UNIVERSITY OF KWAZULU-NATAL

THE IMPACT OF EXPANDED PUBLIC WORKS PROGRAMME IN JOB CREATION:
A CASE STUDY OF eTHEKWINI MUNICIPALITY

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DECLARATION

I Nozipho Fortunate Mkhize declare that

(i) The research reported in this case study, except where otherwise indicated, is my original research.

(ii) This case study has not been submitted for any degree or examination at any other university.

(iii) This case study does not contain other persons’ data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.

(iv) This case study does not contain other persons’ writing, unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted, then:

    a) their words have been re-written but the general information attributed to them has been referenced:
    b) where their exact words have been used, their writing has been placed inside quotation marks, and referenced.

(v) This case study does not contain text, graphics or tables copied and pasted from the Internet, unless specifically acknowledged, and the source being detailed in the case study and in the references sections.

Signature: __________________
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ABSTRACT

The focal point of the case study is based on the Expanded Public Works Programme (EPWP) as one of the initiatives agreed to at the Growth and Development Summit (GDS) in June 2003. The goal of the EPWP is to bridge the gap between the growing economy and the large numbers of unskilled and unemployed people who have not yet enjoyed the benefits of economic development. Taking into consideration that most of the unemployed are unskilled, the importance is on relatively unskilled work opportunities.

This case study sought to understand the conceptualisation and operation of the EPWP in the eThekwini Municipality. It attempted to establish the extent to which the beneficiaries of the EPWP have been able to sustain decent jobs after the implementation of the EPWP within the Municipality. Against this backdrop, this case study drew conclusions on the conceptualisation and implementation of EPWP and made recommendations on how best to implement the programme.

The study was largely qualitative seeking to establish people’s views and perceptions on the programme. In addition however, the study was enriched with one-on-one interviews which were held with selected officials so as to gain deeper understanding of the situation.
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CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION

When the African National Congress-led Government of National Unity was elected in 1994, its objective was to redress the inequality and imbalances caused by apartheid – a policy which led to the majority of South Africans not having skills or opportunities to participate effectively in society and earn a living. Several pieces of legislation were developed, including the South African Constitution (Act 108 of 1996), which had similar objectives aiming to alleviate poverty caused by the skewed distribution of power during the apartheid regime.

Section 152 (1c) of Chapter 7 of the Constitution of South Africa mandates the local spheres of government to promote social and economic development. It stipulates that these development efforts should address the basic needs of the community and promote employment creation for local people. Fulfilling this obligation requires high levels of service delivery, infrastructure provision, education and business support by government institutions. The former President of the African National Congress (ANC), President Nelson Mandela, adopted the Reconstruction and Development Programme (RDP) as an economic policy to direct progress of the transformation strategy. The White Paper on Reconstruction and Development (1994) identified five key areas for intervention, namely:

- meeting basic needs of the people;
- developing human resources;
- building the economy;
- democratising the state and society; and
- implementing the RDP.

According to Adelzadeh (1996:66), economically the RDP was successful in articulating the main aspirations of the movement for post-apartheid South Africa – that is, growth, development, reconstruction and redistribution, in a consistent macroeconomic framework
using the Keynesian paradigm. The problem with the RDP was that it lacked a long-term job creation strategy, which resulted in a high unemployment rate.

In 1996, the Growth Employment and Redistribution (GEAR) macroeconomic policy was adopted as a five-year plan for the purpose of strengthening economic development, broadening employment and redistributing income and socioeconomic opportunities in favour of the poor. GEAR is still the government’s policy. According to Knight (2001:1), the key goals of the policy as originally outlined were: economic growth of 6% in the year 2000; inflation of less than 10%; employment growth above the natural increase in the economically active population; a deficit of between 2 and 3 percent on the current account and the balance of payments; a ratio of gross domestic savings to gross domestic product (GDP) of 21.5% in the year 2000; improvement in income distribution; relaxation of exchange controls and reduction of the budget deficit to below 4% of the GDP.

Another government initiative to reduce poverty and unemployment was the introduction of the Accelerated and Shared Growth Initiative - South Africa (ASGISA). The main objective of ASGISA was to halve poverty and unemployment by 2014. The objective of the ASGISA initiative would be achieved through steady improvement in the economy’s performance and job creation capacity.

In addition to the above-mentioned poverty alleviation strategies, the Joint Initiative for Priority Skills Acquisition (JIPSA) was introduced in 2006. It was led by a committee consisting of the then Deputy President of South Africa, key ministers, business leaders, trade unionists and education and training providers or experts. According to the JIPSA Report on Activities in 2007, JIPSA’s job was to identify urgent skills needs and offer quick and effective solutions. The report also indicates that these solutions included special training programmes; bringing back retirees or South Africans and Africans working out of Africa; and drawing in new immigrants, where necessary. Lastly, the report also included mentoring and overseas placement of trainees to fast-track their development. JIPSA had an initial timeframe of eighteen months, starting in March 2006, after which its future was to be reviewed.
The focal point of this study is the Expanded Public Works Programme (EPWP), as one of the initiatives agreed to at the Growth and Development Summit (GDS) in June 2003. It was one attempt to bridge the gap between the growing economy and the large numbers of unskilled and unemployed people who have not yet enjoyed the benefits of economic empowerment.

The government concluded that there was a need to put in place short-to medium-term strategies to address this gap. The EPWP aims to address unemployment and involves creating temporary work opportunities for the unemployed, using public sector funding.

Given that most of the unemployed are unskilled, the EPWP’s emphasis is on relatively unskilled work opportunities. All these work opportunities have to be combined with education and training or skills development, with the intention of raising the ability of people to receive an income after they leave the EPWP Programme. The primary aim of this strategy is to enhance economic growth so that the net number of new jobs being established starts to exceed the number of new entrants into the working industry, and to improve the education system such that the labour force is able to take advantage of the highly-skilled work opportunities which economic growth will create.

In his 2011 State of the Nation Address, President Jacob Zuma mentioned that the government was aiming to create 4.5 million job opportunities through the EPWP. Since the beginning of Phase Two of the Programme, one million job opportunities have been created.

Bhorat (in Landman et al., 2003:1) contends that:

The single most important issue facing South Africa ten years after the transition to democracy is breaking the grip of poverty on a substantial portion of its citizens. There is a consensus amongst most economic and political analysts that approximately 40% of South Africans are living in poverty – with the poorest 15% in a desperate struggle to survive. This means that approximately 18 million out of 45 million people have not experienced the benefits of our newly found freedom. This poses a moral challenge to all South Africans – to work together towards the economic and social integration of the poorer section of our fellow citizens.
It is important to state that even though the government has put in place numerous initiatives and frameworks to develop skills and create jobs for the community, the level of poverty is still very high in South Africa as a whole.

1.1.1 The problem statement

As the eThekwini Municipality strives to provide world class services, it is hampered by high levels of unemployment which make much of its citizenry unable to pay for services. Policy analyst Jean Triegaardt (2007) believes that South African unemployment is a structural problem, not a cyclical one, and as a result the response of the policy needs to address the type of unemployment which prevails in the labour market. Triegaardt cites the Development Bank of Southern Africa’s 2005 Development Report which supports the argument that unemployment in South Africa is clearly chronic rather than acute or cyclical.

The EPWP is one way in which the eThekwini Municipality attempts to respond to the local unemployment situation. Although designed as a response to the structural nature of the unemployment problem, the EPWP focuses only on short-term work opportunities. This is not so much because the government purposely created EPWP work opportunities to be short-term in nature, but because of the type of work and the industry in question (such as once-off construction projects). By creating temporary, rather than sustained employment (which would be more suitable in the context of the unemployment problem in South Africa), the EPWP can be seen as having missed the mark in addressing the larger problem. Nevertheless, the EPWP has been embraced by the eThekwini Municipality as a partial solution to the local unemployment situation.

1.1.2 Objectives of the study

This case study intends to understand the conceptualisation and operation of the EPWP in the eThekwini Municipality. It seeks to establish the extent to which the beneficiaries of the EPWP have been able to sustain decent jobs after the implementation of the EPWP in eThekwini Municipality. Against this backdrop, this case study will draw conclusions on the conceptualisation and implementation of EPWP and make recommendations on how best to implement the EPWP.
1.1.3 Research methods

The theoretical approach of this study is based on the literature review sourced from relevant legislation, Municipal Guidelines and Municipal Reports on the EPWP. One-on-one interviews and a questionnaire were used to source data from selected participants. These participants consisted of:

- six municipal officials including the focus group, selected on the basis of their involvement in the implementation of the EPWP;
- two contractors, selected on the basis of having been part of the EPWP for over two years; and
- two community members selected randomly from a list of beneficiaries as sourced from the Municipality (See Appendix 1).

Ethical clearance was obtained in line with the ethical guidelines stipulated by the University of KwaZulu-Natal (See Appendix 2).

1.1.4 Key research questions

The following key questions underpinned the research project:

- How do stakeholders understand the EPWP?
- Has the municipality awarded a tender under EPWP in last financial year?
- What was the duration of the awarded tenders?
- Were the EPWP training targets met in the last financial year?
- Were the recipients of the EPWP able to sustain decent jobs after the implementation phase?

These questions were posed to the study sample by means of a questionnaire and direct interviews.

1.1.5 Limitations of the study

It is always anticipated that in undertaking a study of this nature there will be limitations in its broader applicability. The following are some concerns in this regard:

- the study focused on the eThekwini Municipality only because of budgetary constraints;
• the study consulted only the officials who were dealing with the EPWP; therefore, there was a danger that they would be defensive since this topic is a sensitive one; and
• the duration of the study was limited by the scope of the case study, which accounts for only a small portion of the candidate’s Master’s Programme.

1.2 CONCLUSION

This section has outlined the broad objectives of this case study which are to explore the EPWP in eThekwini Municipality and the extent to which it responds to the high levels of unemployment. The chapter has also outlined the methodology used to achieve the stated objectives and considered the possible limitations thereof.
CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

The EPWP was established as a programme for the creation of jobs, focussing mainly on the introduction of labour-intensive methods to maintain cost effectiveness and quality of production. Given that a large percentage of unemployed people are unskilled, and that the causes of unemployment in South Africa are structural rather than cyclical, the EPWP aims to provide additional and mostly temporary work opportunities, combined with training, in all spheres of government and state-owned enterprises (Hemson, 2007a). For the purpose of understanding the theory and the research area more comprehensively, a literature survey was undertaken using books, journals articles, policy documents and electronic sources (Internet).

2.2 A BRIEF REVIEW OF EPWP AND ITS SITUATIONAL CONTEXT

According to Hemson (2007a), South Africa faces a high rate of unemployment within its working-age population, with a large proportion of this population lacking the skills and/or opportunities to earn a living and participate actively in our economy. In its Quarterly Labour Force Survey, Statistics South Africa found that in the fourth quarter of 2010 there was an increase in the unemployment rate in Mpumalanga and KwaZulu-Natal of 0,3 and 0,1 of a percentage point, respectively, compared to the third quarter. Gauteng’s unemployment rate remained unchanged.

Khanyile (2008:8) contends that because unemployment is painful for those experiencing it, government is often pressed to pursue policies which will secure full employment – but this does not mean zero unemployment. While delivering the National Executive Committee’s annual statement during the ANC’s 99th birthday celebration in Polokwane in January 2011, President Jacob Zuma indicated that government will rely more on the capacity of the state, state-owned enterprises and development finance institutions to fight unemployment. His emphasis on the role of the state echoed that of the Minister of Economic Development, Ebrahim Patel, in the New Economic Growth Path (NEGP), released late in 2010. The plan is
likely to be used in 2011 as cabinet attempts to put its stamp on the country’s economic path and get to grips with the difficult problems of unemployment and so-called ‘jobless growth’ of the last decade and a half.

The EPWP was initiated in 2003 to draw significant numbers of the unemployed into productive work, so that workers gain skills while they work and hence increase their capacity to earn an income (Hemsom, 2007a).

2.3 EXPANDED PUBLIC WORKS PROGRAMME AS A POVERTY ALLEVIATION INITIATIVE

2.3.1 Conceptual underpinnings

It is important to state that before the initiation of the EPWP, the South African Government placed emphasis on the Public Works Programme (PWP). Mubangizi (2004:49) characterises the PWP as projects aimed at developing infrastructure, land and water resources in order to urgently provide employment for a particular sector of the population through the widest possible use of available labour with minimal investment. Mubangizi adds that in South Africa, the PWP has been defined as those public sector projects designed to reduce unemployment and economic hardship by providing jobs and incomes to those unable to obtain employment elsewhere in the economy.

According to McCord, Willcox, Harvey, Vaidya and Hemson (2007:49), international review reveals four distinct types of PWP. Each employs a different conceptualisation of public works and has differing institutional implications, while sharing common ground in terms of the provision of employment with some form of social protection objective. The four PWP types are:

- those offering short-term employment;
- those promoting labour intensification in government infrastructure spending;
- large scale government employment programmes which tend to offer some form of employment guarantee; and
- programmes which enhance employability.
The range of EPWP objectives in the South African context suggests the simultaneous implementation of all four types of PWP. The South African PWP spans the objectives of each of these types. The result is a programme which is a conceptual hybrid in terms of its aspirations, but which is limited in its form to a combination of short-term, labour intensity-promoting, skills formation-type programmes. The combination of this set of objectives, within a programme institutionally placed to focus on labour intensification, is problematic.

Biyase and Bromberger (2005) argue that the primary purpose of PWP is poverty alleviation through labour absorption, and this is frequently achieved through the creation of public assets using labour-intensive methods. The authors further elaborate that the effectiveness of a PWP depends on the benefits (direct and indirect) it confers on the poor, on the costs of participation it requires or imposes, and on the way it is financed. According to Mubangizi (2004:49), PWP has been an important cyclical intervention in developing countries. The final draft of the Infrastructure Sectoral Plan indicates that EPWP has been identified as a strategic PWP intervention designed to make a significant contribution to reducing unemployment and providing livelihoods for the poor, women, youth and people with disabilities.

Phillips (2004:7) alludes to the fact that the EPWP is a cross-cutting programme to be implemented by all spheres of government and state-owned enterprises. The author further defines it as a nation-wide programme which will draw significant numbers of the unemployed into productive work, so that workers gain skills while they work, and hence increase their capacity to earn an income.

2.3.2 Objectives of the EPWP

McCord et al. (2007:4) suggest that the key objective of EPWP is attempting to operate in two dimensions simultaneously – both increasing aggregate employment through labour intensification and direct, small-scale government employment; and also improving the future ‘employability’ of participants.

In his report on behalf of the Human Sciences Research Council (HSRC), Hemson (2007b) indicates that the objectives of the EPWP will be achieved by:
• Creating productive employment opportunities by:
  – increasing the labour intensity of government-funded infrastructure projects;
  – creating work opportunities in public environmental programmes (for example, Working for Water);
  – creating work opportunities in public social programmes (for example, community health workers); and
  – utilising general government expenditure on goods and services to provide the work experience component of small enterprise learnership / incubation programmes.

• Enhancing the ability of workers to earn an income, either through the labour market or through entrepreneurial activity, by:
  – providing unemployed people with work experience; and
  – providing education and skills development programmes to the workers.

Hemson (2007a) reveals that the primary aim of this EPWP is to enhance economic growth so that the net number of new jobs formed begins to exceed the number of new entrants into the labour market; and to increase the learning system so that the labour force is able to access the largely skilled work opportunities which economic growth will generate.

2.3.3 Targets of EPWP

The target of the EPWP is to create employment opportunities and training for at least one million targeted unemployed people in the first five years of its operation (EPWP, 2005). According to Biyase and Bromberger (2005), the following sectors have been identified as likely to be able to create EPWP employment opportunities:

• Infrastructure (increasing labour intensity of government-funded infrastructure projects)
• Environment (public environmental improvement programmes)
• Social (public social programmes – for example, home-based care and early childhood development)
• Economic (for example, income generating projects and programmes to utilise government expenditure on goods and services to provide the work experience component of small enterprise learnership/ incubation programmes).
2.3.4 Funding of the programme

Phillips reports that during 2003, the government decided to fund poverty relief through the normal budgeting process, rather than through a separate special fund with its own budgeting process (Phillips, 2004:8). According to the author conclusion was based on a reassessment of poverty relief programmes which revealed that the separate budgeting processes for these programmes resulted in a number of problems, such as:

- tensions in inter-government fiscal relationships (for example, a school being built through a national poverty alleviation programme, while the recurrent costs of the school have to be met through the provincial government’s budget); and
- departments and spheres of government becoming involved in work which is not part of their constitutional core function (for example, municipalities using poverty relief funds to build schools, which are a provincial function) (Phillips, 2004:8).

According to Phillips, it was also decided that departments should only carry out poverty relief programmes in their core functional areas. For this reason, the funds which had been allocated to the Department of Public Works for the Community Based Public Works Programme (CBPWP) were reallocated to the Department of Provincial and Local Government (DPLG) to form part of the Municipal Infrastructure Grant allocations to municipalities (Phillips, 2004:8).

2.3.5 Monitoring and Evaluation

McCord et al. (2007:7) explain that the accomplishment of job creation programmes is conventionally measured in terms of their impact on the happiness of the recipients and participants while they are enrolled in the programme, and/or after they have left it.

In the former case, PWPs are reviewed in terms of their immediate impact on participants and their macroeconomic impact on employment and unemployment, while in the latter case programme performance is reviewed in terms of the employment and earnings experience of participants after leaving the programme (McCord et al., 2007:7).
Which approach is adopted, McCord et al. (2007:7) continue, is dependent on the perceived purpose of the PWP, that is:

- whether the purpose is to close an economy’s job gap; or
- to enhance the ‘employability’ of jobless workers in an economy that is presumed to have jobs available for them to fill.

In either instance, according to McCord et al. (2007), the international literature is clear on the importance of monitoring both process and outcomes in terms of PWPs’ impact on poverty and employment in order to assess their value. In contrast, EPWP monitoring and evaluation focuses on the attainment of two process indicators (work days created and training days provided). As such, it falls short of international good practice based on either of the prevailing views of programme success adopted elsewhere. Consequently it is difficult to assess the impact of the programme empirically, and to compare EPWP performance with that of other PWPs (other than by adopting simple measures such as scale and likely impact, assessed on the basis of programme design analysis and the labour market context) (McCord et al., 2007:7).

2.4 CONCLUSION

As McCord et al. (2007) point out, the EPWP is a conceptually complex PWP whose set of objectives requires the implementation of several different forms of PWP simultaneously. Therefore, for the effectiveness of this EPWP, all the participants need to work together to achieve its objective. Furthermore, there ought to be a common conceptual understanding of the programme’s objectives from the outset. This way, beneficiaries and implementers alike do not have ambitious expectations of what the programme can achieve.
CHAPTER 3: OPERATIONAL PROCESS OF EPWP AT eTHEKWINI MUNICIPALITY

3.1 INTRODUCTION

The EPWP is a nation-wide programme aimed at the reorientation of existing public sector expenditure to draw significant numbers of the unemployed into productive work. These workers gain skills while they work, increasing their capacity to earn an income. It is a strategic intervention that was designed to make a significant contribution to reducing unemployment and providing livelihoods for the poor, women, youth and people with disabilities in the province.

3.2 OVERVIEW OF THE eTHEKWINI EPWP PROGRAMME

The eThekwini Municipality, at the heart of which the city of Durban is located, is broadly recognised as the country’s most competent metropolitan-level local authority. The municipality covers an area of 2297 km2 and has a population approaching four million people. In his Mayoral State of the City Address (2011-2012), former eThekwini mayor Obed Mlaba stated that:

as we take stock of the past ten years of service delivery and reflect on what we have managed to achieve, we are aware that our people are still faced with many challenges that require our attention. Unemployment, poverty, crime, the burden of disease and access to basic services remain major challenges.

In its Quarterly Labour Force Survey, Statistics South Africa (2011) noted a 0,3% increase in the unemployment rate in KwaZulu-Natal from the third to the fourth quarter of 2010. This shows that EPWP is critical for the citizens of eThekwini Municipality.

3.2.1 EPWP Coordination

According to eThekwini’s EPWP Policy (eThekwini Municipality, 2007), the municipality’s EPWP Task Group coordinates the EPWP programme across the city and is directly
responsible for ensuring an integrated approach in terms of planning, coordination, monitoring and reporting of all EPWP-related activities within each cluster. The task group meets on a quarterly basis and consists of nominated sector-specific champions for each cluster. Each EPWP Task Group champion has a supporting team made up of implementers and facilitators who initiate the process at project level. The task group also includes a nominated political champion who provides political guidance and representation.

3.3 ETHEKWINI MUNICIPALITY’S EPWP POLICY

The eThekwini Municipality developed and adopted its EPWP Policy Framework in April 2007. It is still being implemented across all sectors and clusters within the municipality. The objectives of eThekwini’s EPWP policy are briefly outlined below:

- to establish the eThekwini’s Expanded Public Works Programme as an approved socioeconomic developmental and poverty alleviation programme with sustainable exit strategies that maximise SMME development, employment creation and skills development;
- to entrench the EPWP methodology within the Integrated Development Plan (IDP) – a methodology that expands the current service delivery model of goods and services to ensure shared economic growth; and
- to ensure developmental integration across all sectors and re-engineer how we plan, design and implement projects / programmes within the existing municipal operational and capital budgets (eThekwini Municipality, 2007).

3.4 OBJECTIVES OF ETHEKWINI’S EPWP

The objective of the eThekwini EPWP Programme is essentially the reorientation of line function budgets (capital and maintenance) so that for every unit of expenditure the focus is on the following:

- maximising employment opportunities from each Cluster’s business plan;
- developing sustainable skills and capacity within communities through EPWP training programs presented by accredited training providers;
- developing sustainable emerging enterprises through accredited learnerships;
• maximising the percentage of the total annual budget spent and retained within local communities in the form of wages, etcetera;
• adopting and aligning cluster/departmental annual business plans to EPWP objectives and deliverables; and
• monitoring, evaluating and reporting on all EPWP initiatives within eThekwini Municipality (eThekwini Municipality, 2007).

3.5 PROVISIONS FOR THE IMPLEMENTATION OF THE EPWP

3.5.1 Inclusion of EPWP in Cluster Plans

eThekwini’s Expanded Public Works Programme Policy reveals that each cluster will develop and be responsible for implementing their individual sector plans and ensuring EPWP compliance in terms of the respective national sector EPWP guidelines. The National EPWP guidelines cover procurement procedures, suggested interventions, required stakeholder skills, and roles and responsibilities (eThekwini Municipality, 2007).

The policy explains that, according to national government, there should be interventions in each of four sectors: infrastructure, environment/tourism and culture, social and economic. The Table 3.1 shows work involved in each sector.

Table 3.1: Sectors of eThekwini’s EPWP

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Environment/Tourism and Culture</th>
<th>Social</th>
<th>Economic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low volume roads</td>
<td>Working for Water</td>
<td>Early Childhood Development</td>
<td>Catering</td>
</tr>
<tr>
<td>Sidewalks</td>
<td>Working for Wetlands</td>
<td>Home/Community Based Care</td>
<td>Security</td>
</tr>
<tr>
<td>Storm-water management</td>
<td>Working for Coast</td>
<td>Food Security/Nutrition</td>
<td>Uniform manufacturing</td>
</tr>
<tr>
<td>Trenching</td>
<td>Domestic waste collection</td>
<td></td>
<td>Municipal building cleaning</td>
</tr>
<tr>
<td>Materials supply</td>
<td>Agribusiness</td>
<td></td>
<td>Municipal building refurbishment</td>
</tr>
</tbody>
</table>

Source: eThekwini’s Expanded Public Works Policy, April 2007
Each Cluster Plan must comprise identified projects, associated budgets, training requirements, resource requirements, monitoring and evaluation methodologies, and the deliverables against timeframes.

3.5.2 Municipal Capital Budget

According to eThekwini Municipality’s EPWP Policy, Municipal Capital Works budgets and Operations & Maintenance budgets must reflect the identified EPWP projects, targeting five years of the multi-year municipal budgets in incremental percentages as suggested in Table 3.2.

Table 3.2: eThekwini EPWP funding

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Budget</td>
<td>R2,8 (bill)</td>
<td>R4,2 (bill)</td>
<td>R4,8 (bill)</td>
<td>R3,5 (bill)</td>
<td>R3,0 (bill)</td>
</tr>
<tr>
<td>Percentage EPWP</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>30%</td>
</tr>
<tr>
<td>EPWP Targets</td>
<td>280(mill)</td>
<td>630(mill)</td>
<td>960(mill)</td>
<td>875(mill)</td>
<td>900(mill)</td>
</tr>
<tr>
<td>Operations &amp; Maintenance Budget</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>35%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Source: eThekwini’s Expanded Public Works Policy, April 2007

The policy further states that these capital budget targets can only be realised once technically-feasible projects are designed to be constructed using Labour Intensive Construction (LIC) methods. In respect of the targets reflected against the Operations & Maintenance budgets, “the intention is to take existing best practice community-based operations and maintenance partnerships/programmes and expand them to other sectors but include formal accredited training to maximise business/economic growth potential” (eThekwini Municipality, 2007).

3.5.3 Grants and achievements

In 2010, the Appropriations Standing Committee undertook an oversight visit to KwaZulu-Natal. Its report on the grants and achievements of eThekwini Municipality’s EPWP reveals the following:
• eThekwini Municipality reported that, in terms of the Division of Revenue Act (DORA) for the 2009/2010 financial year, its grant allocation was R16,761 million.

• The municipality had targeted 5,969 Full Time Equivalents (FTEs), which is the number of fulltime equivalent job and could be defined as total hours worked, and achieved a higher figure of 7,253 FTEs. The eligibility threshold was 3,054 FTEs.

• At the time of commencement of projects, the eThekwini Municipality was uncertain about deposit amounts and was concerned that it had not received any manual or audit guidelines for the grant.

• Its first deposit of R9,723 million was received on 21 January 2010.

• The EPWP-II Incentive Manual was received on 19 February 2010 and the second deposit of R9,381 million was received on 26 February 2010. The EPWP-II audit requirements were received on 7 April 2010.

• eThekwini Municipality reported that 150 prefabricated ablution containers had been installed at 75 sites in informal settlements.

• This programme started in January 2009 with the objective to provide ablution facilities to 317 informal settlements across the city.

• The Committee was informed that 800,000 people had been given access to water and sanitation through this project.

• A total of 2,000 jobs had been created to date with 100 permanent caretaker jobs, as well as social facilitation and training.

• The total cost for each ablution facility was reported to be R200,000 per setup.

• The City also implemented a project known as the Green Corridor which started in September 2009. Its aim was to facilitate economic development in the uMngeni valley from the Drakensberg to Durban through adventure sports, outdoor recreation and tourism.

• To date, this project has created 10,580 person days, 328 permanent jobs within one year (Zibambele project) and had a project value of R6.2 million in year one. Elements of the project included the construction and maintenance of the 60 kilometre-long trails between KwaXimba and Inanda; hosting the Duzi Mfula annual cycling event; eNanda Adventures trail centre and picnic site at KwaQadi, and Isithumba Adventure Sport Centre at KwaXimba.
The purpose of the Standing Committee’s oversight visit to KwaZulu-Natal was to identify best practices that could be used to guide other provinces in this regard. The Committee visited various sites that had been suggested by the Province of KwaZulu-Natal to obtain first-hand information on the implementation of the grant as well as to interact with beneficiaries at these sites.

3.6 CHALLENGES

According to Mthembu (2009:13), the following were the main challenges for the implementation of the EPWP in the eThekwini Municipality:

- **Institutional arrangements and use of EPWP corporate identity**
  - adoption of the proposed EPWP Social Sector organogram and filling of the identified critical posts;
  - ensuring that all EPWP Social Sector projects are included in both the Integrated Development Programme (IDP) and Service Delivery and Budget Implementation Plans (SDBIP) and that both capital and operating budgets are allocated; and
  - resolving Department of Labour training funds allocation processes issues.

- **General Challenges**
  - poor communication amongst government departments; and
  - lack of resources (over two consecutive financial years, no budget was allocated for the EPWP Social Sector programme).

- **Mitigation Measures**
  - pooling of financial resources by various departments to maximise resources and capacity to deliver on the EPWP outcomes; and
  - engagement in sound and meaningful partnerships with humanitarian organisations to maximise resources and enhance capacity.

Mthembu (2009:2) also states that despite the fact that the EPWP Social Sector’s draft business plan was approved in 2007, and that EPWP projects were subsequently included in the IDP and Plan 4 SDBIP for budget allocation, no budget was ever allocated for EPWP Social Sector projects in the 2008/2009 financial year. Even though small amounts were
provided in the SDBIP 2009/2010 financial year for some of the projects, again this was not linked to the IDP to ensure that budget was allocated. As such, the amounts provided in the SDBIP 2008/2009 and 2009/2010 financial years, respectively, for EPWP projects ended up being meaningless figures (Mthembu, 2009:2).

3.7 CONCLUSION

From the findings above, is clear that eThekwini Municipality has potential, through its EPWP, to make a modest contribution to job creation – a need which was prioritised by the President himself in declaring 2010/2011 “The Year of Job Creation” in order to boost skills development and reduce poverty. The major challenge facing the municipality is to make certain that the EPWP current targets are met.
CHAPTER 4: ANALYSIS AND INTERPRETATION OF DATA

4.1 INTRODUCTION

This chapter presents the data of the study as sourced from respondents using a questionnaire (Appendix 1) and followed up by focus group discussions with key informants. The analysis of the data was performed using Predictive Analytical Software (PASW) Statistics version 18.0. Reliability values were determined using Cronbach’s alpha. The aim was to determine the consistency of the responses for questions in the questionnaire. As the data was purely nominal in coded format, descriptive statistics were used to describe trends and frequencies. These included tables, pie charts, various versions of vertical and horizontal bar graphs and percentage distributions. Data obtained through the focus group discussions were analysed against the backdrop of the main research questions by documenting emerging trends.

4.2 STATEMENT AND HIGHLIGHTS OF RESULTS

The results that provided descriptive statistics of the data collected are outlined below.

4.2.1 Reliability

Tables 4.1 and 4.2 indicate the Cronbach’s alpha reliability value.

Table 4.1: Case Processing Summary

<table>
<thead>
<tr>
<th>Cases</th>
<th>Number of items</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>3</td>
<td>42.9</td>
</tr>
<tr>
<td>Excluded</td>
<td>4</td>
<td>57.1</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 4.2: Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.615</td>
<td>4</td>
</tr>
</tbody>
</table>
The Cronbach’s alpha reliability value is slightly below the acceptable value of 0.70 (UCLA). This score is due to the fact that the scope of this study utilised a small sample size in line with the parameters of this case study.

### 4.2.2 Demographics

Figure 4.1: Sample demographics

Half of the sample (50%) comprised officials from the eThekwini Municipality. A quarter of the respondents were community members. There was an equal representation of contractors and EPW Heads (12.5%)

### 4.2.3 Analysis of questions

#### 4.2.3.1 General understanding of EPWP

The researcher needed to understand the extent to which various participants understood the concept of the EPWP and its role. All of the respondents (100%) identified that EPWP was a Government initiative aimed at job creation and poverty reduction.
4.2.3.2 Tenders awarded under the EPWP in the last financial year

Table 4.3: Tenders awarded under the EPWP in the last financial year

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>7</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
</tr>
</tbody>
</table>

It was also necessary to establish the frequency with which jobs were awarded as well as the nature of the jobs. Approximately 90% of the respondents agreed that at least five tenders had been awarded in the last financial year. The types of tenders are illustrated in Figure 4.2.

Figure 4.2: Tenders awarded under the EPWP in the last financial year

The general categories of jobs created are outlined in Figure 4.2 above. It is clear from the graph that the bulk of jobs created had to do with fencing of farms, providing pack-sheds as well as distributing food hampers to beneficiaries. EThekwini Municipality has awarded...
tenders under the above mentioned categories in keeping with Altman, Mayer, Woolard, Du Toit, Zuma and Phakathi’s recommendations (2004:5) – as well government policies which have identified these four sectors as likely to be most strategic in creating EPWP employment opportunities. This is so because such categories lend themselves well to the following key objectives, namely to:

- draw significant numbers of the unemployed into productive work to enable them to earn an income;
- provide unemployed people with education and skills;
- ensure that beneficiaries of the EPWP are either enabled to set up their own business/service or become employed once they exit the programme; and
- utilise public sector budgets to alleviate unemployment (Altman et al., 2004:5).

4.2.3.3 Employment duration

Understanding of the length of time beneficiaries are employed under EPWP was important as it enabled the researcher to gauge the extent to which the critical poverty alleviation goal of the programme is achieved. The duration of the projects is illustrated Figure 4.3.

Figure 4.3: Duration of employment in specific projects under the EPWP

![Pie chart showing employment duration](image)

Nearly two thirds (62.5%) of the tenders were short-term contracts of 1 to 3 months. A quarter of the contracts were for 18 months and only 12.5% of the jobs created ran for a year.
4.2.3.4 Targets set by the Department

The EPWP is a multifaceted programme with a number of ideals and objectives. This case study needed to establish the type of EPWP targets set by eThekwini Municipality, with a view to understanding what competing activities might impact on the attainment of its job creation goals. The figure below indicates the nature of these targets.

Figure 4.4: EPWP Targets set by eThekwini Municipality

Amongst the targets in Figure 4.4, the greatest emphasis was on job creation (42.9%). This is because the objective of the EPWP is to utilise public sector budgets to lessen unemployment by developing temporary productive employment opportunities coupled with training (See also Phillips, 2004:7). However, there are other social goals that the programme needed to achieve which are equally important in terms of promoting socio-economic development in the municipality.

Patel (2011) argues that under-spending of allocated EPWP funds at district municipalities and metropolitan councils has led to a considerable loss in potential job opportunities. According to Patel, the eThekwini Metropolitan Council in Durban saw the loss of 9,057 job opportunities. This observation is supported by a number of recent media reports showing...
that both local and provincial government are failing to spend their allocated budget, causing job creation opportunities to be lost. This study shows, however, that eThekwini does prioritise job creation – at least to a certain extent. That is why the greatest emphasis amongst the EPWP’s various targets was on job creation.

4.2.3.5 Achievement of EPWP targets by eThekwini Municipality

While some beneficiaries were happy that they had received some form of employment, a large number of respondents agreed that the targets had either been partially achieved or not achieved at all. The main reasons cited for the municipality’s failure to meet its targets were financial constraints, administrative challenges and limited resources.

Figure 4.5: Achievement of EPWP targets

As shown in Figure 4.5, some 40% of the respondents indicated that targets had been only partly achieved because financial constraints and limited resources had affected them negatively. Fewer respondents (20%) thought administrative hassles were responsible for the failure to meet targets. Therefore, an overwhelming 60% were of the view that the EPWP targets of the eThekwini Municipality had not been met.
The focus group discussions confirmed the views described above. They outlined the following as the main reasons for eThekwini not meeting the EPWP targets:

- Budgetary constraints brought about by other, equally important, social demands in the Municipality.
- A lack of involvement in joint planning processes by pertinent sectors of the Municipality. The respondents pointed to the fact that the Social Sector of the Municipality was not included in the Integrated Development Plan (IDP) – and as a result there were insufficient funds allocated for this sector (which only relied on the municipal Department of Health’s social development department for financial support).
- Lack of dedicated EPWP staff in the Municipality. Because the EPWP is not a permanent mainstream programme of the Municipality, it does not comprise part of the organogram. As such, there are no staffs dedicated to the EPWP except for the 4 EPWP drivers nominated by Deputy Municipal Managers. The EPWP Social Sector currently depends on In-Service Trainees who only serve on a short-term contract basis.
- Inadequate intergovernmental relations which often lead to a lack of communication between the different spheres of government. This lack of communication means that the Municipality does not benefit from the huge repository of experience which no doubt exists at the national level.
4.2.3.6 Employment sustainability

Figure 4.6: Employment sustainability

Figure 4.6 shows that 40% of the respondents indicated that trainees on the programmes would be able to sustain themselves. However, 60% of the respondents disagreed. They indicated that it was unlikely that they would be able to sustain jobs beyond the implementation of the EPWP.

These views are in line with findings from respondents during the focus group discussions. They were firmly of the view that the beneficiaries of the EPWP did not sustain decent jobs because:

- While the Municipality provided some beneficiaries with simple skills and some were even given equipment to start their businesses, very few people were able to start their own business or form co-operatives as had been hoped in the planning phase of the programme.
- In the main, those people who were lucky enough to be employed under the programme only worked for the duration of the project at R 90,00 a day. When the project ended, many were left without jobs.

Some of the failures and successes of the programme in terms of long-term sustainability are given in Figure 4.7.
4.2.3.7 How the EPWP could improve employability of beneficiaries

Some of the suggestions given by respondents to encourage employment creation are given in Table 4.4

Table 4.4: Respondents’ suggestions on how the EPWP could improve employability of beneficiaries

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>12.5</td>
</tr>
<tr>
<td>2</td>
<td>25.0</td>
</tr>
<tr>
<td>1</td>
<td>12.5</td>
</tr>
<tr>
<td>4</td>
<td>50.0</td>
</tr>
<tr>
<td>4</td>
<td>50.0</td>
</tr>
</tbody>
</table>

Some were able and some were not due to unemployment in the country
The focus group discussions also revealed that the municipality does not have a database for all people who have attended the EPWP. A database would be useful so as to track down those who might need to be prioritised for hiring in future projects. It would also be useful for job reference purposes. Beneficiaries could cite the EPWP as a previous employer just to show future employers that they possess some level of work experience. In this regard, a certificate of completion would be equally useful.

4.3 CONCLUSION

The study received an 80% response rate and a Cronbach’s alpha reliability value of 0.615, which is acceptable given the scope of this study. The data presented in this chapter points to a number of interesting facts regarding the respondents’ views about the EPWP in eThekwini Municipality. The statistical analysis of the questionnaire and the response from the focus group discussions are a cause for major concern in terms of the effectiveness of EPWP in meeting its major job creation objective. Recommendations based on the given statistical output are provided in the next chapter.
CHAPTER 5: RECOMMENDATIONS AND CONCLUSIONS

5.1 INTRODUCTION

This chapter presents the conclusions and recommendations flowing from the case study. The aim of this study was twofold: firstly, to understand the conceptualisation and operation of the EPWP in the eThekwini Municipality and, secondly, to establish the extent to which the beneficiaries of the EPWP in eThekwini were able to sustain decent jobs after passing through the programme. To achieve the aims of the case study, a questionnaire was administered to selected respondents and the findings were analysed using Predictive Analytical Software (PASW) Statistics. One-on-one interviews were conducted to refine the results.

5.2 SUMMARY OF FINDINGS

For the purpose of this chapter, it is important to take a closer look at the statistical findings that stand out from the previous chapter. There is a general understanding of the objectives of the EPWP amongst officials and beneficiaries. Such an understanding is critical in that it shows there are no undue expectations on the part of any of the role players in the programme.

It is clear that the programme is active in eThekwini Municipality, with 87% of respondents confirming that a number of tenders had been awarded under the EPWP. What is regrettable, however, is that the majority of tenders awarded (33.3%) were for menial work such as providing pack-sheds and distributing food hampers. This can be considered menial work in that there is little to gain by way of skills transfer as compared to those beneficiaries who, for example, are involved in infrastructure development and building of schools.

Another disturbing factor is that the majority (62.5%) were employed on the EPWP for a mere 1-3 months. Such a short employment period is not in any way responsive to the unemployment problem. Not only is there little by way of remuneration in such a short period of time, but there is little to gain in terms of skill transfer from the job.
The fact that 40% of the respondents indicated that targets were partly achieved shows that the municipality did not fully achieve its targets. It is also noted that the findings do not reveal much about the target achievements made under the Infrastructure Sector (which seems to be the key sector in the creation and sustenance of jobs).

From a sustainability perspective, some 40% of respondents indicated that the recipients of the programme were able to sustain decent jobs afterwards. A ‘decent’ job should be an ongoing job that can allow people to achieve their right to a decent life. Figure 4.7 shows that 16.7% of the respondents believed that people were only employed for eighteen months after the programme and thereafter were without jobs. While this may be the case, the types of jobs that are outlined in the findings are very low-quality jobs which make almost no impact on poverty.

Triegaardt (2007) contends that South African unemployment is a structural and not a cyclical problem. As a result, the response of the policy needs to address the type of unemployment which prevails in the labour market. Despite acknowledging this fact, the EPWP provides only short-term, temporary employment – tackling the unemployment problem as if it were transient, to be eradicated during the rising tide of employment resulting from economic growth.

Triegaardt (2007) offers the following criticisms of the EPWP:

- the average duration of these EPWP jobs is four months;
- there is a small number of learnerships available, limited training (8-12 days), but the individuals obtain life skills training;
- the supply of unemployed low- and unskilled workers exceeds the demand for work;
- EPWP will not provide sustainable employment; and
- EPWP will not provide long-term employment, and thus is not a credible response to the unemployment crisis.

In South Africa, Public Works Programmes have traditionally been run by national government and the provincial governments and various degrees of success have been reported (see Mubangizi, 2004). In a study on the Public Works Programme in Mvenyane, Mubangizi (2004) recommended that decentralisation and involvement of local government
would go a long way in responding to implementation challenges. This study has shown that decentralisation or the involvement of local government does not necessarily tackle implementation challenges in Public Works Programmes. The study has, however, revealed important findings from which useful recommendations can be drawn to facilitate smooth implementation and the attainment of EPWP objectives.

5.3 RECOMMENDATIONS

In order for eThekwini’s EPWP to be successfully implemented, the following recommendations must be considered:

- **Institutional arrangements**: eThekwini Municipality needs to include EPWP on its organogram and also to appoint permanent staff members who will be responsible for planning, leading, organising and controlling the implementation of this programme.

- **Budget**: The Municipality must ensure that all EPWP sectors are included in both the Integrated Development Programme (IDP) and Service Delivery and Budget Implementation Plans (SDBIP) and that both capital and operating budgets are allocated.

- **Communication**: The driving line managers and government departments (national, provincial, district and local) need to re-align their responsibilities and coordinate their roles to ensure effectiveness and sustainability of the EPWP. All spheres of government must concentrate on creating a system of regular communication so as to ensure a clear understanding of what is expected of them.

- **Job creation**: The EPWP drivers for the municipality need to identify long-term employment opportunities rather than short-term employment, which does not necessarily serve the purpose of this programme (for example, to enable its recipients to develop skills for future work or self-employment). The reasons respondents provided for the ‘achievement of targets’ are more like a justification of where money was spent. They do not have an impact on the empowerment of people and the sustainability of jobs. It is, therefore, important for the municipality to reconsider the duration of job contracts in order for recipients of the EPWP to achieve more lengthy
work exposure in the jobs provided. The Infrastructure Sector should be the most important sector in job creation because it normally provides longer-term contracts.

- **Monitoring and evaluation:** The given percentages for the achievement of targets were extremely low, revealing that targets were not achieved. Amongst all the respondents, not one confirmed that targets were fully achieved. It is, therefore, recommended that the municipality try to set achievable targets and ensure that their implementation plan/strategy is reviewed annually.

- **Database:** A database must be created with details of all the people who have been offered training, and also those who have been appointed and gained skills on the EPWP. This database must be used to select people who have gained skills in different sectors to be considered for minor work/tenders within the municipality to ensure that they are assisted in starting their own businesses.

- **Trade unions:** Local trade unions need to be engaged so as to ensure that only legitimate recipients of EPWP benefit from the programme and to keep the municipality in line with the objectives of the EPWP.

EPWP should be structured such that it is affected by the re-election of the municipality and by changes of management, and it should try by all means to avoid unnecessary complications.

### 5.4 CONCLUSION

From the literature review it is obvious that there are a number of initiatives by the government to create employment for South Africans. One of these is the development of the Expanded Public Works Programme, whose main objective is to create short-term employment for the unemployed. The drivers and implementers of this programme are government departments. The main focus of this study has been the impact of the EPWP in the eThekwini Municipality.
EThekwini’s EPWP Policy stipulates that each cluster will develop and be responsible for implementing its individual sector plans and ensuring EPWP compliance in terms of the respective national sector EPWP guidelines. EThekwini’s Expanded Public Works Programme Policy provides for interventions in each of the four sectors named in the national policy, namely, the infrastructure sector, the environment/tourism and culture sector, the social sector and the economic sector. Each cluster plan should consist of identified projects, associated budgets, training requirements, resource requirements, monitoring and evaluation methodologies, and the deliverables against timeframes.

The EPWP is one way in which the eThekwini Municipality attempts to respond to the local unemployment situation. Although designed as a response to the structural nature of the unemployment problem, the EPWP focuses only on short-term work opportunities. This is not so much not because the government purposely created EPWP work opportunities to be short-term in nature, but because of the type of work and the industry in question (such as once-off construction projects). By creating temporary rather than sustained employment (which would be more suitable in the context of the unemployment problem in South Africa), the EPWP can be seen as having missed the mark in addressing the larger problem.

From the research study it is evident that the targets of the eThekwini EPWP were not met for a number of reasons, including budgetary and administrative constraints. Nearly two thirds (62.5%) of the tenders were short-term contracts between 1 and 3 months. It is, therefore, important for eThekwini Municipality to identify long-term employment opportunities rather than short-term ones which do not necessarily serve the purpose of EPWP – to reduce unemployment.
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