to both the physical and economic isolation of the majority of the rural populace. (Mukura, 2007:1)

May (2000:38) argued that poverty and unemployment are linked. The poor are far more dependent on contributions made by household members employed in other parts of the country as well as upon state transfers than those that are not poor.

Poor households are characterized by a lack of wage income, either as a result of unemployment or of badly paid jobs. In rural areas in particular, jobs represent a meagre and rather unstable source of income May (2000: 39).

2.2.6. ASGISA AND JIPSA INITIATIVES AIM TO HALVE UNEMPLOYMENT

Payment of anything approaching a living wage reduces the number employed proportionately. The ASGISA resource allocations compare unfavourably with the kind of investment levels in public employment seen in countries attempting to provide mass government funded employment. In India, under the National Rural

Employment Guarantee Programme initiated in 2006, a total of 1% of GDP is scheduled for employment creation alone in the financial year 2008/9 (Mehortra, 2005). Intended to ensure adequate levels of employment among the target group, it aims to provide low skilled employment in infrastructural construction. In the Argentina the Jefes Employment Programme initiated in 2003, 0.9% of GDP was allocated for employment creation. When compared to allocations of this magnitude solely for job creation, the AsgiSA (of which the ramping up of infrastructural investment is a substantial component) can be seen as a major state driver of employment (www.info.gov.za/asgisa).

It is concluded that the growth in the economy should correspond with an increase in job creation. The response by government should be well coordinated in order to have greater impact in improving the lives of the people.

For both the public infrastructure and the private investment programmes, the single greatest impediment is the shortage of skills, including professional skills such as engineers and scientists; managers including financial, personnel and project managers; and skilled technical employees such as artisans and IT technicians. The shortfall is largely a result of previous political policies and the slow rate at which education and skills development institutions are catching up with the current acceleration of economic growth (www.info.gov.za/asgisa).

The Joint Initiative for Priority Skills Acquisition's (JIPSA) function is to identify urgent skills needs and to find quick and effective solutions. Solutions may include special training programmes, bringing retirees back into the economy and attracting South Africans and Africans working out of Africa back to the country. Schiller (2000:119) further states that the greatest employment challenge for the economy of tomorrow is to reduce the structural unemployment that accompanies economic growth. This will require not only macro economic policies that minimize cyclical unemployment but also education and training with activities that are able to narrow the skills gap.

The government is determined to achieve ASGISA's goal of halving unemployment and poverty by 2014. One of the interventions is to target unemployed graduates for jobs or learnerships to ensure that the focus on youth development is intensified in all spheres of government (www.mg.co.za).

Informal sector employment is normally seen as employment of the last resort. Given the difficulty in getting a job in the formal sector, mobility (including migration rates) and access to the informal sector economic opportunities (reducing of barriers to entry) are important factors that increase the rate of employment in the informal sector. The total size of newly created jobs includes those created in the informal sector. Under-employment (disguised unemployment) should also be taken into account.

Different economic clusters have different contributions to make to the situation. Between 2001 and 2003, community services were the leading employer, followed by the manufacturing sector which lost its position to the trade sector in 2005. In most of the District municipalities in KwaZulu-Natal, community services, trade and agriculture are the main employers. The exceptions are EtheKwini Metro, Uthungulu, Amajuba district municipalities where the manufacturing is the leading sector. The manufacturing sector takes second position in uThukela district municipality (Shabalala 2007:149).

The core objective of this government initiative, as set out in 2004, is to halve poverty and unemployment by 2014. There is an improvement in the performance and job creating capacity of the economy. Economic growth averaged about 3 percent during the first decade of freedom. Since 2004 growth has tended to exceed 4% per year, reaching about 5% in 2005. Good economic policies, positive domestic sentiment, and a favourable international environment have created the opportunity to consolidate the recent gains.

With the improvement in the growth rate has come rapidly improving employment creation, although unemployment still remains high at over 26%. This is considerably better than the 32% unemployment rate reached a few years ago, but the challenge remains to reduce unemployment to below 15% and the to halve the poverty rate will not be achieved without effective economic leadership from Government. This can be achieved by introducing and promoting for creation programmes like EPWP (www.info.gov.za/asgisa).

To meet the social objectives the government will have to ensure that the environment and opportunities for more labour-absorbing economic activities is considerably improved. One needs to ensure that the fruits of growth are shared in such a way that poverty comes as close as possible to being eliminated.

The recent economic growth has been unbalanced in two important respects. Firstly, the growth was based on a combination of strong commodity prices, strong capital inflows and strong domestic consumer demand, rooted in anti-poverty measures, growing employment, and rising asset prices. The effect, of this combination has been to strengthen the currency making it difficult for exporters outside the commodity sector or those who compete with imports to remain competitive. That led to a trade deficit of nearly 4.5% of GDP in 2005. Although the deficit was well financed by capital inflows, it demonstrated South Africa's challenge to compete effectively outside of the commodity sector. The country is at the perceived risk of "hollowing out" or at least becoming an unbalanced economy compounded by the uncertainty of trends in commodity prices, capital flows, and the domestic consumption boom.

The second imbalance is that, although the social grant programme has given some impetus to poverty reduction and income redistribution, there remain about a third of South African households not yet able to benefit directly from the relative economic success. Moreover, as long as a significant proportion of the population is excluded from the mainstream economy, the growth potential is considerably constrained.

The government states that sustainable growth at a rate of around 6% would require that these two key imbalances are effectively countered. In developing a strategy for accelerated and shared growth, the government adopted a growth diagnostic method of analysis which seeks to identify the “binding constraints” on achieving the objectives.

According to the government, ASGISA (info.gov.za/asgisa) in developing responses to the binding constraints, it has organized initiatives into six categories:

- Macroeconomics issues;
- Infrastructure programmes;
- Sector investment strategies (or industrial strategies);
- Skills and education initiatives,
- Second economy interviews; and
- Public administration issues.

Various spheres of government are responsible for about half of the total public sector capital investment over the period through a range of programmes at a national department level. The planned rate of growth of the capital budget of government at between 15% and 20% per year is unprecedented in South African history. Projects will be distributed to provincial and local governments through the municipal and provincial infrastructural grant programmes, while provinces and most municipalities have funds available from their own revenue collection sources for capital expenditure. Key areas of expenditure, incorporating all these spheres of government are provincial and local roads, bulk water infrastructure and water supply networks, energy distribution, housing, schools and clinics, business centres, sports facilities, and multipurpose government service centres, including police stations, courts and correctional facilities. All these projects have to incorporate the principles of Expanded Public Works Programme to contribute towards job creation (www.info.gov.za/asgisa).

2.2.7 COST OF GENERATING EMPLOYMENT

It is estimated that the cost of maintaining the unemployed as well as the productivity lost by not engaging the unemployed in productive work, is high. It demonstrates that the value of productivity lost combined with the cost of maintaining the unemployed is significant, amounting to between 5% and 9% of GDP. It concludes that ignoring these costs is one reason why the unemployed remain marginalized and that measures to include these costs within the overall economic analysis would result in policies that are more prescriptive in the generation of employment. Despite the huge burden that high levels of unemployment places on society, there appears no standard method of calculating its cost. Whatever the total amount, it is clear that the opportunity cost for not employing labour is significant. If we add the direct costs to the opportunity costs estimated above, the actual cost is anywhere between 6% and 9 % of GDP. Finding a way to unlock the huge growth that the South African economy is seeking is essential, if the country is to save this portion of the GDP. It is only when this opportunity cost is factored into economic models, however, that we will be able to formulate policies that truly target the unemployed. Hattingh (2007:3) argues that labour-intensive construction techniques in the road sector are well developed to significantly raise the labour intensity of a project. and the external project constraints (i.e. time, cost and quality) are not considered simultaneous resulting in a project where either the job creation targets are not met, or where the constraints of time cost and quality are not met.

Edmonds and Johannessen (2007:1) state that road maintenance can effectively be organized as a labour-intensive work activity, particularly for rural roads. Labour-based works technology is commonly applied when providing routine maintenance for both rural and main roads. In addition, unlike construction or rehabilitation, the employment created from sustained maintenance programmes is long term. There is therefore, a major potential for job creation through the implementation of rural road maintenance programmes.

A wide number of implementation arrangements have been devised for executing rural road provision and maintenance, ranging from mobile force account units, to the use of local contractors and community contracting with various elements of voluntary inputs. Any, or all, of these arrangements can be effective, and the solution chosen is very much dependent on prevalent government and donor policies for the provision of public works. Nevertheless, the effective execution of any of these implementation arrangements requires an efficient management organization (Edmonds & Johannessen 2007:8).

Mc Catcheon & Parkins (2003:42) states that finally, employment intensive methods can create employment at low cost. To create employment in a modern economy requires enormous investments: ranging from several million Rand per job, to about R150 000 (2000- constant prices) per job in the civil construction industry. Even low paid employment requires an investment of a few times this person's annual salary.

By contrast even at R50 per day, employment-intensive methods would generate employment at about twice the annual salary (excluding benefits): $250 \times 50 \times 2 = \text{R}25\ 000$ (Mc Catcheon & Parkins 2003:42).

McCord and Meth (2007:8) argue that the EPWP aims to facilitate the creation of a total of only 200 000 jobs each year, across all four clusters, and so, at best will be limited to employing, temporarily, between 2% and 5% of the unemployed. This limited objective is not surprising, given the lack of any significant additional budget allocated explicitly to the public works programme, compared to the other countries. The EPWP itself is intended to 'facilitate' employment creation, rather than create employment directly through additional state expenditure, a mandate which sets it apart from PWP's internationally, and severely hinders its potential as an engine for aggregate employment growth and poverty alleviation.

2.2.8 EDUCATION AND SKILLS DEVELOPMENT

The impact of the lack of education for a majority of the provincial population is also reflected in high unemployment levels. The Provincial Profile report (as cited in EPWP KZN Framework, 2004:3) reflects that 22% of the population in the province did not have schooling.

The success in achieving full employment in the economy depends on both structural and cyclical forces. Jobs in today's economy require increasing levels of education and skills. Workers with the required skills will enjoy high wages and experience little unemployment.

The workers are retrenched as a result of the downsizing and restructuring of companies in response to changing markets. These workers have solid work experience and skills but not the right skills required in today's economy (Schiller 2000:119). Retrenched workers like the coal miners of the earlier decades, increase structural unemployment. It is concluded that as the skills gap widens, structural unemployment increases.

Every year some 20% of school leavers will enter higher education institutions and only a small proportion of new market entrants will actually find work. The challenge for the Expanded Public Works Programme will not just be to create new job opportunities, but also to produce people from the programme who are better equipped and better skilled to find work outside of the Expanded Public Works Programme.

The population growth rate influences the rate of labour supply. The quality of education and the skilling process in the country determine the quality of this labour supply. Demand for labour is generally two fold: the quantity of labour force required by public and private user/application organization and the quality (competencies) mix required of the labour force. The total population of working age (15-65) is made up of non-economically active and economically active sections.

The economically active population is in turn made up of those that are employed and those that are unemployed and together they constitute the labour force. The labour absorption rate is the number of the employed population expressed as a percentage of the total population aged 15 to 65; and the labour force participating is the number of economically active population or persons as a percentage of the population or people 15 – 65 years (Shabalala 2007:146).

Training is a critical component of the EPWP. Without training, the impact of the programme on the lives of beneficiaries will be limited, as will the long term contribution to meeting the country's skills shortages. All EPWP projects must therefore include a training element, as required by the Code of Good Practice for employment under special Public Works Programme and the guidelines for implementation of infrastructural project under the EPWP. Most of the activities in the EPWP are done on a project basis and the training will therefore generally be related to the activities that are part of this project. Training will therefore generally have to be of a practical nature, providing beneficiaries with basic skills which increase their chances of securing employment.

Skills shortages in South Africa are well documented, but the number of jobs that are vacant due to the skills shortages is far smaller than the scale of excess labour (with a pool of unemployed labour in excess of 4 million compared to estimated skills shortages of significantly less than 100 000). (McCord & Mech 2007:9).

It is evident that the current skills shortage has made a critical contribution to the levels of unemployment. The current education system does not produce the skills required by the economy. There are many job vacancies in the government and public sector that are not filled due to a shortage of people with the necessary skills to perform these jobs. People with skills are recruited from other countries, even those as far as Cuba, eg. Doctors, Professional Engineers.

2.3.9 LABOUR-INTENSIVE CONSTRUCTION (LIC) AS A *SOLUTION TO *UNEMPLOYMENT

Mandela (as cited in Mc Catcheon & Parins, 2003:1) states that people, not machines, should be used to build the new South Africa. To this end, labour-intensive infrastructural projects under the EPWP include:

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

“Labour-intensive” is a phrase used in economics to describe an operation in which proportionately more labour is used than other factors of production.

Employment intensive construction may be defined as the economically efficient employment of as great a proportion of labour as is technically feasible. Ideally, throughout the construction process, including the production of material, labour should be used to produce high standard of construction as demanded by the specification and as allowed by the funding available. Employment-intensive construction results in the generation of a significant increase in employment per unit of expenditure by comparison with conventionally capital-intensive methods. By 'significant' is meant at least 300% to 600% increases in employment generated per unit of expenditure. There are several further stages of employment-intensity which may be obtained, depending upon the type of parameters used to define economic efficiencies. The first stage of employment-intensity is cost competitive with conventional capita-intensive methods: i.e. 300-600% increase in employment is obtained without compromising cost, time or quality (Mc Cuthcheon & Parkins 2003:21).

Akinsanya as cited by Amusan (2007:3) states that there are various explanations for the adoption of labour-intensive modes of production. Some of these are the low level of education, a lack of appropriate technology, the colonial history, negative effects of foreign investment/multinational corporations, less

dynamic political system / socialism and government policy. All these factors played major roles in the levels of Africa's underdevelopment in general and the present South African labour and capital state of development in particular.

Amusan (2007:8) further argues that the alarming rate of unemployment in our society is partly due to the capital-intensive approach, with less value-added to the general development of South Africans in term of job creation and standard of living elevation. With this, the high percentage of the country's population with less access to qualitative education because of the previous political systems, continues to hinder the process of development and inputs to wealth creation.

The fashioning out of a labour-intensive mode of production is needed at this stage, but only for the short term to give the state an opportunity to develop an educational policies that will focus primarily on the encouragement of scientific research in a long run. Emphasis should be placed on the technical and scientific research based disciplines so that the supposedly unemployed people will be able to be accommodated in the employment market. Creating artificial employment that is not going to add to the GDP of a state in an appreciable manner, is like chasing a shadow. (Amusan, 2007:11).

It is well documented that involvement of the private sector is critical to sustainable development, especially when labour-intensive practices are involved. Yet, private sector development, which is profit driven, is often reluctant to fully commit to labour-intensive approaches due to their perceived increase in costs (both from capital output and duration of project).

McCord (2007:2) argues that the adoption of labour-intensive approaches in infrastructural provision can increase aggregate employment which, from a macroeconomic perspective, is positive. However, the adoption of such approaches and the resulting increases in construction sector employment is not likely to have significant or sustained impacts on social protection or poverty alleviation. The additional employment created will typically not conform to the

criteria for decent work. Nor will a once-off episode of labour-intensive employment promote income security for those who are chronically or cyclically unemployed. Such jobs represent temporary employment opportunities, providing income security assurance only for the temporarily unemployed.

The government of Uganda (GoU) embarked on increasing the use of labour-intensive approaches in the construction and maintenance road works in the early 1990s. The approach is recognized as a means for creating jobs and contributing towards poverty reduction. The South African government has committed itself in the Poverty Eradication Action Plan, which is the national poverty reduction strategy to strengthen local capacity for road management with a focus on labour-intensive work methods to provide employment and income and further commits itself to promoting environmental sustainability. This is in line with the provisions of the Millennium Development Goals (MDGs) one and eight. The government further plans to continue promoting labour-intensive technology in the rehabilitation and maintenance of a large portion of its road network and also promote sustainable environment management in all its operations (Seruma 2007:1).

Mlosy (2001:15) argues that the employment and labour sector is plagued with problems of unemployment and underemployment. Urgent policy intervention is needed for a more employment intensive development path which will be aimed at ensuring that there will be work for all those seeking it and that the work will be as productive as possible. However, in order to utilize the full potential of the informal sector, there is the need to develop a consistent set of institutions and policies focused on its development. This will involve organizing what has been called an enabling environment for advancement of the small and micro enterprise sector. Therefore, the employment challenge facing policy advisors and the government, is clearly one of creating more employment and reducing the level of unemployment and poverty.

McCord and Meth (2007:4) state that given the highly capital intensive nature of much of the proposed investment, it is not guaranteed that much additional employment can be expected from it. Since estimating the numbers of extra jobs that may arise is so difficult, we resort instead to some speculation.

Advances in technology have contributed a great deal to the present unemployment problem. The effective implementation of labour-intensive methods of construction may restore some of the jobs lost through conventional Capital Intensive Construction methods.

2.2.10 SMALL AND MEDIUM CONTRACTORS DEVELOPMENT

It is noted that small / medium enterprises contribute immensely to the economic development of small countries. They explore new opportunities, and with relatively little capital outlay, they tend to create more jobs than big companies. In construction, established small / medium contractors evolved on their own after acquiring some preparatory factors for success. But in the quest to gain the immense benefits small / medium contractors promise some contractor development programmes that attempt to circumvent some contractor's lack of the preparatory factors for success, are being initiated in many countries. Small and medium businesses are faced with challenges such as a lack of skills and capital which is needed to sustain their business. Government intervention in the policy formulation and implementation that supports SMME's is therefore critical to their growth and survival.

For more than a decade, the need to create jobs for unemployed South Africans has prompted the government to initiate various small / medium contractor development programmes, including the EPWP Contractor Learnership Programme. Some of these programmes have failed and been withdrawn because they failed to develop the contractors, while others are still operating under very difficult conditions. These development programmes provided the developing contractors with mentoring and joint venture partnership in an attempt

to circumvent the lack of the preparatory factors. However, many of them proved inadequate (Egbeonu 2007:1).

Egbeonu (2007:1) further argues that the programmes find it difficult to develop the small/ medium contractors because of the challenges of circumventing the lack of the preparatory factors. As the factors seem inevitably linked to contractor's operational capacity for success, it seems that contractors cannot be successfully developed without such factors. Successful small / medium contractors create jobs many people need. Therefore, the task is to find an effective approach of developing small / medium contractors, which must be cognizant of the preparatory factors.

2.3 LITERATURE THAT RELATE TO THE ELIMINATION OF PROBLEMS ALREADY SOLVED BY OTHER RESEARCHERS

Havenmann (2004:1) reports that: nearly five million South Africans were unemployed in 2002 and that creating employment opportunities is a challenge. Before this issue can be tackled, however, it is critical to understand the problem. This research aims to contribute to this understanding by considering the various factors aligned to the demand for labour within the context of the extended Public Works' Programme. The analysis considers a selection of the theoretical literature on the demand for labour, estimates key labour market parameters and then undertakes a number of simulations using a structural model. There are many conflicting paradigms that can be used to analyze the issue. These include:

- microeconomic versus macroeconomic;
- neoclassical versus structuralism;
- theoretical versus empirical and so forth.

Some of these paradigms are considered as part of the attempt to build an empirical framework that can be used to analyze the issue.

Bezuidenhout (2003:1) reports that: "The South African economy is largely dependant on small enterprises as a valuable source of job creation, gross domestic product as well as product development and innovation. However,

unfortunately there exists an extremely high failure rate among small businesses with 20 percent of startup businesses failing within the first year of operation, and an almost 60 percent failure rate within the first 6 years of existence. These statistics have initiated several research studies and have been the focus of many business books, creating a vast industry of small business success tools and quick fix solutions. When considering the high failure rates of small businesses, the concepts surrounding sustainable development come into question by pure method of association. Sustainable development issues have become a top priority globally and have moved up the corporate agenda in recent years. When trying to marry these two concepts, questions arise regarding the effect of integrating sustainability principles and management systems, with contemporary small business strategy.

Mthembu (2003:1) reports that : The basic principles of the Reconstruction and Development Programme (RDP) include "an integrated and sustainable programme" and "a people-driven process". Section 2.3 of the RDP identifies the National Public Works Programme (NPWP) as a key implementation strategy of the RDP, with the primary purpose of creating jobs and providing community infrastructure, in a manner that impacts on the socio-economic conditions of the poor (ANC, 1994:1-18). The NPWP was operationalized in late 1995 as a Community Based Public Works Project (CBPWP) to carry out this broad mandate. Government was faced with numerous challenges in the form of poverty, joblessness, a shrinking economy and a lack of job-related skills. The expectations were also high that after long years of struggle and suffering, an ANC-led Government would deliver a better life for all soon.

Poho (2001:1) describes how socio-economic development is related to unemployment and accordingly, how values, belief systems and customs are related to unemployment. The existence of value polymorphism, can also lead to conflict and fragmentation within society. Structural unemployment, which results from a lack of job opportunities, must be distinguished from unemployment due to the incomplete transition of individuals from an educational setting to an

employment setting. Unemployment is also a social problem that requires immediate action to alleviate the poverty associated with it. The type of unemployment determines the kinds of interventions that are necessary. Development can occur at either a sectional level (involving subgroups) or a communal level (involving the whole community). Development may be either evolutionary, revolutionary, or it could be based on direct interventions. Various factors that facilitate development have been identified. Change must be directed at multiple systems and development must occur on a regional level and be linked with development in the larger context.

2.4. CONCLUSION:

The definition of unemployment is critical to be able to focus the study. The study will focus on the impact of Expanded Public Works Programme (EPWP) in the creation of job opportunities in the area of the study, namely a rural Zululand District Municipality.

Schiller's (2000:106) definition of a labour force excludes those who are not actively seeking employment. In a rural area such as that administered by the Zululand District Municipality, there is high rate of unemployed people who are not actively seeking employment. Their unemployment is linked to poverty. These people do not seek their labour at any rate and not at current wages as defined by (Sloman 2003:402).

The definition of unemployment that will be used for the study in the Zululand District Municipality will be to the one credited to Fourie (1997:355) who defines an unemployed person as someone who wishes to work but cannot find employment. His definition excludes children, students and the retired.

May (2000:39) states that poverty and unemployment are linked. Poor households are characterized by a lack of wage income, either as a result of unemployment or as a result of poorly paid jobs. In rural areas in particular, in many cases, jobs represent poor rather unstable sources of income.

Based on the above arguments, the study will use the broad definition of unemployment in order to be in line with the problem statement of the impact of Public Works Programme that focuses on the deep rural areas.

It is further concluded that the levels of education and skills contribute to unemployment (Schiller, 2000:119). The study will look at both skills and level of education. Therefore the study will use quantitative research as it is guided by the result that will address the above mentioned arguments which are guided by statistics.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This Chapter outlines the strategies that the researcher adopted and the steps followed to collect information for the study that is accurate and interpretable. It includes areas of research, research questions, information about participants, research instruments procedures, data analyses, sample and sampling method, ethical considerations and the return of questionnaires.

Babble and Mouton. (2007:74) state that a research design is a plan or blue print of how one intends conducting the research. They also state that researchers often confuse research design and research methodology, but that these are very different dimensions of research. This chapter will discuss how the research design (plan) was executed as well as the research process (research methodology) that was used to collect data.

The research design outlines the type of study that was undertaken in order to provide acceptable answers to the research problem or questions. It discusses what type of research design was followed in the study, why this design was selected and what possible challenges or limitations in the design will require the researcher's attention.

The questionnaire guided the research in an attempt to get answers to the research problems in order to meet the objectives of the study. The participants in the study are discussed and described.

Ethical issues such as protection from harm, informed consent, right to privacy and honesty with professional colleagues were taken into consideration.

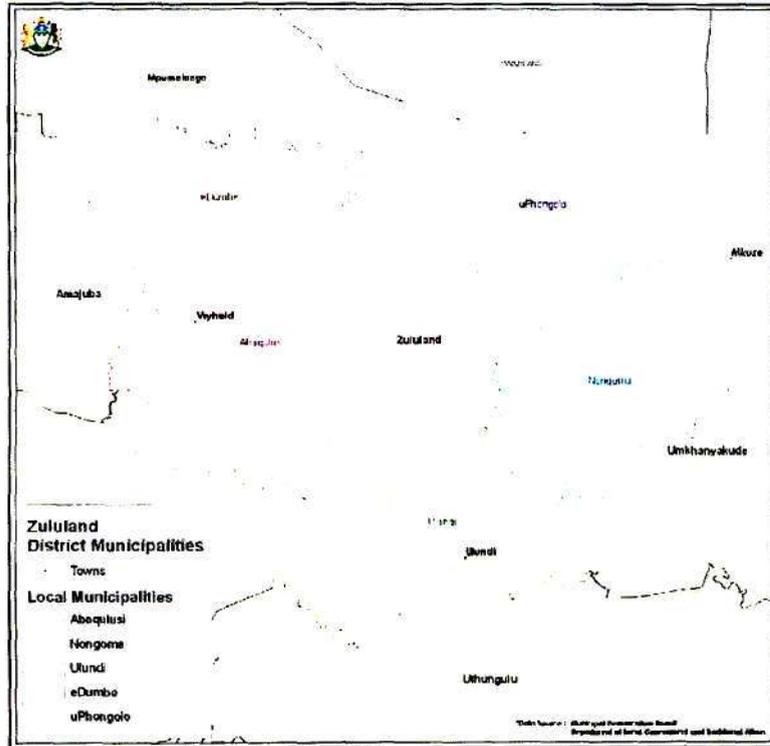
The sample and sampling method will show how the representative sample was obtained during the study. A number of questionnaire issues will be discussed and show the percentage of return for questionnaires.

3.2 AREA OF RESEARCH

The study was undertaken at Zululand District Municipality DC 26. It is made up of five local municipalities: eDumbe K265, Uphongolo KZ262, Nongoma KZ263, Ulundi KZ265 and aBaquluse KZ 266. The area Km² and population respectively is 1943: 102 247, 3239: 142 515, 2182: 203 156, 3250: 228738, 4185: 211 241.



Zululand Local Municipal Areas 2006 5 Local Municipalities



Spatial Representation of Zululand District : Profile 2006
Department of Local Government and Traditional Affairs

The map shows the Zululand District Municipality. It is one of the ten District Municipalities which together with eThekweni Metro, form part of the KwaZulu-Natal Province.

The research was conducted with people who worked or stay in these areas where the Expanded Public Works Programme was implemented by the Provincial Department of Transport and the Zululand District Municipality.

The projects included those implemented by the Municipality under the Municipal Infrastructure Grant (MIG). These included water supply projects which were supposed to be implemented through labour-intensive methods of construction in order to create a large number of job opportunities.

In total number 107 projects at a total of value of R 204, 87 million were implemented. Other projects included those that were implemented by the Department of Transport under the programme called Vukuzenzele EPWP. These projects involved the construction of roads and crossings. These projects had a high potential to create a great number of job opportunities because the whole project could be carried out using labour-intensive methods. Questionnaires about road projects did not cover all the local Municipalities. Most of the projects which were included in the research were completed at the time of the research with only few still under construction.

3.3 RESEARCH DESIGN

Mouton and Marais (as cited in Terre Blanche and Durrheim, 2004:33) state that the aim of a research design is to plan and structure a given research project in such a manner that the eventual validity of the research findings is maximized. The research design took into consideration the sampling data collection and analysis. In deciding whether to use a qualitative or quantitative research, the researcher first considered certain factors.

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The quality of any research area depends not so much on whether the study is qualitative or quantitative, but rather, on the quality of its design and how well it is conducted.

3.1 CHOOSING A RESEARCH DESIGN

Different questions yield different types of information. Different research problems call for different research designs and methods, which in turn result in the collection of different types of data and different interpretations of those data. Furthermore, many kinds of data may be suitable only for a particular methodology.

No single highway leads us exclusively toward a better understanding of the unknown. Many highways can take us in that direction. They may traverse different terrain, but they all converge on the same destination: the enhancement of human knowledge (Leedy & Ormrod 2005:94).

It must be emphasized that one cannot decide whether qualitative or quantitative studies are better or more useful. It is important to note that there are no predetermined factors for the appropriateness of either a qualitative or a quantitative study. Although quantitative studies seem to be more common in economics and qualitative studies in anthropology, Mouton (2002:38) states that there are numerous examples where researchers combine techniques that are usually accepted as quantitative and qualitative. For instance, one may find the researcher who uses probability sampling techniques in conjunction with in depth interviewing or basic descriptive statistics in analyzing qualitative data. Many researchers would argue that the use of multiple methods and techniques is actually one of the best ways to improve the quality of research.

In many social sciences, such as management studies, sociology and psychology, qualitative studies do not dominate. A new investigation often starts

as a qualitative study exploring new phenomena and, later on, becomes a quantitative study to test the validity of propositions formulated in previous qualitative studies.

For many researchers would argue that the use of multiple methods and techniques is actually one of the best ways to improve the quality of research. De Vos (1998:23) states that the concept of triangulation is sometimes used to designate a conscious combination of quantitative and qualitative methodologies. Denzin as cited by De Vos (1998:23) referred to the use of multiple methods of data collection with a view to increasing the reliability of observation, and not specifically to the combination of quantitative and qualitative approaches.

There are no general guidelines about when either a qualitative or quantitative research approach is more appropriate. When making the choice whether to conduct a qualitative or quantitative study, one needs to consider the following.

- What is the research problem;
- Is one attempting to conduct an explorative, descriptive, casual or predictive study;
- What is the objective; and
- What kind of information does one want to obtain and what does one already have access to?

Two researchers with similar, or even the same, answers to these questions may still come to different conclusions regarding the choice between qualitative and quantitative study would be best able to answer a research problem, as a cost-benefit calculation of the trade-off between the two options does not always provide an unambiguous answer.

Qualitative and quantitative approaches represent complementary components of the research process. We learn more about the world when we have both quantitative and qualitative methodologies at our disposal than when we are limited to only one approach or the other.

Quantitative researches seek explanations and predictions that will generalize to other persons and places. The intent is to establish, confirm, or validate relationships and to develop generalizations that contribute to theory.

Qualitative researches on the other hand, seek a better understanding of complex situations. Their work is often exploratory in nature, and they may use their observations to build a theory from the ground up.

3.2 RESEARCH DESIGN

The study was quantitative in nature in order to meet the objectives of the study which relates to impacts of the Expanded Public Works Programme on job creation. A quantitative study was used in order to get statistics that will justify the conclusions on the percentage increase in employment creation in the area. The decision on which research design should be used was based on the theory that is stated in the following paragraphs. The methodology used for a research problem should always take into account the nature of the data that will be collected in the resolution of the problem. The method selected has to determine how the data is collected.

Quantitative studies represent the mainstream approach to research, with carefully structured guidelines that exist for conducting them. Concepts, variables, hypotheses, and methods of measurement tend to be defined before the study begins and remain the same throughout. Quantitative researchers choose methods that allow them to objectively measure the variable(s) of interest. They also try to remain detached from the research participants so that they can draw unbiased conclusions.

Quantitative researches tend to rely more heavily on deductive reasoning, beginning with certain premises (e.g., hypotheses and/or theories) and then they

draw logical conclusions from them. They also try to maintain objectivity in their data analysis, conducting predetermined statistical procedures and using objective criteria to evaluate the outcomes of those procedures (Leedy & Ormrod 2005:96).

Quantitative research is not exclusively deductive, nor is qualitative research exclusively inductive. Researchers use both types of reasoning in a continual and cyclic fashion. Quantitative researchers formulate a theory by inductive reasoning and by observing a few situations. Then they try to support their theory by drawing, and then testing, the conclusions that follow logically from it.

Although few questions were related to qualitative issues but were minimal with regard the study as having both qualitative and quantitative approaches. It is a fact that no study will be absolutely qualitative or quantitative.

The quantitative approach or method produces quantifiable and reliable data for a larger population. This is suitable for the area under study which covered the whole Zululand District Municipality which encompassed five local Municipalities (uPhongolo, eDumbe, aBaqulusi, Nongoma and Ulundi). The methodology to be used for a particular study problem must always take into account the nature of the data that will be collected in the resolution of the problem (Leedy & Ormrod 2005:93).

3.4 SAMPLE AND SAMPLING METHODS

A simple random sampling was used which means choosing a sample in such a way that each member of the population has an equal chance of being selected. Sampling was guided by the following theory.

Nothing comes out at the end of a long and involved study that is any better than the care, precision, and thought that went into the basic planning of the research design and the selection of the population. The results of a survey are no more trustworthy than the representatives of the sample. Population parameters and

sampling procedures are of paramount importance and become critical factors in the success of the study (Leedy & Ommrod 2005:207).

The basic idea of sampling is that by selecting some of the elements in a population, we may draw conclusions about the entire population. Deming (as cited in Blumberg *et al.* 2005:203) argues that the quality of a study is often better with sampling than with a census. He suggests that sampling has the possibility of better interviewing (testing), more thorough investigation of missing, wrong or suspicious information, better supervision, and better processing than is possible with complete coverage.

Terre Blanche (2004:44) states that sampling involves decisions about which people, setting, events, behaviours and or social processes to observe. What will be sampled in the particular study is influenced by the unit of analysis. Terre Blanche further state that the main concern in sampling is representativeness. The aim of sampling is to select a sample that will be representative of the whole population about which the researcher aims to draw conclusions.

The ultimate test of a sample design is how well it represents the characteristics of the population it purports to represent. In measurement terms, the sample must be valid. Representativity of a sample depends on two considerations: accuracy and precision (Blumberg *et al.* 2005:205).

3.4.1 IDENTIFYING A SUFFICIENT SAMPLE SIZE

A total number of four hundred and fifty questionnaires were distributed in the Zululand District Municipality where Expanded Public Works Programme Projects were implemented. Three hundred and forty seven questionnaires were returned.

This meant a return rate of 77% which is a high return rate. The high return rate was influenced by the perception that these questionnaires would help the government to fund more projects or create more job opportunities.

The researcher is thus convinced that the sample provides accurate information to meet the objectives of the study because of the high rate of return of questionnaires and the representative nature of the sample.

Leedy and Ormrod (2005) present the basic rule of sampling which is: the larger the sample, the better. But such a generalized rule is not too helpful to a researcher who has a practical decision to make about a specific situation.

According to Gay and Airasian (as cited in Leedy & Ormrod, 2005:207) guidelines for selecting a sample size include:

- For small populations (with fewer than 100 people or other units), there is little point in sampling. Survey the entire population;
- If the population size is around 500, 50% of the population should be sampled;
- If the population size is around 1,500, 20% should be sampled; and
- Beyond a certain point (at about 5, 000 units or more), the population size is almost irrelevant, and a sample size of 400 should be adequate.

Generally speaking then, the larger the population, the lower the percentage (but not the smaller the number!) one needs to include in the sample to get a representative sample. Leedy and Ormrod (2005:207) further state that to some extent, the size of an adequate sample depends on how homogenous or heterogeneous the population is i.e. how alike or different its members are with respect to the characteristics or research interest. If the population is markedly heterogeneous, a larger sample will be necessary than if the population is fairly homogenous. Important, too, is the degree of precision with which the researcher wishes to draw conclusions or make predictions about the population under study.

Brynard and Hanekom (1997:18) argue that sample size does not only depend on the size of the population, but also on its heterogeneity: the greater the

heterogeneity, the larger the sample required to obtain a high level of validity. Huysamen (as cited by Brynard & Hanekom, 1997) states that if the population is relatively homogeneous, a smaller sample may be sufficient. Blumberg (2005:213) mentions the following principles that influences sample size.

- The greater the dispersion or variances within the population, the larger the sample must be to provide estimation precision;
- The greater the desired precision of the estimate, the larger the sample must be;
- The narrower the interval range, the larger the sample must be;
- The higher the confidence level in the estimate, the larger the sample must be;
- The greater the number of sub-groups of interest within a sample, the greater the sample size must be, as each sub-group must meet minimum sample size requirements; and
- If the calculated sample size exceeds 5 per cent of the population, sample size may be reduced without sacrificing precision.

Sampling is based on two premises. One is that there is enough similarity among the elements in a population that a few of these elements will adequately represent the characteristics of the total population. The second premise is that while some elements in a sample underestimate a population value, others overestimate this value. The result of these tendencies is that a sample statistic such as the arithmetic mean is generally a good estimate of a population mean.

3.5 RESEARCH INSTRUMENT

The questionnaire was formulated in line with the following sections or categories:

- Demographic data;
- Locality of the projects;
- Employment opportunities;

- Skills assessments;
- Wage rate; and
- Perception of the EPWP Programme

The questionnaire comprised 18 numbered questions.

3.6 PILOT STUDY

A public study was conducted on the project managers of the projects. This was done in order to ensure that the questions were not ambiguous or misleading or yielded responses that were difficult to interpret.

The pilot study revealed that people gave different names to the government programmes. All these programmes fell under EPWP. People knew about water projects and roads projects and but were not necessarily familiar with the term Expanded Public Works Programme. Minor adjustments were made to two questions to include specific names of the programmes instead of just calling them Expanded Public Works Programmes.

3.7 ETHICAL CONSIDERATIONS

The researcher did his best to comply with the ethical requirements of the University and research requirements.

Permission was needed from various stakeholders to conduct the study. A letter was written to the Head of the Department of Transport in Pietermaritzburg and the Municipal Manager for the Zululand District Municipality in Ulundi. Permission to conduct the research was received from both of these bodies.

3.8 OBSERVATION IN THE FIELD

- The area under study is very large in size and it was necessary to travel long distances to reach the projects under study;

- Most of the Expanded Public Works projects were situated in rural areas;
- Projects were distributed all over the area of the Zululand District Municipality which is mostly rural and is made up of five local municipalities;
- People saw the questionnaires as having the potential to influence government to bring more projects to their area and create more job opportunities; and
- The Department of Transport and the Zululand District Municipality management and officials were of great assistance. They gave the list of all projects under study.

3.9 CONCLUSION

The instrument was used successfully. The method used was quantitative which guided the process to meet the objectives of the study. The sample was a representative of the population of the area under study. All efforts were made to eliminate any ambiguities in the questionnaires.

Ethical requirements were adhered to. The data obtained in this chapter will be analyzed in the next chapter in order to reach informed conclusions and to base the recommendations of the study.

CHAPTER FOUR

RESEARCH FINDINGS

4.1 INTRODUCTION

This Chapter of the research focuses on the research findings and analyses. The data collected from the field will be translated into graphs and tables. The graphs and the tables will then be interpreted and analysed. The analyses will help in reaching the conclusions and to formulate recommendations that will be addressed in chapter five of this research.

Comparison will be made on the five local municipalities falling under the Zululand District Municipality.

The comparison will assist in reaching conclusions on the municipality where the EPWP had a greater impact on job creation.

The overall analysis of the graphs and tables will address all the objectives as set in chapter one of this research

4.2 Findings and analyses

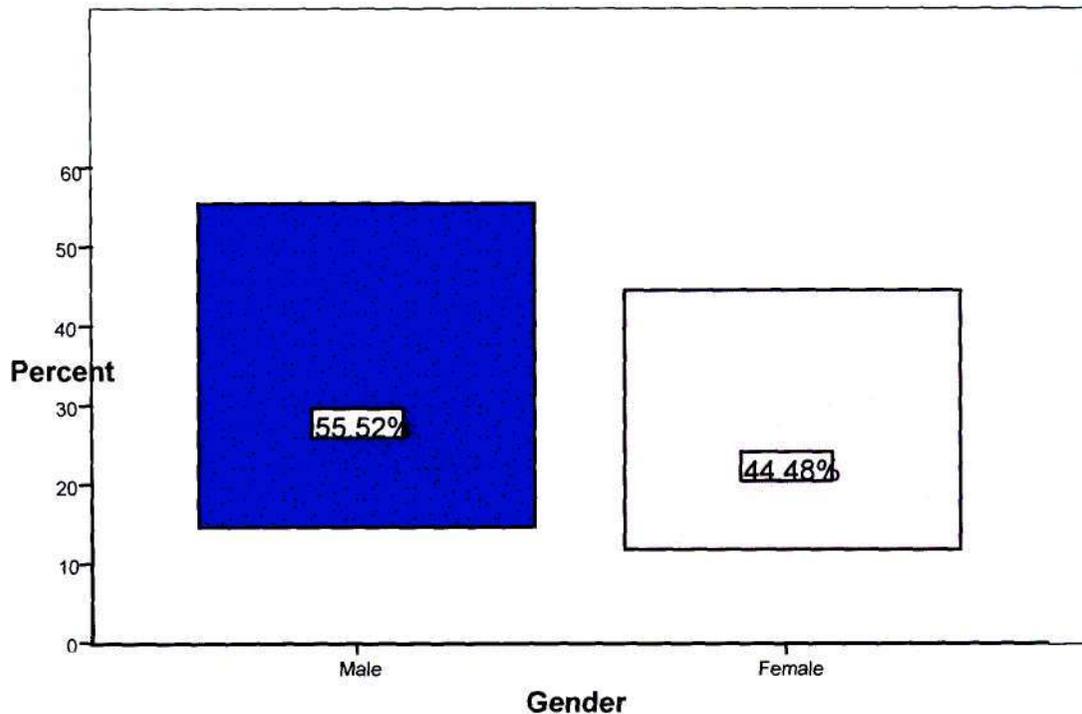


FIGURE 4.1: PERCENTAGE OF WOMEN AND MEN RESPONDENTS PER GENDER

Figure 4.1 shows that 55.52% of the participants were male compared to 44.48% who were female. This is the overall figure for the Zululand District Municipality with a difference of 11.04% between male and female respondents. This shows that most respondents were men. Women are the people most affected by poverty and unemployment. The employment targets set by the government under the Expanded Public Works Programme are 60% women and 40% youth which means that there is a lot of work to be done in order to address the involvement of women in job creation programmes.

Although most of the government spending is on infrastructure, it is imperative that other clusters like the social, the economic and the environmental should play a vital role and more budget should be allocated to these clusters.

Most of the Expanded Public Works Programme projects are infrastructural in nature. These projects include buildings, construction of roads, water and

sanitation. The work in these fields have been dominated by males for many years. This may be because work on these projects need physical strength that women may not have. In addition to this factor, the culture in rural areas may not allow women to work on these projects, especially where women have to climb higher places than men. All these factors may prevent woman from participating in these projects and may render the programme ineffective in addressing the problem of unemployment. It is imperative that these problems be addressed through awareness programmes in the communities. This means that an Expanded Public Works Programme alone can not address these problems, but social factors also have to be taken into consideration. Social facilitation should also be brought on board in these areas to facilitate full community involvement.

Although most of the government spending is on infrastructure, it is imperative that the other clusters like social, economic and environmental should play a vital role and more budget be allocated on these clusters which are easily accessible by women.

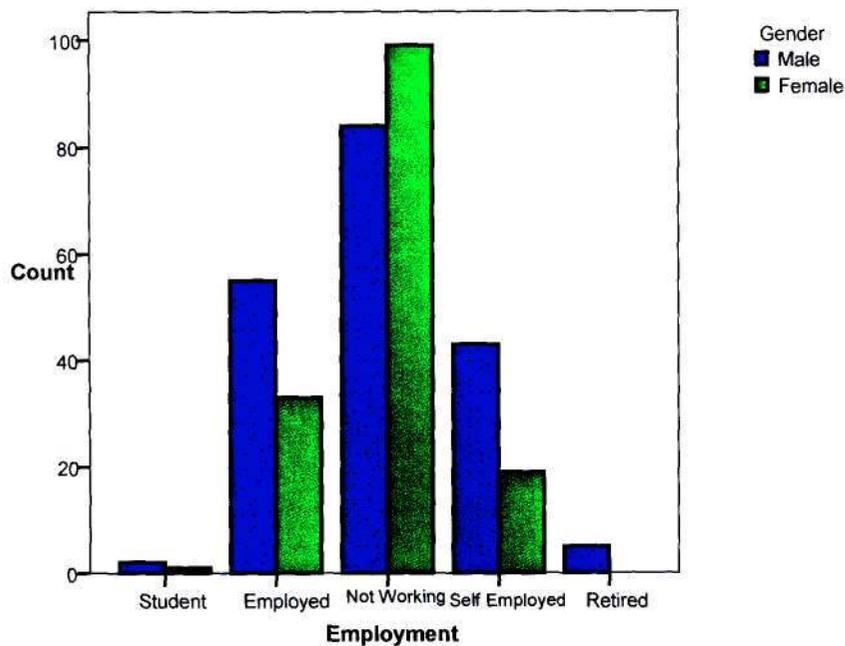


FIGURE 4.2: GENDER EMPLOYMENT COMPARISON

Figure 4.2 shows that a high number of the self-employed people were males. This shows a great need to involve or empower women to participate in small business in order to contribute towards reducing the high rate of unemployment among women.

**TABLE 4.1: MUNICIPALITY * GENDER
CROSSTABULATION**

		Gender		Total
		Male	Female	
Municipality Nongoma	Count	42	27	69
	% of Total	12.2%	7.9%	20.1%
Phongola	Count	25	15	40
	% of Total	7.3%	4.4%	11.7%
Ulundi	Count	28	12	40
	% of Total	8.2%	3.5%	11.7%
Abaqulusi	Count	66	48	114
	% of Total	19.2%	14.0%	33.2%
Dumbe	Count	29	51	80
	% of Total	8.5%	14.9%	23.3%
Total	Count	190	153	343
	% of Total	55.4%	44.6%	100.0%

- From Table 4.1 It can be seen that most men who responded came from aBaqulusi local municipality and most of the females from eDumbe local municipality. There was a constant trend of a high number of male respondents in all the five local municipalities: Nongoma, uPhongolo, Abaqulusi and eDumbe.

TABLE 4.2: AGE GROUP

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	72	20.7	21.0	21.0
	26-35	127	36.6	37.0	58.0
	36-45	82	23.6	23.9	81.9
	46-55	45	13.0	13.1	95.0
	56-65	15	4.3	4.4	99.4
	66+	2	.6	.6	100.0
	Total	343	98.8	100.0	
Missing	Did not answer	4	1.2		
Total		347	100.0		

The majority of the respondents (37%) were in the age bracket 26-35 years as indicated in Figure 4.3. According to the Constitution of South Africa the youth category includes people from the age of 18 to 35 years. From Table 4.2 the number of young people total to 58% when looking at the cumulative percent of the respondents across the youngest two categories. This figure of 58% is greater than the target of 40% set by the Expanded Public Works Programme on employment of youth in the projects. This does not translate the youth participated in expanded Public Works Programme but respondents to the research on age group. The sustainability of the participation by youth in the Expanded Public Works Programme will be analyzed in the following results. Respondents from the age of 35 to 55 years form 37% of the total respondents. Most people who are bread winners and fall into this category.

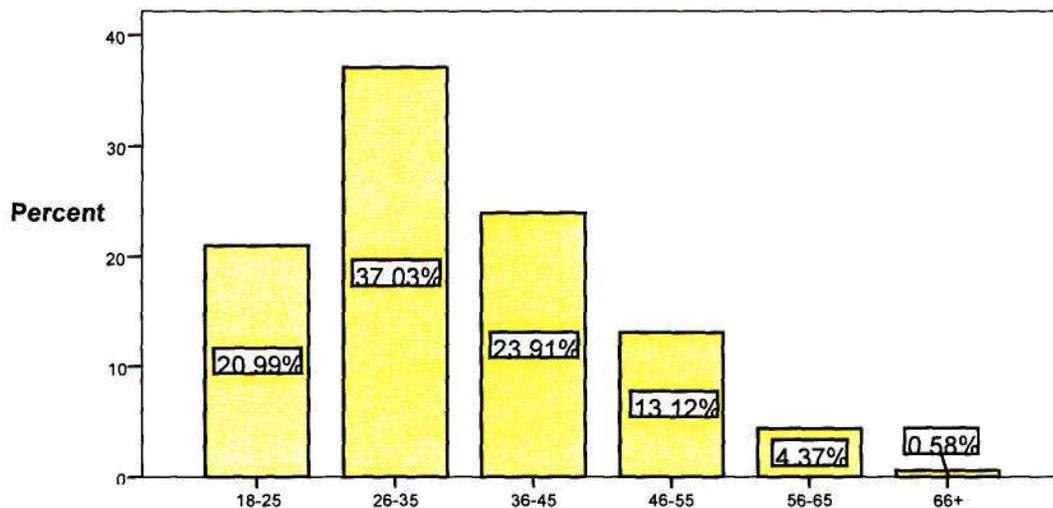


FIGURE 4.3 AGE GROUP COMPARISONS OF RESPONDENTS

TABLE 4.3: MUNICIPALITY * CROSSTABULATION - AGE GROUP RESPONSES

Municipality * What is your age group ? Crosstabulation

			What is your age group ?						Total
			18-25	26-35	36-45	46-55	56-65	66+	
Municipality	Nongoma	Count	11	31	22	3	1	1	69
		% of Total	3.2%	9.1%	6.4%	.9%	.3%	.3%	20.2%
	Phongola	Count	13	9	6	10	1	0	39
		% of Total	3.8%	2.6%	1.8%	2.9%	.3%	.0%	11.4%
	Ulundi	Count	6	13	9	5	5	0	38
		% of Total	1.8%	3.8%	2.6%	1.5%	1.5%	.0%	11.1%
	Abagulusi	Count	24	37	25	21	7	1	115
		% of Total	7.0%	10.8%	7.3%	6.1%	2.0%	.3%	33.6%
	Dumbe	Count	17	37	20	6	1	0	81
		% of Total	5.0%	10.8%	5.8%	1.8%	.3%	.0%	23.7%
Total		Count	71	127	82	45	15	2	342
		% of Total	20.8%	37.1%	24.0%	13.2%	4.4%	.6%	100.0%

Table 4.3 indicates the responses by age group in the five local municipalities that form the Zululand District Municipality. The trend was the same for all the five local Municipalities with regard to the respondent on age groups, in particular the age from 18 to 35 years old.

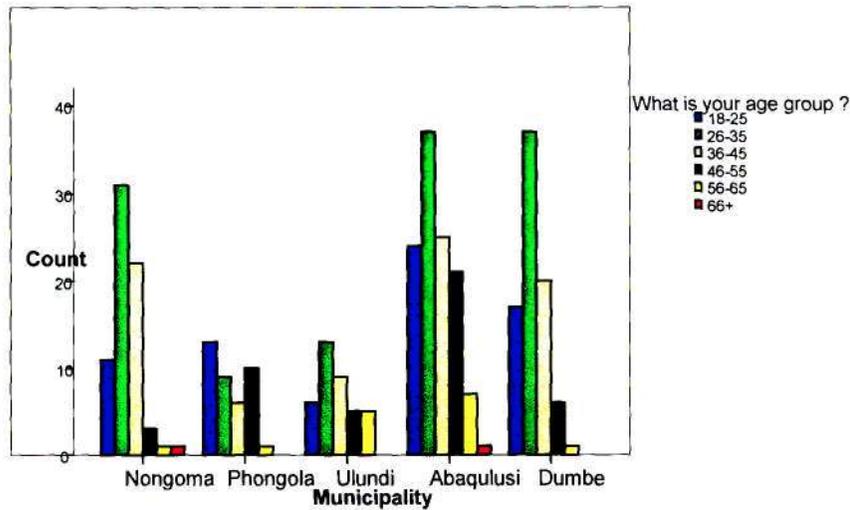


FIGURE 4.4: AGE GROUP COMPARISON

Three local Municipalities in Figure 4.4 shows the highest respondent for age group between 26-35 years: The age group between 56-65 years was the lowest in all five local municipalities. The age groups responded from 66 years and above are shown from Nongoma and Abaqulusi local municipalities.

TABLE 4.4: MARITAL STATUS COMPARISON

		Frequency	Percent
Valid	Single	231	66.6
	Married	101	29.1
	Divorced	5	1.4
	Widowed	9	2.6
	Total	346	99.7
Missing	Did not answer	1	3
Total		347	100.0

Table 4.4 indicates the comparison in marital status of the respondents. Out of 347 respondents, 23 were single, 101 were married, 5 divorced and 9 were widowed.

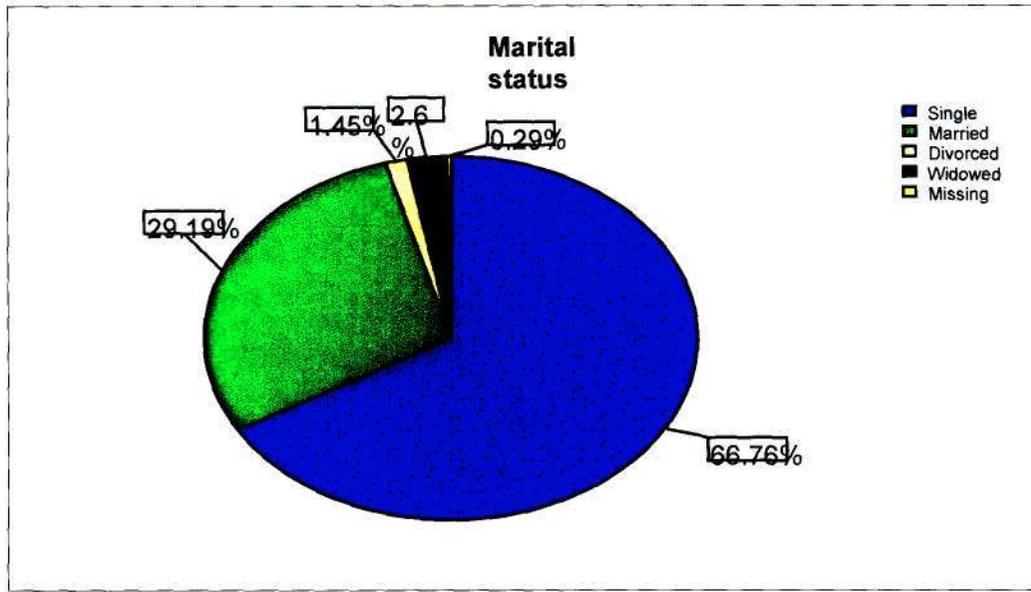


FIGURE 4.5: MARITAL STATUS COMPARISON

Figure 4.5 indicates the marital status of the respondents. The majority of them (66.7 %) were single and 29.19% were married. Divorced respondents only accounted for 1.45% and there were 2.6% widowed respondents. The high percentage of single respondents corresponded with the large number of youth who participated in the research (see Figure 4.3). This shows a high percentage of young people that participated in the research.

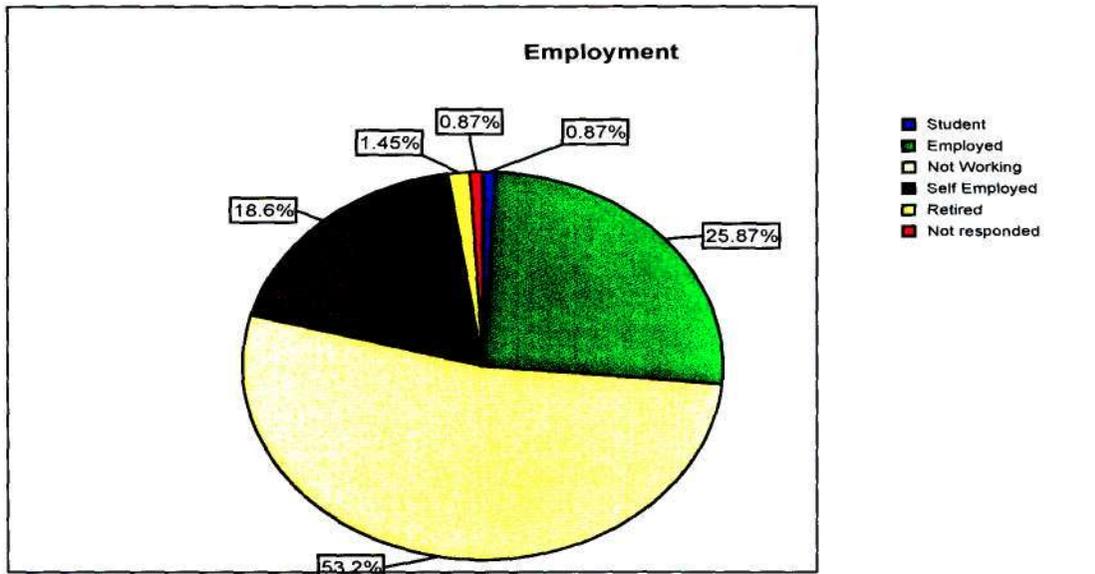


FIGURE 4.6: EMPLOYMENT IN THE ZULULAND DISTRICT MUNICIPALITY

Figure 4.6 indicates that 53.2% of the respondents were unemployed with only 25.87% employed and 18.6% self employed. The retired respondents made up 1,45%. This indicates a high rate of unemployment in the Zululand District Municipality. Figure 4.6 indicates 0.87% were employed students. This may mean that they were interns working to get experience or were people that were studying part time. Due to the shortage of technical skills for artisan in building and civil engineering works, in-service training should be encouraged.

This may contribute towards the government’s economic programme of JIPSA. Contribution towards employment by small businesses or self employed is shown to be 18.6%. Self employed people contributed greatly to job creation. This gave a total rate of employment of 44.47% in the Zululand District Municipality.

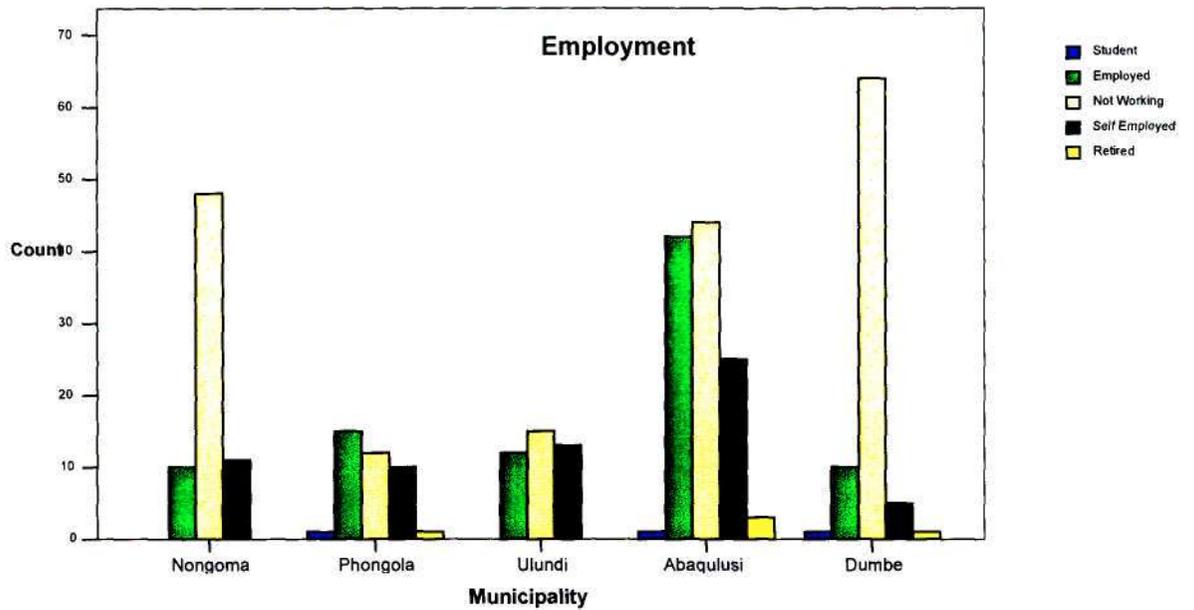


FIGURE 4.7: MUNICIPALITY EMPLOYMENT CROSS COMPARISON PER LOCAL MUNICIPALITY

- Figure 4.7 indicates that most unemployed dependents were from eDumbe, Nongoma and aBaqulusi local municipalities respectively. The highest rate of self employed dependents were from aBaqulusi local Municipality. The rate of self employed was low where unemployment was high. This is clearly shown in Figure 4.7 for Nongoma and eDumbe local Municipality.

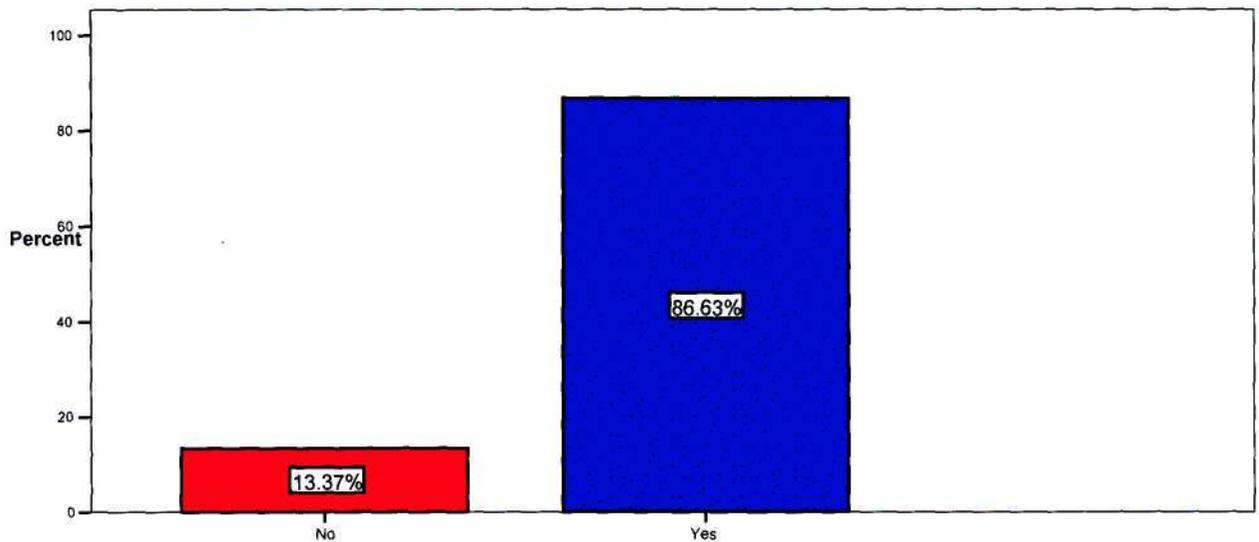


FIGURE 4.8: PARENTS WITH CHILDREN

Figure 4.8 indicates that 86.63% of respondents had children and 13.37% did not. Furthermore, in Figure 4.9 39.93% of the children were under the age of seven and 60.07% were seven years and older.

This showed a very high rate people with children who were dependent on their parents for all their needs including food, clothes, education and other essential needs.

It is important to note that the parents of these children needed to be employed in order to contribute an income to the home to meet the needs of those living in it. The high rate of unemployment in the Zululand District Municipality (53.2%) as indicated in Figure 4.6 places a heavy burden on the parents of these children. It is important that the Expanded Public Works Programme and other job creation programmes should address this problem in the Zululand District Municipality.

Figure 4.13 indicates that 67.82% of respondents had monthly household incomes of R1000 and less per month, 27.59% earned between R1000 and R5000, 3.07% earned between R5000 and R10 000, 1.15% earned between R10 000 and R20 000 and only 0.38% had incomes over R30 000 per month. The high percentage of respondents whose monthly gross income was less than or equal to R1000 showed that people in the Zululand District Municipality were living below the minimum wage and below the poverty line

Sustainable job opportunities are critical in order to address this situation. One can assume that most of people who are earning less than R1000 were being supported by grants from government and not necessarily from Expanded Public Works Programme. This can be concluded by the fact that only 25.87% respondents were employed according to Figure 4.6 and 18.6% were self employed.

Nongoma and aBaqulusi local municipalities showed the highest number of people with a monthly gross household income of R1000 or less. This was followed by eDumbe, uPhongolo and Ulundi respectively as indicated in Figure 4.14.

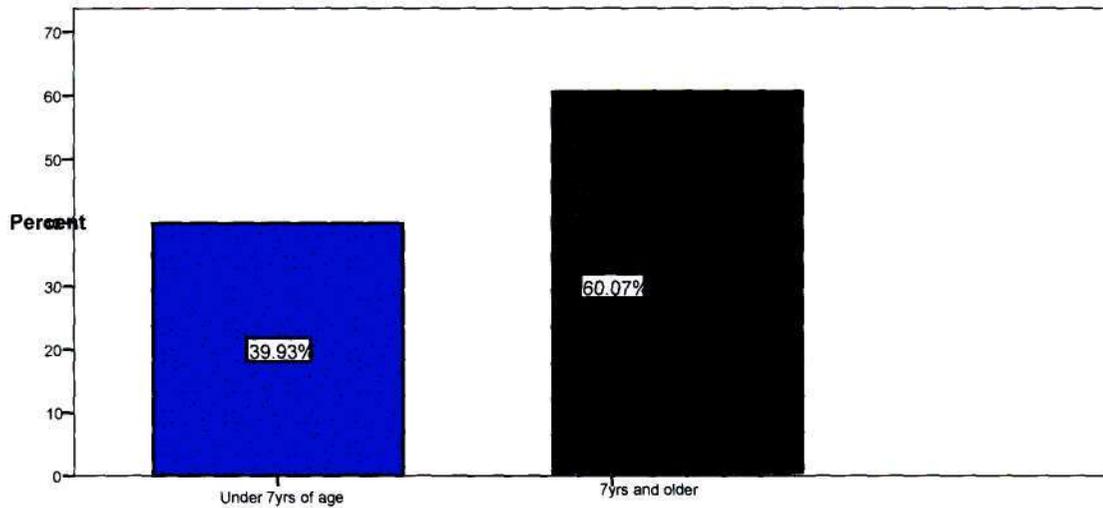


FIGURE 4.9: AGE OF CHILDREN

Most of the children (60.07%) were seven years and older as indicated in fFigure 4.9.

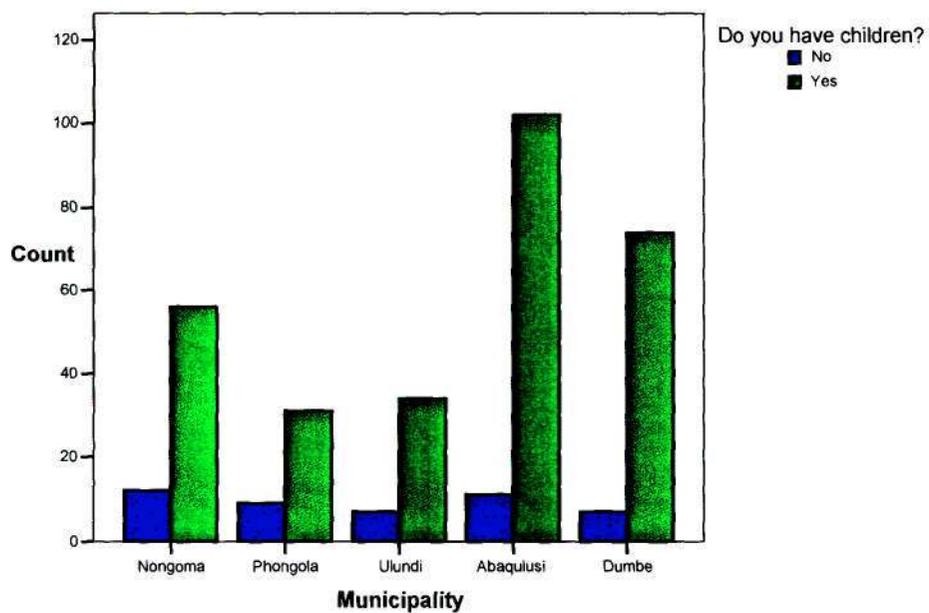


FIGURE 4.10: COMPARISON OF PARENTS WITH CHILDREN PER MUNICIPALITY

Figure 4.10 indicates that aBaqulusi local municipality had the highest number of children followed by eDumbe and Nongoma. The lowest number of children was found in uPhongolo and uLundi local Municipalities.

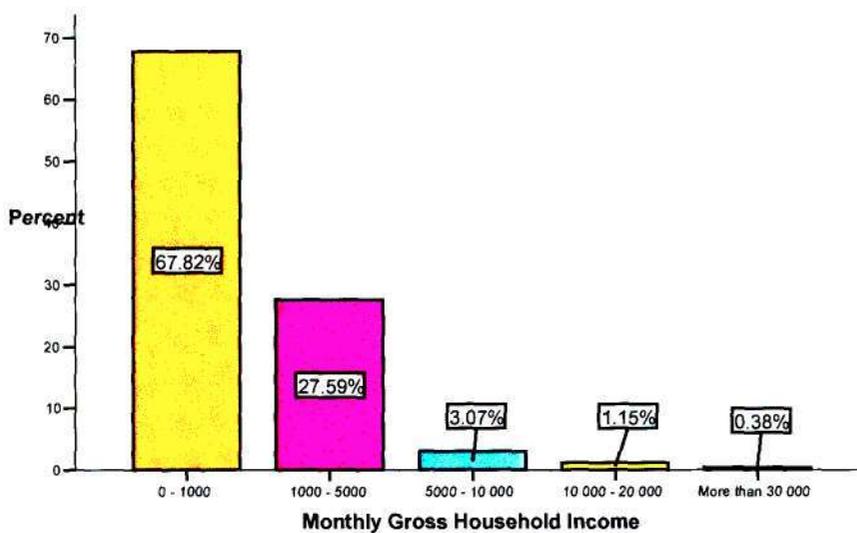


FIGURE 4.11: MONTHLY GROSS HOUSEHOLD INCOME

Figure 4.11 indicates that 67.82% of respondents had a monthly household income up to R1000, 27.59% income from to R10 000, 1,15% income from R10 000 to R20 000 and 0,38% income more than R30 000.

The highest percentage of respondents earning monthly gross income less or equal to R1 000 shows that people in the Zululand District Municipality are living below minimum wage and below the poverty line.

Sustainable job opportunities are critical in order to address this situation in the Zululand District Municipality. One can assume that most people who are

earning an income equal or less than R1000 are actually being supported by grants from government and not necessarily from Expanded Public Works Programme. This is due to the fact that only 25.87% are employed according to Figure 4.6 and 18,6% are self employed.

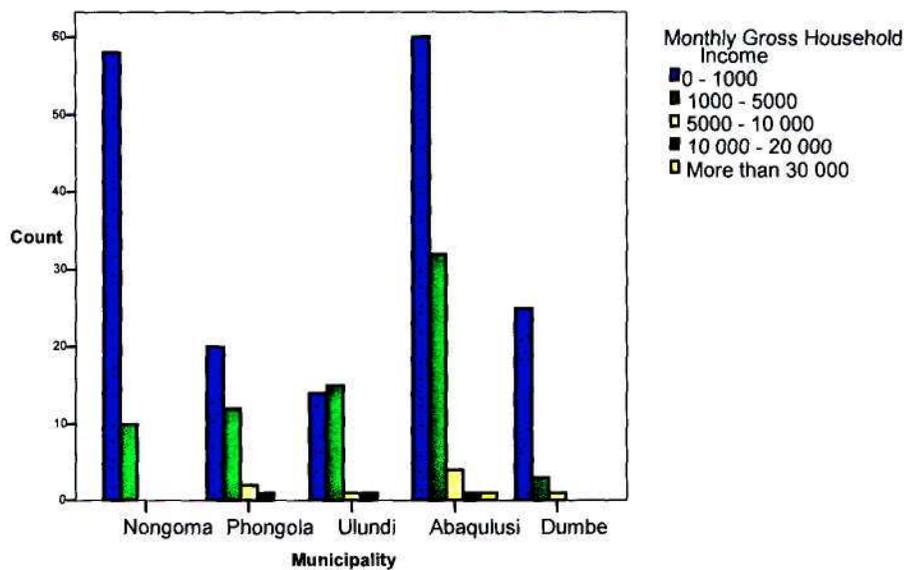


FIGURE 4.12: MONTHLY GROSS HOUSEHOLD INCOME COMPARISON

Figure 4.12 shows that the highest number of respondents with a monthly gross household income of between R0-R1000 were from Nongoma and aBaqulusi local Municipalities. The other municipalities follow as eDumbe, uPhongolo and uLundi respectively as indicated in Figure 4.12. Very few respondents had a monthly gross income of more than R10 000.

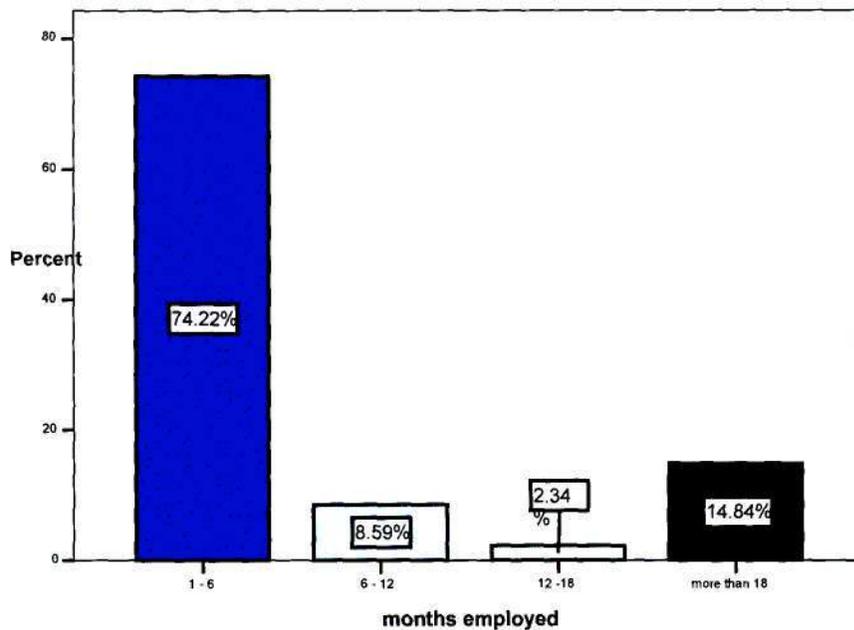


FIGURE 4.13: LENGTH OF EMPLOYMENT

Figure 4.13 indicates that 74.22% of the respondents were employed for six months or less, 8.59% had worked for between 6 and 12 months, 2.34% for between 12 and 18 months and 14.84% for more than 18 months respectively. This indicated that most of the jobs in the area were temporary and not sustainable. This means that the jobs that had been created were not sustainable and could not then contribute towards any noticeable economic growth or poverty reduction.

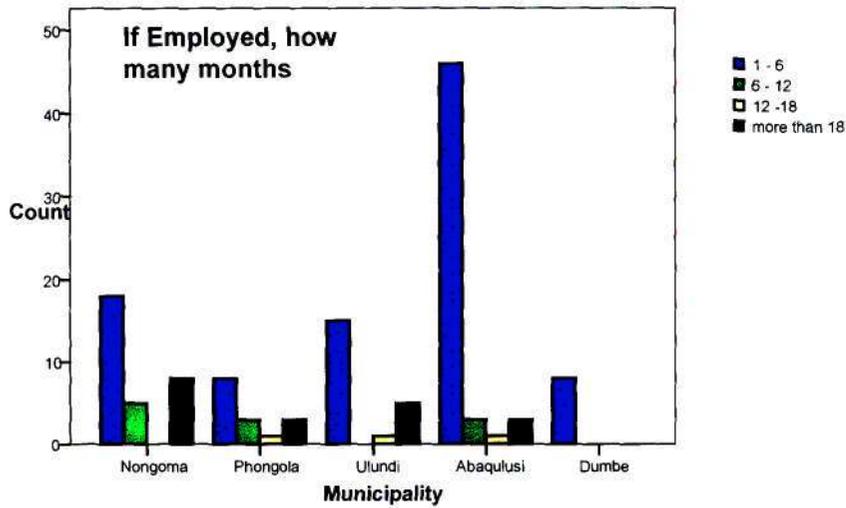


FIGURE 4.14: COMPARISON OF DURATION OF EMPLOYMENT PER MUNICIPALITY

Figure 4.14 indicates that the aBaqulusi and Nongoma local municipalities had the highest number of respondents who were employed for a period of less than six months. This trend short term jobs as indicated in Figure 4.14 was found in all the five local municipalities, aBaqulusi, Nongoma, uLundi, uPhongolo and eDumbe respectively.

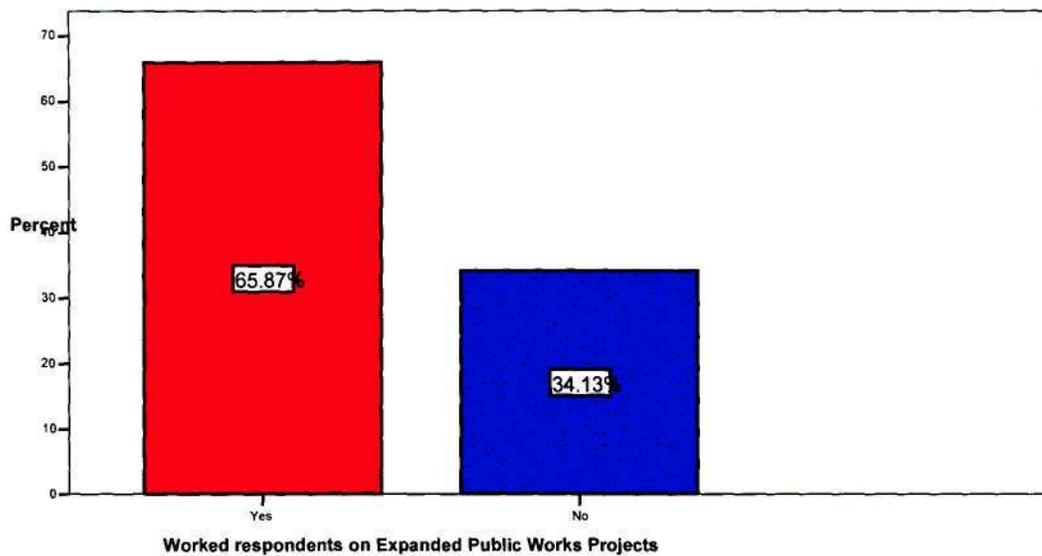


FIGURE 4.15: RESPONDENTS WORKED ON EXPANDED PUBLIC WORKS PROJECTS

Figure 4.15 indicates that 65.87% of the respondents had been employed in Expanded Public Works Projects. In the Zululand District Municipality 34.13% of the respondents had not been employed on the Expanded Public Works Programme. This indicated the high percentage of respondents who had benefited from Expanded Public Works Programme. This figure does not necessarily mean that the programme had increased employment to 65,87% in the Zululand District Municipality. The unemployment rate for the Zululand District Municipality as shown in the previous figure 4.6 is 53.2%.

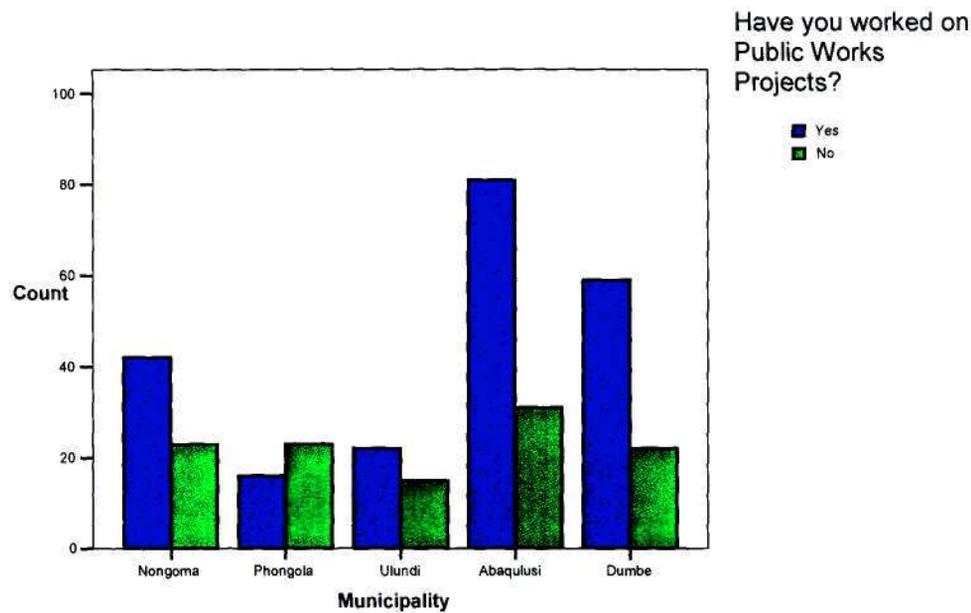


FIGURE 4.16: COMPARISON OF RESPONDENTS WHO HAD WORKED ON EPWP PROJECTS PER MUNICIPALITY

Figure 4.16 indicates that Abaqulusi, Dumbe and local Municipalities had the highest number of respondents who had worked on the Expanded Public Works Projects. This means these local Municipalities had implemented the Expanded Public Works Programme in most of their projects. These municipalities put themselves in a position to benefit from Municipal Infrastructure Grants (MIG). The Division of Revenue Act (DORA) states that the allocation of MIG is guided by the public bodies that implement the EPWP guidelines in their projects. It should be noted that these projects were funded by the Zululand District Municipality and were guided by the Integrated Development Plans (IDP's) of the local Municipalities.

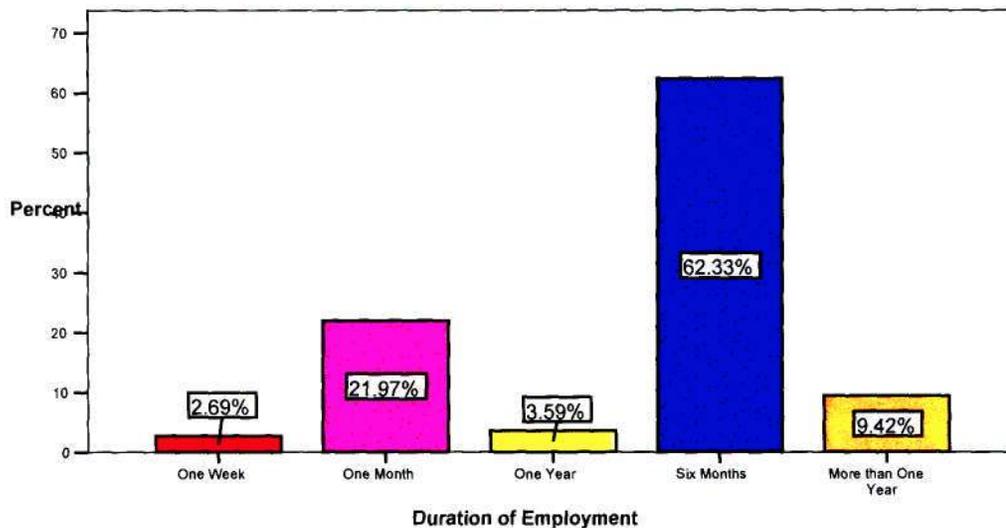


FIGURE 4.17: DURATION OF EMPLOYMENT ON EPWP PROJECTS

Figure 4:17 indicates that the majority (62.33%) of respondents had worked for six months on the EPWP projects. Only 9.42% had worked on the projects for more than one year which would be regarded as sustainable jobs. Therefore 90.58% of jobs on EPWP were less than six months in duration which means they were temporary jobs and were not sustainable. This figure shows the same trend for General jobs created as in Figure 4.13.

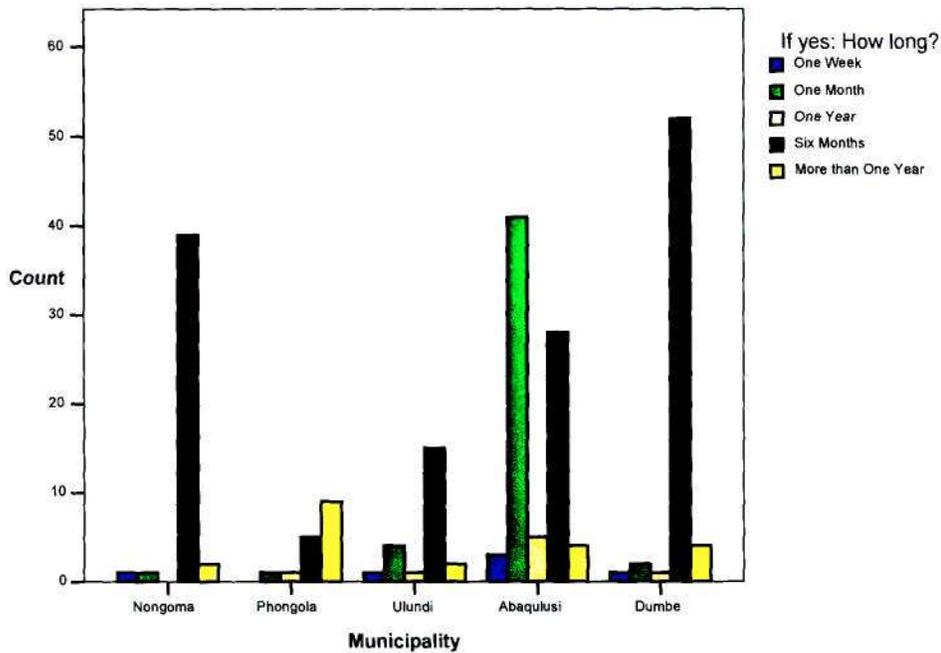


FIGURE 4.18: COMPARISON OF DURATION OF EMPLOYMENT PER LOCAL MUNICIPALITY

Figure 4.18 indicates that uPhongolo had the highest number of respondents who had worked for one year or longer on Expanded Public Works projects. For a duration of six months employment, this is shown under eDumbe, Nongoma and Nongoma local Municipalities. These jobs cannot be regarded as sustainable. Most of the jobs created in the Zululand District Municipality were not sustainable. Those jobs that could be regarded as sustainable were in uPhongolo local Municipality, although they were limited in number.

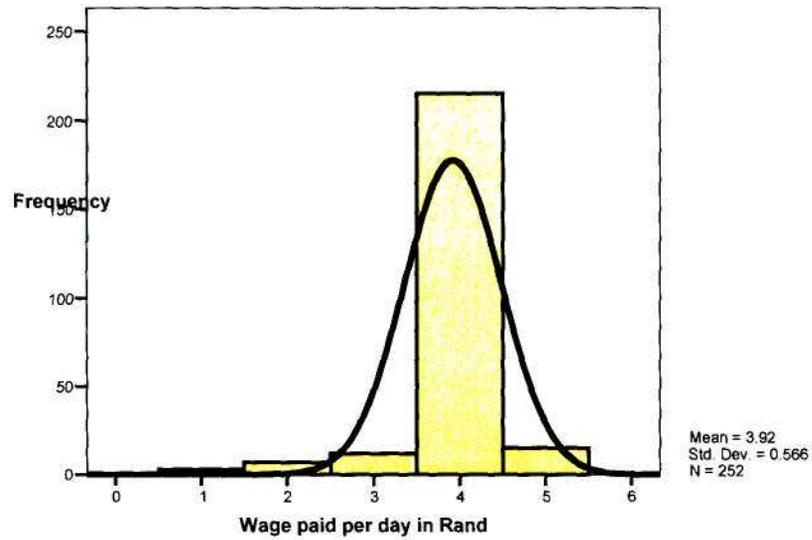


FIGURE 4.19: HISTOGRAM: WAGE PAID PER DAY IN RANDS

Figure 4.19 indicates that the average wage rate paid per day in rand in the Zululand district municipality was R40.

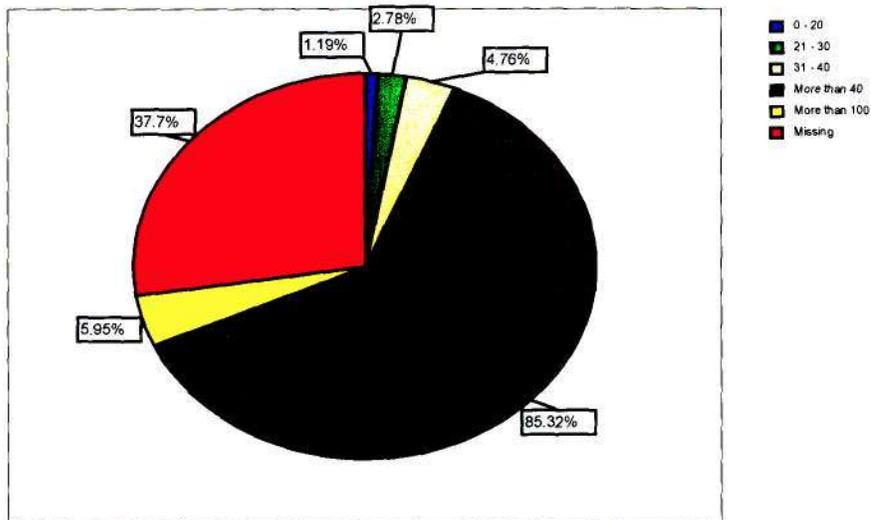


FIGURE 4.20: WAGE PAID PER DAY IN RAND

Figure 4.20 indicates that 85.32% of the respondents earned more than R40 per day. This means the respondents earned an average of R800 per month which is below but Figure 4.19 indicates clearly that the average wage rate per day was R40. This indicates that, although people may earn more than R40 a day, their wage was not far above R40 a day. The 37.7% of respondents who did not answer shows those respondents were not employed and were not earning any wages.

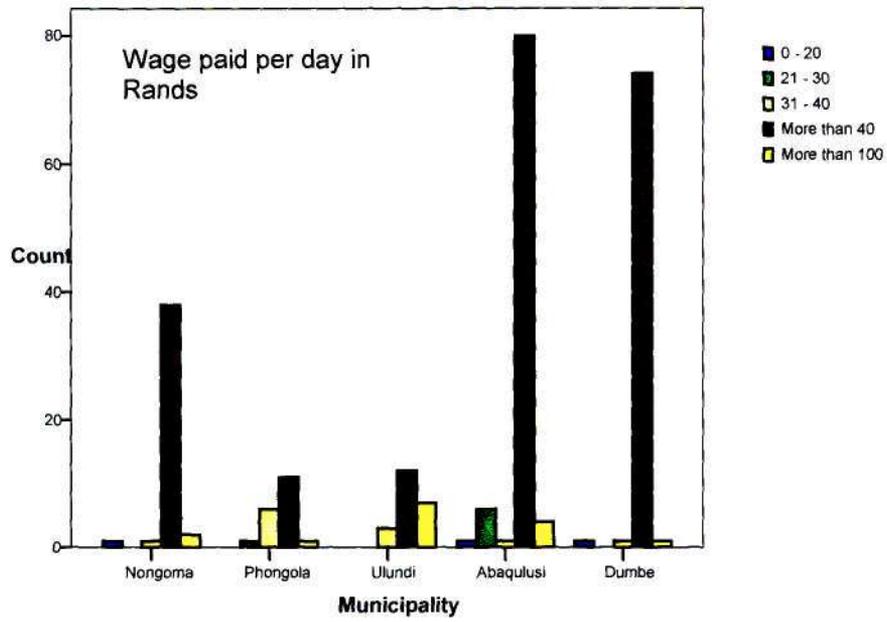


FIGURE 4.20: WAGE RATE COMPARISON PER MUNICIPALITY

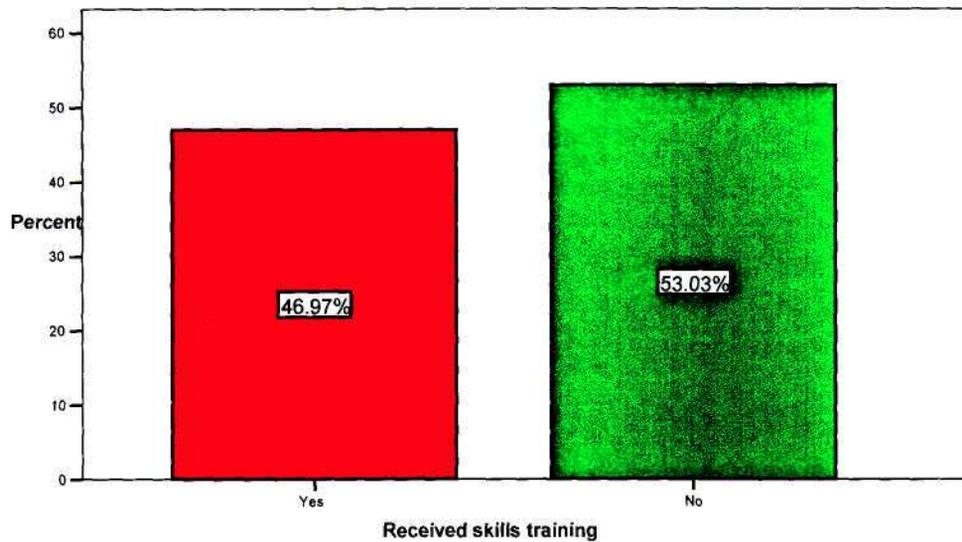


FIGURE 4.21: SKILLS TRAINING RECEIVED

One of the main objectives of the Expanded Public Works Programme is training on projects in order to create sustainable jobs. Figure 4.21 indicates that 46.97% respondents received training and 53.04% did not receive training. This low rate of training amongst respondents may have the effect that the jobs that were being created were not sustainable and unable to have an exit strategy from the Expanded Public Works Programme. One of the possible exit strategies would be for the workers to use the skills gained during training to get permanent employment or open their own businesses.

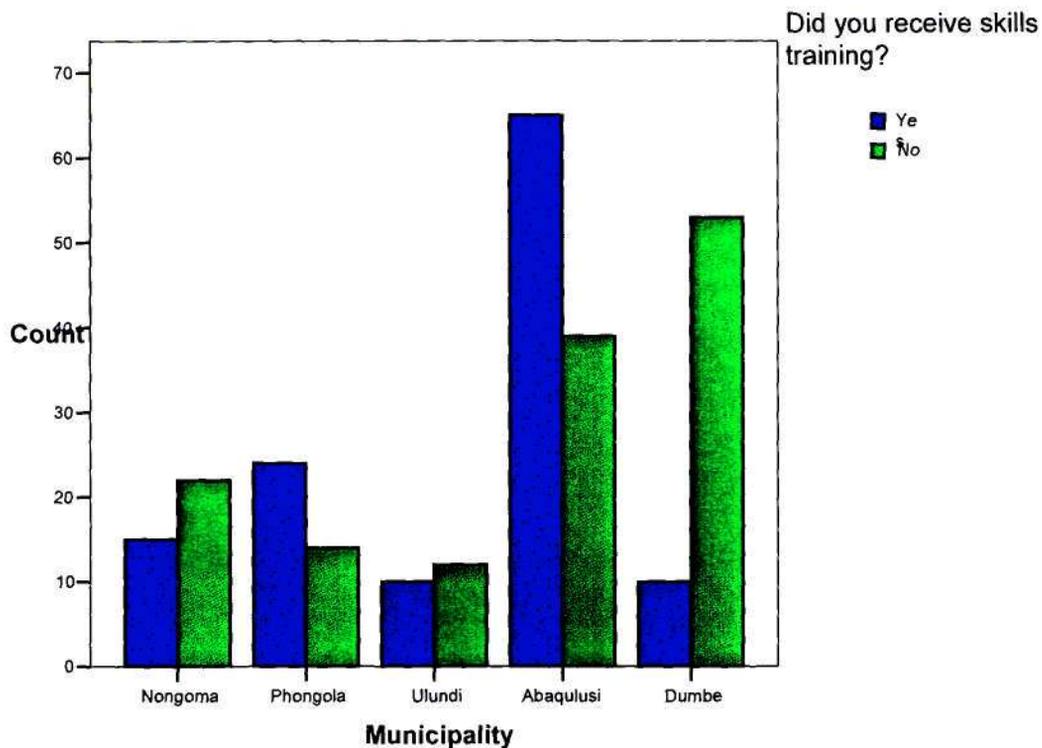


FIGURE 4.22: COMPARISON OF TRAINING RECEIVED PER MUNICIPALITY

Figure 4.22 indicates the highest number of respondents who received training to be from aBaqulusi, followed by uPhongolo local municipality. eDumbe shows a high number of respondents that did not receive training at the EPWP Projects followed by Nongoma and Ulundi local municipalities respectively.

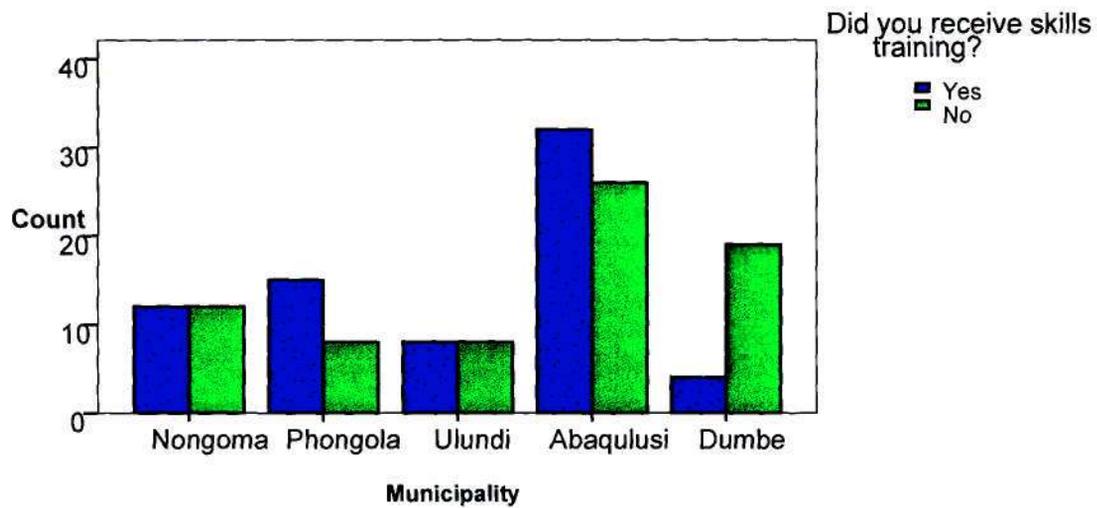


FIGURE 4.23: TRAINING AMONG MALES

Figure 4.23 indicates that the number of males who received training on EPWP Projects was highest at aBaqulusi and uPhongolo local municipalities respectively. eDumbe shows a high number of males who did not receive training.

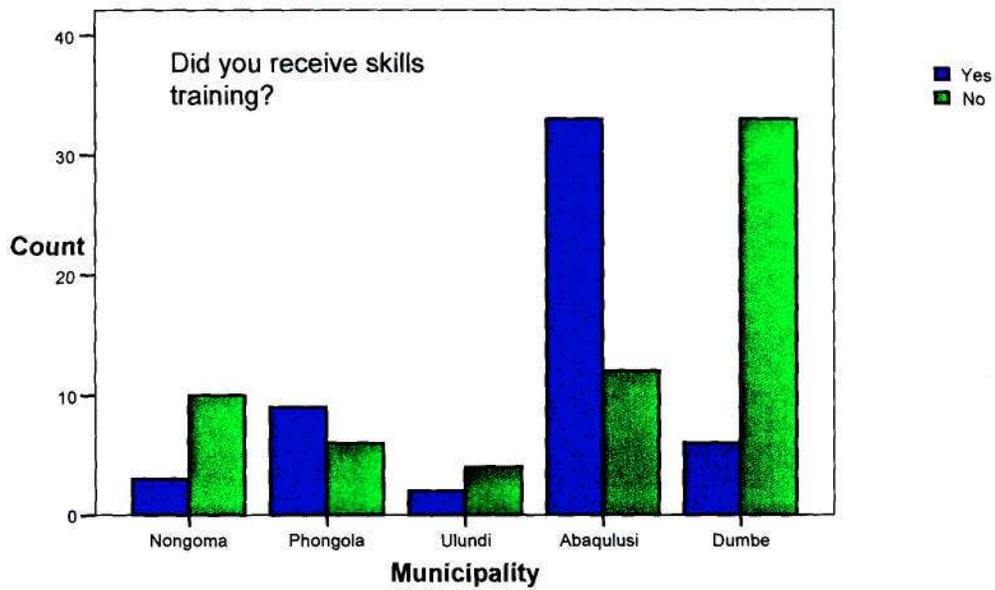


FIGURE 4.24: TRAINING AMONG FEMALES

Figure 4.24 indicates that the highest number of females who received training on EPWP Projects were from aBaqulusi local municipality and the highest number of females who did not receive training were from eDumbe local municipality.

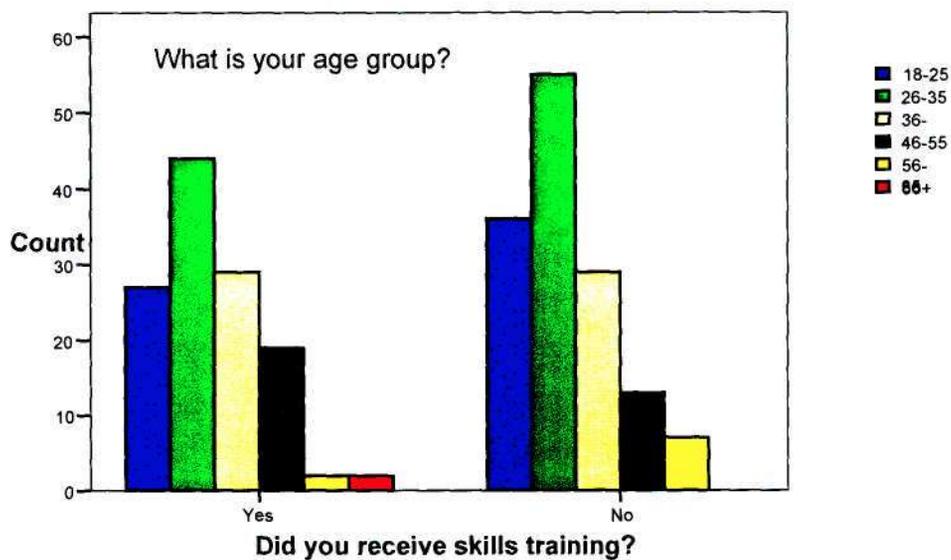


FIGURE 4.25: COMPARISON OF TRAINING RECEIVED ACROSS AGE GROUPS

Figure 4.25 indicates the number of age groups that were either trained or not trained. The highest number of respondents that did not receive training in the Expanded Public Works programme is shown to be between 18-35 years. This age groups falls under the youth according to the constitution of South Africa. This means that the shortage of skilled youth remains a challenge for the Zululand District Municipality.

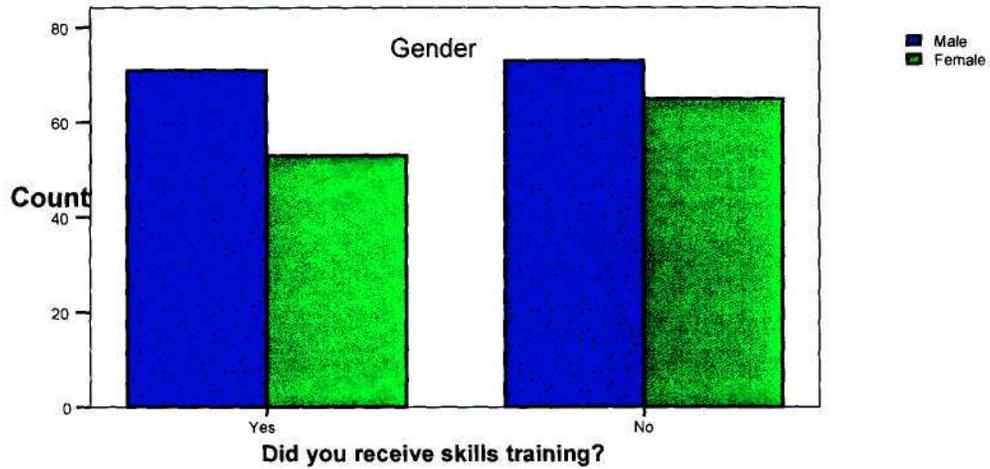


FIGURE 4.26: COMPARISON OF TRAINING FOR MALES AND FEMALES

Figure 4.26 indicates the comparison of training received by males and females in EPWP Projects. There were a higher number of males who received training s compared to females. In order to increase the participation of women in the construction sector, more emphasis needs to be placed on skills training for women.

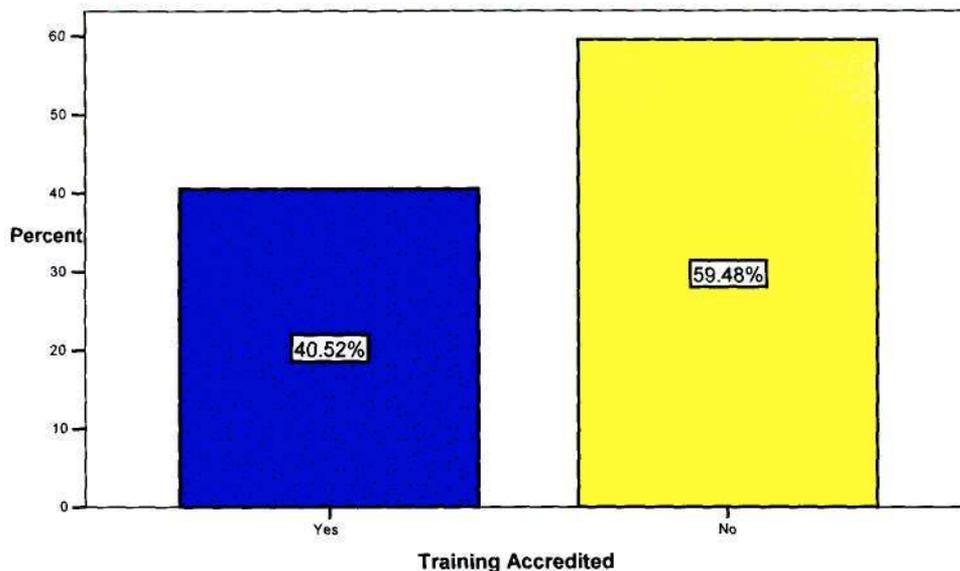


FIGURE 4.27: ACCREDITED TRAINING

Figure 4.27 indicates that only 40.52% of the respondents received accredited training. The aim of the Expanded Public Works Programme was that all training should be accredited in order to help workers to find sustainable jobs when they exit the Expanded Public Works Programme. This means that 59.48% of respondents who were trained under the EPWP did not receive certificates or skills that would possibly help them to find sustainable jobs.

The Joint Initiative Priority Skills acquisition (JIPSA) places great emphasis on skills acquisition. The EPWP Projects should promote JIPSA. But ,in the absence of accredited training, the contribution of EPWP towards JIPSA seems to be limited.

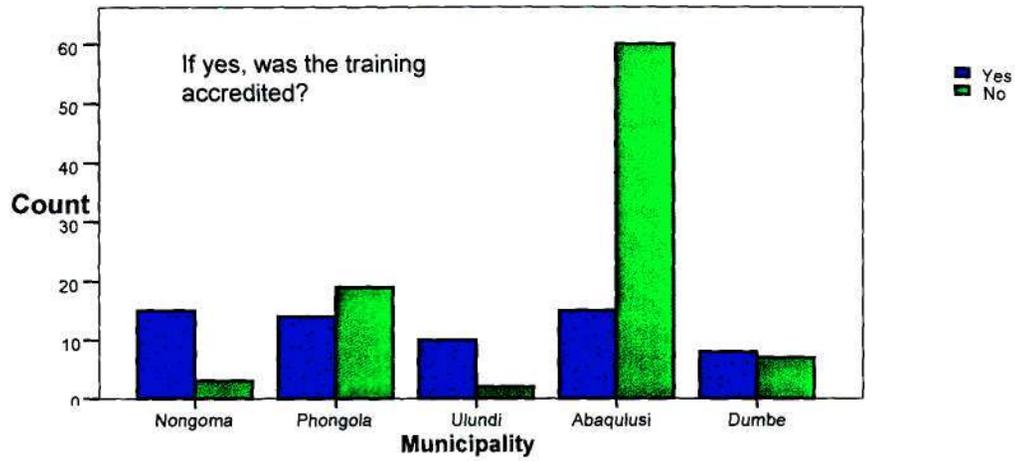


FIGURE 4.28: COMPARISON OF ACCREDITED TRAINING RECEIVED PER MUNICIPALITY

Figure 4.28 indicates that the highest number of respondents who did not receive training were from aBaqulusi local municipality. Nongoma, Ulundi and eDumbe local municipalities showed a high number of people who were trained compared to those that did not receive training.

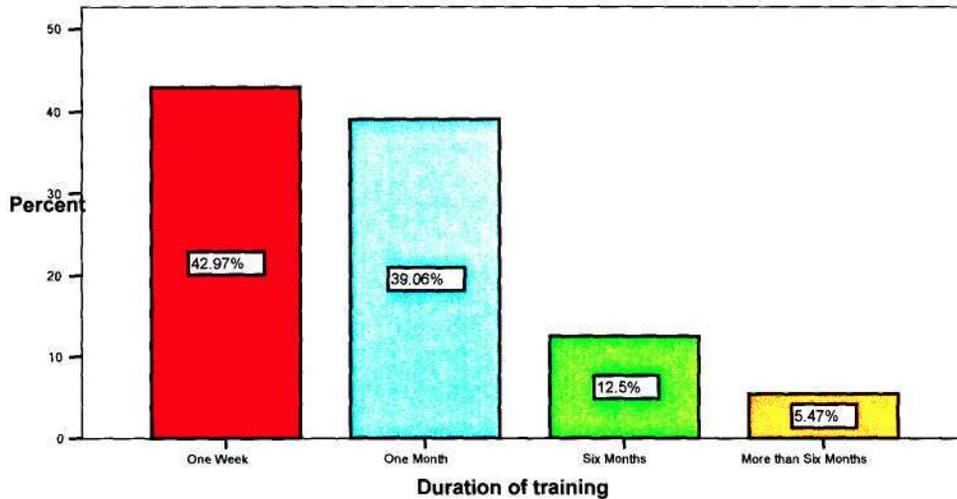


FIGURE 4.29: DURATION OF TRAINING

Training duration of six months and above six months was measured at 12.5% and 5.47% respectively as shown in Figure 4.29. Trainings of equal to or less than one month measured 42.97% and 39.06% respectively. This is in line with the findings in Figure 4.28 where only 40.52% of the training was accredited. Training of longer than one month can be assumed to be accredited and can lead to a recognized certificate. This means that only 17,97% (12.5% + 5,47%) of the respondents were in a position to find a sustainable job at the end of their time on the EPWP.

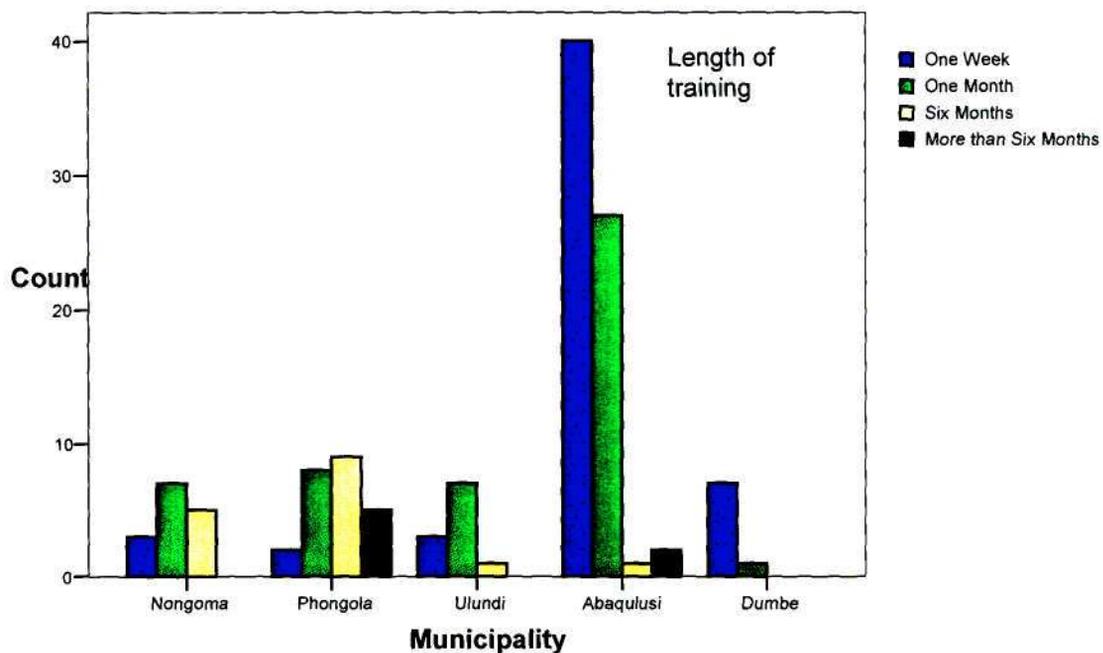


FIGURE 4.30: COMPARISON OF THE DURATION OF TRAINING AMONG LOCAL MUNICIPALITIES

Figure 4.30 indicates that aBaqulusi had the highest number of respondents who were trained but most of them were trained on the job for between one week and one month. uPhongolo and Nongoma showed the highest number of respondents who were trained for a period of six months. Only uPhongolo and aBaqulusi local municipalities had evidence of training of longer than six months. All the respondents in eDumbe local municipality were trained for a period of less or equal to one month. This means that none of the training undertaken under eDumbe local municipality would lead to sustainable job opportunities for the people who had worked on the EPWP in the area..

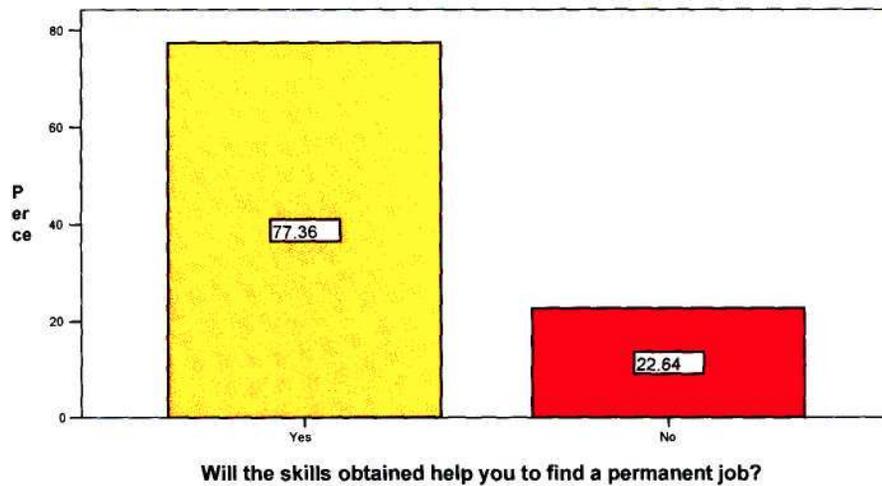


FIGURE 4.31: WILL THE SKILLS OBTAINED HELP YOU TO FIND A PERMANENT JOB?

Figure 4.31 indicates that 77.36% of the respondents perceived that the training they had obtained would give them permanent employment. This perception is contrary to Figure 4.28 where only 40.52% of respondents had received accredited training. Figure 4.29 shows clearly that only 17.97% received training for six months or more which is likely to lead to permanent employment. For this self-fulfilling prophecy among the respondents to become a reality, it is critical that the training given under EPWP should be accredited and relevant to the skills shortage in the Zululand District Municipality.

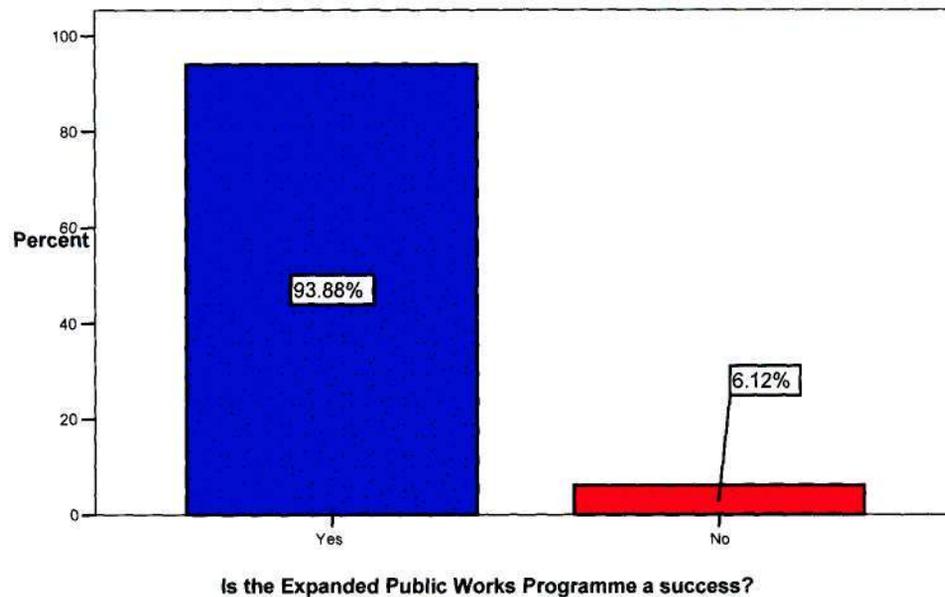


FIGURE 4.32: PERCEPTION OF THE SUCCESS OF EXPANDED PUBLIC WORKS PROGRAMME

Figure 4.32 indicates that 93.88% of respondents believe that the Expanded Public Works Programme has been a success. From the previous discussions it has been shown that most of the objectives of the EPWP are implemented. These objectives are job creation, training and giving people a chance to earn an income. The question that needs to be answered is the extent or impact the EPWP has had on the lives of people who participated in them. The mere fact that the length of time that people were employed on them was less than six months, shows that the EPWP has not and could not have had a major impact on the lives of people. The wage rate of R40 which is R800 per month is below the living wage. The household income of less than R1000 per month is 67.82% as shown in the Figure 4.13.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

At the beginning of the research study, the purpose was stated as being to measure and evaluate the impact of the Expanded Public Works Programme on job creation in the Zululand District Municipality. The results of the study were to be used to guide government in developing a policy that will assist in the formulation of future sustainable job creation programmes.

The conclusions and recommendations of this study are guided by the objectives of the study as set out in Chapter One. The literature review in Chapter Two guided the conclusions and recommendation of this chapter with regard to the views of other writers and researchers. Chapter Three highlighted the methodology used in order to reach the conclusions and recommendations in this chapter. The findings of Chapter Four are the foundations or facts upon which the conclusions and recommendations of this study are based.

5.2 CONCLUSIONS

From the results revealed by the research on the short duration of employment training, this means the training is not accredited. With the length of training being less than six months in most cases, one can conclude that the jobs created by the Expanded Public Works Programme in the Zululand District Municipality are not sustainable.

The respondents in the Zululand District Municipality received a gross household income of less than R1000 per month. Since the unemployment level is so high, one can conclude that most of these households' income is in the form of

government grants. This means that the majority of the people living in the Zululand District Municipality are living below poverty line.

The results revealed that the average wage paid per day is R40. This equates to R800 per month which is below the living wage. These people are not economically active and on that level of income, they are forced to merely subsist. Any cash earned has to be used to purchase clothing and other essentials but would be inadequate to afford respondents a real change in lifestyle.

Although 65.87% of the respondents were employed on Expanded Public Works Programme projects, these jobs worked for less than six months and their jobs were not sustainable.

The training that was given to people working on these projects was not accredited and therefore would not contribute to reduce the skills shortage in line with Joint Initiative Priority Skills Acquisition. One can then conclude that the Expanded Public Works Programme is currently not having any noticeable impact on the economic growth in line with Accelerated Shared Growth Initiative of South Africa and Joint Initiative Priority Skills Acquisition.

The results show that most people agreed with and supported the Expanded Public Works Programme as a successful programme that gave them hope for job creation. However, the reality is that, the output and impact of the Expanded Public Works Programme on skills training, monthly gross household income, daily wage, sustainable jobs and reduction in unemployment was shown to be minimal or with a barely noticeable impact.

The results of the study shows that the Expanded Public Works Programme does not have much impact on job creation in the Zululand District Municipality. This is as a result of the limited number of days of employment being offered and that

the fact training is not being conducted in most projects. Training is also not accredited, a low daily wage, or below living wage, is being paid and in addition, the size and length of the construction period for most Expanded Public Works Projects needs to be looked at.

5.3 Recommendations

It is recommended that:

- **People should be employed in the Expanded Public Works Programme projects for at least two years. If the projects last less than two years, people should be allowed to continue to work on other projects that are taking place in order to accumulate sufficient experience so that they can exit the programme with the possibility of securing sustainable jobs.**
- **Only accredited training service providers should be appointed to run training on Expanded Public Works Programme projects and such training should be linked to the recognized accredited institutions.**
- **There should be a strict monitoring mechanism for service providers that provide training on Expanded Public Works Programme projects.**
- **The implementation of Expanded Public Works Programme be encouraged in all Public and Private sector institutions in order to increase the impact of the Expanded Public Works Programme on the reduction of unemployment.**
- **Projects and programmes that contribute towards self employment should be encouraged.**
- **The Expanded Public Works Programme should be implemented on a large scale with major projects and should include non governmental organizations and private sector involvement**

- **The policy on the implementation of Expanded Public Works Programme in the Zululand District Municipality be reviewed in order that sound, accredited training is undertaken.**
- **Projects should have a construction period of at least twelve months, but ideally longer and at least a minimum of R3 million in value.**
- **The implementation of labour-intensive methods of construction should be a must in all job creation projects.**
- **People managing these projects should have qualifications on labour-intensive methods of construction to a minimum of NQF5.**
- **The planning of projects should be done at least one year before the beginning of the financial year for government projects in order to avoid the undermining of the job creation principles in the rush for project completion and run away from under expenditure before the end of the financial year.**
- **There should be no job rotation on projects as this does not give sustainable jobs to the people but instead gives false statistics of the number of jobs created.**
- **Where the project lasts for less than one year, a number of projects should be combined to cover a longer period of construction and the same people should be employed in these projects in order to get sustainable jobs and accredited training.**
- **Registered institutions under the Department of Education should be used to conduct training on these projects so that the level of training received will be consistent for all people trained.**
- **Monitoring and evaluation systems should be put in place as a priority to measure the impact of the programmes on the lives of people.**
- **The monitoring of programmes should be done at least once a month and the results should be monitored on quarterly basis to evaluate and analyze the trend on the impact of the programmes**

- **Items to be monitored should include among other things, number of jobs created, length of employment training, wages paid to workers, percentage paid for labour as compared to the total value of the project cost, targeting of the poverty pockets and training being accredited.**
- **All job creation programmes should be co-ordinated among all government departments. Competition among government departments should be eliminated at all costs**

5.4 LIMITATIONS OF THE STUDY

The study has some limitations. The study has focused more on infrastructural type projects of the Expanded Public Works Programme and not the Programme as a whole.

The study was done on the Zululand District Municipality which is one of the ten District Municipalities in the Province of KwaZulu-Natal. Therefore the study does not reflect the results of the Expanded Public Works Programme in general, because it did not include the entire Province.

Some of the respondents could not differentiate between a Expanded Public Works project and a normal construction project which does not take into consideration the objectives of the Expanded Public Works Programme.

The use of English was another challenge because most of the targeted groups were from poor rural communities where the home language was IsiZulu.

5.4 FURTHER RESEARCH

Further research needs to be conducted on the other clusters of the Expanded Public Works Programme, such as Economic Sector led by the Department of

Economic and Development, Social Sector led by the Department of Social and Welfare and the Environmental Sector led by the Department of Agriculture and Environmental Affairs.

5.6 CONCLUDING REMARKS

This research has revealed the good results associated with the implementation of the Expanded Public Works Programme in terms of job creation and the reduction of poverty. The Programme will contribute more to changing the life style of the people if it is fully implemented in line with the recommendations made on this research. These job creation programmes are the implementation of the Expanded Public Works Programme with great emphasis on increasing its impact on the economic growth of the Province of KwaZulu-Natal.

Recommendations have been made which could add value to the Expanded Public Works Programmes and thus ensure that the programme becomes likely to achieve government's goals of job creation and poverty reduction.

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APPENDICES

APPENDIX 1 ETHICAL CLEARANCE



RESEARCH OFFICE (GOVAN MBEKI CENTRE)
WESTVILLE CAMPUS
TELEPHONE NO.: 031 – 2603587
EMAIL : ximbap@ukzn.ac.za

25 MAY 2007

MR. BK KHANYILE (202525209)
GRADUATE SCHOOL OF BUSINESS

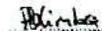
Dear Mr. Khanyile

ETHICAL CLEARANCE APPROVAL NUMBER: HSS/0267/07M

I wish to confirm that ethical clearance has been granted for the following project:

"Impact of expanded Public Works Programme on job creation in the Zululand District Municipality"

Yours faithfully


MS. PHUMELELE XIMBA
RESEARCH OFFICE

cc: Post-Graduate Office (Christel Haddon)
cc: Supervisor (Mr. A Bozaz)
cc: Prof. W Geach

APPENDIX 2 QUESTIONNAIRE

QUESTIONNAIRE

1. Gender

Male Youth Female

2. Marital status

Single Married

Divorce Widow

3. Do you have children?

No Under 7yrs of age

Yes 7yrs and older

4. What is your age group?

18-25 26-35 35-45

46-55 56-65 65+

5. Where do you stay municipality?

Municipality	Tick
1.Nongoma	<input type="checkbox"/>
2.Phongola	<input type="checkbox"/>
3.Ulundi	<input type="checkbox"/>
4.Abagulusi	<input type="checkbox"/>
5.Dumbe	<input type="checkbox"/>

6. Employment:

Student Employed Not working

Self Employed Retired

7. Your Occupation:

8. Monthly Gross Household Income :

Up to 10 000 10 000-20 000
20 000- 30 000 More than 30 000

9. If Employed, how many years?

1-6 6-12 12-18 more than 18

10. If not working how many years not working?

1-6 6-12 12-18 more than 18

11. Do you seek employment?

Yes No

12. Have you worked on Public Works Projects?

Yes No

13. If yes: How long

One Week One Month One Year
Six Month More than One Year

14. Wage paid per day in Rand

0-20 21-30 31-40
More than 50 More than 100

15. Did you receive skills training ?

Yes No

16. If yes, was it accredited?

Yes No

17. Length of training

One Week

One Month

Six Month

More than Six Months

18. Did skills obtained help you find permanent employment?

Yes

No

19. Is the EPWP programme a success?

Yes