

**CONTRACTOR DEVELOPMENT THROUGH VUK'UPHILE
LEARNERSHIP PROGRAMME IN THE EASTERN CAPE DEPARTMENT
OF ROADS AND PUBLIC WORKS**

By

Sheila Kubayi

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ABSTRACT

Vuk'uphile Learnership programme is a contractor development programme by the Government of South Africa aimed at developing emerging contractors into fully fledged contractors able to execute labour intensive projects.

Despite government's commitment to emerging contractor empowerment there are reports of poor performance by emerging contractors under the learnership, this includes contractor turnover, some of the projects undertaken had been abandoned, and some of the contractors or entities who participated in the programme were not in the construction industry anymore. This study examines progress of Vuk'uphile 2, whether it is achieving its intended objectives in the Eastern Cape or not.

This study followed a qualitative approach, semi structured interviews and documentary analysis was used for collecting data.

The findings indicate that the programme has a potential of utilizing infrastructure development projects to develop sustainable enterprises and draw significant numbers of people into meaningful participation in the construction industry. Of the contractors who completed the prescripts of the programme turned to be successful even after learnership.

The study recommends that systems of selecting learners, trainers and mentors be strengthened and should be inducted on their respective roles in Vuk'uphile. Mentors should be afforded constant performance evaluation.

DECLARATION

I, Sheila Halcyon Kubayi declare that this research report is my own unaided work. It is submitted in partial fulfillment of the requirement for the degree of Master of Management in the field of Public and Development Management in the University of Witwatersrand, Johannesburg. It has not been submitted for any other degree in this, or any other, University.

Sheila Halcyon Kubayi

March 2014

DEDICATION

This Research is dedicated to the Memory of My Grandparents Mark William
and Grace Favasi Shope

Your love for education and knowledge will always thrive in my heart

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I would like to thank God Almighty for blessing me with the opportunity to carry out this research.

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ACRONYMS AND ABBREVIATIONS

AADT	Average Annual Daily Traffic
ASAQS	Association of South African Quantity Surveyors
CETA	Construction Education and Training Authority
CIDB	Construction Industry Development Board
CLO	Community Liaison Officer
COSATU	Congress of South African Trade Unions
DoRA	Division of Revenue Act
ECDP	Emerging Contractor Development Programme
ECSA	Engineering Council of South Africa
ECRPW	Eastern Cape Roads and Public Works
EPWP	Expanded Public Works Programme
GDS	Growth and Development Strategy
HDI's	Historically Disadvantaged Individuals
HREC	Human Resources Ethics Committee
IECDM	Integrated Emerging Contractor Development Model
ILO	International Labour Organization
IYCB	Improve Your Construction Business
LIC	Labour Intensive Construction
NDPW	National Department of Public Works
PDI's	Previously Disadvantaged Individuals
PMBOK	Project Management Body of Knowledge
PWP	Public Works Programmes
RAMP	Road Asset Management Plan
ROMAR	Road Maintenance and Regravelling

SAFCEC	South African federation of Civil Engineering Contractors
SACPCMP	South African Council for Project and Construction Management Professions
SACAP	South African Council for Architectural Profession
SCDP	Small Contractor Development Programme
SETA	Sector Education and Training Authority
SOE	State Owned Enterprise
SoNA	State of the Nation Address
Stats SA	Statistics South Africa

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

The SMME sector has been identified as the main driver in the advancement of entrepreneurship in South Africa as a means towards creating wealth and job opportunities.

Vuk'uphile is a programme within the Expanded Public Works Programme (EPWP) of the South African Government. The EPWP is a nationwide programme covering all spheres of Government and State Owned Enterprises. It aims to draw significant numbers of unemployed people into productive work accompanied by training so that they increase their capacity to earn an income. EPWP has created an opportunity for small business in construction, there is therefore a need for a sound and comprehensive strategy to develop and bring small contractors into the industry. The Government had the dilemma of empowerment and employment of historically marginalized groups and on the other hand, needs to ensure the delivery of quality infrastructure.

The Eastern Cape Department of Public Works and Roads have put in place a contractor development programme which is being implemented under Vuk'uphile learnership programme. The department aims at developing and improving the competitiveness and the sustainability of local enterprises in the construction sector, thereby redistributing wealth and creating jobs by having contractors who are engaged in the delivery of infrastructure through government tenders.

Research findings indicate that emerging contractors cannot sustain their business. This is reiterated by an extract from a speech by the Minister of Trade and Industry (2013) “In South Africa five out of seven small businesses that are established will close in the first year”. It is well recognized that Small and Medium Enterprises have a high potential of creating jobs, and can contribute significantly to economic growth, however these contractors find themselves being constrained by their capacity to execute works, financial challenges, technical and managerial capacity, to mention but a few.

1.2 Background to Expanded Public Works Programme in South Africa

The background presented in this section relates to issues that justifies the need and relevance of expanded Public Works Programmes and contractor development programmes in South Africa.

This section aims to provide historical background to place specific discussions of poverty and inequality in South Africa. The historical circumstances have shaped the present configuration of poverty and opportunities along racial lines in South Africa. Disadvantaged groups were systematically left with relatively little in the way of means of production, not afforded education of quality compared to that of white people.

1.2.1 Changes in the South African Economy

In 1960, 30% of South Africa’s economic activity was made up of primary sector activities, namely agriculture and mining, and another 24% consisted of secondary sector activities, mainly manufacturing and construction while services made up the balance of 46%. The contribution of mining and agriculture has dropped below 10% and the share of mining has fallen from 22% in 1960 to 5.5% in 2003 (S.A. Reserve Bank, 2004).

1.2.2 Unemployment in South Africa

The magnitude of South Africa unemployment is such that in September 2003 a number of 4.6 million people were unemployed in terms of strict definition

and a number of 8.3 million in terms of broad definition. High and growing rates of unemployment are a consequence of dynamics on both the demand and the supply side of the labour market. On the supply side increasing rates of labour force participation have significantly expanded the number of job seekers. On the demand side there has been some growth of employment, but has not been sufficient to absorb new entrants into the market, or those people that have lost their jobs due to shrinking demand for labour. The unemployment rate has been growing by 1 to 2 percent annually reaching 24.9 % at the 4th Quarter of 2012 (Quarterly Labour Force Survey, Quarter 4, 2012). The Government has a target of halving unemployment by 2014 and to reach it 546,000 new jobs have to be created each year. The urgent need to address spiraling unemployment levels in South Africa made the EPWP relevant and high priority in the implementation list of Government.

Unemployment rate can be defined by either the national definition or the International Labour Organization (ILO) harmonized definition. For this study, the researcher will use the ILO definition. As defined by the International Labour Organization, unemployed people are those who are currently not working but are willing and able to work for pay, currently available to work, and have actively searched for work (International Labour Organization, 1966).

There are several reasons of unemployment; however for the purpose of this study two reasons will be discussed.

1.2.3 Cyclical Unemployment

This kind of unemployment is related to the general strength and vitality of the economy. If the economy is in recession the demands for goods and services tends to grow at a slower rate, the producers need fewer means of production, including labour, to meet lower level of consumer demand. The opposite holds true when the economy recovers, more labour will be required to meet growing demand of goods and services. South Africa has

experienced persistent unemployment, irrespective of economic growth (Malikane, 2010).

1.2.4 Structural Unemployment

Structural unemployment in South Africa has been a result of two processes, that is, the country's history of colonialism and Apartheid, and secondly, the changes in the macroeconomic environment and the emergence of globalization.

Structural unemployment occurs when there is a significant gap between education, skills and expertise etc. required for a job on one hand and on the other hand qualified workers to fill the posts.

Structural unemployment also refers to the situation that arises when jobs change or simply no longer exist because the structure or composition of the economy has changed (Roux, 2005).

The 2001 census included a question on the highest educational achievements of people aged 20 years or older. Almost 18% indicated that they have no education whatsoever while 22% had primary education; this means that 40% of adults in South Africa have at most grade 7 educational background. Some 20.4% had matric and 8.4% had a higher education qualification.

This implies that a large proportion of the South Africa working age population is simply not employable in an economic environment in which manual labour is becoming less important and appropriate skills more sought after. This is aggravated by the fact that it is difficult in a technologically driven world to teach people skills if they lack a solid educational background. At the very least they need to be able to read and write with a comfortable degree of fluency.

The causes of unemployment in South Africa are manifold and complex. The discussions of the debate around unemployment are beyond the scope of the study. However it is important to note that there is consensus amongst researchers that the causes are structural rather than cyclical (Roux, 2005).

1.3 Policy and Legislative Framework to Support Small Contractors

There is a growing interest across many countries in enhancing the role of public procurement in national economic development (Watermeyer, 2000a). Procurement provides business and employment opportunities and depending on how it is structured and conducted, can be used as an instrument of government policy to facilitate social and economic development (Watermeyer, 2002).

The South African Government has provided a friendly legislative environment to support and encourage the development of SMME's. The following are the legislative initiatives taken by government in order to create an enabling environment for emerging contractors.

1.3.1 Reconstruction and Development Programme (RDP)

The RDP is an integrated coherent and socio-economic policy framework. It seeks to mobilize all the people of South Africa and its resources towards a final eradication of Apartheid and the building of a nonracial, nonsexist future (African National Congress, 1994). The RDP paves the way for the development of programmes that facilitate the distribution of wealth, alleviation of poverty and inequality, amongst other policies the RDP has a bearing on the conceptualization of EPWP and contractor development in particular.

1.3.2 Construction Industry Development Board (CIDB) Act 38 of 2000

This act provides strategic direction and develops effective partnerships for growth, and improvement of the construction sector. Furthermore, it promotes sustainable growth of the construction industry and the sustainable

participation of the emerging contractor. The CIDB appropriates grading for development of contractors. Vuk'uphile contractors are graded from scale of 1-4 and are graded accordingly as they progress in their development. A CIDB grading is important in that it categorizes the contractor's capabilities thereby assuring a client when a contractor is engaged.

1.3.3 Broad Based Black Economic Empowerment (BBBEE) and Preferential Procurement Policy

In 2000, the Preferential Procurement Act No 5 was enacted to provide a framework for preferencing and for the transformation of the country's procurement regime (Republic of South Africa, 2000). The mechanism that was applied to permit procurement to be used as an instrument of social policy was that of targeted procurement, which specified that any organ of state must determine a preferential procurement policy. Targeted procurement provides employment and business opportunities for marginalized or disadvantaged individuals and communities and enables social objectives to be linked to procurement in a fair, transparent, equitable and cost effective manner (Govender and Watermeyer, 2001).

Government initiatives are further supported by the Broad Based Black Economic Empowerment (BBBEE) Act no 53 of 2003 (BBBEE, 2003:2) that states its intention as follows: "to establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue codes of good practice and to publish transformation charters; to establish the black economic empowerment advisory council and provide for matters connected herewith". Preferential procurement assists in the selection of enterprises owned by previously disadvantaged individuals, thus impacts on the redistribution of wealth and skills. This is used to select black owned companies to participate in Vuk'uphile.

1.3.4 The Framework Agreement for Labour Intensive Agreement 1993

The framework agreement for Public Works programmes using LIC was born out of the realization that greater use of labour intensive methods could alleviate unemployment by generating work opportunities. These labour intensive systems proposals were formulated in the early 1990s during the transition from the Apartheid Era (McCutcheon and Taylor Parkins, 2003).

South Africa has strong Trade Unions which actively campaign for a minimum wage, pension and other employee benefits, these Unions had to buy into the idea of Public Works projects that would create temporary employment and hence the need to negotiate some of the privileges that they have won over from employers.

A draft framework agreement document was signed as early as 1993 through engagements between Government, Trade Unions and the Construction Industry representatives. The draft document sought to maximize the use of labour intensive methods of construction within Public Works Programmes, with due regards to economics (McCutcheon and Taylor Parkins, 2003).

The core principles of the framework agreement have been used in Public Works without formal adoption until they were written into a Code of Good practice for Special Public Works Programmes (and a related Ministerial Determination), which was formally gazette by the Department of Labour in 2002, and after consultation with the National Economic Development and Labour Council (NEDLAC) (Phillips, 2004: McCutcheon and Taylor Parkins, 2003).

1.4 Institutional Frameworks

The success of Public Works Programmes could not be realized without a coordinated approach from the different stakeholders. Government through NDPW saw the need for the creation of a separate unit within the Department to champion EPWP. The EPWP unit has the responsibility to drive the

implementation of PWP's within all spheres of Government. It therefore interacts with the various levels of Government and State Owned Enterprises (SOE's) implementing EPWP.

The National EPWP Framework also provides that EPWP projects and programmes must be identified within each government and department and SOE that it can be implemented using labour intensive or community based service delivery methods with predetermined key deliverables over a given time frame in the infrastructure, environmental social and non-state sectors (NDPW, 2012).

1.4.1 EPWP Guidelines

A guideline framework for the implementation of labour intensive projects within EPWP was developed in 2004 and revised in 2005. The document provides parameters on the implementation of labour intensive projects within the guidelines, the government department or agency appoints a consultant to design the work and to administer the contract. Most of the designs are expected to be labour intensive where it is economically and technically feasible in order to tie in with the job creation aspects of EPWP, therefore special clauses to give effect to this requirement are factored into the guidelines (EPWP, 2005).

1.4.2 Training

The EPWP Unit works with the CETA SAQA, Department of Higher Education and CIDB in order to facilitate capacity building of labour intensive construction methods within projects undertaken by Public Bodies. It should be noted that EPWP does not implement any project but rather ensures that adequate expert knowledge and skills development is garnered and offered as support to implementing bodies. CETA is responsible for conducting quality assurance evaluations on training offered to programme participants, the Department of Higher Education through the national skills fund funds training programmes.

1.4.3 Finance

The EPWP Unit is not responsible for financing any projects undertaken by Public Bodies and SOE's as the money comes from the National Treasury. The EPWP plays a coordinating and supportive role; it identifies best practice among the implementing bodies and advocate for its replication in other similar public bodies. Projects implemented under the EPWP are funded from the Medium Term Expenditure Framework (MTEF) mainly under Provincial Roads Maintenance Grant (PRMG) for Provincial Departments and Municipal Infrastructure Grant (MIG) for Municipalities.

Another source of funding comes through the Division of Revenue Act, Government created an incentive grant which is managed by Public Works to incentivize public bodies which reach and or exceed their job creation targets as allocated through PRMG and MIG.

For Provincial departments the grant is meant to incentivize provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines: Road maintenance and the maintenance of buildings, low traffic volume roads and rural roads and other economic and social infrastructure (DoRA, 2013).

1.5 Monitoring and Evaluation

The NDPW is responsible for overall monitoring and evaluation of EPWP projects. Monitoring and evaluation forms an integral part to any programme success as the information generated builds on a body of knowledge that will ensure success and replication of best practice in projects. The information is collated and conveyed to Public Bodies and the Presidency (EPWP, 2012). This informs government on whether to continue to implement and fund EPWP or not and if to fund, in which sectors to exert more funding, this is done in consideration of Government Priorities.

The evaluation framework has focused on monitoring the impact of the programme as part of reporting on the purposes of the goals of the programme. Departments are expected to report quarterly on the output detailed in a logical framework called the Integrated Reporting System. Data collected from implementing bodies is consolidated and reported in the form of quarterly reports (EPWP, 2005).

The monitoring indicators of the EPWP have been integrated into other existing reporting structures. In addition, Government reached an agreement with Stats SA that the EPWP indicators are to be included in both the Labour Force Survey and the General House Hold Survey (Phillips, 2004): such incorporation essentially provides the ideal platform on which the targets of EPWP can be monitored and evaluated. The surveys conducted by Stats SA target the number of people employed skills levels social benefits etc. to produce a measuring instrument on the turnaround strategy of government to create jobs, alleviate poverty and inequality.

1.6 EPWP Phase 1

1.6.1 Goals and objectives

The Goal of EPWP Phase 1 was to create 1 million temporary work opportunities coupled with training over the first five years (2004-2009) with at least 40% women 30% youth and 2% disabled. To achieve this goal, the Government would: create temporary work opportunities and income for at least 1 million unemployed people, provide needed public goods and services using labour intensive methods at acceptable standards, through mainly public sector resources and public and private sector implementing capacity; and increase the potential of participants to earn a future income by providing work experience, training and information related to local work opportunities, further education and training and SMME development (EPWP, 2005).

The objectives stemming from the inception of the EPWP are listed below:

- Facilitate training and skills development of all EPWP participants;
- Create work opportunities in the Public Sector;
- Development of Small Medium and Micro Enterprises through learnership and incubation programmes; and
- Utilizing general government expenditure on goods and services to provide the work experience component (EPWP, www.epwp.gov.za)

1.6.2 Implementation methodology and targets

EPWP runs in four sectors, that is, infrastructure, economic, environmental and the social sectors. The Vuk'uphile programme is a sub-programme in the infrastructure sector.

The EPWP is implemented through Provinces and Municipalities as these are the main delivery arms of government. The National Government departments are responsible for sector coordination of EPWP. The success of the programme as spelt out of its inception is highly depended on cooperative governance. All levels of government and SOE's are expected to provide temporary employment opportunities which target unskilled and unemployed persons. The developmental programmes should ensure that apart from providing employment; the beneficiaries are adequately trained thereby allowing them to gain skills that can be used for their empowerment. These guidelines are spelt in the National EPWP Framework.

The EPWP was designed to allow a wide diversity of existing best practice Public Works programmes to expand. Work opportunities were expected to be created in the following ways:

- Infrastructure sector – increasing labour intensity of government funded infrastructure projects.

- Environmental Sector – creating work opportunities in public environmental programmes (e.g. working for water, working for fire, waste management)
- Social Sector – creating work opportunities in public social programmes (e.g. community –based health and social welfare care and early childhood development)
- Economic sector – developing small businesses and cooperatives including utilizing general government expenditure on goods and services to provide work experience component of small enterprise learnership /or incubation programmes.

For the purposes of this research a brief description shall only be outlined for the infrastructure sector as it is the focus of this research. Any further information on the other sectors can be readily sourced from National Department of Public Works.

1.6.3 Infrastructure sector

This sector aims to increase labour intensity on government funded infrastructure projects. Suitable projects within government sectors and SOE's are identified, designed and implemented using labour intensive Methods (EPWP, www.epwp.gov.za).

As detailed in the literature review in chapter 2 local and international evidence suggest that machines can be replaced with labour in many of the construction activities associated with civil infrastructure without compromising quality or cost of the project deliverables in projects such as low volume roads, municipal water and sanitation pipelines, as well as storm water drains (McCutcheon and Taylor Parkins, 2003). This body of knowledge informs a wide application within the infrastructure sector to create employment within the EPWP. It is in the light of the above that special

learner ships have been set up within this sector of the EPWP; one such as Vuk'uphile which is being examined in this research.

In All EPWP projects the project manager's contractors and supervisors should all be trained in the requisite skill and knowledge for implementing labour intensive projects. NQF 7 for consultants designing the infrastructure NQF 5 for managers NQF4 for contractors and supervisors. Participants and other stakeholders such as CETA CIDB and Public body work together under the coordination of the National Department of Public Works to deliver on the goals and objectives as set out in the EPWP. Within the Infrastructure sector as specified under the EPWP Guidelines for labour intensive construction are only given preference where they are technically and economically feasible. This ensures the quality of the deliverable, and the project outcome is not compromised.

The implementation of labour intensive projects in EPWP can be summarized as follows: using labour intensive construction methods to provide work opportunities to local unemployed people and providing training or skills development to those local workers; and building cost effective quality assets.

The first phase of the Expanded Public Works Programme achieved its 1 million work opportunities targets a year ahead of schedule. This indicated the possibility of expanding the programme significantly and to improve its quality (SoNA, 2009).

The EPWP phase 2 draws from the successes and lessons of phase 1 and seeks the creation of longer term, more stable work opportunities in Provinces and municipalities and non-governmental organizations. The target for Phase 2 is to create 4.5 million work opportunities for poor and unemployed people in South Africa so as to contribute to halving unemployment by 2014, through the delivery of public and community services (EPWP, 2009).

1.7 Vuk'uphile Learnership Programme

1.7.1 Background

Vuk'uphile learnership programme was initiated by the department of Public Works in coordination with CETA. The programme seeks to develop capacity among emerging contractors to execute labour intensive projects carried out in the EPWP, (EPWP, 2006). The programme is linked to the contractor grading system of the CIDB thereby encouraging and supporting continuous development of emerging contractors into medium sized entities. The Vuk'uphile Learnership Programme is intended to develop emerging contractors into fully-fledged contractors able to execute labour-intensive projects. The emphasis of the programme is to develop entrepreneurial, business, and technical skills (Vuk'uphile, 2010).

1.7.2 The objectives and outcomes of the programme

The objectives of the programme is to increase capacity in the Labour Intensive Construction sector to support EPWP implementation at Implementing Body level (municipal and Provincial), furthermore to provide a contracting entity that is able to operate locally and wider, is able to sustain itself in the open market after the two year Learnership, and increased capacity in LIC sector to support EPWP (EPWP, 2006).

The objectives can be summed up as follows:

- Increase capacity in LIC sector to support EPWP.
- To provide a contracting entity that is able to operate locally and wider.
- Provide a contracting entity that is able to sustain itself in the open market after the two year Learnership.

- Skills transfer with contractors and supervisors to emerge with: recognized qualification, project track record, financial track record, relationships with a bank and CIDB Ranking of Grade 3 to 4.

1.7.3 Implementation methodology

As with other EPWP programmes and projects Vuk'uphile is implemented through provinces and municipalities as these are the main delivery spheres of Government. The implementing body is to provide the requisite training platform in a form of a project within a work environment from which a learner can gain experience and at the same time perform on expected deliverables. Vuk'uphile is implemented in partnership with various stakeholders whom agreements are entered into. The programme is focuses on emerging contractors that are able to implement projects in the region of R2million as part of onsite training component of the learnership (Vuk'uphile 2010).The programme is composed of various stakeholders with specific roles namely:

NDPW: The National Department of Public Works is responsible for the overall coordination of the Vuk'uphile learnership. It formulates guidelines appoints mentors and monitors quality assurance within the scope of the learnership.

Public Body: The implementing body is responsible for the provision of projects that the learners carry out. It is up to the implementing body to identify suitable projects within their areas of jurisdiction which can be carried out labour intensively. The Public body as the provider of the project budget acts as the employer and appoints a consultant engineer as project manager.

Learner: the learner contractor and supervisor must be available to be trained through the learnership. They must possess a registered company and must comply with all EPWP guidelines specific to training as well as other requirements within the scope of Vuk'uphile learnership programme.

Community facilitator: the community facilitator is appointed by the implementing body to inform the community of the planned projects, which enables the establishment of community forums made up of local representatives. This ensures buy in from the local people. The community forum also provides a platform for local people who form part of EPWP target to be incorporated within the programme (source for EPWP beneficiaries).

Financial service provider: the financial service provider ensures bridging finance for the emerging contractors, and gives information and advice as regards to financial and credit record of prospective contractors. The service provider also provides financial training to the contractors as well as monitoring cash flow of the contracting entity.

Training provider: the training provider is responsible for the provision of theoretical training assessing learner progress both within the classroom and on site. The training provider is expected to compile assessment reports on evaluation, which must be availed to other stakeholders so that the learner's performance can be tracked.

CETA: ensures that the training being provided is accredited with SAQA in terms of the National Qualifications Framework levels (NQF). It also monitors that an adequate budget has been set aside for training and evaluates theoretical training offered to the learners periodically (quality assurance). CETA is also involved in the appointment of training providers for the programme.

CSIR: works with NDPW to develop monitoring and evaluation tools for continuous evaluation of the programme focusing on learner development.

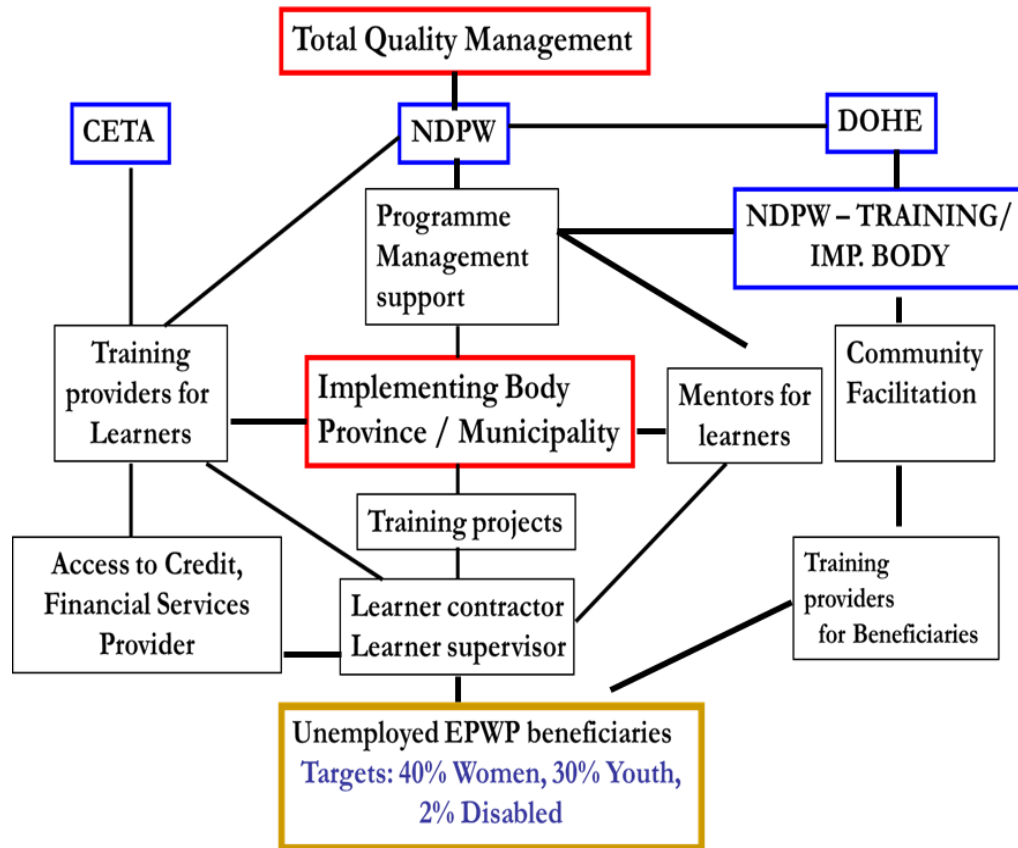
Mentor: Mentorship is one of the critical support areas to enhance the success of the emerging contractor development. Mentors are required to be trusted associates responsible for guiding and advising learners during the

implementation of the project on site. The responsibilities of the mentors are listed below:

- Provide advice aimed at improving business systems within the emerging contracting entity;
- Offer guidance and advice during project implementation;
- Ensure through assessments that each learner has structured development plan;
- Offer guidance and advice to contractors in areas which need improvement;
- Co-signatory to the emerging contractor's bank account;
- Develop the learner skills in the following: technical, administrative, contractual, managerial and entrepreneurial (Vuk'uphile implementation guidelines, 2010).

To ensure that the mentors are able to impart the necessary expertise to the learner contractor, the mentor must possess the following: onsite experience within the construction industry totaling more than ten years, previously gained exposure and experience in the developing of emerging contractors, be registered as a professional with a built environment statutory body, sign and declare adherence to the council for project and construction management professionals (SACPCMP) code of ethics for mentors (Vuk'uphile implementation guidelines, 2010). The success of the programme is highly depended on cooperation of stakeholders.

Figure 1-1 Vuk'uphile Stakeholder roles and relationships



Source: Vuk'uphile, 2010

The above figure show the different roles and partnerships between stakeholders, but for these relationships to work agreements must be entered into.

There stakeholders enter into agreements to ensure the smooth implementation of the programme. The first agreement is entered into by the Department of Public Works, Construction Education and Training Authority and the Public Body that is providing the project.

An agreement is entered into between a bank and the DPW; this is to facilitate the availability of seed capital to the contractor. A learnership agreement is also entered into between the CETA, the learner and training

provider. Several contracts are entered into between several stakeholders these include a contract of employment between public body and learner contracting company this contract is meant to bind the service provider which is the contractor into implementing the project which the public body will avail and to bind the Public Body to make necessary payments upon implementation of the project. A contract is signed between learner and supervisor. Lastly a contract is signed between the Public Body and consulting engineers. (Vuk'uphile implementation guidelines, 2010).

The learnership for research purposes consist of four levels namely: Classroom training, practical training, mentorship support, access to finance.

The NDPW in partnership with the bank CETA and Public body after signing memorandum of agreement are tasked with the appointment of training providers and mentors, selection of learners and training. This is carried out in the series of the following steps: advertisement of Vuk'uphile learnership programme, Briefing sessions, prescreening applicants, shortlisting for written assessments, shortlisting for interviews, financial screening, interviews, and then final selection.

Outlined below is a table of training and stages

Figure 1-2 Vuk'uphile Learnership Model

Year 1		Year 2		Year 3	
Training 1	Project 1	Training	Project 2	Training 3	Project 3
3 Months	6 Months	2 Months	6 – 9 Months	1 Month	12 Months + R1m – R3m higher
	R500 000 to R1m or higher		R750 000 to R1,5m or Higher		
Mentorship – 25 Months					
Programme Management and Support – 30 Months					
Theoretical Training and Assessment – 30 Months					

Source: Vuk'uphile, 2010.

Figure 1-2 shows the learnership model as it is implemented for a period of two years. The training budgets are determined as follows: mentorship is provided in a 1:10 mentor- learner entity ratio. The first project for practical implementation is valued between R500, 000 to R1000 000, the second between R750 000 to R1 500 000 and the third R1 000 000 to R3000 000. For a contractor to have fully completed the learnership should have earned 254 credits for contractors and 218 credits for supervisor. On completion of the learnership the learners are given an opportunity to tender for an exit project.

The programme exit strategy is supported by the economic sector of the EPWP. However various opportunities are potentially available to exiting contractors such as: secure contract with new client, further education and training, qualified contractor with track record and, improved CIDB grading.

Monitoring and evaluation is supported by existing reporting structures. Within Vuk'uphile monitoring and reporting is supported by the integrated reporting

system. EPWP indicators have been identified for assessment on ongoing basis and every quarter of the year reports are produced. The indicators are based on the key result areas which are financial whose indicators include budget, expenditure, and source of funding. Job opportunities which involves the number of jobs created, duration of the job and cost of the job. Demographics which involve women, youth and people with disabilities and lastly training which involves number of people trained, duration of training and training budget.

Vuk'uphile 1 from 2005 to 2010 registered achieved a total of 1493 learnership registered, 492 SME's registered with CIDB, 3 and Grade 6, this means that enterprises progressed from 3 to 6. The expected outcome was at least a CIDB grade of 3 but others surpassed this expectation to reach grade 6. A total of 34 public bodies implemented Vuk'uphile and awarded 1387 projects. This created 55058 work opportunities for locals within project area, of the 492 SME s 89 were from the Eastern Cape that is 18% of all the learners (Vuk'uphile, 2010). The total budget of Vuk'uphile was R1.3 billion worth of projects and R230 million for training and mentoring (Vuk'uphile 2010).

1.8 Vuk'uphile 2

Phase I Experience resulted in evaluation of the Learnership Programme. The following were recognized as means to increase and affirm programme's credibility:

Selection Criteria: CIDB Register is used as means to select contractors; emerging contractors applying to be enrolled in Vuk'uphile must be registered as this proves that they are continuously participating in the construction industry.

Contractor: Supervisor Ratio: In phase one the ratio was 1 contractor is to 2 supervisors this has been changed as it was expensive for government and it resulted in infighting for the leadership of emerging company.

Qualifications: It is recommended that the mentors and supervisor should have a technical background.

Disciplinary Code: In phase 1 the disciplinary code of Vuk'uphile was not used as required however in phase 2 the code was invoked and its stringent implementation recommended.

CETA Role: The role of CETA remained that of quality assurance on the training.

MOA between Implementing Body and NDPW includes a project list: an MOA between Public Works and the implementing Public body is entered into and a project list given to Public works to assist in the selection of suitable projects for the emerging contractors, these should be LIC compliant.

Mentorship shared responsibility: In phase 1 Public Works took full responsibility for the mentorship. In phase 2 mentorship expense is shared between DPW and The Public body in a ratio of 70:30 with Public Works carrying the bigger part of the expense.

LIC Infrastructure type, Guidelines used for Implementation: projects to be identified and selected for implementation should be designed for LIC and EPWP guidelines used in the implementation.

Total Quality Management by CSIR: CSIR responsibility of ensuring total quality management and uniformity of standards in the implementation of programme was emphasized.

The lessons learned and the revised model of Vuk'uphile has taken into consideration issues and performance areas that have been identified and recommended by various authors in the literature review.

1.9 Problem Statement

1.9.1 Problem

The potential of small and medium construction businesses to contribute significantly to employment creation and economic growth is well recognized; however emerging contractors remain weak and operate in a manner that is unsustainable (Lazarus, 2007).

Vuk'uphile phase one experienced successes and challenges some of the challenges was that the implementation approach was not the same across the nine provinces, Mentor managers were lenient on mentor firms and this resulted in mentors performing poorly. The financial services provider delayed in approving overdrafts and these delayed projects. Learners waited for many months in between projects because implementing bodies did not avail projects in time. Mentor management team did not have sufficient capacity (Vuk'uphile, 2009). This has led to the revision of the implementation model to Vuk'uphile 2.

The research identifies and examines the progress and challenges experienced in the implementation of Vuk'uphile 2 learnership in the Eastern Cape. This development programme is meant to provide training, learnership and skills development to ensure that contractors deliver quality service in infrastructure provision (EPWP, 2005).

1.9.2 Knowledge Gap

It has been widely accepted that the success of the past and current contractor initiatives has been quite modest. However significant lessons can be drawn from these initiatives. The lessons have shown the need to inform

policy and research agendas by promoting the participation of emerging contractors (Thwala and Phaladi, 2009).

There is abundant evidence from studies by Croswell and McCutcheon (2001), Dlungwana and Rwelamila (2003), Milne and Atkins (1996), and Lazarus (2007) on contractor development issues on selection of contractors for development, mentorship, access to finance, skills development and the development of integrated contractor development model that includes total quality management and project management. However, there is no study that examines progress in the Eastern Cape since the implementation of Vuk'uphile phase 2.

1.9.3 Context

This study was conducted in the Eastern Cape where contractor development programmes have been implemented since 2006, (2006, EPWP). In 2009, the Vuk'uphile programme was reviewed with the aim of eliminating and/or alleviating the challenges that were being experienced during implementation of the programme (EPWP, 2009). The study will focus on Vuk'uphile learnership on roads projects, because: 1. there are projects currently under implementation 2. Rural roads have high potential to be developed using labour intensive construction methods and thus optimizing job creation.

1.9.4 Research Need

The EPWP monitoring and evaluation framework specifies the need for cross sectional as well as longitudinal studies to evaluate its programmes (EPWP, 2005). The identified need for continuous checking to ensure programme balance is important as it informs intervention when necessary. This research will offer an independent examination of progress of the Vuk'uphile learnership phase 2 in the Eastern Cape. The problem to be addressed by this study is the examination of progress made by Vuk'uphile learnership phase 2 towards integrated skills development for emerging contractors in the roads sector.

1.10 Purpose statement

This study is a descriptive research with a purpose to examine the progress in terms of performance of the learnership, to find out whether it is achieving its intended purpose in the Eastern Cape, and establish recommendations for strengthening the programme.

1.11 Research question

The research was guided by the following main question

What is the progress on contractor development objectives brought about by implementing Vuk'uphile learnership phase 2 with regards to its intended objectives of developing sustainable, self-reliant labour intensive emerging contractors in the Eastern Cape roads?

The following sub questions are used to address the main question:

- a) Since the implementation of a revised Vuk'uphile are the learner contractors completing the prescripts of the programme and exiting officially?
- b) Of the exited contractors, are they still participating in the construction sector?
- c) Are the enterprises sustainable enterprises and self-reliant in terms of finding work?
- d) At what level is their CIDB grading?
- e) Are the recommended systems for implementation of the programme adhered to and if not what are the deviations and why?

1.12 Significance

The Vuk'uphile Learnership Program offers a new impetus into the development of emerging contractors in South Africa. It is in the light of the above that the researcher has chosen to examine emerging contractor development within Vuk'uphile but specific to Eastern Cape Department of

Public Works and Roads as described in the limitations. Cognizance is taken that emerging contractor development has been struck by the same problems since 1970s (Croswell and McCutcheon, 2001) the structure, drive and support of Vuk'uphile within EPWP promotes room for examination of the programme. Vuk'uphile is now in its second phase it becomes more relevant to examine its progress.

Furthermore labour intensive methods of construction offer infrastructure provision and increased potential for job opportunity creation thus changing the socio economic status of people. Small contractor development is an integral part of labour intensive construction methods. It is therefore of paramount importance that a review of its implementation is done continuously so that improved implementation strategies for the programme are developed.

1.13 Structure of the Report

Chapter 1: Introduction

This chapter gives background information on the progress of emerging contractor development programmes in South Africa. It draws on the contexts within which emerging contractors operate, and how South Africa implements the Contractor Development Programme under the umbrella of EPWP. It further contextualizes the South African situation, considering its history and environment currently. It outlines the research problem and outlines the objectives of the research.

Chapter 2: Literature review

This chapter reviews research on emerging contractor development in the construction sector. The scope is on past programmes in the Southern African Development Community (SADC) region. The chapter focuses on literature on skills development, mentoring, financing and the selection of

participating contractors to development programmes. Challenges and progress made, is also discussed.

Chapter 3: Research methodology

This chapter will outline the research selected method, namely qualitative analysis. The research designs used will be discussed and their strengths and weaknesses analyzed.

Chapter 4: Data presentation

An overview of EPWP and its mandate will be given, in the context of unemployment poverty, job creation and redistribution of wealth in South Africa. It introduces Vuk'uphile 2 as one of the solutions to the challenges South Africa is facing. The Vuk'uphile 2 model will be discussed and the monitoring and evaluation tools will be discussed.

Chapter 5: Data Analysis

In this section, research data will be analyzed and evaluated against the programme objectives. Comparisons of outcomes to related literature as reviewed in chapter 2 will be drawn.

Chapter 6: Conclusions and Recommendations

This chapter summarizes findings of the research and provides conclusions on the evaluation of Vuk'uphile 2 in the Eastern Cape Public Works and Roads. The section will provide recommendations based on the research conclusions.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The literature review offer historical insight into small contractor development programmes internationally and an overview of the South African small contractor development programmes to date it analyses what other authors have covered on the topic and therefore offer a base of body of knowledge for the examination of the current Vuk'uphile Learnership Programme.

This chapter reviews relevant literature relevant to small contractor development; it refers to past programmes in Africa. It reviews literature on selection of candidates, training, mentoring, financing, legislative support as well as review the challenges faced within small contractor development.

2.2 History Small Contractor Development in Sub Saharan Africa

Development of small contractors for the construction industry has been advocated and explored in two different contexts in Sub-Saharan Africa. Since the 1970s, it has been advocated in relation to the construction industry as a whole, and since the late 1980s, it has been pursued in relation to the employment intensive construction and maintenance of infrastructure, particularly low cost, low volume, rural roads and other civil infrastructure (Croswell and McCutcheon, 2001). The main aim of contractor in the construction industry as a whole has been the establishment of profit making firms. By contrast with small contractor development in the construction industry as a whole, throughout the past 30 years the main objective of labour intensive work has been poverty alleviation through employment generation during the construction, maintenance of public infrastructure (Croswell and

McCutcheon, 2001). Vuk'uphile aims at both these objectives including producing quality infrastructure.

Small, medium and micro Enterprises represent an important vehicle to address the challenge of job creation, economic growth and equity in South Africa. Within the overall record of the developing world, South Africa emerges as one of the most innovative examples of applying a targeted procurement approach towards stimulating the small, medium and micro enterprises (SMME) economy in the roads construction sector (Rogerson, 2001).

Throughout the world, it is found that SMMEs are playing a critical role in absorbing labour, penetrating new markets and generally expanding economies in creative and innovative ways. It is the view of the South African government that with the appropriate, enabling environment, SMMEs in this country can follow these examples and make an incredible mark on the economy (DBSA, 1998).

Croswell and McCutcheon (2003:295) point out that small contractor development and employment intensive implementation has not been easy." Changing the way things are conventionally done is not easy. There are reasons why things are as they are." Employment –intensive methods of construction were looked down on; hence there was need for the industry reeducation on the opportunities that were not being exploited.

The relationship between employment intensive methods and contractor development has created an essential link between infrastructure provision and long term development programmes. Successful employment intensive programmes in countries such as Kenya, Botswana, Lesotho, Malawi and Ghana on large scale programmes have given a base for other sub-Saharan countries to embark on such programmes.

2.3 Overview of Some Past Programmes

This section of the literature review gives insight of what has been written of programmes in Lesotho and Ghana.

2.3.1 Ghana's experience

The objectives of the programme in Ghana were three fold: to improve rural accessibility, increase contracting capacity, and to create rural employment. The programme has trained 100 contractors under the scheme to work on labour based road rehabilitation and maintenance contracts. It was mainly funded by UNDP and the World Bank and has resulted in the rehabilitation of 1400KM of rural roads at a cost of 14 million US dollars (Ofori, 1985).

The programme is promoted to contractors by a newspaper advertisement campaign and selection is based on education, previous experience and loyalty of business. There are 3 stages to the training process which addresses the needs of both contractors and the Department of Feeder roads staff:

Stage 1. 20 weeks of classroom and field work training

Stage 2. 4 months of trial contract of 5KM carried out under supervision

Stage 3. 4 year development with onsite training undertaking a 20Km per annum

Following their period of initial training (stage 1) the contractors are provided with a set of equipment, 2 tractors, 4 trailers, 1 water browsers and 2 pedestrian vibrating rollers. The equipment is worth 150,000 dollars and it is financed through a bank loan which is repaid over the following 4 year period.

In order to ensure that contractors are able to pay the loan the department guarantees contracts will be awarded for the first 4 years after training. Each contract lasts approximately one year and has a value of \$240 000. The project attempted to operate these contracts under a competitive tendering

system; however the formation of cartels forced the department to adopt a scheme of rates for the initial 4 year period. Following the repayment of the equipment loan contractors compete for work through competitive tendering in an open market (Ofori, 1985).

2.3.2 The Lesotho's experience

The Lesotho Government developed a 30 month programme in 1992 to train local contractors to maintain the road network. The World Bank sponsored the enterprise Development for labour based road maintenance contractors' project which was managed by the Labour Construction Unit (LCU), with technical input from ILO.

The programme focused heavily on the training issues both in terms of the technical and managerial skills of the contractors and also the retaining of the LCU staff for their new contract supervisor role. The contractor training programme combined on the job training with classroom work to meet the needs of the contractors, for the technical training aspects the programme developed the road maintenance and gravelling package (Larcher 2001). Series of three handbooks and workbooks which were designed to meet the business training needs of small scale contractors.

During the training period all costs were met by the project. The six month trial contract period consisted of two contracts commencing with a maintenance contract awarded at a fixed price, followed by a regravelling contract.

The contractors were given basic set of hand tools worth \$66TO at the beginning of their trial contracts, which were paid for during the trial contract period, and offered the opportunity of hire purchase agreements on pedestrian vibrating rollers. They were expected to hire any further equipment which was readily available or buy equipment using a lease financing arrangement set up with a national bank (Larcher, 2001).

The LCU was primarily responsible for the maintenance and development of the earth and gravel network. In 1992 the World Bank funded a developmental project on labour based methods of construction which was supervised by LCU, had technical support from the ILO and this led to the birth of small contractor development in Lesotho. Larcher (2001) highlights that the contractor development was mainly focused on training on: technical skills, managerial skills and, supervisory skills.

The training focused on practical as well as classroom training, so as to equip contractors with the requisite skills. The programme curriculum also extended to small business management so as to develop the contract entities. The training duration was 30 months and all costs were catered for within the programme. On completion of the training the contractors were awarded 6 months trial contracts. The equipment for the projects was available for the contractors to hire or on lease to buy arrangement. The programme was done with the involvement of the national bank.

The successful programmes in Ghana and Lesotho were developed around suitable contractor development programme. These programmes offer significant insight on which to model and develop small contractor development programmes.

2.4 Small Contractor Development in Public Works Programmes (PWP) in South Africa

Since the inception of the procurement reform process in 1995 the Department of Public Works has been actively involved in the conceptualizing and implementing programmes to promote emerging contractors in the built environment. These programmes included; targeted procurement and emerging contractor development (ECDP) the latter is the focus of this research report. These programmes have resulted in increased participation

in the mainstream economy by previously disadvantaged individuals (PDIs) (DPW, 2007).

According to McCutcheon and Taylor Parkins (2003:46), Phillips (1995) and Thwala (2001) billions of Rands have been spent on implementation of employment intensive programmes including contractor development in South Africa. To date progress and Success have been achieved in some programmes which include Gundo Lashu in Limpopo Province and Sakha Sizwe in the Eastern Cape.

The success of Gundo Lashu has led to the South African government's plans of setting learnership programmes country wide. In September 2004 the department of Public Works (DPW) invited applications from construction contractors to enter contractor development programme. This was a government initiative to promote the sustainable development of small to medium sized contracting businesses that can demonstrate the potential to perform on contracts ranging from R1-million to R30-million. The programme focused on mentorship, training, and support to ensure that contractors became suitable contracting enterprises (EPWP, 2005).

The success of past programmes, although localized, has created an inception model from which to involve small contractor development within the PWP. Phillips 2004 argues that labour intensive construction within PWPs can only be supported with an effective contractor development programme. He cites Gundo Lashu Programme where emphasis was placed on developing the management and supervision capacity that is required in the order for highly labour intensive methods to be cost effective and to result in good quality infrastructure.

2.5 Authors on Small Contractor Development

There exists a large body of literature on small contractor development: this research articulates the views of authors who provide input relevant to the

Vuk'uphile objective so as to form an adequate knowledge base to do an examination.

2.5.1 Selection of Programme Participants

The selection and screening of candidates is emphasized by Croswell and McCutcheon (2001). They highlight that since the 1970's, focus has been given to management and the operation of the company itself: consequently much literature has been published on every aspect of managing the small contractor business. They however argue that not enough attention has been paid to the identification of people with entrepreneurial capability to run these small businesses. McCutcheon and Taylor Parkins (2003:37) further add that as much as technical training is the key for contractors and supervisors to achieve competence, attention must be given to the character of individual; hence the selection process should pay attention to the character and the technical competence of the candidates selected for the programme. There are several career paths and entry points to the construction industry; level of entry depends on individual educational and financial circumstances (Milne and Atkins, 1994).

Milne and Atkins identify operating levels on a continuous growth path. Each relates to contractor capability to complexity of work.

The operating levels are:

Level 1: new entrant; numerate, literate, limited technical and trade skills;
informal labour only contracts

This is an employee capable of menial tasks as an artisan assistant with skills in one or more trades. Informal labour only contracts

Level 2: Trade skills

Level 3: Advanced trade skills, has managerial capabilities

Level 4: Advanced management skills, some commercial exposure; formal commercial labour and materials contracts

Level 5: Overall ability; formal commercial contracts; formal commercial labour and material contracts

The importance of selection and skills development are emphasized by Milne and Atkins. Low level entry requirements in the construction industry are one of the drawbacks to effective contractor development programmes. As such, selection and placement to relevant operating levels so that a recruit can be taken through in a manner that they can understand, is important.

2.5.2 Skills Development

Many strategies for contractor development that are based on instruments such as targeted procurement have generally failed to empower emerging contractors because they are implemented without well-defined skills transfer frameworks. The sector continues to be regarded by construction clients as a high commercial risk and this presents further barriers to meaningful development (Hauptfleisch, Verster and Lazarus, 2000).

The Skills Development Act of 1998 provides for the creation of sectoral Education and Training Authority sets for each of the various economic sectors. Construction Education and Training Authority (CETA) is responsible for the construction industry. A levy is expressed as a percentage of salaries and wages paid by employers which is placed in a fund that is applied in terms of stated guidelines to ensure that education and training takes place in the industry (Hauptfleisch, Verster, Lazarus, 2008). CETA contributes to training, mentoring, and the quality assurance of the programme. The EPWP Unit of Public Works Vuk'uphile in conjunction with CETA and CIDB work together as government and its agencies with the aim of capacitating contractors on Labour Intensive Construction (LIC) methods within the projects undertaken by Public Bodies. It should be noted that EPWP does not

implement projects, however it has a coordinating responsibility and thus ensures that adequate expert knowledge and skills development is garnered to create a platform for implementation.

According to Hauptfleisch, *et al.*, (2000) it is important that it is accepted that when launching a departmental programme it is in essence a training programme with an objective of creating sustainable construction businesses and empowering emerging contractors. This therefore emphasizes the importance of emerging contractor development programmes as a way of creating employment, empowering communities and ensuring skills development.

In most instances there are key elements that are overlooked in emerging contractor development models and these include:

- Structuring an integrated emerging contractor development model that will satisfy the developmental needs of emerging contractors;
- The creation of quality assurance and management mechanisms to enhance the elements of the development model in order to, inter alia, satisfy the objectives of the model; and
- An analysis and evaluation of the qualitative and quantitative results gathered by from the development model.

With regards to the above key elements that are mentioned Vuk'uphile has taken considerable steps to ensure that are not overlooked. The CETA is mandated in the partnership to ensure that the quality of the training is good and relevant to the objectives of the programme. However it is still found that some training providers even though they are accredited to deliver the training they are in reality not able to actually teach, this then compromise the programme. The issue of finding reliable training service provider capable to

deliver training is still a challenge. In discussions with the programme manager it is still an issue they are trying to resolve.

According to BCEOM (2000) to develop and promote the capacity of small and medium sized contractors to carry out works in conformity with quality standards while making sufficient profit to ensure a successful future, the training contents should include the following:

- Preparing and submitting bids which are competitive and realistic for new road construction and maintenance;
- Organizing and managing job sites: site management, full sequence of site management and organization activities including techniques and methods of carrying out road maintenance tasks;
- Monitoring the performance of their teams (schedule, specifications, and cost prices);
- Comply with quality standards;
- Managing equipment;
- Carrying out routine maintenance;
- Having available necessary operations for driving their equipment;
- To carry out management of their company in accordance with methods which guarantee the minimum profit which a company manager is entitled to expect from his activity.

Vuk'uphile is designed in such a way that the mentor takes responsibility of ensuring that the contractor is able to carry out the work, able to bid and cost for work and are able to schedule work and manage equipment. It is with regards to this role that the contractors found the mentor very helpful as they

took them through activities that they were not familiar with and thus saved them money. These activities are also included in the training curriculum.

McCutcheon and Croswell (2001:313) highlight that training is an intrinsic part of employment intensive construction small contractor development. Training should apply to all personnel and levels within the programme. This is reinforced by the schedule for “Code of Good Practice” in special Public Works Programmes in South Africa gazette in 1997:

Training is regarded as a critical component of Special Public Works Programmes (SPWP) every SPWP must have a training programme that strives to:

- Ensure programme managers are aware of their training responsibilities
- Ensure a minimum 2 days of training for every 22 days worked;
- Ensure a minimum of the equivalent of 2% of the project budget is allocated to the funding of the training programme. (Basic Conditions of Employment Act, 1997).

Nilsson cited in Edmonds and Howe (1980) says that in any place where labour based construction is implemented for the first time, it is likely that there will be no availability of skilled personnel. Hence if any such programme is to be successful, the onus is on the project team to plan suitable pilot projects to ensure an adequate trained staff complement for the main programme. Ultimately the bigger the programme the longer and more intense will the incubator period and training must be. This argument feeds directly into the notion of small contractor development within labour based construction.

McCutcheon and Croswell (2001:365-379) explain that contract continuity holds the key, since without business continuity; the contractor is likely to go

out of business, be unavailable for the work when required and lose competence through lack of practice. In all cases, the training invested in the small contractor will be lost. The issue for continuity becomes even more relevant if one takes into account the substantial resources of time and money that are invested in emerging contractors.

McCutcheon and Croswell (2001:365-379) recommend that a programme approach should include amongst others:

- Continuity of contracting opportunities;
- Training and ongoing mentoring
- High level support “champion” and institutional support.

McCutcheon and Croswell (2001:365-379) add that skills development , particularly on the entrepreneurial side should be addressed by high standard skills programme so as to assist the emerging contractor since after exiting the programme he or she will need the skills to fall back on . They may export these further into Africa as well as compete locally with global competitors like China.

In April 2000, the Construction Education and Training Authority (CETA) took over the responsibility for all education and training in the construction sector which includes all building, civil engineering and related activities associated with the design of , planning for all building and civil infrastructure, (www.ceta.org.za).

According to CETA one of its tasks is to ensure that a skilled and motivated construction sector workforce is developed, and that the skills are recognized and valued in terms of the National Qualifications Framework (NQF). Furthermore CETA is also credited by the South African Qualifications Authority (SAQA) to provide an Education and Training Quality Assurance

(ETQA) role to the industry ensuring that training standards are rigorously adhered to (www.ceta.org.za).

2.5.3 Mentorship

According to the Code of Good Practice mentorship, in one form or another has existed in the construction industry for centuries. In South Africa mentorship has been identified as a means of developing capacity in new entrants to the construction sector and overcoming business impediments in existing enterprises that have arisen as a result of legacies of apartheid. It aims to achieve this goal through coordinated and controlled transfer of knowledge and experience with the help of mentors who are responsible for giving reliable and honest advice to the person being mentored (Public Works, 2001). Furthermore the code of good practice adds that mentorship involves the transfer of knowledge and experience, but excludes the performance of essential daily contracting functions of the mentored contractor. Mentorship is essential to accelerate the process of empowerment. It affords emerging contractors, who are awarded contracts the benefit of the experience of those individuals who have extensive experience in the construction industry. This exposure is designed to address many of the common shortcomings encountered by emerging contractors such as poor pricing structures, winning of non-profitable tenders, late start of contracts, late submission of payment claims, late commissioning and handover of contracts (Public Works, 2001).

McCutcheon and Croswell (2001:N326) also bring the argument that small contractor development and employment intensive construction has mainly been a public sector initiative. This in turn seems to be oblivious of the level of expertise that is inherent in the private sector contracting and a fusion of this through the use of a project manager or engineering consultant would aid increased success in the small contractor development.

Watermeyer (1995) argues that small contractors from underprivileged communities cannot engage in construction without developmental support. Although several approaches are proposed, mentorship is favored since it allows suitably qualified professionals to transfer skills to communities. This importance of mentoring is further conceded by Daloz (1990:105) citing Fagan (1987) who states that the business world appreciates the concept of mentoring so much that an international association and journal was founded.

Daloz (1990) also emphasizes that effective mentorship promotes development of the learners resulting in the achievement of the desired objectives. The author further highlights that effective mentors must encourage their students and act as a bridge to the impediments they face to their development. Daloz (1990) also points out some problems which have commonly affected mentorship namely:

- Need for control and misuse of power by mentors;
- Charges of favoritism and rivalry
- Desertion by mentor;
- Dependence and
- Differing ethics

These problems highlighted by Daloz are still relevant in Vuk'uphile. Due to the pluralism of the development programme, this research will offer other points of view looking into the structuring of training of the small contractors and identifying the gaps that result in difficulties in the mentoring.

2.5.4 Economic Considerations

Developing countries invest \$200 billion a year in new infrastructure- four percent of their national output and a fifth of their total investment (1994 World Bank) .when considering such figures it is therefore important that new construction programmes must deliver desired output. Another point of view is that it makes economic sense to use construction as an avenue for job

creation within developing countries considering the high unemployment rates.

According to Dlungwana and Rwelamila (2003), small to medium enterprises (SME's) have long been a significant component of economies in developing countries and contribute towards employment creation. Small contractors fall within this SME bracket hence the essential benefit from development of such enterprises is to be promoted. Due to the specialization and relatively low overheads small contractors provide a base from which large contracting firms can source sub-contractors. This ultimately translates to development of the construction industry as an entity.

2.5.5 Challenges

According to Croswell and McCutcheon (2001), small contractor development seems to be beset by the same problems since their inception, despite several interventions which have been put in place. Due to the importance of small contractor development to the economy and job creation, these difficulties should be investigated.

Emerging contractors are constrained from meeting project requirements; these constraints can be categorized into two: those constraints which the contractor can do something about, and those that need support of other institutions. Constraints which emerging contractors can do something about include acquisition of managerial skills. Those that are beyond their control include those that relate to financial challenges and overcoming procedural system that delay payments.

Overcoming constraints relates to the way in which projects are structured and the effect each constraint can have on emerging contractors' survival (Milne and Atkins, 1996). The selection and screening of candidates is emphasized by (Croswell and McCutcheon, 2001). They highlight that since the 1970's; focus has been given to management and the operation of the

company itself: consequently much literature has been published on every aspect of managing the small contractor business. They however argue that not enough attention has been paid to the identification of people with entrepreneurial capability to run these small businesses.

Howe (1984:140) also emphasizes the traditional unfavorable conditions that have always plagued small contractor development as follows: Reluctance of commercial lending agencies to provide finance, lack of startup capital for the projects, stiff economic and technical competition which does not favor unproven firms, and lack of continuity in the award of contracts.

This research will explore the views of these authors within the context of Vuk'uphile programme.

According to Kwesiga (1995), little attention has focused on the failure rates, failure mechanisms and patterns of small contractors in the road sector. This can be attributed to the lack statistical information or the correct assumption that in addressing the constraints faced by small contractor, implementation challenges will automatically be eliminated. Kwesiga further mentions that the importance of defining failure, establishing failure rates, cost of failure and its implications cannot be overstated considering the volatility of the road construction and maintenance industry. These implications then might give direction as to whether once more diversified technical and business training would be the appropriate type of development programme necessary for implementation.

These comments give a different angle to earlier views of previous authors, hence this research will use qualitative analysis backed by statistical information in the review of Vuk'uphile as a way to substantiate any conclusions which will be derived through research.

The status report of the South African Construction Industry (2002) highlights issues which have impeded the growth of the development programme. It lists an oversupply of participants, lack of bridging capital and skilled resources, and lack of business management skills as major issues. The development programme was mainly focused on contractors undertaking low value contracts in the range of R500 000 or less. This was found to be self-defeating due to the large groups of participants, leading to lack of continuity, resulting in the proposal for the development of contractors covering between R1.5million to R5million projects as new aims of the emerging contractor development programme.

Recent data from SAFCEC (2003) reports that 80% of small civil contracting enterprises have a lifespan of less than a year and only 7% survive for 5 years and beyond. Such findings raise key questions on the continuity of work or sustainability of programmes within the Public Works now or in the future. This brings the question what levels of continued support would be required for small contractor development programmes.

Lazarus (2007:47) citing English (2002) points out the low level entry requirements in the construction industry as one of the drawbacks to effective contractor development programmes as it has translated to low ability on the caliber of recruits. Ultimately this has led to slow assimilation of skills hence poor development of emerging contractors.

Lazarus postulates that contractor development spearheaded through targeted procurement has not achieved the desired results because the programmes did not have well defined skills transfer frameworks. The support initiatives implemented are not well coordinated as they are:

“...characterized by inadequate preparations, poor needs assessments and an inadequate understanding of the developing needs of emerging contractors. This is evident by

discontinuances, unstructured training approaches, ad hoc mentorship, inadequate monitoring and evaluation that promote unsustainable skills transfer, (Lazarus, 2007)".

2.5.6 Evaluation

The EPWP Monitoring and Evaluation guidelines (2005) specify the need for cross-sectional as well as longitudinal studies to evaluate programmes. This research mainly uses the EPWP monitoring and evaluation tools to provide data for an evaluation. The identified need for continuous checking to ensure programme balance is important as it also informs programmatic intervention on subsequent phases. Monitoring and evaluation cannot be used as a reactive but proactive way in ensuring continuous development.

Edmonds and Howe (1980), highlight the importance of a periodic review within any programme as this helps in the monitoring and evaluation of the task at hand. Watermeyer and Thumbiran (2009) further add that for the programme successes to be realized there should be proactive involvement of technical expertise in the public office for supervision, fulltime mentors to aid development of business systems, and key performance assessments must be undertaken at regular intervals to monitor and evaluate progress made in the programme with regards, to the expected deliverables.

According to Ofori (1993) for over forty years many writers have suggested various ways and means of improving the construction Industry of the developing countries. It has been observed that no matter what approach is chosen and regardless of the circumstances in which it is applied, the interrelated nature of the varied aspects of construction implies that the coordination monitoring and review of any measures of programmes for improving the construction industry are of utmost importance. A central agency that administers the continuous development of the construction industry appears necessary in each country and for the developing countries such an agency is crucial.

2.5.7 The Contractor Development Framework

According to Milne and Atkins (1996), Emerging Contractor is a blanket description that covers levels of competency defined in terms of contractual obligations that can be assumed by emerging contractors at each level.

In addition, Milne and Atkins (1996) argue that work opportunities for emerging contractors result when projects or parts thereof are classified according to their competency requirements, and contracts are tendered for and awarded to emerging contractors able to perform at the required levels. Emerging contractors' best develop when working within a framework that focuses support on their particular needs (Milne and Atkins, 1996). The framework establishes contractual obligations on both the emerging contractor and the client (government department).

Emerging contractors are constrained from meeting project requirements; these constraints can be categorized into two: those constraints which the contractor can do something about, and those that need support of other institutions. Constraints which emerging contractors can do something about include acquisition of managerial skills. Those that are beyond their control include those that relate to financial challenges and overcoming procedural system that delay payments.

Overcoming constraints relates to the way in which projects are structured and the effect each constraint can have on emerging contractors' survival (Milne and Atkins, 1996). The selection and screening of candidates is emphasized by Croswell and McCutcheon (2001). They highlight that since the 1970's, focus has been given to management and the operation of the company itself: consequently much literature has been published on every aspect of managing the small contractor business. They however argue that not enough attention has been paid to the identification of people with entrepreneurial capability to run these small businesses. McCutcheon and Taylor Parkins (2003:37) further add that as much as technical training is the

key for contractors and supervisors to achieve competence, attention must be given to the character of individual; hence the selection process should pay attention to the character and the technical competence of the candidates selected for the programme.

2.6 Contractor Development Models

Many strategies for contractor development that are based on instruments such as targeted procurement have generally failed to empower emerging contractors because they are implemented without well-defined skills transfer frameworks. The sector continues to be regarded by construction clients as a high commercial risk and this presents further barriers to meaningful development (Hauptfleisch, Verster and Lazarus, 2000).

Dlungwana and Rwelamila (2003) state that contractors can be distinguished from each other by variables, such as the size of annual turnover, capacity and capability. The challenges facing small and medium sized contractors can be distinguished between those that affect medium sized contractors and those that affect small scale contractors.

Key features of small scale contractors are that they are largely unregistered, operate in the informal sector of the economy, and have few formal business systems. The small scale comprises the largest of the percentage of the total contractors and they employ very few permanent employees, usually less than ten (Dlungwana and Rwelamila, 2003). These can be developed through programmes such as Vuk'uphile, in order to increase the capacity of the industry and pursue the employment creation agenda of the state.

2.6.1 Integrated Emerging Contractor Development Model (IECDM)

The IECDM is based on a contractor development model developed by the CSIR, (Dlungwana, 2004). The model pays particular attention to the importance of training and mentoring within a small contractor development programme. The IECDM being the best practice tool aimed at assisting

implementing agents to facilitate the implementation of emerging contractor development programmes. The ECDM helps focus on the quality and effectiveness of development programmes by ensuring effective and comprehensive development of the contractor's capacity and capability. Central to the IECDM is the implementation of a business plan with clear contractor development outcomes. The IECDM embraces the concepts of the ECDM with added elements of project management and total quality management (Hauptfleisch, et al, 2008). The development of such models shows high level of commitment in the quest to delivering the right caliber of contractors. Such development models seem to hold the key to success if implemented as designed.

2.7 Building a Road Construction Industry

At the level of Southern African Development Community (SADC) a number of initiatives have been set in place to support and build the regional road construction sector including SMME development (Rogerson, 2000) of the greatest importance is the construction industry initiative, which was launched in 1993 with the objective of isolating constraints on the industry's development and identifying policy reforms to improve the enabling environment (Sampson, 1998). A critical document that details protocol on road infrastructure policy is the 1998 official Southern African Development Community Protocol on Transport, Communications and Meteorology, to which South Africa is a signatory. The document details, two crucial commitments are contained in article 4.2(d) and (e) in which it is stated that member states agree to develop and a road infrastructure policy aimed at:

(d) developing complementary strategies to reduce the cost of constructing and maintaining their respective road networks including consideration of potential for reducing roads financing needs by contracting out all types of road construction and maintenance activities; and

(e) Acknowledging the need of a region for vibrant capable varied and geographically extensive contracting and consulting industry and endeavoring to define and develop the optimal environment for development of the regional contracting industry (SACC-TU, 1998:18-19).

These are critical to the issue of emerging contractor development as there is ample opportunity in the sector for engagement of emerging contractor furthermore for the commitments to be meaningful there is a need for contractors to be developed to be able to take part or to participate in the sector.

It is within this framework that the roads construction industry of Southern Africa is in a state of flux and transition, (Rogerson, 2000). In building the capacity of the local road construction industries in Southern Africa and of emerging contractors, it is necessary to appreciate the large degree of differentiation that exist within the category of road construction enterprise. At the top end of the industry are established contractors which could be segmented into: (1) general engineering contractors or (2) specialized contracting enterprises, there is a whole variety of different levels of enterprise development, (Rogerson, 2000).

Enormous changes are presently transforming the road construction industry throughout the region including South Africa. First the widespread commitment to shift the locus of organization of the road construction from reliance on force accounts operations towards the expanded contracting out of road works. Second is the growing commitment to building up the capacity and strength of local road contractors across the region (Rogerson, 2000).

2.8 Summary

The examination of emerging a contractor development in initiatives is not a new concept but rather a systematic tool that has been used to monitor and evaluate this component of the construction industry. Various authors have

contributed extensively to the large body of knowledge. Of note in South Africa, McCutcheon has published guidelines for small contractor development within this country and the Sub Saharan Africa. It should be taken into cognizance that the research incorporates broad Government policy documents, EPWP and Vuk'uphile documents to provide a base from which to measure research findings.

Findings of other authors in relevant literature have been as a yardstick. Furthermore programme success can be measured against government policy as they form a set of strategic objectives for the implementation of the programme. Literature review is used in this research to direct analysis of the data received from respondents. The literature review helps to provide points of consensus as well as arguments to what has been accepted as a knowledge base within the subject field.

Literature review offers generally accepted body of knowledge over a period of time, unobtrusive information exist prior the research, data sources can be established and sources are verifiable, informs the researcher or the relevant content of the topic, independent information available, appreciation of the subject matter, allows global, regional, and country wide comparison basis promotes best practice however have the weakness of wide variety of views, and information might be largely a result of author bias.

A literature review offers many advantages to the research as indicated above. The information from past publications gives credibility to the research analysis and outcomes. The research findings can agree or disagree thereby promoting a body of knowledge through relevant arguments and conclusions. It is important to highlight that all significant research has been informed by past publications and guideline documents, and hence a review of related literature as done by this research is pertinent to understanding the topic and also offers a base for data evaluation and resulting conclusions.

The weaknesses in the literature review have been mitigated by focusing on the relevant literature and using facts verified findings for discussions under the review topic.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines how data was collected and analyzed. The researcher discusses the research approach and details how raw data was used to determine whether there is progress with regards to contractor development in the Eastern Cape or not.

This research employs a qualitative approach. Qualitative research refers to investigative methodologies described as ethnographic, naturalistic, anthropological, field or participant observer research. It emphasizes the importance of looking at variables in the natural setting in which they are found; detailed data is gathered through open ended questions that provide direct quotations (Key, 1997).

3.2 Research Approach

This study followed a qualitative approach. Qualitative research refers to investigative methodologies described as ethnographic, naturalistic, anthropological, field or participant observer research. It emphasizes the importance of looking at variables in the natural setting in which they are found; detailed data is gathered through open ended questions that provide direct quotations (Key, 1997).

Advantages: It produces in-depth comprehensive information, it uses subjective information and participant observation to describe the context of variables under consideration as well as interactions of different variables in the context, and it seeks a wide understanding of the entire situation (Key, 1997).

In a qualitative study, research design should be a reflexive process operating through every stage of the project (Hamersley and Atkinson, 1995:24). The activities of collecting and analyzing data, developing and modifying theory, elaborating or refocusing the research questions and identifying and dealing with validity threats are usually going on more or less simultaneously, each influencing all of the others, argues (Maxwell, 2008).

Disadvantages: The very subjectivity of the inquiry leads to difficulties in the establishing the reliability and validity of the approaches and information. It is very difficult to detect the researcher's induced bias and its scope is limited due to the in-depth comprehensive data gathering approached required (Key, 1997).

Qualitative methods have been selected for this research since it focuses on:

- Description (reveal the nature of certain situations, settings, processes, relationships, systems or people,
- Interpretation (they enable a researcher to gain (a) new insights about a particular phenomenon, (b) develop new concepts or theoretical perspectives about a phenomenon, and or (c) discover problems that exist within a phenomenon).

3.3 Research Design

The case study design has been identified to be used to collate data for examination of the Vuk'uphile Learnership programme:

A Case Study Design: allows in-depth data sourcing, specific to the research topic, thereby contributing to a better understanding of the small contractor development programme. Leedy and Ormrod (2008) argue that a case study approach is suitable for learning more about a little known or poorly understood situation and most importantly, is also useful for investigating how

a programme changes over time, perhaps as a result of certain circumstances or interventions.

This research uses a case study approach to focus relevant attention to the exit stage of the Vuk'uphile Eastern Cape Roads programme. Focus is given to roads projects implemented by emerging contractors. The design allows the researcher to provide the reader with specific detail on the programme which can have internal validity within Vuk'uphile Learnership in the Eastern Cape department of Public Works and Roads.

Snow and Anderson (undated), cited in Feagin, Orum and Sjoberg (1991), assert that a case study is a triangulated research strategy. Denzin (1970) cited in Wang and Duffy (2009), state that triangulation is regarded as the application and combination of two or more data sources, approaches or methods to the investigation of the same problem or phenomenon with the aim of increasing the validity of the findings. In this way the weaknesses or bias of one method is mitigated. This research method employs a triangulation method which is a combination of data sourcing interviews and documentary analysis to analyze the Eastern Cape Roads projects case study.

3.4 Data Collection

3.4.1 Primary Data

The researcher collated data for this study through interviews with professionals from EPWP, and the Department of Public Works and Roads in the Eastern Cape, and learner contractors who had completed the learnership. These interviews took place in their offices and on site of the exit project in Peddie. The discussions were semi structured as it allowed the researcher to obtain specific detail relevant to the programme through probing the interviewee. The questions in the discussions were guided by the quest to explore details of the participants, experience and involvement of the

respondents in the programme, stakeholder participation, socio economic impacts and significantly the respondent's professional opinions of the programme outcomes.

The interviews were held at agreed times and dates with contractors and programme project managers. One on one interviews were held with all respondents this encouraged the respondents to speak their minds without fear of being overheard and the conversation taken out of context.

3.4.2 Secondary Data

All relevant, available information on contractor development, Vuk'uphile and related issues in the construction sector was gathered and studied. EPWP Monitoring and evaluation of quarterly reports from the Provincial Department were studied to observe trends and progress. Documents and reports of the programme from National Department of Public Works and The Eastern Cape Roads and Public Works were sourced and analyzed. These reports contained information on how the programme was implemented in the Eastern Cape, from conception, agreements signed by stakeholders, advertisements screening and actual selection and full implementation.

Library searches were conducted at the following libraries: the University of Witwatersrand, the Department of Public Works, the Development Bank of Southern Africa, and the CSIR. Workshop and conference papers, books and articles related to emerging contractor development were studied.

3.4.3 Sampling

A non-probability sampling method was relevant for the study, and as such a convenience sample was sourced from the stakeholders who are currently implementing the programme. These are the focus group which includes the National Programme Managers, Mentors, and implementers of the programme at Provincial Department. This process assisted in unveiling

issues that they experienced during implementation and those that have determined the outcome of the programme.

An exit project that was currently under implementation was selected based on its existence since the programme had been completed. The contractor and supervisor of project were interviewed.

3.5 Data Analysis

Qualitative modes of data analysis provide ways of discerning, examining, comparing and contrasting and interpreting meaningful patterns relative to particular goals and objectives of the project or programme at hand.

The following procedure to analyze data:

- a) Collated information from programme beneficiaries and implementers
- b) Analysis of information from reports, analyzing implementation procedure to measure alignment to implementation manual, contractor development programmes in other developing countries and what other authors and experts on contractor development say.
- c) Data was coded into categories according to patterns and themes and analysis performed to identify deficiencies, positive or deviant trends;
- d) A visual format of the responses information was generated to assist in the drawing of conclusions and possible routes for action.

3.6 Validity and Reliability

Reliability can be defined as using the same data in a different setting and achieving the same results. To achieve reliability in this research, the researcher had to ensure that the deductions from the responses to the interviews are reflected clearly and that no room for ambiguity and assumptions is accommodated.

Literature review offers many advantages to the research. The information from past publications gives credibility to the research analysis and outcomes. The weaknesses in the literature review were mitigated by focusing on relevant literature and using facts, verified findings for discussion under review. In order to ensure increased validity and mitigate weaknesses in the responses to the question the researcher was on hand to explain any unclear questions and thereby all the information as requested was provided by the respondents. The limited validity of the case study was mitigated by the researcher by combining interviews, case study and literature to form a composite picture of the research topic. Microsoft Excel was used to tabulate the respondents view per question: in this way the primary data was reduced to statistical data. This resultant statistical data has been analyzed in terms of themes and concerns raised in the literature and observations of the interviewees to form a triangulated method of data analysis. The research analyzes each question separately and comes up with individual conclusions based on data collected and relevant literature.

3.7 Limitations

The study focuses on small contractor development within the mandate of Vuk'uphile in the EPWP programme, the research is based on the perspectives of project managers, contractors, mentors, it excludes financiers and training providers due to their unavailability because the project has been concluded some time ago. Furthermore this study reviews four emerging contractors from CIDB grading of 2 to 5 due to unavailability of contractors.

Further limitations exist concerning the extent to which the results can be assumed to apply to all contractors in the province. This limitation is because the design provides no information for assessing the extent to which outcomes for those who participated differ from those who might be eligible for services, but not to participate (Burt and Harrell, 1997).

3.8 Ethical Considerations

For this research letters were sent to EPWP, and the Eastern Cape Department of Public Works and Roads, whose programme was studied, informing them of the research and requesting permission and cooperation during the process. Although the study was done by a member of staff of the department of Public Works which is the custodian of the programme, cooperation and understanding was received from the interviewees. They gave what the researcher believe is their experience in the programme. The respondents were informed that the research is for academic purpose and as such they need not be afraid that the research will be used at work to penalize or victimize them.

Furthermore the contractors were provided with the option of anonymity and that their responses will be treated with confidentiality at all times. The contractors only agreed to the researcher using their company names as reference as they represented their companies even though they own them. It was explained to the contractors that, as part of their agreement with EPWP, are expected to give input into programme evaluation; hence their honest participation in the questionnaire was within the scope of the programme however this was not taken for granted. No clearance was needed for the interviews with experts and project managers since they are professionals who were responding to questions from the researcher within the confines of their professional conduct. They were happy to give information and to clarify issues where necessary and a letter from the National Programme Manager was written to the Province asking them to assist me.

3.9 Summary

The research methodology provides a monitoring and evaluation exercise for the Eastern Cape Public Works and Roads. The examination techniques used resonates with acceptable processes with the EPWP framework. The data collected from the interviews has been incorporated into the research as

a descriptive input and provided insight into the programme and the participant. The research method also provides EPWP with an examination based on best practice as it also uses comparison of small contractor development literature in evaluating the programme. This academic input is not typically covered by consultants in the programme review.

CHAPTER FOUR

DATA PRESENTATION

4.1 Introduction

This chapter presents data and the findings collected through documentary analysis. Vuk'uphile implementation guidelines and manuals and progress reports were studied with the view of relating how the programme was implemented in the Eastern Cape and how the programme is designed. Data was also gathered through semi structured interviews with Learner contractors have completed the programme and have implemented an exit project successfully.

Data from reports sourced from National Department of Public Works and department of Roads and Public Works Eastern Cape will be presented first then followed by data from interviews with the contractors will be presented through direct quotes and selection of the most relevant answer applicable to them. On issues that the researcher felt that the data should be displayed to get an appreciation of the context, data is presented through histograms and pie charts. The project which the contractors implemented as an exit project was visited and the data will be included to the presentation of the interviews with the contractors. Photos of the project were sourced from the progress report of March 2013. The respondents were comfortable with having the company names used rather than their names, so during this presentation company names will be used instead of the respondents name.

Interviews with learner contractors took place in the offices of the Department of Roads and Public Works in Bisho and on site in Peddie. All four interviewed contractors had their specific time of availability, so all were engaged in one on one interview and discussion. This was useful as the

respondents were free to speak their minds and not follow a pattern of a fellow learner contractor. Interviews were also held with the National Programme manager and project managers in the Eastern Cape their contribution will be presented in the discussions of all interviews.

At the time of the interviews various issues came up in the discussions, some of the issues came up often and as such were noted and categorized. Data presentation will be based on the following categories:

- Selection into Vuk'uphile
- Classroom and practical training
- Mentorship
- Access to finance

4.2 Documentary Analysis

Emerging Contractor Development in the Eastern Cape was implemented as early as 2006. The total budget for Vuk'uphile in the Eastern Cape for phase 1 (2005-2010) was R11million for mentorship and training the value of the projects R28 million. The department has continued to enroll Emerging Contractors for Vuk'uphile in the second phase (Vuk'uphile, 2010). In the 2013/14 financial year the expenditure on Vuk'uphile in the Eastern Cape is at R5million (Vuk'uphile 3rd quarter report, 2013).

4.2.1 Programme Implementation in Eastern Cape

The Vuk'uphile learnership in the Eastern Cape Roads was officially started by the department soliciting assistance from the NDPW to implement a contractor development programme. This culminates into an MOA on which the parties agree to implement the programme. The programmes objective is to develop emerging contractors into fully fledged contractors in the Eastern Cape (Vuk'uphile, 2006).

Emerging contractors were selected from responses to advertisement in the local and national papers in the Eastern Cape. A good response was

obtained and an assessment to identify the most suitable candidates was conducted by NDPW and the Department of Roads in the Eastern Cape in terms of the Vuk'uphile implementation guidelines. Out of a total response of 65 possible learners the department had only budgeted for 10 contractors and 20 supervisors and these met the selection requirements. Even though the programme is holistic and aims at the enterprise the learnership is based on the selection of a person therefore the focus is on individual persons to be empowered. Of the ten contractors six withdrew from the programme before completion because they did not show the necessary determination to complete the programme. Only four of the contractors were able to complete (Vuk'uphile close out report, 2012).

The participant were contracted and introduced to a CETA approved series of classroom training modules coupled with on-site training starting in November 2007. The learners were inducted through the learning and practical development of the programme, as set out in the learnership they were expected to complete a minimum of three sets of projects over a three year period. The contractors were expected to exit the programme after they had completed courses with a National Qualification Framework (NQF) level 2 for contractors and level 4 for supervisors. The lower level qualification for the contractor was because the programme wanted to offer people who have experience but do not have necessary qualifications due to disadvantages of Apartheid a chance to participate. The higher level for the site supervisor was due to the need for more mathematical and technical understanding in the day to day execution of construction projects. In December 2012 the four contractors completed the programme and in 2013 started their exit projects (Vuk'uphile close out report, 2012). The learnership mentors are expected to submit monthly progress reports which are tabled at a management meeting. Input from other stakeholders is collated and published quarterly (Vuk'uphile close out report 2012).

4.2.2 Mentorship

Mentors for the programme were selected by inviting applications to tender by NDPW. All those who aspired to be mentors were subjected to the following requirements:

- A mentor on the learnership programme must have a minimum of University Diploma or equivalent educational qualifications within the Built Environment,
- A mentor must have 10 years of hands on working experience within the construction industry, and
- At least five years of which shall be on actual work sites as a site construction manager, site agent or civil engineering project manager. A mentor should also have proven experience in LIC works,
- The mentor must have attended and completed NQF 5 Labour Intensive Training course,
- Register as a Professional with a Built Environment Statutory Body, ECSA, SACAP, SACPCMP, ASAQS,
- Should be familiar with relevant government systems (Vuk'uphile 2 implementation guidelines, 2010).

The requirements stated above will enable them to respond to technical and managerial issues which may arise during the course of mentorship programme. If they achieved a certificate of accreditation and were found suitable in a professional interview process they were appointed. KNA consulting was appointed mentor of the ten learners in Amatole. The mentors were appointed to oversee the Learners participation in the learnership, the mentors were cosignatories to the bank accounts of the learner contractors so as to aid them in the cash flow management and also reduce risk to the bank and the programme. Even with this control some contractors left the programme without having paid the entire loan to the bank (Vuk'uphile close out report, 2012).

4.2.3 Classroom Training

Perfect Circle was appointed by NDPW and CETA as the training provider for classroom modules for the Eastern Cape Amatole region Vuk'uphile. The training providers were a source of concern requiring constant management intervention. The training providers were not able to transfer some key competencies with the contractors to ensure that all contractors are able to tender and execute cost control during the construction phase of a project. Secondly the some contractors did achieve an acceptable level of financial ability. Measures were introduced by involving mentors in providing highly focused training to assist in uplifting competency levels of contractors in the fields this resulted in major improvements (Vuk'uphile close out report, 2012). The Eastern Cape Vuk'uphile had crossed the phases of the programme and as such have benefited to the improved Vuk'uphile 2.

Ten learner contractors and twenty supervisors are appointed by the department and are engaged on learnership programme for three year period which was divided into three phases. All learners have attended first classroom training for eight week period which is extended by four weeks as per request by Management Committee (Vuk'uphile close out report, 2012).

4.2.4 NDPW Involvement

The National Department of Public Works is the main coordinator of the programme since its inception in 2005, (Vuk'uphile, 2005). The NDPW signed MOAs with Eastern Cape for the learnership in 2007, (Vuk'uphile close out report, 2012). As in the institutional structure of the NDPW, the Vuk'uphile unit is responsible for the advocacy and implementation of contractor development within Public Bodies (EPWP, 2010). This unit coordinates the implementation and, monitoring and evaluation of the programme nationally thus the unit has project managers are appointed around the country to do the work, (EPWP, 2010).

4.2.5 Eastern Cape Roads Involvement

As alluded to before the programme is a coordinated initiative of various stakeholders, the Eastern Cape Roads Department plays a role in the selection and recruitment of learners and other supporting roles such as social facilitation necessary in the setting up of Vuk'uphile in the Eastern Cape (Vuk'uphile, 2010). The department has a separate EPWP unit that takes care of EPWP business within the province. A director and deputies are appointed to cater to each sector need within EPWP, (Vuk'uphile, 2010). The department is responsible for identifying and presenting to NDPW possible LIC projects to be implemented by the learners (Vuk'uphile, 2010). The projects identified are normal component designed to be EPWP compliant and part of service delivery and determined in the annual plan. Apart to providing projects necessary for training under the learnership the department offer exit projects which are offered as closed tenders that can only be tendered for by the graduates (Vuk'uphile, 2010).

Furthermore the department also has a responsibility to monitor the bank accounts of learner contractors, which is done through bank statements which are availed by the bank, (Vuk'uphile, 2010).

4.2.6 Nature of Projects

The Vuk'uphile learnership programme advocates labour intensive construction methods, hence projects identified for implementation should fuse the ideal of quality service infrastructure using labour based construction methods and at the same time facilitate skills development and job creation.

In the Eastern Cape Department of Roads these projects are characterized into sidewalk paving, storm water drainage systems road maintenance and low volume road construction.

The value of the projects for the first year ranged from R500, 000.00 to R1million and in the second year R750, 000 to R1.5million and in the final

year from R1.5million to R3million, (Vuk'uphile implementation guidelines, 2010).The exit projects vary in size and the contractors are encouraged to form joint ventures (JVs) where appropriate to secure tenders since their CIDB grading will be higher as certain contractor levels are not qualified to implement projects of a value higher than their grading category.

4.2.7 Labour

In all the projects the learner contractors are expected to recruit adequate laborers to ensure effective and timeous delivery of the project. Vuk'uphile not only aims to empower individuals but also impact positively to the socio economic situations of communities hence all labour and materials is sourced from the locality where the project is implemented. Unless it is proven to be not available then the contractor can source somewhere else (Vuk'uphile implementation guidelines, 2010).

To ensure a systematic approach to sourcing labour social facilitation by the department is done through ward councilors and the community representatives. The selection of labour gives first preference to unemployed, unskilled and indigent people (Vuk'uphile close out report, 2012). The programme tries to ensure that on exiting the labourers would have gained some formal training in a trade which could be applied elsewhere (Vuk'uphile close out report, 2012).

The contracting entities employs local labour as general hands but are allowed retaining their skilled labour from outside the local communities. This allows the core team of the contractor to be a unit which would be built up with the necessary experience to deliver the project and functional continuity of the entity is maintained in so doing the Vuk'uphile learnership programme effectively distinguishes itself to be a developmental programme which builds business, employs people and empowers communities (Vuk'uphile close out report, 2012).

Recruitment of labour has to meet gender equity as specified by EPWP thereby empowering previously marginalized groups such as women youth and disabled people, (Vuk'uphile implementation guidelines 2010). Due to the nature of infrastructure projects and sites there has been a low uptake of people with disabilities, (Vuk'uphile programme manager, interview, 29 January 2014).

4.3 Interviews with Emerging Contractors

Four emerging contractors who have exited the programme were interviewed. The interview consisted of 55 semi structured questions and to a great extend these were answered creating a base to extract data from the programme. The presentation of the responses to the questions has been structured in the different categories as formulated in the questions. The reader should note that this is not in order of importance but is meant to ensure a consistent presentation layout. The data interpretation from the findings has been broken down and analyzed to form sub conclusions which will feed into the conclusions of the broader study.

4.3.1 Reasons for Enrolling into Vuk'uphile

The question was semi structured the respondent were asked to give three most important reasons that made them to enroll into Vuk'uphile. The respondents responded that their main reasons were: to start their own construction business, skills improvement, to grow own business, and to tender for Public /Private Contracts.

Figure 1-3 Reasons for Enrolling into Vuk'uphile

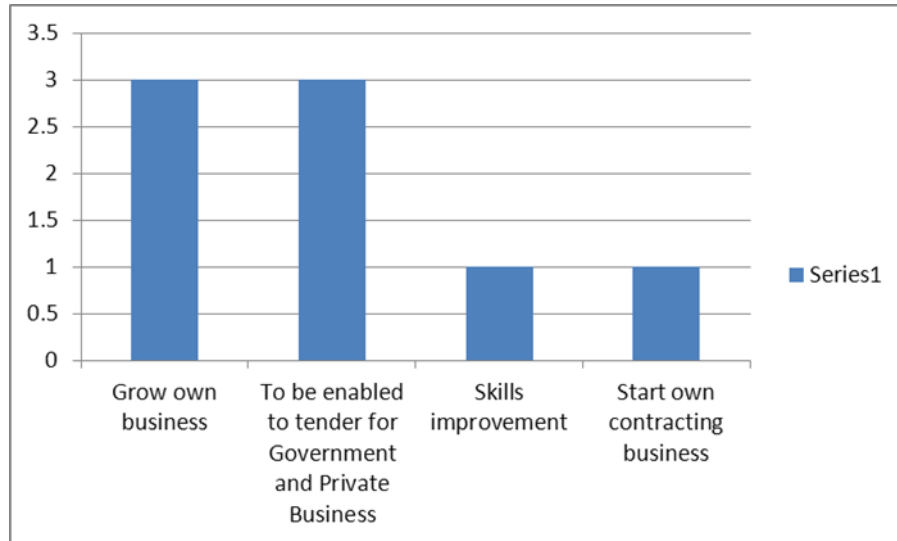


Figure 1-3 above illustrates the responses of the learner contractors to the questions regarding what were their reasons for enrolling into Vuk'uphile. A learner contractor interviewed indicated that he enrolled into Vuk'uphile in order to grow his business and to be able to tender for government and private business,(Chilenda Civils, interview, 20 January 2014), another contractor indicated enthusiastically that he was starting a business and he wanted to be enabled to tender for government and private business (G and J civil contractors interview, 20 January 2014) , IAA Civils response was that he was in Vuk'uphile to improve his skills and to grow his business(IAA, interview, 21 January 2014), and Lugobo Civils indicated that he wanted to grow his business and be enabled to tender for government and private business (Lugobo Civils, interview, 23 January 2014).

The respondents were asked how they applied to participate into Vuk'uphile the question sought to elaborate on openness of the learnership processes from planning stage. Respondents Lugobo Civils, G and J Civil Contractors, and IAA Civils indicated that they saw an advertisement in the local paper,

(interview, 20, 21, and 23 January 2014). Chilenda Civils heard about the programme from someone he knew, and was advised to apply, (interview, 20 January 2014).

All respondents interviewed indicated that they were interviewed, and have had written assessments for selection to participate into the programme, Chilenda Civils, Lugobo Civils IAA Civils and G and J Civil Contractors (interview, 20, 21, and 23 January 2014).

4.3.2 Learnership Services

A question was posed to the respondents on the services they received in the learnership. The respondents were expected to discuss their participation in the services offered in the programme.

All four interviewed respondents indicated that they received classroom training, practical training and mentorship support and had access to finance. IAA Civils, Chilenda Civils, Lugobo Civils, and G and J Civil Contractors, (interviews, 20, 21, and 23 January 2014).

As mentioned earlier for the purposes of this research the learnership is broken down into four main services namely: classroom training, practical training, mentorship support and access to finance. The respondents were asked to rate the service importance in an order of importance to them in the order of first, second, third, and forth respectively.

Figure 1- 4 Importance of services offered by Vuk’uphile

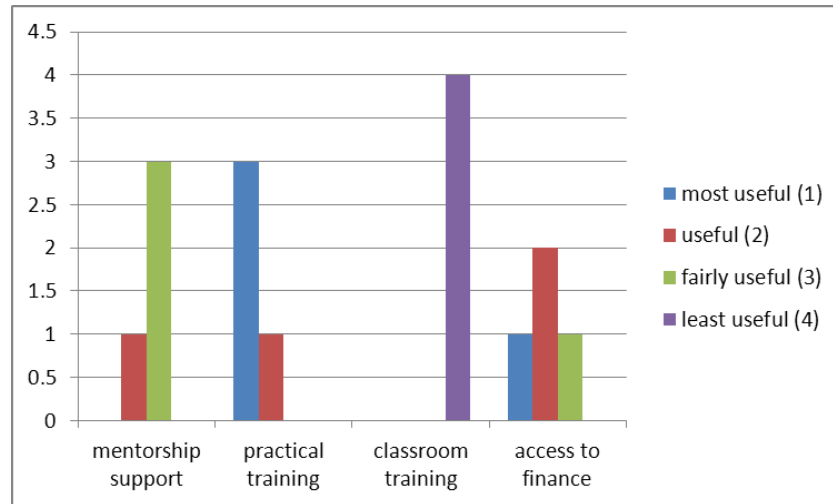


Figure 1-4 illustrates responses of learner contractors to importance of services offered to them by Vuk’uphile. IAA Civils rated the services in the following manner: classroom training 4, Mentorship Support 3 Practical training 2 and Access to finance 1, (interview, 21, January 2014), G and J Civil Contractors rated as follows: classroom training 4, Mentorship Support 3 access to finance 2 and practical training 1, (interview, 20 January 2014), Chilenda Civils rated as follows: Classroom training 4, Access to finance 3 Mentorship support 2 and practical training 1, (interview, 20, January 2014)and Lugobo Civils rated the services as follows: classroom training 4, Mentorship support 3, access to finance 2 and practical training 1 (interview, 23 January 2014).

4.3.3 Problems experienced during Learnership

A question was posed with regards to main problems experienced during the training? Lugobo indicated that very poorly prepared or inexperienced teachers were used for classroom training, Chilenda Civils indicated that time management boring classroom content very long periods between classroom training and project implementation, G and J civil contractors indicated that the quality of classroom teachers was poor they could not articulate content,

IAA Civils also indicated that the quality of classroom teaching was poor (interviews, 20, 21, and 23 January 2014).

The above question was unstructured and sought to get an appreciation from the project participants on the problematic areas so that programmatic intervention can be recommended to ensure continued and sustained contractor development when the issue of classroom content was followed up Lugobo Civils gave the following response:

“Things done in class were easy and different when were applied on site” (Lugobo Civils, interview, 23 January 2014).

Figure 1-5 Relevance of classroom curricula

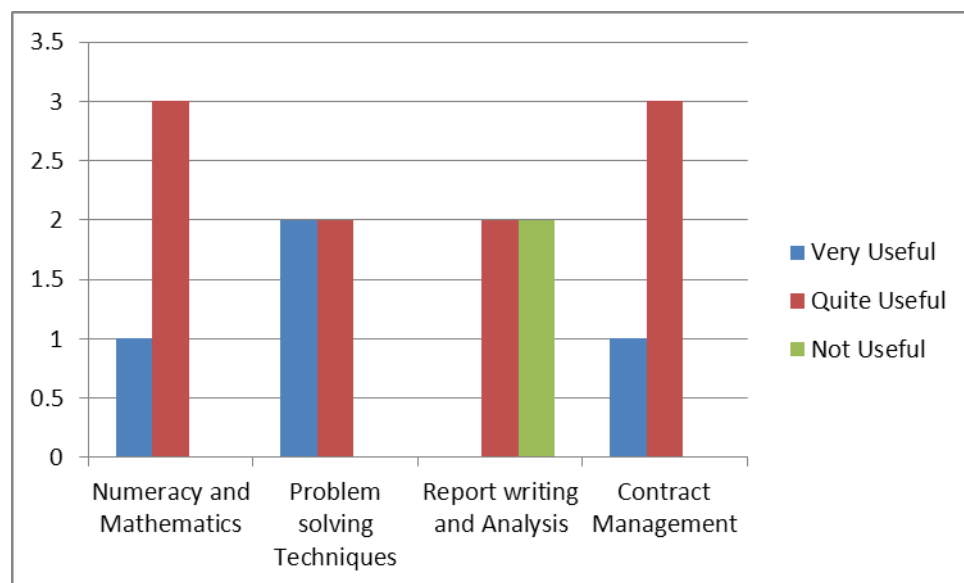


Figure 1-5 presents the rating the respondents made to classroom curricula. It is relevant to get an appreciation from the respondents on the subjects matter as part of the classroom learnership considering the variation in educational backgrounds. The course material offered to small contractors in NQF Level 2. The analysis of training each of the individual subjects were communications skills, labour intensive construction methods, working out

quantities numeracy and mathematics were rated as very useful by the contractor's only report writing and analysis was not rated positively by some of the contractors.

4.3.4 Scope of Projects Trained on

The respondents were asked to indicate what the scope of their projects was. The responses were collected and recorded for the minimum three learner projects expected to be completed during the course of the learnership. This gives a good basis of analysis to track the learner development within the learnership, as a constant set of questions were used for project 1, 2 and, 3. IAA Civils indicated that they started with roads construction activities, followed by roads maintenance and concluded with storm water drains, G and J Civil Contractors started with roads maintenance followed by storm water drainage and concluded by sidewalks paving, Chilenda Civils indicated that they started with roads construction followed by road maintenance and concluded by storm water drainage, and lastly Lugobo Civils indicated they started with road construction, followed by road maintenance and concluded by storm water drains (interviews, 20, 21, and 23 January 2014).

4.3.5 Tendering Outside Learnership

The learner contractors were asked if their company had tendered for a project outside the Learnership. All four interviewed contractors from IAA Civils, Chilenda Civils Lugobo Civils and G and J Civil Contractors indicated that they have attempted tendering and obtaining other work during the learnership. When asked why they would consider more work the contractors sited that they had to wait long periods before getting allocated Vuk'uphile projects. And that the programme took a long time and as such they will "starve" if they were solely depended on learnership projects (interviews, 20, 21, and 23 January 2014).

Figure 1-6 Success of the firm in getting a tender outside Learnership

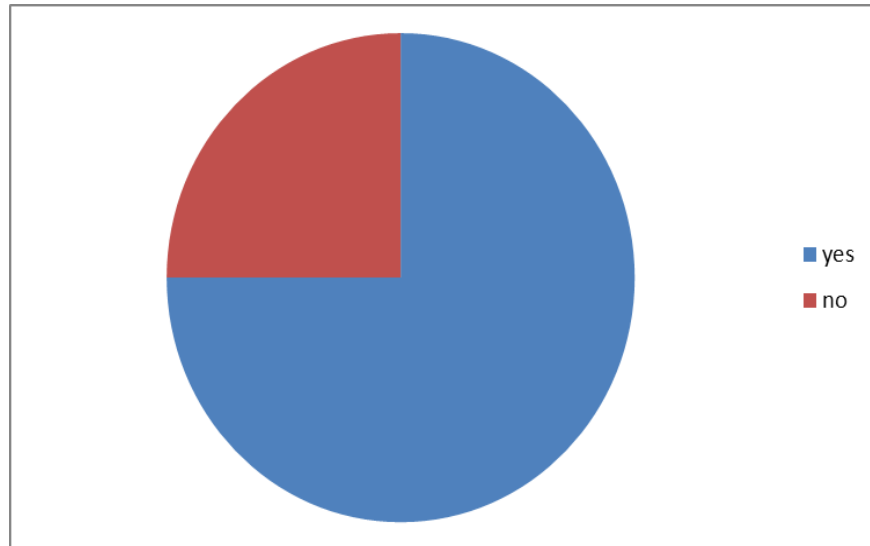


Figure 1-6 illustrates that only three of the four contractors were successful in obtaining a tender whilst under learnership. IAA, Chilenda and G and J Civil Contractors were successful whilst Lugobo was not (interviews, 20, 21, and 23 January 2014).

4.3.6 Financial Assistance

The question raised was whether the company was able to get a loan from Nedbank? All four contractors interviewed, Chilenda Civils, IAA Civils, Lugobo Civils and G and J Civil Contractors were successful in getting the loan from Nedbank (interviews, 20, 21, and 23 January 2014). In exploring the financing of Vuk'uphile the researcher seeks to establish whether barriers have had any effect on the programme.

4.3.7 Mentor Contribution to Success

All four contractors interviewed: Chilenda Civils, IAA Civils, Lugobo Civils and G and J Civil Contractors indicated that the success of their companies can be attributed to the contribution of their mentors. It seems that there is an

appreciation of the mentorship subject areas, (interviews, 20, 21, and 23 January 2014).

Figure 1-7 Mentors input to contractor's skills development

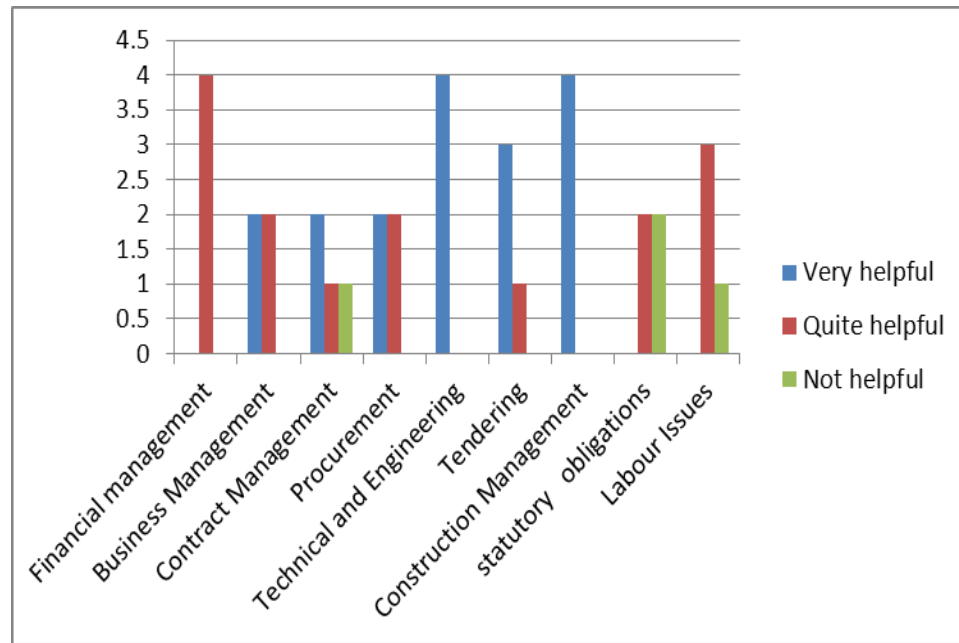


Figure 1-7 illustrates the contractors response to mentors input to their skills development. Lugobo indicated that the mentor was very helpful in business management, contract management procurement, technical tendering, and construction whilst not very helpful in finance and tax and statutory obligations. Chilenda indicated that the mentor was very useful in business management, contract management, technical and construction and quite helpful in finance and dealing with banks, procurement and tendering whilst least helpful in fulfilling tax and statutory obligations. G and J Civil Contractors indicated that the mentor was very helpful in technical and engineering, tendering construction and planning and quite helpful in finance, business management procurement and fulfilling tax and statutory obligations and least helpful in contract management. IAA indicated that the mentor was very helpful in procurement, technical tendering and construction and was quite helpful in finance business management and contract management whilst not

helpful in fulfilling tax and statutory obligations, (interviews, 20, 21, and 23 January 2014).

4.3.8 Experience Post Learnership Programme

Respondents were asked to discuss areas or aspects of Vuk'uphile programme that would like to see changes to enable more effectiveness of the programme.

With regards, to mentoring and training IAA Civils think it is prudent that a continuous monitoring exercise be put in place by EPWP to evaluate performance of mentors (IAA Civils, interview, 21 January 2014).

Issues pertaining length of classroom training were also raised. Lugobo and IAA Civils feel that the stay in the classroom is too long as some of the contractors do not necessarily do actual construction however they manage the business and source more business therefore they don't have enough time to sit in class, G and J Civil Contractors indicated that there is an inequitable allocation of work, (interviews, 20, 21, and 23 January 2014).

The respondents were asked if they have tendered for work after the learnership. Of the four interviewed respondents IAA Civils, G and J Civil Contractors and Chilenda Civils indicated that they have tendered for LIC projects under EPWP, (interview, 20, 21, and 23 January 2014). The objective of the programme is to create competitive contractor. The three respondents interviewed who had tendered for LIC projects post-graduation were successful in securing tenders, and that Vuk'uphile has contributed positively to their CIDB grading. (interviews, 20, 21, and 23 January 2014).

Figure 1-8 Input of Vuk'uphile on company's CIDB

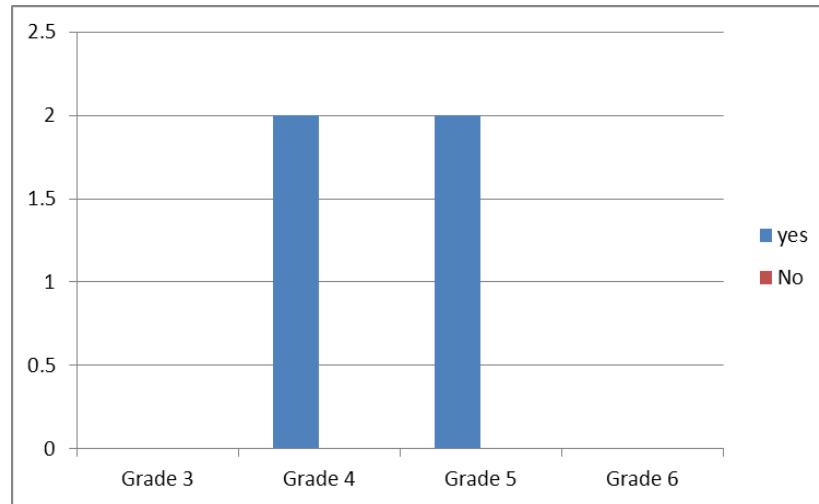


Figure 1-8 above illustrate the contractor's responses to the question of improvement in CIDB grading. Chilenda Civils and IAA Civils indicated that Vuk'uphile has led to an improvement in their company's CIDB and were at grade 5 at the time of the interview, Lugobo and G and J Civil Contractors also indicated that there was an improvement in the company CIDB grading and they were in grade 4, (interviews, 20, 21, and 23 January 2014).

The respondents were asked about their contribution to job creation. They were asked to indicate a range which corresponds to the number of people they have hired since completing the learnership.

Figure 1-9 Job Creation.

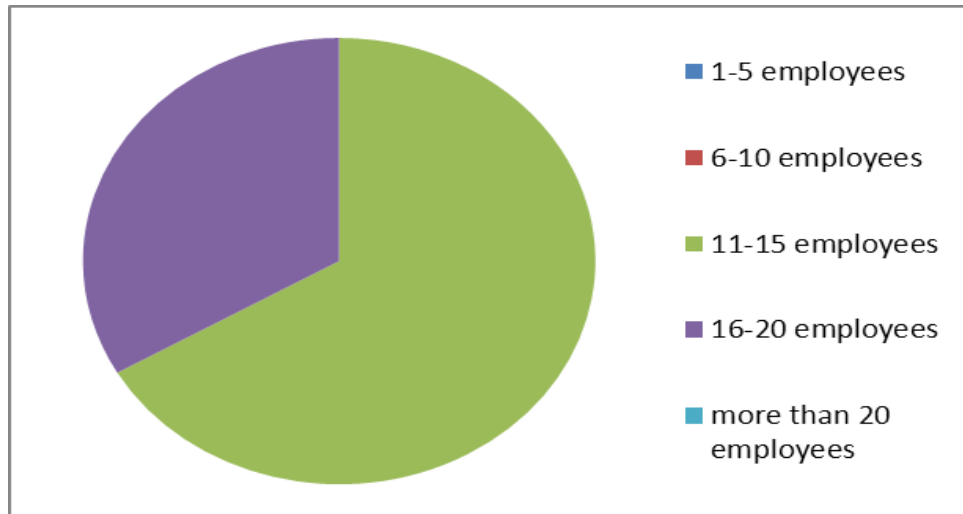


Figure 1-9 indicates the learner contractor's company's contribution to job creation. IAA Civils, G and J Civil Contractors had employed between 11-15 people, and Chilenda Civils had employed between 16 and 20 people, (interviews, 20, and 21 January 2014).

The question of finance was raised this issue of ability amongst aspects of sustainability is to be able to raise finance for projects tendered, the focus of the question is to establish whether in the post learnership phase, the contractors are able to raise loans from financial institutions.

Figure 1-10 Ability to source finance for projects

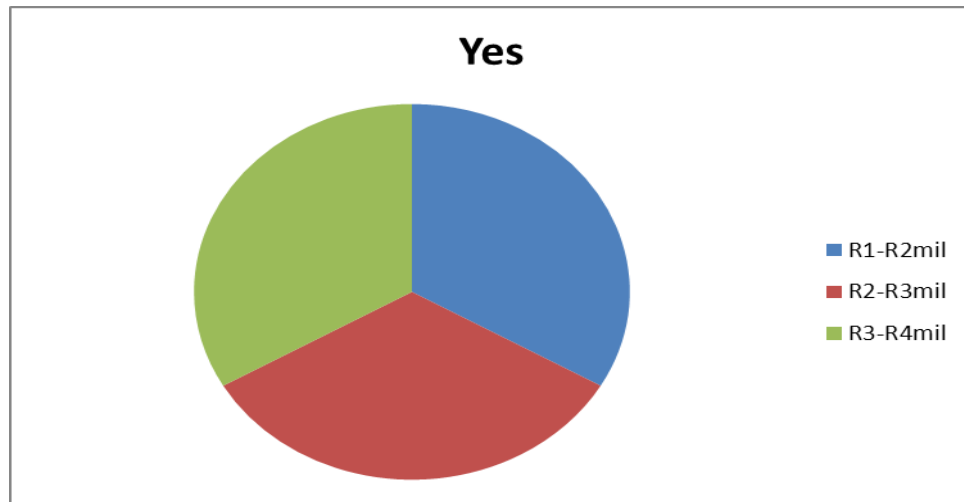


Figure 1-10 presents the responses of the learner contractors' ability to raise finance outside the comforts of the learnership. Chilenda Civils and IAA Civils were able to raise R2.5 million, G and J Civil Contractors was able to raise R2million, (interviews, 20, and 21 January 2014).

4.4 Exit Phase

Although the programme seeks to develop and empower emerging contractors the true measure of development is the CIDB grading. The department has focused in ensuring that all learner contractors exit the programme with a better CIDB grading. The contractors were afforded an opportunity to tender for the rehabilitation of a road in Peddie. This was a close tender for the emerging contractors. They tendered and were successful. The researcher visited the project, (Vuk'uphile, programme manager, interview, 29 January 2014).

4.4.1 Rehabilitation of R72 from Peddie to Bira (exit project)

The project is to rehabilitate 4km part of R72 Peddie to Bira in the Eastern Cape Amathole district. The site starts from Peddie a small town in the

Ngqushwa local Municipality the case study is a portion of a 26km road (ECRPW:R72 progress report March 2013).

The project objectives is to rehabilitate the road using labour intensive construction methods, deliver a quality road whilst creating work opportunities for the people of Ngqushwa. The works that have to be undertaken are asphalt and concrete works, pothole repairs safety infrastructure and drainage system. The project budget is R23 542 000.00 for the portion of the road. The rehabilitation of portions of R72 Peddie to Bira was advertised as a closed tender for which only Vuk'uphile learners from the Eastern Cape could apply. Client Department of Roads and Public Works represented by Coega Development Corporation, Main Contractor Stedone Civils, Engineer Sonnekus and Toerien, Mentor SSI Engineers and Environmental Consultants formed the project team. Total project budget over was R85 215 000.00 and for the scope of the emerging contractors (sub-contractor) R23 452 000 was budgeted. The contract was signed in December 2012 for a period of 6 months from the date of appointment, (ECRPW: R72, progress report, March 2013).

Figure 1-11 Work opportunities created for local labour



(Photos sourced from the progress report of March 2013)

All labour that was used for the project was sourced from Peddie as this was an EPWP project with the objective of delivering infrastructure and empowering the community. The contractor's team was made up of the sub-contractor supervisor and 19 laborers eight skilled laborers which are permanent to the subcontractor and 11 unskilled which were sourced from the locality through the local councilor and community liaison officer (CLO), (R72 project manager, interview, 23 January 2014).

Figure 1-12 Skills transfer to local labour



(Photos sourced from the progress report of March 2013)

The unskilled labour had to be subjected to on-site training by the contractor. The construction site supervisor and the recruited skilled artisans were directly responsible to ensure the transfer of skills to the unskilled labour.

4.4.2 Infrastructure provision

Time Cost and Quality are the three main tools for achieving project deliverables in Project management (PMBOK, 2000).The Peddie to Bira

subcontractors managed to do their portioned rehabilitation on time delivering good quality at a cost effective project the three will be used to evaluate the project.

As per contract the duration was four months from the appointment date, however there was extension of time by five days due to the rains that had caused the subcontractor off site. The timeous delivery of the portion allocated to the subcontractor marks a significant development in contractor development, (R72 project manager, interview, 23 January 2014).

With regards, to cost the apportioned road to be rehabilitated by the subcontractor did not have any variations except those of materials such as asphalt which became scarce and caused upsurge in price. This was factored in after consultation with quantity surveyor, (R72 project manager, interview, 23 January 2014).

As in all projects quality is derived when the equipment and tools used are appropriate for the construction technology as influenced by workmanship and measured by the level of skill and experience and quality of material. The subcontractor had to hire and procure all necessary equipment himself for implementing the project. According to the client the contractor and the Department the finished product has met their requirements, (R72 project manager, interview, 23 January 2014).

Figure 1-13 Finishing of the rehabilitated road



(Photos sourced from the progress report of March 2013)

Figure 1-13 shows the work done by the contractor the quality is good.

EPWP advocates for the use of task rates as it allows for the control of productivity of workers and less supervision challenges that comes with many workers on site at one time, furthermore task rate system allows the worker to go home on completion of a task given and as such they can do other work that can benefit them economically or socially. However the workforce in Peddie rejected task rates and wanted daily rates which means that workers should work the whole day and be paid a daily rate whether they had been productive or not. This posed a challenge to the sub-contractors however it was resolved that the use daily rates.

There was an abundant labour within the community and very fewer opportunities on the project; this caused some scuffles among community members however it was sorted out through social facilitation (R72 project manager, interview, 23 January 2014).

4.5 Summary

The Peddie to Bira project has not only provided quality infrastructure but also afforded emerging contractors an opportunity to participate competitively in the construction sector. The emerging contractors entered with less experience in construction and lower CIDB grading and emerged with grade 4 to 5 CE grading, a better relationship with a bank, and ability to tender for projects of a higher value than when they started.

CHAPTER FIVE

DATA ANALYSIS

5.1 Introduction

Chapter five presents the interpretation and analysis of the data presented by learner contractors and the programme and project managers. Arguments raised by different authors are presented and linkages formed from issues raised by respondents to provide an opinion. The analysis of data is based on relating information on documentary sources and the interviews.

The themes which have been developed are based on services that the programme offers. These services are classroom training, practical training, mentorship, and access to finance.

The data captured for analysis has been extracted from responses from graduate learner contractors, interviews from ECRPW project managers, EPWP project and programme managers from National Public Works. This examination of Eastern Cape Roads Vuk'uphile does not aim to provide exhaustive analysis of the programme but rather offer the reader a valuable contribution on growth of emerging contractor's development in the Eastern Cape.

5.2 Selection of Programme Participants

The responses corresponds to the assumption that formalized training programme will consequently result to skills development and encourage growth of SMME's within the construction industry in South Africa. The respondents in this research sample value empowerment objectives of the programme are seeking development. A study by (ILO, 2001) concluded that training could only be achieved through remuneration, none of four the respondents mentioned earning a stipend as a motivation to enter the programme.

The fact that Eastern Cape respondents do not view the programme as an avenue to earn a stipend or a social grant shows that there is a paradigm shift which is encouraging in pursuit of empowerment programmes such as Vuk'uphile.

Mkhize (1994; 143) attest to the fact that prior experience is an important aspect of any contractor development programme. It is important that preference to enrolment in Vuk'uphile should be given to contractors who have interest and can show by the experience that they have been in the construction industry. Vuk'uphile implements stringent selection criteria through the CIDB database. It can be said that they have indeed practiced this in the Eastern Cape programme.

Like all government programmes Vuk'uphile should be transparent and accessible to all be people to apply. In this regard the programme is indeed reaching the target community and is not biased towards particular groups.

Having recognized that contractor development provides a good base for nurturing entrepreneurship, one of the main issues that have been affecting the continued growth and sustainability of such enterprises is the existence of opportunistic contractors whom Mkhize (1994) calls “fly by night”: learner contractors who have no prior contracting experience or skill. Vuk'uphile has sought to curtail this practice by ensuring that a comprehensive prescreening process is applied.

These efforts of identifying and mitigating against potential risk areas is a positive attribute of Vuk'uphile learnership 2 and sets a precedent to build on to for any future contractor development initiatives. The importance of screening candidates is highlighted by McCutcheon in several of his papers; sighting McCutcheon and Fitchett (2005) the authors argue that training alone does not develop the individual hence any selection should pay attention to the character and technical competence of the candidate. The self-

development initiatives of the contractors can be measured by their desire to broaden their contracting entities beyond the work of the learnership. Mkhize, 1994:6;DBSA,1992) argues that contractor development in Southern Africa has not been intended to drive labour based construction but rather this has a supporting role in being a tool to identify and develop entrepreneurs. These notions add relevance to the identification of suitable participants in any Public Works Programme. The questions tie into the relevance of recruiting self-starters within the learnership. All four indicated that they had tendered for other work whilst in the learnership and only one was unsuccessful in winning the tender. The fact that learner contractors are identifying opportunities and are ready to exploit them if given opportunity speaks volumes for the Vuk'uphile learnership in the Eastern Cape.

5.3 Vuk'uphile learnership programme services

The idea behind Vuk'uphile is to offer opportunities for growth and development at the same time availing new opportunities for entrepreneurship. The following are the services offered by Vuk'uphile as part of the incubation process of the learnership: classroom and practical training, mentorship and access to finance (Vuk'uphile, 2010). The responses of the Learner Contractors interviewed are that all services were offered to them. This indicates that the Vuk'uphile Eastern Cape is implemented in line with its implementation guidelines. Availability and access to these services within the programme is of significant importance.

5.3.1 Access to finance

Another key aspect of the services offered is the access to finance: all the respondents indicated that they had obtained access to financing during the Learnership. Vuk'uphile has an MOA with Nedbank that provides finance. If there were any failure to access finance it could be speculated failure to complete credit checks might have compromised receiving the service. McCutcheon and Taylor Parkins, (2003) allude to the fact that small

contractor development is hampered by lack of access to finance. The implementation of Vuk'uphile in Eastern Cape and the involvement of Nedbank as a stakeholder have fostered a partnership that has created a platform for contractors to access bridging capital. Howe (1984:140) also emphasizes the traditional unfavorable conditions that have always plagued small contractor development as follows: reluctance of commercial lending agencies to provide finance, lack of startup capital for the projects. The respondents chose access to finance as the second best service offered in the learnership. Data from SAFCEC (2003) reports that 80% of small civil contracting firms have a life span of less than a year and only 7% survive for five years and beyond due to viability issues. The Eastern Cape's contractor's ability to conceive the importance of access to finance and impact on their business is creditable to positive impact of the programme.

5.3.2 Training

According to the findings practical training was rated as of most important aspect of services offered in the learnership. This demonstrates to a great extent the desire from small contractors to combat skills deprivation. The right candidate for any learnership is one who is ready for self-development. It can be said of Vuk'uphile that it is meeting its objective of skills development. Kwesiga (1995) points out that the success of any development programme revolves around a sustained training programme. This empowers emerging contractors. The responses also seem to indicate that rigorous selection process is indeed identifying the "right candidate" as the above dispels the notion that emerging contractors are lazy and want to be spoon-fed. According to EPWP Project managers effort was made to identify candidates with potential to succeed and previous construction knowledge was central to the selection processes. It is the relevant to get an appreciation from the respondents on the subjects matter as part of the classroom learnership considering the variation in educational backgrounds. The course material offered to small contractors in NQF Level 2. The analysis of training each of

the individual subjects were communications skills, labour intensive construction methods, working out quantities numeracy and mathematics were rated as very useful by the contractor's only report writing and analysis was not rated positively by some of the contractors. Gann and Senker (1998:569-580) point out that the type of skills acquired is equally important. It is likely that the current environment may not support entrepreneurship or innovation, which is required to sustain long term performance improvements. The type of skills being transferred or gained should ensure that the labour force ensures improvements in delivery, productivity and cost. Improved skills will also reduce the number of site accidents resulting from poor management and a lack of adequate and operative training. Increased need for technical knowledge and skills can only be achieved with properly trained and skilled workers. Therefore it can be said that Vuk'uphile managed to establish a relevant curriculum for classroom training which can be replicated in other small contractor training. With regards to challenges on training of note was the following response:

Things done in class were easy and different when were applied on site: this response highlights deficiencies within teaching methodologies applied to the contractors within the training programme. Quality of the teachers was questioned. The EPWP and CETA must intensify the monitoring adequacy of classroom training being offered to learner contractors.

The relative lack of success facing emerging contractors in South Africa was the result of: inadequate finance, inability to get credit from suppliers, inability to employ competent workers, poor pricing, tendering, and contract documentation skills; lack of entrepreneurial skills; poor mentoring; lack of proper training; lack of resources for either large or complex construction work; lack of technical, financial contractual and managerial skills and late payment for work done (Thwala and Phaladi, 2009), Vuk'uphile has to a

greater extent put in place curricula and support mechanisms to mitigate these challenges.

5.3.3 Mentorship

The results of the interview indicated that mentorship was rated as the fairly important service offered by the learnership. The success of most small business development initiatives has been on the backbone of strong mentorship programmes. The fact that Vuk'uphile contractors in the Eastern Cape found this to be just fairly useful support service leaves room for questions on mentorship on the role of mentorship in contractor development. Ebgeonu (2004) highlights that the main problem with mentorship in Public Works Programmes has been the different interpretations of the mentor roles from Government, finance houses and small contractors. He argues that there should be a breaking down of barriers between mentors and contractors. The researcher would like to draw attention to the questions: "to what extent did the mentorship you received assist you with the completion of the project?" this question is important to the research as it ties in to the research questions on the adequacy of mentoring and training received by the learner contractors. The response from the learners was that the mentorship contributed greatly to the success of they recorded in their projects. This view ties in with the assumption that the negative rating of mentorship as fairly important was due to other issues but not with the mentorship itself.

It is important to note from that the mentorship input has not been fully appreciated by the small contractors, however this does not apply to the relevance and appreciation shown to the importance of training in the helping the contractors to implement their projects. The response shows the positive impact that the training has had on improving the skills and ability levels of contractors. This is observed in the rating of the mentor by the learner contractors. The responses were that the mentorship services were useful

and fairly useful out of 4 with 1 representing most usefulness and 4 least useful IAA Civils, Lugobo Civils and G and J Civil Contractors rated mentorship at 3 (interviews 20, 21 and 23 January 2014). Chilenda Civils rated mentorship services at 2, (Chilenda Civils, interview 20 January 2014) none of the learner contractors appreciated the mentorship service as most useful, however the contractors also indicated that they owe the success of their companies to mentorship (interviews, 20, 21, and 23 January 2014).

Merrifield (1999:74) state that studies on small scale contractor's development programmes in the low income housing sector in the pre-1994 period in South Africa, indicated that these programmes did not equip builders with the skills of "risk management" that would enable them to survive in a competitive market. He further states that to some extent support programmes have been replaced by joint venture contracts between black (small, under resourced) and white (large and well resourced). Merrifield argues that in many cases, these joint ventures have developed small contractor's skills and increased their exposure to larger contracts; however they do not have the "risk management" experience, which is necessary to become competitive in the market.

It is the researcher's view that mentorship within Public Works Programmes cannot be substituted. Watermeyer (1995) argues that small contractors from underprivileged communities cannot engage in construction without developmental support. Although several approaches are proposed mentorship is favored since it allows suitable qualified professionals to transfer skills to contractors. It can be assumed that the low rating of mentorship is due to other issues, because most scholars argue in favor of mentorship and contractor's value practical training. The disjuncture cannot be explained. Vuk'uphile mentors are interviewed and their capacities are checked against professional bodies' data bases. Mentors and contractors should hold participators workshops during the course of the learnership and

all issues should be addressed through the EPWP Unit. This will most likely minimize animosity and encourage interaction so that mentors are seen favorable in the eyes of contractors and their knowledge skill and expertise is put to good use in small contractor development. The importance of sound business management cannot be separated from statutory and tax obligations. LIC as the name entails is heavily reliant on human resource component, it advocates the use of more labour thereby causing a lot of personnel management issues; hence the need for the mentors to contribute significantly to these aspects cannot be overemphasized. In subsequent intakes Vuk'uphile Eastern Cape must ensure that these issues are addressed by mentors, to the learner contractor's benefit. The ECI report of 2007 commissioned by NDPW recommended that the benefits of mentoring must be optimized considering the costs of the exercise. Egbeonu (2004:150) quoting Hauptfleisch, accede to the difficulty of the relationship between "inexperienced and poorly resourced black contractors and experienced professionals. Rwelamila (2003) however recommends that mentorship and the activities involved be monitored audited and evaluated in order to examine effectiveness and check if desired objectives are being met.

5.4 Nature of Projects

The respondents carried their projects on road construction, sidewalk paving and storm water drainage. The success of a construction programme depends on the choice of technique and in Sub Saharan Africa citing prominent examples in Lesotho, Botswana and Kenya development has been spearheaded in the Road construction and maintenance and sidewalk paving. The Vuk'uphile Eastern Cape has been successful in establishing a solid base for development through the identification and implementation of relevant projects.

Although it is appreciated that the value of some training projects is low, the CIDB grading is a function of cumulative annual turnover. It is therefore not

enough to point to the value of one project as a reason of non-improvement: the Vuk'uphile training is structured so that so that the minimum grade a contractor should exit with is level 3 in the event that they have conformed to CIDB processes (Vuk'uphile, 2010).

One major reason for pursuing Public Works Programmes is to create work opportunities not only for the contractor but for the general population. The responses indicate that the labour intensive nature of LIC is being realized within Vuk'uphile since small contractors are recruiting labour into their projects (ECRPW: R72 progress report March 2013).

5.5 Small Contractor's Perspective of the Programme

In response to the perceptions of the contractors, suggestions were made that class content should be flexible to cater for the type of contractor that is under the learnership.

Although some of the participants have indicated that there is an inequitable allocation of work. Interviews with Eastern Cape project managers highlight that the alleged inequitable distribution has been mainly as a result of competency within the different contracting entities (Vuk'uphile project manager, interview, 23 January 2014).

One of the contractors interviewed think that EPWP should keep continuous account of the contractors post learnership (IAA Civils, interview 21 January 2014).

5.6 Summary of Analysis

The summary of the research findings indicate that the interviews have captured the core objectives of the Vuk'uphile learnership: and the responses solicited from the participants are relevant to the programme outcomes, hence creating an examination platform for this research. It is important to indicate that like all research designs the interview has weaknesses: bias

cannot be completely eliminated from the responses however the initial talk to create rapport and pledge of confidentiality allowed for open responses and discussions which has allowed for broad information from which to make conclusions on Vuk'uphile Eastern Cape. The responses indicate that the programme is indeed making progress in developing emerging contractors and point out to strengthening mentors and training provider's roles. These findings will be discussed further in the conclusions of this research.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The outcomes of a programme such as Vuk'uphile can best be measured against the goals and the objectives which it seeks to achieve. The findings of this research form an independent assessment of how the research views the monitoring and evaluation processes within EPWP as this research uses the same programme objectives to examine progress of the programme.

The detail below presents Vuk'uphile 2 goals, objectives and expected outcomes the focus of the research was the performance of the programme with regards to its objectives and expected outcomes in the Eastern Cape.

The objective of Vuk'uphile is to increase capacity in Labour Intensive Construction sector to support EPWP implementation at Implementing Body level, to provide a contracting entity that is able to operate locally and wider, and Provide a contracting entity that is able to sustain itself in the open market after the two year Learnership, and to provide skills transfer to contractors and supervisors. The outcomes of the learnership are that the contracting entity emerges with: a recognized qualification (NQF level 4), a project track record, a financial Track Record, a relationship with a bank/financial institution, and a CIDB Ranking of Grade 3 to 4 or higher, (Vuk'uphile implementation Manual, 2010).

The purpose of this study is to examine the progress in terms of performance of the learnership, to find out whether it is achieving its intended purpose in the Eastern Cape. The main objective of this study is to examine progress in terms of the number of sustainable enterprises that are available to deliver quality LIC projects.

The research was guided by the following questions:

- a) Since the implementation of a revised Vuk'uphile how many emerging contractors have exited the programme?
- b) Of the exited contractors, how many are still participating in the construction sector?
- c) How many of the exited contractors have sustainable enterprises and are self-reliant in terms of finding work?
- d) Of the exited contractors, at what level is their CIDB grading?
- e) Are the recommended systems for implementation of the programme adhered to and if not what are the deviations and why?

The Vuk'uphile programme is intended to develop emerging contractors into fully fledged contractors able to execute labour intensive projects, (Vuk'uphile, 2010).

6.2 Conclusions

6.2.1 Selection of Programme Participants

The research findings indicate that the selection of candidates is in line with what has been set out in the programme guidelines. The transparency of the selection process is evident in all the participants having undergone standard interviews and had responded to a local paper advert for an application. However the issue of learner turnover raises concerns, in discussions with programme and project managers the response to the issue of learner turnover was said to be a result of basic skills from learners, lack of technical background, or frustration over delays in awarding projects and payments and classroom time. This indicates that due diligence in the screening and induction process was not done. This has jeopardized the number of possible

successful learners that the programme could have had. The high need for skills development and growing ones business shows that the programme design is paying attention to the identification of candidates with an entrepreneurial spirit. The need to explore such a rigorous selection process is also advocated by Croswell and McCutcheon (2001)

6.2.2 Programme Services

The Vuk'uphile learnership as discussed is made out of four services, classroom and practical training, mentorship and access to finance. The contribution of the service is meant to provide a strong base for the development of emerging contractors into complete contracting entity. The research findings indicate that there is a general appreciation among the contractors of services offered. The importance placed on practical and training support the fact that the programme is indeed nurturing skills among project participants. The importance of access to finance cannot be undervalued. The slightly lower importance placed on mentorship is failing to have the desired impact among the project participants.

The completion of the Vuk'uphile training model and schedules is central to the development of emerging contractors the research findings indicate that 40% of the participants completed all aspects of the training. The high level of success can be extrapolated into the exit projects done by the graduate contractors. The results as evidenced by the case study give a clear picture of the successful development of a fully-fledged business which is able to execute labour intensive projects.

Mentorship has been developed in all Public Works Programmes as a key means of skills transfer. Interesting to note in the findings is a high appreciation of mentorship subject areas but a more modest assessment of the impact and contribution of mentors to the success of the contractors. It is the researcher's view that this points to a poor working relationship between mentors and contractors due to the style of mentoring provided for in the

programme. The research findings conclude that there has been a considerable effort put into addressing the nature of candidates selected into the programme but no consistent review of the mentorship role.

A key objective of Vuk'uphile is to ensure a competent contracting entity that is able to sustain itself in an open market upon graduation from the learnership. The findings highlight that the programme participants to some extent have evolved into independent business entities. It is the researcher's view that although it can be appreciated that the programme is generating some dividend as graduate contractors are successfully securing projects the figures realized from this are still not satisfactory because of the drop outs and the need to make big strides in the Eastern Cape because of the issues of poverty and unemployment and that only 10 contractors were admitted for a 3 year period. As an extension of the exit strategy post learnership provisions to assist the contractors in the more competitive environment should be adopted.

Unlike in previous small contractor development programmes where there was poor and difficult private sector financing black contractors (Egbeonu, 2004:160), the research findings highlight that the Vuk'uphile learnership has a sound private finance base through Nedbank. The learner contractors receive "enough" capital as cash flow to implement all training projects within the learnership. It is important to point out that all the learnership participants interviewed managed to repay all the loans advanced to them. The active stakeholder participation within Eastern Cape Vuk'uphile and the support given to emerging contractors which guarantees their loans from finance houses is a positive development in small contractor development in Southern Africa. This achievement ties in the Vuk'uphile objectives to ensure credible financial record as well as a relationship with a bank for the contractor exiting the learnership. The achievements and progress made in these aspects provide a key success area for the learnership programme.

The CIDB grading offers a unique assessment tool to the growth of contractors within the construction industry. The independence of CIDB register provides room for credible evaluation of the Vuk'uphile programme participants. The graduates are expected to exit with a minimum grade 3 rating and significantly all the contractors interviewed have achieved this. Although questions can be asked about the remaining percentage it is the researchers view that there is significant potential for growth within Eastern Cape emerging contractors who participated in the programme.

The exit project discussed in chapter 4 points out that the Vuk'uphile Eastern Cape is providing quality graduates and that there is sustainable exit strategy within the programme. Although it can be argued that the results are only from four contractors graduating from the programme the researcher would like to note that the quality demonstrated on this project proves that learning has happened within Eastern Cape graduates.

Vuk'uphile seeks to develop the under resourced and unemployed socio economically. The findings indicate that emerging contractors duly acknowledge that the programme has made a positive impact in their lives. It is the researcher's view that Vuk'uphile is indeed changing lives for the better.

6.2.3 Final Conclusions

In the light of the above it is the researcher's view that the Vuk'uphile Eastern Cape is to a great extent a successful enterprise. It is also the researcher's view that development of small contractors is not a once off enterprise, and continued nurturing should be advocated, two years of a learnership cannot build a contractor. Budgets should be set aside to ensure that trained entrepreneurs are absorbed within industry either as employer or employees so that the skill already developed is not put into waste.

The strengthening of entrepreneurship courses will aid emerging contractors in identifying and exploiting opportunities. The roles played by programme in

identifying past failures in Public Works Programmes and mitigating them has ensured that sustainable growth is realized in this programme. The findings of this research are important as they inform programmatic intervention to facilitate the continued growth of emerging contractor development initiatives within the Eastern Cape. This is particularly relevant in the light of the imminent implementation of EPWP phase 3. The research findings seek to add to the knowledge base of emerging contractor development beyond the confines of the study area and the EPWP.

6.3 Recommendations

The research findings clearly illustrate that there has been a significant positive shift in the implementation of small contractor development within EPWP. Although areas of weaknesses have been found through this research recommendations have been provided to inform programmatic intervention where necessary and facilitate the continued growth of small contractor development initiatives in the Eastern Cape.

- Vuk'uphile curriculum should put more emphasis and effort into training in entrepreneurship, and business strategy to enable emerging contractors to appreciate the competitive nature of construction and identify business and work opportunities
- The research recommends that a module on the workings of the CIDB and its processes be strengthened in the curriculum of the learner contractors
- Mentorship reformulation rather than removal is recommended for the programme: a systematic monitoring process should be set up for mentorship. Mentors capacity to offer mentorship should be assessed regularly
- A continuous monitoring exercise must be put in place by EPWP to evaluate performance of mentors and training providers

- The Vuk'uphile exit strategy must foster strong links with industry; it is not enough to spend money on the programme only to see the productivity lost when skills are underutilized. The exit programme should allow for private and public partnerships so that opportunities are available for contractors from private and public enterprises within the first five years post-graduation. The emerging contractors can be nurtured and long term goal of having self-sustainable enterprises realized.
- Post learnership support to assist the contractors in the more competitive environment should be adopted, typically three to five years
- The recruitment of local labour should be done with thorough screening so that local labour does not act as an impediment and liability to the continued small contractor development efforts
- The use of a major contractor and small contractors as subcontractors in projects greater than R30million seems to fare well in contractor development as the major contractor is compelled to ensure that the whole contract is successful therefore he is constantly monitoring the works of the subcontractor , transferring skills and gives accurate on the job mentorship. And this can cut the mentorship costs on a developmental programme.

6.4 Further Research

An evaluation on Vuk'uphile learnership within the Eastern Cape should be done so as to ascertain the long term impact of emerging contractor development initiatives. A study of the roles of mentorship and teaching methods within the programme should also be conducted.

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APPENDICES

APPENDIX A: INTERVIEW QUESTIONS FOR LEARNER CONTRACTORS

INTRODUCTION: The interviewer introduces herself to the respondent

Name of the Interviewer: _____

1. GENERAL INFORMATION

1.	Date of Interview	
2.	Name of Respondent	
3.	Name of Company	
4.	Cellphone Number	
5.	Position in the Company	
6.	How Old is Your Company	

2. Reasons for Enrolling in Vuk'uphile Learnership

Access to Free Study	1	
Employment Gain	2	
Formal Qualification Gain	3	
Skills Improvement	4	
Start own Contracting business	5	
To grow own Business	6	
To be enabled to tender for Government and Private business	7	

Other	8	
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3. VUKUPHILE LEARNERSHIP EXPERIENCE

(a) How did you apply to participate in Vuk'uphile?

I saw an advert on a newspaper	1
I heard about the Programme from someone I know	2
Other Specify	3

(b) How were you selected to participate in the Vuk'uphile

4. Vuk'uphile Learnership Programme Services

Q6. I will be reading you services offered by the learnership please indicate which one you received	
1. Classroom training	
2. Practical Training	
3. Mentorship Support	
4. Access to finance	

Q7. I am going to read to you services offered by the learnership please indicate which one was the most useful, 2nd useful third useful ,and the least useful to you	
1. Classroom training	
2. Practical Training	
3. Mentorship Support	
4. Access to finance	

Q8 the most Useful service why is it most useful to you?
The Least useful service why is it least useful to you?

a. TRAINING PROGRAMME

Q9 What is the name of your training service provider during the learnership?			
Q10 How relevant and useful was the training you received? Answer for what is applicable to you			
	Very useful	Quite useful	Not useful
1. Numeracy and mathematics	1	2	3
2. Problem solving techniques	1	2	3
3. Working out quantities required	1	2	3
4. Communication in the workplace	1	2	3
5. Report writing and analysis	1	2	3
6. Starting up and managing a business	1	2	3
7. Tendering procedures	1	2	3
8. Contract or Legal requirements	1	2	3
9. Labour intensive construction	1	2	3
10. Human resource management	1	2	3

Q11. What were the main problems you experienced during your training?

b. TRAINING PROJECTS

Q12 how many training projects did you complete during the Vuk'uphile learnership and what was the scope of the project	
1	
2	
3	
4	
5	
6	

A. Have you ever worked in construction industry before?	
yes	
no	
B. Was your project in the same sector on which you received training?	
Yes	
No	

C. To what extent did the mentorship you received assist you with completion of project?			
A lot	1		
A little	2		
Not at all	3		
D. Did the training you received assist you with completing the project?			
Yes	1	1	1
No	2	2	2
Q13. Has your company tendered for any other work outside the learnership whilst undergoing training?			
Yes		1	
No		2	
Q14. If yes was your company successful in getting the tender			
Yes		1	
No		2	

c. PROJECT FINANCE

Q18. During the learnership were you able to secure a loan from Nedbank	
Yes	1
No	2

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Q19. If yes how much did you get from Nedbank for the value of the tender	
25%	1
50%	2
75%	3
100%	4
Q20. If yes how frequent did you repay the loan	
After each payment from client	1
Each month	2
Quarterly	3
Other	4
Q21. If yes how easy or how difficult did you find it to repay the loan?	
Very easy	1
Quiet easy	2
Difficult	3
Very difficult	4
Q22. If you did not repay the loan what was the reason of not repaying	
Q23. IF you did not receive a loan from Nedbank how did you finance your project and what was the reason you to choose not to borrow from Nedbank?	

d. MENTORSHIP SERVICES

Q24. What was the company name of your mentor	
Q25. What is their specialist Industry	

Q26 (a) based on your experience during the learnership was your very mentor quite helpful, or not at all helpful on the following aspects?			
1. Finance and dealing with banks	1	2	3
2. Business management	1	2	3
3. Contract management	1	2	3
4. Procurement of materials and other required services	1	2	3
5. Technical and Engineering	1	2	3
6. Tendering	1	2	3
7. Construction planning and Management	1	2	3

8. Fulfilling statutory and tax obligations	1	2	3
9. Labour and human resource advice	1	2	3

Q26 (b) What would you state as an explanation for your answers in Q26a above. What did the mentor do to help? OR what did the mentor fail to do that you expected them to do?	
Q26 (c) To what extent would you say your mentor contributed to your company success	
1. A lot 2. A little 3. Not at all	1 2 3
Q27. Thinking about the meetings you had with your mentor would you say	
1. You had enough meetings 2. Too few 3. Too many	1 2 3
Q28 Finally thinking of the overall Vuk'uphile programme is there any one thing you could change?	

SECTION 3

EXPERIENCE POST LEARNERSHIP PROGRAMME

Q29 since you completed the Learnership have you tendered for an LIC project	
Yes	1
No	2

Q30 if yes how many tenders have you submitted?

1-3 applications	1
4-6 application	2
More than 6 applications	3

Q31. How many of the submitted tender applications were successful

1-2 tenders	1
3-4 tenders	2
5 and more tenders successful	3
None of my tenders were successful	4

Q32. What is the total value of all the projects that you successfully tendered for?

Less than R500 000.00	1
Between R500 000 and R1million	2
Between R1 million and R1.5 million	3
Between R1.5 million and R2 million	4
More than 2 million	5

Q33.What is the highest value of a project you successfully tendered for

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Q34. In which sectors were the projects that you successfully tendered for

Road construction/Upgrading	1
Paving sidewalks	2
Road maintenance	3
Storm water drainage	4

Q35. Which organizations commissioned those projects Public and Private?

	1
	2
	3
	4

Q36 How many people have you employed since implementing these projects?

1-5 employees	1
6-10 employees	2
11-15 employees	3
16-20 employees	4
More than 20 employees	5

Q37. If the answer to Q31 is No what is the reason you have not been able to tender for LIC projects

I am employed by another company in the construction industry	1
My company is no longer in operation	2
I am unable to put together a tender application	3
I have not seen adverts for LIC projects	4
Other specify	5

Q38 Did Vuk'uphile learnership lead to the improvement of your CIDB grading?

yes	
no	

Q39.If yes what is your current CIDB grading?

Grade 3	
Grade 4	
Grade 5	
Grade 6	

Q40. If no to Q38 what is the reason for non-improvement of CIDB

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B. FINANCIAL SUPPORT FOR PROJECT IMPLEMENTATION

Q41. Since you have completed the learnership was your company able to raise a loan and from which financial institution?

Q42. What is the total amount of the loan you have been able to raise?

Q43.If no what is the reason?

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Q45. Now that you have successfully completed Vuk'uphile and running your own company, how would you rate the overall impact of the programme on your business

Had Positive impact	1
Had an impact to some extent	2
Had no impact at all	3

C. VUKUPHILE IMPACT ON YOUR LIFE

Q46. Did your participation lead to an increase in your earning capacity?

Yes	1
No	2

Q47. Improve your technical skills?

yes	1
No	2

Q48. Improve your career opportunities

Yes	1
No	2

Q49. Improve your project track record

Yes	1
No	2

Q50. Did it equip your financial track record?

Yes	
No	

Q51. Did the training equip you with a particular specialization skill?

Yes	
No	

Q52. Have you pursued the specialist occupation since completing Vuk'uphile

Yes	
No	

Q53. Has the training enhanced your ability to access occupation in the construction sector?

Yes	1
No	2

Q54. Are you currently employed or unemployed?

Employed in own company	
Employed by another company	

Q55. If unemployed what are the reasons

APPENDIX B: LETTER TO RESPONDENTS (LEARNER CONTRACTORS)

The respondent

Sir /Madam

My name is Sheila Kubayi a master's student at the University of Witwatersrand. I am doing a research on Vuk'uphile; my interest is on enhancing the capacity of the Programme to produce sustainable entrepreneurs and enterprises.

Reasons for the research are the following:

- It is an academic requirement that at Masters level a student must identify a public issue in society that is developmental and research on it.
- I believe that emerging contractor development is a crucial area in the socio economic arena of the South African society and that it must be sustained and perfected as it will assist in the redistribution of wealth in our society and also facilitate the ability of the emerging contractors to be competitive in the construction industry

Please be assured that your responses will be treated with complete confidentiality and enormity. Should you like to know the results of the research you can contact me at the following number: 084 580 7590

Thank you so much for taking time to answer my questions which without your cooperation will not be possible

Kind regards,

Sheila Kubayi

