DSPACE

https://dspace.org/

How effective is EPWP employment in enhancing the employability of participants once they exit these programmes? the case of the Modimola Integrated Expanded Public Works Programme (EPWP), North West province.

Moyo, Mbuso

2013-08-06
http://hdl.handle.net/10539/12993

Downloaded from a DSpace repository. https://dspace.org/

University of the Witwatersrand
Graduate School for Humanities and Social Sciences
Department of Sociology

Research Report:

How effective is EPWP employment in enhancing the employability of participants once they exit these programmes? The case of the Modimola Integrated Expanded Public Works Programme (EPWP), North West province.

Mbuso Moyo
Student Number: 0514806J

Supervisor: Dr. Nicolas Pons-Vignon

DECLARATION

I declare that except reference to other people's works, which have been duly acknowledged, this report is my own unaided work. It is being submitted in partial fulfilment for the award of Master of Arts in Development Studies at the University of the Witwatersrand, Johannesburg, South Africa. The report has not been submitted before any degree or examination in any other University.

Mbuso Moyo

18 June 2013

DEDICATION

I dedicate this research to my daughter, Nandi, and to my sister, Nomalanga, by whose encouragement I embarked on and completed this work.

ACKNOWLEDGEMENTS

This work would not have come to fruition without the assistance of the people mentioned below and to whom I am very grateful:

- All the former participants of the Modimola Integrated EPWP who agreed to be interviewed and to share their subjective experiences about participation in this programme.
- God the Father of Life without whose mercies I would not have come this far.
- My supervisor, Dr. Nicolas Pons-Vignon, for his unfailing support and academic guidance.
- The officials from Aurecon, namely: Mr. Desmond Roots (the CEO) and Mr. Moroke Putsoa (the Senior Manager) for their insightful information about the Modimola EPWP and the invaluable reports regarding the implementation and accomplishments of this programme; Miss Patricia and Miss Sepatie Ramabodu the administrators at Aurecon who gave me the warmth and acceptance to conduct this research at the Aurecon offices.
- Mr. Tebogo Dichaba and Mr. Benjamin Phaka who assisted me in securing the interviews with former participants of Modimola EPWP.
- The contractors who shared with me invaluable information about the various activities they performed in the programme.
- My family and my very best friends. Your social and moral support will always be a plus in my life.

ABSTRACT

The purpose of this research was to investigate the efficacy of EPWP employment in enhancing workers' subsequent employability once they exit these programmes. The study also examined the conditions of EPWP employment to glean evidence about whether or not jobs offered in these programmes are distinguishable from other forms of casual employment preponderant within the South African labour market. Through the use of structured interviews complemented by individual diaries conducted with thirty-two former participants of the Modimola Integrated EPWP in the North West province this study reveals that public works employment is not distinguishable from other forms of "precarious" employment when evaluated against the general indicators of labour market security, minimum wages and benefits, working time, training, and union representation, *inter alia*. Contrary to the documented policy expectation that EPWP employment will enhance workers' skills and labour market exposure and thereby improve their subsequent labour market performance, this study reveals that public works employment was not successful in enhancing participants' access to other employment opportunities. This study found a broad unemployment level of 97% amongst former participants of the Modimola EPWP almost five years after they went through the programme's training component. The principal reason given by all the respondents was overwhelmingly lack of employment opportunities that required a recipe of skills they had acquired during participation in this programme.

Table of Contents

DECLARATION 2
DEDICATION 3
ACKNOWLEDGEMENTS 4
ABSTRACT 5
Table of Contents 6
1 CHAPTER ONE: INTRODUCTION TO THE RESEARCH 8
1.1 Introduction 8
1.2 Economic growth and job creation 10
1.3 Aims of the study 12
1.4 Significance of the study 13
1.5 The case of the Modimola Integrated EPWP 13
1.5.1 The North West Province 13
1.5.2 The Modimola village 14
1.5.3 The major components of the Modimola Integrated EPWP 15
1.6 Chapter layout 18
2 CHAPTER TWO: THE LITERATURE REVIEW 19
2.1.1 The specter of labour casualisation in the South African labour market 20
2.1.2 The efficacy of EPWP employment in improving the employability of workers 26
3 CHAPTER THREE: UNEMPLOYMENT DEBATES 31
3.1 The debates on unemployment 31
3.1.1 Definitions and the extent of unemployment in South Africa 31
3.1.2 Types of unemployment 33
3.1.3 The causes of unemployment 34
4 CHAPTER FOUR: BACKGROUND TO THE EPWP 39
4.1 The international experience in the application of public works 39
4.2 A historical overview on the application of public works in South Africa 40
4.3 Definitions and objectives of the EPWP 42
5 CHAPTER FIVE-RESEARCH METHODOLOGY 43
5.1 Introduction 43
5.2 Methods of data collection 44
5.2.1 Semi-structured interviews 45
5.2.2 Structured interviews and individual diaries with former workers of the Modimola Integrated EPWP 46
5.3 Evaluation design 48
5.4 Limitations to the study 48
6 CHAPTER SIX: DATA PRESENTATION AND ANALYSIS 50
6.1 Key findings of the study 50
6.1.1 EPWPs offer very casual employment 50
6.1.2 EPWP training strategy: A palliative solution to unemployment 52
6.2 Demographic characteristics of the Modimola EPWP respondents 54
6.3 Employment, work status and survival strategies before the programme 56

6.4 Entry and conditions of employment in the EPWP 57
6.4.1 Awareness of the programme 57
6.4.2 Periods without work 59
6.4.3 Working duties, benefits and earnings 59
6.4.4 Protection against arbitrary dismissal 63
6.4.5 Perceptions about the Modimola EPWP programmes 63
6.5 Work status post participation in the EPWP 64
6.5.1 Training and the perceived benefits of training 65
6.5.2 Has the Modimola programme assisted you in finding other employment? 67
7 CHAPTER SEVEN: CONCLUSIONS AND RECOMMENDATIONS 69
7.1 A brief summary of findings 69
7.2 Recommendations for immediate programme improvements 71
7.2.1 Recruitment and selection of workers 71
7.2.2 Training and education 71
7.3 Recommendations for the EPWP in general 72
7.3.1 Opportunities for further enquiry into the EPWPs 72
7.3.2 A need to rethink the EPWP sectoral determination 73
7.4 Public works as part of an enterprise development strategy 73
7.5 A need to rethink the EPWP training strategy 75
8 REFERENCES 76
9 APPENDICES 83
9.1 APPENDIX ONE: DEMOGRAPHIC BACKGROUND TO SURVEY RESPONDENTS 83
9.2 APPENDIX TWO: LIST OF IN-DEPTH INTERVIEW RESPONDENTS 84

1 CHAPTER ONE: INTRODUCTION TO THE RESEARCH

1.1 Introduction

Many South Africans had great expectations about a better life at the demise of apartheid in 1994. Today, there is a general public disillusionment as high levels of poverty and unemployment continue to eclipse the star of post-apartheid optimism. Employment creation has been identified as a vital mechanism for addressing poverty. Yet the South African economy has been unable to deliver employment for a growing number of would-be workers. Over the years, the government has seen the need for state intervention to address this failure, and has deployed a number of strategies to create employment opportunities for those willing to work.

The EPWP is one example of an array of government strategies that have been formulated to create employment so as to reduce poverty (Phillips, 2004). The EPWP, which has sought to consolidate and expand on the preceding public works programmes, was announced by the former President Thabo Mbeki during the State of the Nation Address in February 2003. This programme was subsequently agreed to by stakeholders at the Growth and Development Summit (GDS) held in June 2003 and was finally adopted by Cabinet in November 2003 and launched by the President in May 2004. The three key pillars upon which EPWP employment is premised to influence labour market performance of workers are work experience, on the job training and formal training. However, labour market experience was accorded primacy in the EPWP design given the high levels of youth unemployment in South Africa (McCord, 2005).

Given the centrality of public works in the lexicon of poverty alleviation through employment creation, there is considerable literature that examines their efficacy in addressing these challenges.1 So far, McCord has developed the most comprehensive critiques of the EPWP in a series of publications rooted in empirical and documentary analysis. The key finding highlighted by this scholar is that in their current form public works programmes cannot provide a bridge between the "second" and "first" economies and assist the unemployed in moving into a secure, formal sector employment. For her, whilst public works programmes have been effective in providing transitional unemployment often encountered in developed countries, the EPWP is ineffective in

1 See scholars such as Samson, (2007); McCord, (2004a, 2004b, 2005); Phillips, (2004); and Haddad and Adato, (2001).

transferring marketable skills so as to enable participants to obtain jobs once they exit these programmes in a South African context in which intermediate and high skills are in demand.

Over the years, in addition to an established body of literature which posits that public works are neither a platform for large-scale job-creation nor a sensible alternative to other forms of social protection2 there is a growing body3 of research which argues that public works employment propagates the practice of labour casualisation in the South African labour market. Samson (2007) argues that since the poor are employed in public works projects in which employment agreements limit employment security, labour rights, and wages and benefits, participation in these projects creates conditions of vulnerability akin to those related to the currently preponderant and hotly debated labour broking and casualisation practices. As such, Samson (2007) contends, public works employment contributes more to insecure forms of employment and poverty than the solution thereby contradicting the rhetoric surrounding the contribution of public works programmes (PWPs) in improving the employability of the poor and in reducing and/or better still, eradicating poverty. Even so, government is still willing to endorse public works programmes in preference to other forms of social protection because it wants to be seen to be doing something.

While there is currently a considerable corpus of literature that explores labour market performance of public works participants after their participation in such programmes, there is little longitudinal data that traces where participants go to when they are finished with temporary positions within the EPWP. For example, whilst McCord's (2004a, 2004b, 2005) numerous researches astutely provide insight into labour market performance in the short to medium term, the long-term implications of public works participation for subsequent labour market attachment cannot be inferred from the same studies. Since this study has been conducted five years after the closure of the Modimola EPWP, this provides for an adequate lapse of time to critically analyse the long-term implications for labour market performance.

Therefore, this report outlines results of a tracer study conducted among former participants of the Modimola Integrated EPWP. The research assessed the extent to which participation in this programme assisted in charting participants' access to other jobs after their engagement in

2 See McCord, (2002, 2004, and 2005).
3 See Samson, (2007).

temporary EPWP work opportunities. The questions framed against this background allowed the research to address the fundamental questions about the nature of public works employment, and whether or not the EPWP employment contributes to job "precarity" within the South African labour market, and whether participation in public works programmes improved the subsequent employability of participants.

1.2 Economic growth and job creation

There is a widespread acceptance, among policy makers and scholars alike, that there is a causal relationship between poverty and unemployment, i.e. "unemployment causes poverty, but in turn the condition of poverty contributes to unemployment and its persistence" (Fourie, 2011: 3). This causality has had an important imprint on policy approach to poverty. The imperative of government's job creation strategy has been to "prime and fine-tune the engine of growth" to simultaneously provide avenues for the absorption of low skilled labour, and the enhancement of the skills base of the South African labour force so as to facilitate its access to labour markets (Fourie, 2011; Zondi; 2010; Kraak, 2003). This economic growth-employment creation strategy is based on the assumption that economic growth will lead to increased employment because the number of net new jobs being created will start to exceed the number of new entrants into the labour market; and that improved training will enable workers to take up skilled work opportunities which will arise as a result of economic growth (McCord, 2004, 2005).

The economic policy orientation that seeks to enhance economic growth that stimulates labour demand has been captured in various economic policies over the years. From 1994, the government promulgated a series of policies much of which were captured in the Reconstruction and Development Programme (RDP) and Growth Employment and Redistribution (GEAR) to redress the pressing socio-economic problems that beset the post-apartheid state. From 1996, however, there was a growing interrogation which focused on whether the principles of GEAR were congruent with the labour legislation and a growing concern with high levels of joblessness and poverty. The state's response to this critical scrutiny was the Presidential Job Summit held at the end of 1998. During this summit, government, organised labour, and the business sector reached a consensus on the need for the implementation of occupational training and job-creation schemes.

This consensus formed the *magna carta* for the subsequent labour market policies towards employment creation (Bhorat, *et al*., 2001).

Thus, the economic policies implemented subsequent to the RDP and GEAR, that is, the Accelerated and Shared Growth Initiative of South Africa (AsgiSA) and the New Growth Path (NGP), have reinvigorated the government's job creation endeavors. Currently, the NGP commits government to large scale employment creation by taking the lead in identifying areas for enhancing the economy's job creation capacity. The NGP envisaged the creation of five million jobs by 2010. Its vision is that half of all working age South Africans would be in paid employment and unemployment would have been halved by 2014 (RSA, 2011). These job-creation targets have necessitated the restructuring of the South African economy around job drivers that seek to promote and intensify a labour-absorbing industrial path (Ibid. p. 7). Job-Driver 1 for example, has considered that most employment in the construction process "will arise in public works while manufacturing of industrial outputs will provide both employment opportunities and scope to enhance industrial capacity" (Economic Development Department, 23 November 2010: 11).

In light of government policy orientation to create jobs, it is critical to pose the question about whether jobs have been created for the poor through previous interventions. Several writers have argued that while economic growth and employment creation have accompanied each other (for example during the 1960s); the country's growth experience has been by and large that of *job-less growth* (Lewis, 2001). This is true if one examines the growth figures for the period 1993 to 2002 (Bhorat and Oosthuizen, 2006).

During GEAR, researchers have shown that there was massive capital flight as corporations *internationalised* and *financialised* their operations aided by the state's relaxation of capital controls. Mohamed and Finnoff (2005) estimate that capital flight from 1994 to 2000 stood at 9.1 per cent of the gross domestic product per year compared with 5.4 percent from 1980 to 1993. The extent of accumulated capital flight during the period 1980 to 2000 was 37 percent of the value of cumulative gross fixed capital formation for the same period. Accompanying capital flight was an increase in short-term capital inflows into South Africa through the private financial sector attracted by high real interest rates (Bond, 2009 cited in Ashman, *et al*., 2010: 13). However, the bulk of

these capital inflows went into financial speculation and the extension of private credit to households thereby increasing the overall weight of financial services in the economy. Manufacturing declined as sectors of the industry such as textiles (i.e. not core mineral-energy-complex (MEC)) were devastated by trade liberalization. These developments significantly undermined the job-creating capacity of the economy under the auspices of GEAR.

The recent NGP has not performed any better either in view of its failure to attain some of its employment creation targets. The NGP had envisaged that half of all working-age South Africans would be in paid employment and that unemployment would have fallen by approximately 15 per cent. However, the unemployment rate which was slightly above 22 per cent in the period 2006 to 2008, increased to 24.9 per cent in 2010, i.e. ten percentage points higher than the NGP goal (RSA, 2010: iv).

The failure of the South African economy to create sufficient jobs has been attributed to several factors. Principally, it has been argued that the MEC has been a massive barrier to employment creation. The impact of the MEC and how it can be an obstacle to employment creation is elaborated in chapter three. Suffice it to say that critics have challenged the axiomatic correlation between economic growth and employment creation and have argued that an employment creation strategy that puts primacy on the "coat-tails of economic growth…holds little promise" (Marais, 2011). McCord suggested that even in the most positive growth scenario, broad unemployment among the semi-skilled and unskilled "would not fall significantly below 30% in the medium term" (McCord, 2004a).

1.3 Aims of the study

Since public works have been used to address poverty through the provision of transitory employment during which workers are supposed to acquire skills that would enable them to find subsequent employment, it is important to investigate the extent to which they help these workers to chart their access to other jobs once they leave these programmes. In addition, it is important to investigate the kind of jobs created in public works, the terms and wages attached to them in the context of, firstly, a growing body of inquiry which suggests that public works create inferior jobs

akin to those obtained through sub-contracting in the general labour market, and secondly, where there is a strong theoretical work which argues that the concern with unemployment and poverty should not be confined to the jobless but should also have much to do with the types of jobs available to the unskilled poor. The main question posed in this research is:

- To what extent does public works employment enhance subsequent employability of participants once they exit these programmes?

The ancillary questions posed in this study are:

- What minimum rights do EPWP participants have with regards to employment agreements, labour rights, security of employment, and wages and other benefits?; and
- What is the nature and quality of training offered to public works participants?

These ancillary questions are important in that they help us to gauge the effectiveness of the public works experience as a foundation for future employment-related activity.

1.4 Significance of the study

There are many reasons why such a study is important. First and foremost, there is a need to understand the usefulness of EPWP employment in providing experiential skills and training to participants so that they can secure formal jobs in the labour market. Secondly, there is a need for evidence-based justification for spending on such programmes, as other programmes compete for budgets and alternative policy options are being suggested. It is important to continue to build a corpus of data that explores the ways in which public works can be improved or amended to address South Africa's pressing challenges of joblessness and poverty.

1.5 The case of the Modimola Integrated EPWP

1.5.1 The North West Province

The North West province is among the provinces which are significantly affected by poverty, along with being also home to some of the richest mines in the country. Using a definition of R800 per month as the minimum food basket, 37% of households in the province were classified as poor, 14% of households (90, 084) had no income, and 52% of the households in the province lived

below the breadline as defined by Statistics South Africa.4 The Economic Development and Infrastructure Cluster's Executive Committee approved a PWP based on the Malawi experience, but customised for the specific conditions prevailing in the North West province (Ibid. p.1). The objectives of the project were to realise poverty relief and food security through performance-based job creation for local communities in labour-intensive village road rehabilitation and small scale farming. The secondary objectives included the development of small, medium and micro enterprises (SMMEs) in the construction and agricultural sectors, and the improvement of infrastructure in the impoverished parts of the province.

1.5.2 The Modimola village

Several possible sites were considered during the renaissance phase of the business plan development of the Modimola project, in order to identify a suitable pilot site. The Steering Committee identified and approved a rural residential area approximately 20 km west of Mafikeng and approximately 5 km downstream of the Setumo dam, comprising the Lekoko, Makgabane and Modimola villages. The monthly income of the households residing within the respective villages was very low, with 71% of the households earning less than R800 per month in 2004. The levels of poverty corresponded with education levels of the population. Of the 32 respondents interviewed in this study only 6% had matriculated. Given that the average household size in these communities was 5,5 people and that the majority of households earned less than R800 per month, this area was described as fitting the profile of a very poor area and an appropriate target for the implementation of a pilot project to realize poverty relief, food security and job creation (Ibid. p. 8).

Whereas the areas which were identified for the implementation of the project are located on the Mafikeng-Makgabane road and included the villages of Modimola, Madiba-Makgabane, and Lekoko-Setlagole5, it was decided that before the project was rolled out to the whole province, it would first be implemented on a pilot basis in Modimola. The Modimola Integrated EPWP was officially launched on 16 September 2004 under the name *Semelela* (roll up your sleeves and work). The primary objectives of this programme were skills transfer, and the development of SMMEs, as

4 Progress Report No. 5 June (2006: 9) on the "Modimola Pilot Project to address job creation, poverty alleviation and food security." Prepared by Africon (Aurecon) for the Department of Public Works, North West Province.
5 Department of Public Works Handover Report. Available at:
http://www.nmmdm.gov.za/nmm/sites/default/files/ul/documents/documents/IDP2007-2011.pdf.

well as the construction and repair of various road and agricultural infrastructure in the village.6 Managed by Aurecon,7 the Modimola Pilot Project initially focused on infrastructure development through trained contractors from the area who composed of 17 contractors who had been screened and selected from about 220 applicants. These contractors participated in a standardised formal NQF Level 2 construction-contracting learnership programme undertaken in collaboration with the Construction or Agricultural SETAs and the Department of Labour. This training commenced in December 2004 and was completed in June 2005 with sixteen men and one woman completing the course. Practical training for the learner contractors was based on the various construction aspects of the pilot project as described below.8

1.5.3 The major components of the Modimola Integrated EPWP

The first phase of the Modimola Integrated EPWP was a R25 million project which combined technical elements, namely roads and agriculture, supported by a comprehensive training component. The project initially focused on the integration of the different economic sectors relevant to the rural community of Modimola, creating short-term employment, long-term sustainability and economic advantages that were to continue to sustain the community once construction of the infrastructure had been completed. The road component encompassed the labour-intensive construction and maintenance of roads and related infrastructure by small, emerging contractors (as described above) and local communities. In the main, it encompassed:

- The labour-intensive routine maintenance by small emerging five contractors and communities, utilizing labour intensive construction methods, on a 70 km section of the Mafikeng–Vryburg road which included the clearing of the road reserve, clearing of storm water structures, grass cutting, removal of unwanted vegetation, and minor pothole repairs;
- Three route patrols by small emerging contractors on the road between Mafikeng and Taung via Vryburg which included cattle chasing in the road reserve, reporting of incidents and accidents, temporary repair of fence lines in order to prevent livestock from entering the road reserve, and removal of rubble from road;

6 Civil Engineering, Volume 15, No. 2, February 2007, p. 40.
7 The other role players involved in the implementation of the Modimola EPWP included the provincial and national departments of Agriculture, Conservation and Environment, the provincial Department of Transport, Roads and Community Safety, the provincial Department of Water Affairs, and the Central District Municipality.
8 Interviews with Desmond Roots and Putsoa Moroke, Aurecon, 9 November 2012.

- The construction of 10,5 km access and internal roads, two storm water drainage structures and 21 concrete drifts in Lekoko, Modimola and Madiba-Makgabane by six contractors; and
- The building of two bridge structures.

The agriculture component encompassed the establishment of labour-intensive employment in small-scale irrigation farming with the main focus on:

- The establishment of an agricultural project in Modimola where 31 small emerging farmers from Modimola village cultivated cash crops for own and commercial production under irrigation near to the Molopo River and downstream of the Setumo Dam, as well as the establishment of a chicken egg-laying unit and;
- The labour-intensive construction of infrastructure required for this agricultural project.

The first phase of the Modimola Integrated EPWP was completed in 2006 and achieved the following to the benefit of the targeted communities:

- Some 200 households, comprising 1 100 people, benefited directly from the project;
- R5,73 million was generated from construction and maintenance activities;
- Some 50 permanent jobs and 480 temporary jobs were created;
- Sixteen people successfully completed the NQF Level 2 construction learnership programme;
- Thirty-one people, including 22 women, successfully completed the NQF level learnership programme in farming and they were all farming on their own 0,53 ha plots at the time of the collapse of the programme;
- A co-operative had been registered for the farmers to manage the farming enterprise.9

The second phase of the project comprised 17 projects implemented by graduate learnership contractors and involved:

- Three route patrol contracts valued at R350 000 in total covering 220 kilometres between Mafikeng and Taung;
- Six road repair and maintenance projects covering a distance of 71 kilometres between Mafikeng and Setlagole valued at R450 000 each;
- Five projects for the construction of 11,5 kilometres of internal roads in Modimola and Madibe Makgabana villages;
- Various bridge construction projects;
- Reservoir construction and farming projects, the latter covering 15 hectares of land (0.5 hectares per learner farmer).

9 Civil Engineering, Volume 15, No. 2, February 2007, p. 41.

This phase of the project created 600 job opportunities to previously unemployed villagers. Through the project, 17 graduate learner contractors and 31 graduate learner farmers; twenty 22 of whom were women, were produced.10

Table 1: Overall number of labourers who were employed in the programme

Project	Number of labourers
Route patrol	42
Road maintenance	173
Road construction	149
Structures	19
Farm infrastructure	97
Total	**480**

Source: Progress Report No. 5 June, 2006.

The third and last phase of the Modimola Project ended during the 2006/07 financial year. The road construction component in this phase employed 209 beneficiaries and 27 more were employed in the construction of two community halls. In terms of the agriculture component, by the end of 2007, 15 hectors of tribal land were under vegetable production and a total of 31 families were direct permanent beneficiaries, deriving sustainable jobs from the project.

The Modimola EPWP has been described as one of the best practices of public works programmes in South Africa. The then North West MEC, Yawa, said of the project thus: "The eyes of the people of Modimola who have lived with poverty's rage have seen the glory of the awakening age through the Expanded Public Works Programme. The R25 million integrated EPWP Pilot Project was awarded the best Managed Project in the 2005 Premier's Public Sector Excellence Awards in which it received national recognition." In February 2007, the project was also awarded the Star Award Certificate at the 2006/07 Annual Impumelelo Innovation Awards in recognition of its exceptional contribution to poverty reduction and community development (Ibid.). This beneficial outcome had reinforced the provincial priority to expand the Modimola EPWP to promote equal and fair access to economic opportunities and assets in the Madimola village.

10 Budget Speech 2007/08 for the North West Department of Public Works by MEC H. D. Yawa, North West Provincial Legislature, 10 May 2007. Available at: http://www.polity.org.za/article/yawa-north-west-public-works-prov-budget-vote-200708-10052007-2007-05-10.

1.6 Chapter layout

Chapter 1: Introduction to the research
The context, purpose and problem area of the research are defined, followed by a description of the chosen site of study, research objectives, research questions, and significance of the study.

Chapter 2: Literature review
This chapter outlines the basic arguments in the existing scholarly work with regards to labour casualisation, and the impact of EPWP employment to enhance the employability of participants after they exit these programmes.

Chapter 3: Unemployment debates
Various sources of literature on unemployment are identified and reviewed to contextualise the study and to highlight relevant concepts and themes, with an emphasis on the overview of the unemployment situation in contemporary South Africa. This encapsulates the characterisation and definitional aspects of unemployment.

Chapter 4: Background to the EPWP
This chapter describes the international and South Africa's experience in the application of public works to address unemployment and poverty. In the South African context, the chapter sketches the rationale for the use of PWPs in relation to a critical analysis of the South African labour market situation (the kind of skills required and whether there is a correspondence between skills provided by the EPWP and skills required by the formal economy).

Chapter 5: Research methodology
This chapter outlines the methods employed by the study to address the main research question regarding the efficacy of EPWP employment in enhancing the subsequent employability of participants once they exit these programmes.

Chapter 6: Data presentation and analysis
This chapter critically outlines and examines the study findings in line with the main research questions.

Chapter 7: Conclusions and recommendations
This chapter makes deductions about the overall findings of the study. The findings from chapter 6 are broken down into main sub-headings and are critically examined in relation to the key issues highlighted in the literature review.

2 CHAPTER TWO: THE LITERATURE REVIEW

This chapter draws from two streams of literature by different scholars concerning whether the EPWP employment schemes compound the existing problem of labour casualisation and whether or not public works employment can be used as an effective instrument to transfer skills to poor people on the assumption that these skills will assist them to find jobs in the formal labour market. Thus, similar or dissenting research findings from this literature have been examined to identify their key arguments about whether public works employment exacerbates the problem of labour casualisation and the extent to which public works can be used to propel and channel employees into the formal labour market once they exit these programmes. This has assisted in answering the questions posed by the study.

Two streams (each with sub-clusters) of literature were interrogated: (a) one that examines and problematises the notion of labour casualisation and how it compounds the "bad quality" of jobs available in the South African labour market and (b) another that explores the characteristics of public works employment and the way in which it adds to the existing problem of labour casualisation, and how effective on-the-job training and work experience help to chart participants' access to a more secure labour market once they exit these programmes.

The principal argument of the first stream of literature, prominently presented by Franco Barchiesi in his numerous papers11, is that waged employment as a foundation of "decent life" has declined as job creation has tended to be more and more pronounced in casual, informal and unstable occupations in which wages and benefits are poor and less easily distinguishable from informal sector employment. The precarity of employment has been traced to the liberalization and informalisation processes at the core of which are excessive sub-contracting or outsourcing and labour casualisation which have negatively impacted on the working conditions in a number of ways. Analysts argue that whereas jobs are an important source of livelihood for the poor majority, the types of jobs mostly available to the unskilled working age population in South Africa do not

11 In one of his papers, Barchiesi (2009) asks the question, "Where is the dignity in what work?"

bear the official narrative of waged employment as a solid wedge against poverty as many workers toil for what have been termed "poverty wages" under conditions of scant protection.12

In addition to an established body of literature that casts doubt on the centrality of waged employment created through such means as public works schemes as a solid wedge against poverty, there is a growing body of inquiry which argues that public works employment propagates the practice of labour casualisation in the South African labour market.13 Since workers in the EPWP have minimal rights, wages and benefits, it is argued, it means that labour's ability to negotiate wages and other conditions of full time employment are circumscribed. Melanie Samson is the most prominent protagonist of this point of view. Based on the research conducted in 2002 and 2003 for the Municipal Services Project and the South African Municipal Workers' Union as part of a broader research on the restructuring of waste management, Samson (2007) uncovers the various ways in which public works employment propagates the problem of massive casualisation of labour. Her broad analysis is presented in detail below.

The second stream of literature explored in this study argues that public works employment does not enhance the subsequent employability of participants once they leave the programme because on the job training offered is limited in terms of the number of days and quality and unlikely to have a positive impact on their labour market performance (McCord, McCord (2004a, 2004b, 2005a).

2.1.1 The specter of labour casualisation in the South African labour market

Labour casualisation is a subject of controversy and a well-trodden terrain in both sociological and political economy literature. Existing literature suggests that casualisation processes are manifest in various forms at the core of which are new forms of labour recruitment strategies, namely: labour broking (formerly known as temporary employment services (TES), in which labour brokers recruit and manage predominantly unskilled labour on behalf of companies; and labour "flexibility" in

12 Marais (2011); Makgetla (2010); Pons-Vignon and Anseeuw (2009); von Holdt and Webster (2005); and Webster and Buhlungu (2004).
13 See writers such as McCord (2004a, 2004b, and 2005b), Haddad and Adato, (2001), and Phillips (2004).

which private employers have been pressing for greater freedom to refashion and move industrial relations away from permanent and full time employment to more temporary and casual forms of employment organized through labour brokers (Bezuidenhout, *et al*., 2004).

Kenny (2005: 217) writes that labour "flexibility" has been inspired by the emergence of new "relations of production characterised by the need for cheap labour, efficient organisation and 'profits before people'" process. This has resulted in the reduction of workers' remuneration, intensification of work, lowering of labour costs, and the dissipation of unions' hegemony. Organised labour, led by COSATU and its affiliates, has been vociferous in their advocacy for the annulment of labour broking with a petition to Parliament in 2009 to entirely outlaw the practice (RSA, 2012: 12). On the other hand, "flexibility" is presented as a necessary strategy which South African business has adopted in order to win at the battle called "global competition" (Kenny, 1998).

The rallying point for the anti-labour broking proponents is that widespread labour brokage in which workers are employed by sub-contractors allows employers to circumvent national and international labour standards. They argue that the labour casualisation process has opened the flood-gates for the hiring of relatively less skilled, insecure, economically desperate, vulnerable, and exploitable contingent of workers (Barchiesi, 2009). The basic typology of casualised labour is one which is not guaranteed basic labour rights such as UIF; death and funeral cover or health care schemes; large portions of its wages are determined by team outputs; often works without contracts; works in dangerous conditions without adequate equipment; and is generally excluded from union membership. Bereft of reliable regulatory protection, this kind of labour straddles the "first" and "second" economies subject to the vagaries of labour broking which enables business to evade statutory obligations, "effectively denying large numbers of workers protection under post-apartheid labour protection" (Marais, 2011: 187).

Several scholarly researches have presented evidence about how the "restructuring processes which have emphasized capital accumulation through agglomeration" have, inter alia, led to the "use of precarious labour" (Kenny, 2005: 217). Pons-Vignon and Anseeuw (2009: 885) have focused on the evolution of working conditions mainly in the mining and forestry industries and argue that while

important changes have taken place in terms of labour legislation, exploitation and poor working conditions have all become but invisible within a labour regime characterised by casualisation. Barchiesi's (2011) survey of factor workers in the Witwatersrand region highlights that waged employment should no longer be regarded as a normative premise of social inclusion. Barchiesi shows that union workers worked for what are termed "poverty wages" under conditions of scant protection and insecure employment. For these workers, he argued, work is a poor substitute for the pressing necessities of daily survival (Barchiesi, 2011: 3).

Other writers have focused on the shifts in the South African labour market, many of which were heralded by global economic changes manifested in the movement towards economic financialisation of the South African economy (Marais, (2011); Makgetla, (2010); Webster and Buhlungu, (2004)). At root in the financialisation of the South African economy, corporations have, in a bid to compete in a global market, imposed "new paradigms of work" by restructuring production, establishing new patterns of work organisation and/or relocating production units (Webster and Omar, 2003; Habib and Valodia, 2006). This restructuring has given genesis to a reliance on "a shrinking core of skilled full-time workers and a large stock of less-skilled, casual or outsourced labour that is deprived of wages, benefits and rights enjoyed (for now) by their better-off peers" (Marais, 2011: 181). Arguably, the phenomenon of financialisation has not only led to massive net shedding of jobs by large corporations but has radically reduced the quality of existing jobs.

Paradoxically, as Webster and Buhlungu (2004: 40) argue, the new labour market order strengthens the rights of labour while it simultaneously erodes them and bypasses the new institutions tasked with enforcing those rights. Despite the existence of formal labour market regulation, forces of externalization and casualisation have been pervasive, turning previously oppressed wage labourers into poor, casualised workers eking a living in a liberalised economy (Pons-Vignon and Anseeuw, 2009). As Marais (2011) succinctly put it, the binary perspective that equates unemployment with poverty and employment with is fictive, yet it continues to define the job creation discourse.

In light of the above, the much emphasised inclusion in the "first" economy by way of procurement of formal employment contradicts the existing reality in which formal-employment has become

increasingly insecure, "wages and benefits poor and less easily distinguishable from informal-sector employment" (Ibid.). Evidence shows that vast numbers of workers earn low wages and "do so on such insecure terms and so often without attendant benefits that their jobs do not shield them against poverty" (Marais, 2011: 181). The Department of Labour indicated that out of the work force of 13 million in 2008, 5.8 million workers were not covered by employment insurance, 2.7 million did not have written contracts and 4.1 million did not have paid-leave entitlements (Ibid.). Casale et al. (2004) cited in Marais (2011: 181) calculated that the number of employed workers living in poverty increased from just over 900 000 in 1995 to about 2 million in 2003. One quarter of them were deemed self-employed. Of the 18 million people living below the poverty line in 2004, four million lived in about 700 000 households that contained at least one income earner (Meth, 2006). Almost half (43%) of domestic workers earned less than R500 a month (USD 62) in the mid-2000s, as did one third of other workers employed in the informal sector (Meth, 2006). Almost one fifth (18%) of workers in the formal sector (1.4 million) earned less than R1000 (USD 125) a month (Stats SA 2005a cited in Marais, 2011).

2.1.1.1 The EPWP employment and the crisis of labour casualisation

The literature presented above highlights that shifts in the global economy have given genesis to a growing trend of labour casualisation in the broad spectrum of the South African labour market in which workers are increasingly being employed in jobs that offer limited payback in terms of poverty reduction. In addition to this literature, there is a growing body of inquiry which examines the kinds of jobs offered in the EPWPs and argues that public works employment adds to the already existing problem of excessive labour casualisation. Samson (2007) argues that given that workers were employed in the projects in which employment agreements limited employment security, labour rights, wages and benefits, participation in these projects created "second economy" conditions of vulnerability thereby contradicting the rhetoric surrounding the contribution of public works in eradicating poverty and shifting people into employment in the perceived "first economy." Since workers in the EPWP have minimal rights, wages and benefits, it means that the labour's ability to negotiate wages and other conditions of full time employment are circumscribed.

Samson (2007) uncovers the various ways in which public works employment propagates the problem of massive casualisation of labour in which poor people are forced to settle for bad quality jobs in light of the growing commodification of life. Samson (2007) conducted research in 2002 and 2003 for the Municipal Services Project and the South African Municipal Workers' Union as part of a broader research on the restructuring of waste management. The public works evaluated were to provide street cleaning services in parts of Galeshewe Township in Sol Plaatje and Soweto Township in Johannesburg (Pickitup-the waste management utility in Johannesburg).

Based on the research described above, Samson argues that several dynamics of exploitation and precarious employment existed for these two groups of workers. In both of these projects, Samson argues that workers were paid substantially lower wages than their counterparts. In the Sol Plaatje project, lower wages were rationalized by arguing that the EPWP were projects to provide short-term poverty alleviation or skills training programmes to help beneficiaries develop their human capital in order to be more successful on the job market. The Zivuseni project was implemented at a time when there was a Ministerial Determination (RSA, 2002a) and Code of Good Conduct (RSA, 2002b) to government employment conditions for Special Public Works Programmes. The Determination and the Code of Conduct do not establish minimum wages but the code stipulates that the rate of pay should not be higher than the average local rate so as not to recruit people away from other jobs with longer-term projects.

In the Galeshewe project in Sol Plaatje as it became known, 681 people, sixty-per cent of whom were female, were employed. In this project, team leaders were paid R40 per day; key team leaders were paid R65 per day while elementary workers were paid R30 per day. By contrast, the waste management workers employed by the Sol Plaatje municipality were paid an average of R1, 754 per month (Samson, 2007: 221). These workers were not unionized and could not press for better pay while their counterparts employed by the municipality were. These workers were deployed in areas where black empowerment SMME entrepreneurs were sub-contracted by the municipality and as such, workers on the Premier's Project provided a large reserve of casual waste management which could be utilised at no cost to the municipality.

These workers not only did work that was supposed to be done by SMME subcontracted to do it but also compensated for labour shortages in the municipal departments. In the Zivuseni Poverty Alleviation Project in Soweto and the Pickitup waste management utility, a similar dynamic obtained. The Zivuseni Project was established by the Gauteng Provincial Government in April 2002 with the stated aims of alleviating poverty by providing short-term work-opportunities for the poor and unemployed, promoting self-reliance, and "breaking the poverty cycle" by building local capacity through skills development. One of the Zivuseni projects focused on the provision of street cleaning services in the African township of Soweto hence was extensively integrated into the work of the Pickitup depot in Soweto. This project employed about 255 community members who worked and were supervised by Pickitup workers.

Despite their awareness of the exploitative conditions of their employment, workers in both of these projects felt powerless to do anything. One worker is reported as having said that "We said we will accept it because we are suffering." This was compounded by the fact that most people surveyed (especially from the Sol Plaatje project) had been retrenched from permanent employment hence they were hired in the context of very high levels of unemployment. The workers at Zivuseni and the Premier's Project in Sol Plaatje were acutely aware of the injustice of the lower wages and benefits compared to municipal/pickitup workers doing exactly the same work. They accepted the jobs as within the context of deep structural unemployment in which they had no other options. Their state of precarious employment was compounded by lack of unionization to mobilise and lobby for the improvement of their conditions of work. In the Zivuseni Project, workers are reported to having been too afraid to join unions and lobby the management for higher wages. The labour union's endorsement of the current model of public works at the Growth and Development Summit emasculated the unions to the extent that up to today they have done nothing to organise and represent EPWP workers.

So whereas the express objectives of the Zivuseni and the Premier's projects were to help the poor and unemployed to break the cycle of poverty by providing them with skills and opportunities and training used to rationalize lower wages, only 19.2% of Zivuseni beneficiaries received training while the waste management project at Pickitup did not involve any skills training component at all (Mthombeni, 2003: 3 cited in Samson, 2007). Even though the workers of Zivuseni had not been

retrenched from full time employment, their engagement at Pickitup, Samson argued, "facilitated the maintenance of a hiring freeze, and allowed labour shortages in the Pickitup depot to be filled by cheaper, less well-protected, non-unionised, short-term PWP workers. This dynamic obtained in Sol Plaatje where workers in the Premier's Project were used to compensate for labour shortages in the SMMEs contracted to clean townships, and occasionally in the municipal workforce. So, despite their awareness of the exploitative conditions of their work as one worker mentioned "we said we will accept it because we are suffering."

In view of the foregoing, Samson (2007) perceptively argued that, rather than forging a pathway from the "second" into the supposed distinct "first" economy, the public works projects minimised the need for the generation of new jobs within the formal waste management sector, and created new, inferior jobs which bear characteristics associated with the so-called "second economy" sector. Public works therefore led to the reproduction of the very problem they were meant to overcome, "belying both the myth that the two [economies] are separated by a structural divide, and the policy claims that the EPWP will be an ineffective way of bridging this gap" (Samson, 2007). This writer concluded that:

> The public works…created a deeply disturbing situation in which workers who serviced historically white, bourgeoisie areas retained the rights and benefits associated with the "first" economy whilst those contracted to extend services to black working class areas as part of the EPWP were stripped of rights and benefits (Samson, 2007: 223).

Two important arguments are presented by this literature. Firstly, the trends toward labour casualisation and outsourcing in the context of economic liberalization have deeply impacted the working conditions of unskilled workers in a number of ways. Secondly, this literature highlights that the problems of unemployment should not be confined to the jobless but should also have much to do with the types of jobs available to the unskilled poor.

2.1.2 The efficacy of EPWP employment in improving the employability of workers

This section examines the beneficial impact of training and work experience in enhancing labour market participation for public works employees once they exit the programmes. Critics argue that

the rhetoric and aims of the EPWP skills development strategy are incongruent to the problems they are supposed to address (McCord, 2005, Marais, 2011, and IDASA, 2005). They argue that the EPWP employment involves limited training in which the skills development component does not match the skills requirements in the formal labour market and is inadequate to transfer marketable skills to their participants so that they can be employable in the future. Each of these scholarly works is examined in detail in the following sections.

2.1.2.1 The institutional critique of the efficacy of EPWP in enhancing the labour market performance of public works participants

The EPWP is designed to "provide poverty and income relief though temporary work for the unemployed to carry out socially useful activities," while at the same time equipping participants with *modicum of training and work experience*, which should enhance their ability to earn a living in the future."14 The EPWP training is premised on the assumption of a positive relationship between incremental skills acquisition and post-programme labour market attachment among the un/low-skilled, as repeatedly expressed in the EPWP documentation (McCord, 2005b: 569).

In recognition of the unskilled nature of most EPWP work opportunities, and hence the limited value of job experience per se in promoting skills development, government, business and labour unions reached a consensus that all work opportunities in the EPWP will be combined with training or skills development. Each EPWP sector (wherein there is the: social sector, the economic sector the environmental, and infrastructure sector) offers quite different forms of employment and training with the infrastructure sector offering, almost exclusively short-term employment, with extremely limited formal training opportunities. The objective of the training components in each sector is to increase the ability of people to earn an income once they leave the programme (EPWP, 2004).

In the EPWP, on the job training is offered by individual contractors in which the skills transferred are aimed to enable workers to perform technical tasks such as basic construction activities. Formal training is provided under the auspices of the Department of Labour for 2 days for every 20 days

14 Growth and Development Summit Agreement, June cited on "Welcome to the EPWP" website, Department of Public Works.

worked by public works employees. Learnerships are the main vehicle through which this training is offered in which participants are provided with a combination of on-the-job experience, a stipend and training which leads to NQF qualifications and possible long-term income opportunities (McCord, 2005b). Given that the average period of employment in most EPWP is four months, the average duration of the formal training component of the EPWP would be only 8 days.15 The assumption is that 8 days of on-the-job training over the duration of four months will enable the EPWP participants to transition from the low or unskilled segment of the labour force to the intermediate skilled segment.

Critics have refuted the assertion that, as currently formulated, the EPWP training strategy and its experiential "package" will enable workers to transition from the low or unskilled segment of the labour force to the intermediate and high skills levels for which there is an unmet demand for labour in the South African labour market (McCord, 2005b; Phillips, 2004; Kraak, 2003). This is because: the learnerships through which vocational training is provided to EPWP workers remain a preserve of contractors and is accessible only to a tiny segment of workers; that many workers surveyed in some EPWPs were not clear about whether they had received training and its beneficial impact16; and that this training focuses primarily on generic life skills and labour market information which are unlikely to translate into improved labour market performance for participants given the structural nature of unemployment.

2.1.2.2 The empirical evidence on the impact of EPWP training and work experience in enhancing the labour market performance of EPWP employees

Studies relating to the impact of EPWP training and work experience on employability are limited. Only one data set has collected longitudinal data on EPWP beneficiaries and econometric analysis of this data has not been undertaken as yet (Mitchell, 2008). Some studies have found that beneficiary perception of training has been largely positive (C A S E, 2007, Godfrey and Theron, 2006 cited in Mitchell, 2008). Meyer *et al.* (2007) found that 79 per cent regarded training as

15 The Special Public Work Programme Code of Conduct gazetted in 2001 prohibits employment exceeding 24 months in duration, and also allows a divergence from the minimum wage in favour of a locally negotiated wage (Budlender, 2009).

16 In a study in KwaZulu-Natal and Limpopo McCord revealed that many workers expressed uncertainty as to whether they had received training or not, with only 38% of "Gundo Lashu" workers reporting that they had been trained in any way (formal or informal), despite the fact that all were given at least "on-the-job" skills training in line with EPWP standards (McCord, 2004a:74).

extremely relevant and over 90 per cent of respondents perceived that training provided would help them get other work and thus enhance their employability. The study by the McIntosh Xaba Associated cited in Mitchell (2008: 62) noted that duration of projects has a direct impact on training received and post-project employment opportunities.

McConnell, Groth and Kamman, (2008) reveal that out of a sample of 768, two-thirds were employed and one-third unemployed six months after the programme had been completed. Sixty-per cent of those still employed had continued their employment with EPWP, 12.5 per cent of those employed were working elsewhere in government, while 20.8 per cent of those who were working were employed in private firms. These writers revealed that whereas the employment outcome of those exiting the EPWP programme need to improve considerably, those aforementioned outcomes are encouraging considering that 72.8 per cent of the beneficiary sample was unemployed and only 4.4 per cent had full time jobs prior to programme entry.

On the contrary, critics such as Samsom (2007) and McCord (2004) argue that formal skills training offered in public works projects is limited and unlikely to have a positive impact. McCord (2004a) argues that while public works provide some work and some income for poor households and may even provide some useful training, the training offered is not enough to differentiate public works participants from other people in the labour market who have not received training. Mthombeni (2003) cited in Samson (2007) underscores this argument and posits that whereas the express objectives of the Zivuseni and the Premier's projects were to help the poor and unemployed to break the cycle of poverty by providing them with skills and opportunities and training used to rationalize lower wages, only 19.2% of Zivuseni beneficiaries received training while the waste management project at Pikitup did not involve any skills training component at all.

Micro-economic data from McCord's numerous research findings corroborates the argument that the direct labour market impact of the EPWP training is limited. In the Gundo Lashu programme, McCord (2004a: 63) found a broad unemployment level of 80% among former public works employees a finding that confirms with only 6% of workers who had completed employment having reported that the training they had received assisted them in finding work. The primary reason for this given by 61% of respondents was overwhelmingly lack of employment opportunities. This

indicates that post-programme labour performance is extremely poor in the case of former public works employees who have passed through the EPWP training and experiential "package" (McCord, 2005b: 579). The inference that can be drawn from the above is that participation in such a programme may not necessarily lead to significantly enhanced labour market attachment. It should be noted however, as McCord submits, that this finding implies poor labour market performance in the short to medium term, and that frictional unemployment may account for part of this high rate (McCord, 2004a). The longer-term implications of public works cannot be inferred from this study as none of the PWP employees interviewed had been unemployed for longer than six months.

In a survey of participants in the Working for Wetlands programme, Ndoto and Macun (2005: 31) found that the programme's intervention did not make a significant difference with regards to skills provision and concluded that the programme improved people's livelihoods in terms of income during the period of employment and removed some constraints in accessing education and improved nutrition but did little to improve their skills. The programme provided technical skills in construction and life skills such as First Aid, Health and Safety, etc but most participants in this programme did not feel outright that these skills will likely improve their employment prospects. So, rather than moving up the hierarchy of the labour market, once they have their "foot on the employment ladder" (Department of Public Works, 2004), evidence from "Gundo Lashu" and "Working for Wetlands" suggests that in fact workers returned to the same labour market "rung" from whence they came into the programme (McCord, 2005b: 580).

As stated earlier, the thrust of this research is to examine the extent to which EPWP work experience and on the job training assists participants to access other jobs once they leave these programmes. The research focuses on the impact of training and experience acquired by participants in the Modimola Integrated EPWP in assisting these people to obtain other jobs in the labour market.

3 CHAPTER THREE: UNEMPLOYMENT DEBATES

This chapter explores the unemployment debates with a view to distil the key issues relating to the extent, nature and causes of this phenomenon and the relevance of EPWP to address it. The major focus has been paid on the major areas of dissent in terms of the criteria used to define who is and who is not employed and whether employment should be defined as long-term and structural, voluntary or involuntary. It was important to examine this literature in order to articulate the location of the EPWP intervention within the unemployment continuum.

3.1 The debates on unemployment

Analysts posit that there are varied and desperate discourses characterising South Africa's unemployment debates. The variations in the characterisation of unemployment are a function of a multiple factors which include factors intrinsic to the scientific processes of research institutionalised by universities, research institutes as well as epistemological and ideological preferences, *inter alia* (Fourie, 2011). As such, the insights produced by researchers on different aspects of unemployment are fragmented and disconnected hence no coherent analytical picture of the nuanced characterisation of the extent, nature and causes of unemployment has been generated.

3.1.1 Definitions and the extent of unemployment in South Africa

The definition and magnitude of unemployment are some of the hotly contested aspects of unemployment in South Africa. Contestations over this issue arise because of disagreements over how to define and measure the phenomenon of being unemployed. Broadly speaking so far, there are two main definitions of unemployment in the existing scholarship: the *narrow* and the *expanded* definitions. Since 1998, the official statistical agency, Statistics South Africa (Stats SA), adopted the *narrow* concept as its official definition of unemployment in line with the definition adopted by the International Labour Organisation at the 13th International Conference on Labour Statistics in 1982 (Kingdon and Knight, June, 2000). Stats SA (2012: xx) refers to the unemployed as members of the economically active people who (a) were not employed in the reference week **and**; b) actively looked for work or tried to start a business in the four weeks preceding the survey interview **and**; c) were available for work, i.e. would have been able to start work or a business in the

reference week **or**; d) had not actively looked for work in the past four weeks but had a job or business to start at a definite date in the future and were available to work.

In respect of the official and *narrow* definition of unemployment, the people who fit the description of being unemployed are those who are referred to as the "searching unemployed" (Kingdon and Knight, 2001b: 2). Critics argue that the *narrow* definition as an indicator of unemployment is problematic because, firstly, the "passively unemployed" are, on average, significantly more deprived than the "actively unemployed"; secondly, that the non-employed are not significantly happier than the searching unemployed; and thirdly, "evidence on the wage-unemployment correlation indicates that local wage determination takes non-searching workers into account as genuine labour force participants" (Kingdon and Knight, 2000). Analysts further argue that in the context of South Africa, where the majority of people are either self employed or are unpaid family workers, in light of relatively few formal labour market transactions, and poorly developed social security systems, a *narrow* definition of unemployment is likely to exclude substantial numbers of discouraged job seekers. As a result, Stats SA collects and reports data using both the *narrow* and the *expanded* definitions.

The broad academic consensus is that South Africa's unemployment problem has been rising for 30 years, reaching a plateau in 2004 at extremely high levels, standing at 28% in March 2004 by the *narrow* definition, and 41% by the *expanded* definition (Stats SA, 2004 cited in McCord, 2005: 565-566). In Quarter 4 of 2008, Stats SA indicates that there were approximately 3,9 million persons unemployed in South Africa. In the wake of the financial and economic crisis, the level of unemployment rose rapidly, reaching a peak of 4,4 million in Q2: 2010, and remaining around this level in the following quarter. The number of unemployed persons rose to 4,5 million in Q1: 2012, but declined by 56 000 persons between Q1: 2012 and Q2: 2012.17

17 Stats SA, Quarterly Labour Force Survey, Quarter 2, 2012, 31 July 2012, p. xiv.

3.1.2 Types of unemployment

There is already quite a lot of analytical discussion on the nature of unemployment in South Africa.18 The principal focus has been paid on whether unemployment is voluntary or involuntary. In the 1970s and early 1980s, the conservative economists had denied the existence of "involuntary" unemployment in South Africa on the basis that even if the going wages were deplorably low, work for all those willing and prepared was available (Meth, 2007).

Several researchers have persuasively and effectively disapproved the assertions that the majority of the unemployed choose to be so. They argue that *choice* is not always an expression of discretion to choose from a range of options, but a path followed in the context of serious impediments (Kingdon and Knight (2000, 2001b). According to these writers, there are plausible factors that could explain the *lack of job-search* decision and these include local economic conditions, high levels of unemployment and the characteristics of work-seekers such as education, skills, worker's gender, household composition, and household income and wealth as well as direct costs which may depend on the worker's labour market links, locality and remoteness (Ibid., p. 6).

Meth (2007) further dispels the long-discredited conservative thinking that unemployment is voluntary. This scholar argues that whereas unemployment could be described as "voluntary" in the 1960s, the same argument cannot said to be true in contemporary South Africa. If there are people who could be described as "voluntarily" unemployed, this writer contends, they constitute a tiny minority of the labour force. The conservative economists had maintained that the unemployed were "work-shy" because most of them gave the "lack of suitable work" as the reason for being unemployed (Ibid.). With the introduction of the "cannot find any work" response, Meth (2007) shows, into the Labour Force Surveys (LFSs), nearly all of these respondents migrated from the "suitable work" into the "cannot find any work" category.

In the several past LFSs, Meth (2007: 2) shows that many of the unemployed surveyed who reported that they did not work in the previous week also reported that they could not find work. For example the September 2004 LFS found 722 000 people who said that they lacked the skills or qualifications for the available jobs, 231 000 who said that they had recently been retrenched, and

18 See such writers as Loots (1984), Kingdon and Knight (2000a, 2000b, and 2001), and Haddad and Adato (2001), and Mthombeni (1996), *inter alia*.

6.75 million people who reported that they could not find any work. Almost 44 per cent of these people were below the poverty line of R250 per capita in 2000 prices (R309 per person in 2004 prices), while almost half of them were below a line of R400 per month (2004) prices. These poor people are unlikely to be choosey about jobs. Only 294 000 people reported not being able to find "suitable work", where suitable is defined in terms of wage/salary, location or working conditions.

Currently, there is a broad consensus among analysts that South Africa faces a demand-deficient structural unemployment (Marais, 2011; and McCord, 2004b, 2005b). According to Mafiri (2002), structural unemployment occurs when the economy is unable to absorb the total labour force even when it is at full employment. This has been largely attributed to an increase in the rate of the economically active population and in turn an increase in labour force participation rate (McCord, 2005; Marais, 2011). Banerjee *et al*., (2006) cited in Fourie (2011: 47) show that between 1970 and 2005, total employment had an annualized growth rate of 1.3 per cent per year while the working age population grew at 2.7 per cent per year.

3.1.3 The causes of unemployment

While the causes of unemployment in South Africa are manifold and complex there is a general public consensus that unemployment is a consequence of dynamics on both the demand and supply sides 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, it is argued that whereas there has been some growth of employment between 1995 and 2002, for example, this has not been sufficient to absorb new labour market entrants or to provide jobs for those who experienced job losses due to a shrinking demand for labour. The unemployment rate has thus been growing by 1% to 2% per annum, reaching 30.7% by September 2002. To reach government's target of halving unemployment by 2014 (i.e. reducing the unemployment rate from 30% to 15%) 546 000 new jobs would have to be created each year (EPWP Overview, June 2004: 13).

Analysts have investigated the reasons for stagnating labour demand in the South African economy. They point to the organisation of the economy around the minerals-energy-complex (MEC) as the principal hindrance to the economy's ability to create jobs. It is useful to briefly outline the MEC and the kind of dynamic this organic structure has imparted on the industrialization path of the

South African economy and how this has negatively affected the employment-creation ability of the economy.

MEC is a term that was coined by Ben Fine and Zavareh Rustomjee in their landmark 1996 study which refers to a nexus of monopolistic industrial sectors concentrated in mining and other sectors that dominate South Africa's economy. With the exception of engineering and capital equipment outside the MEC, the economy has been weakly developed around intermediate capital and consumer goods sectors "lacking economies of scale and scope" and bereft of strong state support and investment from the mining finance oligarchies that had dominated the economy since the 1980s. Down-stream, value–added manufacturing sectors have not been adequately developed and manufacturing remains relatively un-diversified (Mohamed, 2010: 44).

The genesis, growth and development of the mining industry was historically hinged on the abundant supply of labour much of which was sourced from South African's reserves but complemented by migrant labourers from Botswana, Mozambique, Swaziland and Zimbabwe. This dependency on migrant labour system left the MEC-dominated economy with critical vulnerabilities. Particularly, when the mining sector lost control of the regional migrant labourers in the 1970s, and increasingly became dependent on South African internal labourers, the sector had to contend with a growing competition for labour with other labour-intensive sectors. In order to compete with these sectors, the mining sector was forced to concede to robust demands for increased wage rates such that the period between 1980 and 1985 witnessed wage increases of 320 per cent for mineworkers (Pons-Vignon and Anseeuw, 2009: 887).

Squeezed between an emboldened labour movement; increased labour costs and a concomitant decrease in international mineral prizes; and in response to financial liquidity constraints, the major South African companies in the MEC pursued a strategy of corporate globalization in the form of increasing *internationalization* and *financialisation* of their corporations (Mohamed, 2010). This has involved, inter alia, the export of domestic resources and control and the relisting of major corporations on the London stock exchange such as the Anglo American Corporation, De Beers, Old Mutual, South African Breweries, Liberty Life, Sasol and Billiton, *inter alia*.

For Mohamed (2010) the financialisation and internationalization of the global economy and the resultant restructuring of South Africa's economy has had deleterious effects on both South Africa's work force and the job seekers [emphasis added]. According to this scholar, it has led to the misallocation of capital towards speculation and bubbles in financial and real estate markets and away from long-term job-creating productive investment.

Pons-Vignon and Anseeuw (2009) show that the South African mining workforce decreased from 750, 000 in 1990 to 402,000 in 1999 and 288, 400 in 2005. Even though the number of miners has since stabilized primarily because of the increase in global demand for titanium and platinum, as well as the increase in gold prices the orgnisation of the South African economy around the MEC continues to limit the overall job-creation capacity of the South African economy (Marais, 2011).

The current proposals to restructure the platinum industry do not represent anything new but, as Neil Reddy aptly puts it, a restructuring process which is a microcosm of the principal afflictions of the South African macro-economy, that is, financialised disinvestment and capital flight. Whereas the plans to restructure the platinum mines by Anglo American Platinum (Amplats) and especially its Rustenburg shafts, are based on the fact that they are no longer capable of generating any profit,19 analysts argue that the "shock-tactic approach" underlying these proposals reflects a particular dynamic in the politico-economic structure of the platinum industry at the center of which is the need to safeguard the interests of shareholders more than those of labour. Reddy contends that the choice of which shafts to restructure, i.e. Khuseleka and Khomanani which had the highest concentration of Association of Mineworkers and Construction Union (Amcu) members who were at the center of the recent strikes, could be interpreted as a strategic move to discipline labour than obeying any economic imperatives. It could be argued therefore that the adoption of "labour-saving technologies" in the mining sector specifically does not appear to be inspired by an increase in costs of labour, but is rather motivated by "a long foretold crisis in the platinum industry related to rising costs and demand constriction" (Ibid.). As happened in 2009 where Amplats shed more than 15, 000 jobs with the closure of three shafts and cuts at head office, the proposed restructuring would deploy the same ultimate "punishment" to poor workers, that is, loss of jobs.20

19 Niall Reddy suggests that they made between R62 million and R92m in the first half of 2012 before the strikes, Niall Reddy, The Star, Thursday 31 January 2013, p. 18.
20 Ibid.

In light of increasing technological and legislative shocks, companies have clamored for labour market "flexibility" in which they have wanted power to be able to alter various aspects of their work organisation and workforce to meet the demands of their businesses. The proposals to loosen labour laws are centered on the generic claims that South Africa's labour laws are unusually restrictive and impose excessive costs to employers (Marais, 2011: 186). The protagonists of labour "flexibility" suggest that the increase in labour market rigidity, the over bearing protection of employees against unfair discrimination and the increased cost of doing business compounds unemployment as it adds to the disincentive for firms to hire new labour. Firms, it is argued, are likely to respond by cutting employment to below the critical norm of 50 workers (Black and Rankin, 1998 cited in Mahadea, 2003: 32).

Some analysts argue that the view that the rigid labour laws stifle employment as do the idea that lack of education and skills amongst the will-be job seekers explains their unemployment, are not helpful to explain the South African's high unemployment phenomenon (Marais, 2011). Particularly, they argued, that there seems to be profound conceptual problems underlying the hypothesis that there is a significant correlation between education, skills development and the probability for labour market attachment. The implication is that once there are skills in the market the jobs will follow. This is fictive, they argue. The scope of this dissertation does not allow the validity of these arguments to be seriously evaluated but seeks to outline what the critical postulations have been brought to the fore in explaining South Africa's unemployment crisis.

In light of the fact that structural changes in the South African economy have given rise to a new labour market regime which has given birth to a simultaneous positive demand effects for skilled, better-educated workers and negative effects for unskilled poorly-educated workers, the lack of skills and education has constantly featured as a principal variable for high (un)employment probabilities (Bhorat and Hodge, 1999; Fourie, 2011). For analysts, it is not so much that there are no employment opportunities but that those that are available can only be taken by a specific segment of the labour force that possesses skills required for these jobs. This explains why, they argue, unemployment is concentrated among the young, unskilled and black population (Rodrik, 2006: 2). Analysts further point to a positive correlation between educational attainment and labour market attachment. For example, in their analysis of the 1995 OHS and 2003 LFS data, Dias and

Posel (2007) cited in Fourie, (2011) found that labour force participants with tertiary education on average were twenty per cent less likely than corresponding and identical individuals with only primary education, to be unemployed. This view is underscored by Wittenberg (1999) cited in Fourie (2011) who argues that better educated individuals have a higher propensity for job search and hence a significantly lower probability of being unemployed.

However, Dias and Posel (2007) have cautioned that the correlation between education and unemployment is a fluid one. For example, in the period 1995 up to 2003, the unemployed group showed a growing proportion of persons with tertiary, matric and incomplete secondary education meaning that the relationship between education and unemployment is not linear. According to these authors, the effect of education on unemployment probability is not linear for the benefits of higher education in securing employment only "kick-in" when labour force participants have at least matric education. So while education at lower levels may be useful in breaking the cycle of poverty and inequality, only higher levels of education appear to make a significant difference. Lam *et al*. (2008) cited in Fourie (2011: 25) write that completing secondary school does have a positive impact on successfully finding a job after leaving school.

In conclusion it is emphasized that whereas some analysts attribute unemployment to lack of skills among job seekers and the rigidities in the South African labour law which dissuade the hiring of unskilled labour, the inability of the MEC-dominated South African economy to create jobs sufficient to respond to a growing number of would-be job seekers seems to be the principal cause of the country's unemployment problem. The MEC-dominated economy has over the years seriously weakened the employment intensity of economic growth and encouraged the substitution of capital for labour thus reducing demand for unskilled workers in the mining and other labour-intensive sectors such as agriculture. This research questions, not only the efficacy of EPWPs in addressing what is largely a structural unemployment problem, as described above, but also examines the efficaciousness of EPWP's work experience, on the job training, and formal training in enhancing post-programme employability of workers.

4 CHAPTER FOUR: BACKGROUND TO THE EPWP

4.1 The international experience in the application of public works

The history on the development and application of public works globally is well treated by such writers as Abedian and Standish (1986); Ligthelm and van Niekerk (1990); Mthombeni (1996); and Twala (2006). Over the years, public works have been constantly shifting in both character and emphasis. During the 1930s public works were popularised by the Keynesian economists in such countries as the USA, the UK and Italy during which they were used as a "temporary auxiliary measure" aimed at involving the greatest possible number of the unemployed on a temporary basis in times of acute or transient shocks (Mphei, 1996). In most countries, public works are used to offer stabilisation benefits or consumption smoothing during periods of transient labour market dislocation or temporary livelihood disruption which may result from environmental (drought, flood or hurricane) or economic shocks, such as the East Asian financial crisis (Subbarao, 2003).

Today, a number of countries across the world, including African countries have experienced the application of these projects (Twala, 2006). In much of the South Asian region, for instance, public works are used as "cash-for-work" programmes that provide short-term employment at low wage rates (Subbarao, 2003: 1). In Sub-Saharan Africa, labour-intensive public works have been used to mitigate the effects of climatic risks on poor farmers with short-term employment or projects such as road construction and maintenance, irrigation infrastructure, reforestation, and soil conservation. McCord (2005a: 3) argues that public "works programmes are a popular social protection instrument in situations of chronic, as well as acute poverty, seeming to offer a "win-win" policy option; providing employment, while creating assets, and offering a welfare transfer which also has a tangible economic investment." The objective of labour-intensive public works is to create infrastructure for development "at the least opportunity cost of the scarce resource, capital, promoting the use of the poor's most abundant asset, labour, to provide basic social services (World Development Report, 2001: 2). In their most ambitious objectives, PWPs are seen as a "guaranteed job", and an "employer of last resort."

4.2 A historical overview on the application of public works in South Africa

There is quite an elaborate treatment of the use of labour-intensive projects to deal with emergency situations such as cyclical unemployment, and the systematic development of infrastructure in South Africa. Abedian and Standish, (1985, 1986) write that the application of public works in the 1920s-30s was a response to the "Poor White Problem" in which many rural whites, mostly of Afrikaner descent, suffering from the assault of poverty and unemployment, began to agitate for better living conditions. In response, the government had to implement a public works programmes under the auspices of the Special Employment Creation Programme (SECP). This programme included irrigation and other various schemes which drew most whites into productive work.

Similarly, in the 1980s, following a semblance of an economic upsurge, another employment problem arose, in this case Black unemployment. Having been affected by discriminatory labour policies, and with poor education, inadequate social and physical services, and general lack of employment opportunities, Blacks found themselves in a similar predicament to the poor whites of the 1920s and 1930s (Mthombeni, 1996: 28). Between 1983 and 1984, the SECP was initiated to provide temporary relief to the unemployed through productive and sustained employment creation. With its goal to substitute work for handouts, the programme went on to include the creation of infrastructure and the generation of skills.

Since, 1994, the focus and emphasis of PWPs has been changed. The first public works programmes were initiated by the Government of National Unity (GNU) in the form of National Public Works Programmes (NPWP) after 1994 (Twala, 2006). Those constituted, in essence, labour intensification "through increased training and capacity-building in the provision of infrastructure and were a key component of the RDP." The NPWP shifted "towards a Community-Based Public Works Programme (CBPWP) thus transforming from being a relief, emergency, and "special" public works programmes to long-term structured labour-intensive programmes. This transformation was born of the Framework Agreement which was a social compact in which government, labour, the construction industry, and the civic sector made pronouncements that industry should be committed to the maximisation of the use of labour-intensive systems of construction within public works "with emphasis on smaller companies and regulatory bodies than

a national programme" (Twala, 2006). The 1996 White Paper on GEAR set the target of creating 100, 000 new jobs each year through labour-intensive infrastructure works and service provision (McCord, 2002).

The application of public works post 1994 expanded steadily in the 2000s during which there were structural reforms which saw the coming together of both government and business to effect transitional programmes that directly address unemployment and poverty. These structural changes were motivated by a concern not to translate these programmes into "Band-AID", and to avoid creation of problems that require unsustainable levels of public expenditure "that would destroy hard-won fiscal and monetary discipline" (Dagut, 2003: 22). In 2004, the National (Special) Public Works Programme and other smaller schemes were coalesced in 2004 into an Expanded Public Works Programme (EPWP).21

The EPWP was announced by the former President Thabo Mbeki in his February 2003 State of the Nation Address. It was subsequently adopted by labour, business and government at the June 2003 Growth and Development Summit after prolonged negotiations between government, trade unions and the business sector.22 During the negotiations government and business were ideologically opposed to increased long-term public sector employment while the labour unions were wary of the creation of "second-class" public works employees with lower wages, benefits and labour protection. They argued that this would lead to the development of a two-tier labour market (McCord, 2004a: 10). After prolonged negotiations, it was agreed that minimum wages for EPWPs would be reduced, but that employment would be short-term and workers would be given training as compensation. The training component and the assumption that it will enable workers to find employment after the end of the EPWP are central to the casting of the EPWP mechanism to reduce unemployment.

The centre-piece of the EPWP is the provision of needed public goods and services (such as municipal pipelines, storm water drains, paving and fencing of roads, community water supply and sanitation, maintenance of government buildings, housing, schools and clinics, rail and port and

21 www.odi.org/uk/esau, p.1.
22 www.epwp.gov.za.

electrification infrastructure, etc) labour intensively, at acceptable standards, through the use of mainly public sector budgets and private sector implementation capacity.

The EPWP adopted the labour intensive approach which maximises the use of the poor's most abundant resource, i.e. their labour without compromising time, cost and quality (McCutcheon, 1992). Labour-intensive construction is defined as the economically efficient employment of as great a proportion of labour as it is technically feasible, ideally throughout the construction process to achieve the standard demanded by the specification; the result being a significant increase in employment being generated per unit of expenditure by comparison with conventional equipment-intensive methods (Greyling, 1994; McCutcheon's 1996; Ligthelm and van Niekerk 1990).

Job opportunities created in EPWPs span such activities as clearing undergrowth, refurbishing schools and caring for the ill. The duration of employment and wage vary greatly. Each work stint was to last an average of 100 days something which is akin to India's National Rural Employment Guarantee scheme which entitles each rural household 100 days of work per year.

4.3 Definitions and objectives of the EPWP

The EPWP is officially defined as a "nationwide programme covering all spheres of government and state-owned enterprises that aims to draw significant numbers of unemployed workers into productive work accompanied by training so that they increase the capacity to earn an income either through the labour market or through entrepreneurial activity (EPWP, 2005). The immediate benefit of public works is temporary employment while the medium-term benefit is improved labour market performance, the Holy Grail for employment, for those who have passed through the EPWP process, entering as unskilled labour and exiting as labour possessing skills in demand in the formal economy, to use McCord's (2005b) phraseology. Thus, the EPWP acts as a "through-flow" mechanism to convert a stock of impoverished people into a cadre of productive labour but this is contingent upon the performance of the South African economy.

5 CHAPTER FIVE-RESEARCH METHODOLOGY

5.1 Introduction

This section outlines the methods that were used in this research. The study used a combination of documentary analysis, and semi-structured interviews with former participants of the Modimola EPWP. The intention of this study was to investigate the extent to which EPWP employment helps to propel participants to other jobs or more secure labour market positions once they exit these programmes in addition to an investigation about the nature of employment in these programmes. These data were obtained through the use of quantitative and qualitative methodologies. These two pure approaches were combined to enrich the analysis of conditions of employment in the Modimola Integrated EPWP and its impact in improving participants' subsequent labour market performance.

Whereas in quantitative methods the precision with which the key variables of interest are defined and collected, and the sample size is determined, influence the degree of validity and reliability, the validity and reliability of qualitative data depend on the methodological skills, sensitivity and training of the qualitative evaluator. Qualitative research calls for the evaluator's observational skills because every face-to-face interview also involves observation (Ezemenari, *et al.,* 1997*:* 15). Qualitative methods are less reliant on statistical precision to ensure validity because often, the sample size will not allow for statistical tests. In view of the above, the use of quantitative and qualitative methods allowed for data triangulation. Triangulation involves the systematic use and comparison of data collected with independent methods.

Ezemenari, *et al.,* (1997: 15) write that "The objective of triangulation is to assess potential biases in particular methods of data collection and other independent methods that are likely to offset these biases." In this case, triangulation was used to verify data obtained through a questionnaire survey. For example, if contractors might have over-estimated the pay rates for their former employees as asked through direct questions, this was cross-checked against the information on wage rates for participants in the programme in progress reports obtained from Aurecon. In addition, individual interviews with individuals could reveal the source of the bias and a more precise picture of individuals' pay rates could be unearthed. Therefore, combining both qualitative and quantitative

approaches to data collection provided quantified results of the program's impacts as well as explanations of the processes and intervening factors that yielded these outcomes (Ibid.).

Of the two methods, I chose to use the quantitative method, i.e. structured survey questionnaire, in order to obtain obtained specific and quantifiable data such as when people started and exited the programme, the duration of participation, the duration of stay without employment post programme participation (for those who were unemployed at the time of the interview), the number of people who underwent training and obtained or did not obtain certificates, from the former participants. As Greenstein (2003) puts it, qualitative approaches tend to involve gathering and analysing in-depth and textured information on a small group of respondents. This method allows for the investigation and understanding of human and social interaction from the views by collating the reactions of a wide range of participants into a limited set of questions, in this case, of participants during the interaction. Quantitative methods tend to focus on attributes of individuals at the detriment of linguistic and sociological attributes such as language and social context

As a result, in addition to the survey questionnaire with predetermined and closed-ended questions, qualitative methods were used to obtain more information about life realities of participants. The advantages of qualitative methods are that they provide a wealth of detailed data through direct quotation and careful description and observed behaviours. In this case, each respondent was asked some additional information about their life histories, their current life circumstances and their aspirations for the future. Detailed notes about each interviewed individual were written on each of the questionnaires used. This was done so that detailed individual diaries could be obtained from each individual at first instance to save on time and resources.

5.2 Methods of data collection

This research drew from desk-top documentary research. The documentation specific to the EPWP was largely obtained from the EPWP website and general search of the worldwide web. The information obtained from the EPWP website yielded official public works documents such as the September 1997 Public Works White Paper and the Ministerial Determinations on the EPWP which gazetted minimum conditions of employment for public works participants. Literature that critiques

various aspects of the EPWP and especially their poverty reduction impact was obtained from the worldwide web. This literature also included secondary data on unemployment debates especially issues relating to the definitional aspects to this phenomenon and areas of dissent amongst writers.

5.2.1 Semi-structured interviews

The documentary analysis was supplemented by in-depth interviews with two sets of informants. Curtis and Curtis (2011: 29, 32) define an in-depth interview as a "case-centric" approach in which the framing is fluid and thus allows for the rich or thick data to be gathered with detailed descriptions. The in-depth interview frame is described as "fluid" in that it gives room for revision of the variables (i.e. to add themes or questions) as the research progresses. In addition, in-depth interviews allow for research to build rapport with the informant so that respondents are willing to talk freely and discuss personal material and there is more time to pose probing questions to pursue interesting personal material and follow up on interesting points, including the material that the person may bring up that the researcher had not anticipated. This technique was invaluable in this research because programme impact in terms of enhancing employability needed to explore personal attributes of each respondent and their life circumstances beyond their engagement in the programme.

Firstly, two interviews were conducted with Aurecon informants who played a central role in the conceptualisation and implementation of the Modimola programme. These informants helped me to secure interviews with the contractors who had employed participants in various projects of the programme. The informants from Aurecon provided invaluable information regarding the historical aspect to the initiation, progress and achievements of the various projects of the Modimola Integrated EPWP. Secondly, four contractors were interviewed and these gave background to their involvement in and the conditions under which they employed participants. While the guiding principle for selecting contractors' interviewees was not to be representative, I considered the need to have a mix of contractors who performed or provided different services in the programme. The main aspects of this programme were road construction, route patrol, and construction activities relating to the establishment of the Modimola agricultural farming enterprise. Two contractors who were involved in road construction, one which was involved in route patrol and another which was

involved in the establishment of the farm enterprise and specifically that lay the irrigation pipes, were interviewed.

An interview guide was developed for each of the above-named sets of informants and these covered a pre-determined set of themes and questions that included the types of people who were employed in the Modimola for public works, duration of employment, skills development, and pay rates, *inter alia*. The advantage of using the interview guides is that they made interviewing of different informants more systematic and comprehensive by delimiting the issues that were covered during the interviews.

5.2.2 Structured interviews and individual diaries with former workers of the Modimola Integrated EPWP

5.2.2.1 Sampling

5.2.2.1.1 Snowball and purposive sampling

The main target of this research study was former participants of the Modimola Integrated EPWP. It had been originally intended that the survey would be conducted with a representative sample of former participants of the Modimola EPWP programme. However, given the circumstances surrounding access and inability to access the intended number of respondents I conducted 32 structured interviews which were complemented by intense diaries with the same respondents. These interviews looked at the life circumstances of informants prior, during and after programme participation in order to determine the extent to which public works employment helped the participants' access to other jobs once they exited their temporary positions in the programme. The demographic background of respondents interviewed in this report is provided in appendix two of this report.

Thirty-two former participants of the Modimola programme were interviewed for at least forty minutes each due to time constraints on their part. Most (17) of the respondents were interviewed at the community hall on the day during which they had come to attend the meeting I had called. I and the other two colleagues whom I had asked to assist with seTswana (the native language of the respondents interviewed these seventeen respondents) interviews administered interviews that we

shared amongst each other. These informants were from Modimola and the surrounding villages, i.e. Madiba-Makgabane and Lekoko. The rest (15) of those who had not come to the meeting were located through a snowball sampling technique which is a non-probability sampling approach. A snowball technique is an approach used for identifying and sampling cases in a network, which can be referred as a network chain, referral or reputation sampling (Neuman, 2000). Snowball sampling is used in studies where it is difficult to locate a population and thus where one has no sampling framework. In this case the public works participants are scattered hence it was appropriate to use this technique.

The interviews were conducted using a structured questionnaire. This questionnaire was organised into predetermined response categories to capture the respondents' diverse opinions, observations and experiences during the periods prior to, during and post their employment in temporary public works positions. The questions on the questionnaire were posed to all respondents in exactly the same way and these covered the following broad themes: biographic data of respondents; conditions of employment including wages, hours of work, and length of employment, skills development and type of training and other conditions of employment in these projects; participants' own assessment of the medium-term and long-term impact of employment in the public works and how it improved their labour market performance, *inter alia*. The advantages of a structured questionnaire are that it collates the reactions of a wide range of participants into a limited set of questions while an unstructured questionnaire allows for broad generalisations of data.

In summary, through the process of structured and in-depth interviews and documents analysis, this dissertation sought to provide insight with regards to the nature of public works employment and the extent to which it enhances their subsequent labour market performance. The methodology also enabled the research to address the following ancillary questions:

- The minimum rights that EPWP participants have with regards to employment agreements, labour rights, security of employment, and wages and other benefits; and
- The nature and quality of training offered to public works participants and the extent to which this improves labour market performance of participants once they exit these programmes.

5.3 Evaluation design

The EPWP projects in Modimola were introduced with the aim of improving food security, basic income security, skills development and social cohesion. Therefore, evaluating the impact of this programme on project participants has been done against their stated objectives of improving the employability of public works employees through on-the-job training and work experience. This assessment was done by using EPWP employment as a proxy and asking questions relating to participants' labour market status prior and post-programme participation.

5.4 Limitations to the study

Below were the constraints and limitations to this study:

- Time constraints and insufficient budget for the study, as such the scope and coverage was limited. For instance intense interviews into individual public works participants were limited because financial resources could not sustain prolonged field operations.

- The fact that the EPWP under consideration was discontinued several years ago means that this research was done only on participants still present in the area. This entails what could be seen as a serious bias as it is likely that those more successful at finding employment had moved away. This limitation highlights the challenge associated with tracer surveys in tracking the beneficiaries in order to interview them and for this reason, only a handful of the former participants of the Modimola EPWP were located. The inability to access all the former workers in the Modimola EPWP makes it difficult for this research to authoritatively assert whether or not the majority of participants managed to find jobs after exiting this programme. This limitation means that the generalisability of the research findings is limited because the respondents interviewed are not from a representative sample of all the former workers in this programme. It would have been ideal to speak to all the 480 employees who participated in this programme to check on their labour market status some five years after exiting it. However, it is considered that this study has provided insight into the implications of EPWP employment for long-term labour market performance.

- Another limitation to this study (which is related to the above) is that it is conducted some years after the implementation and closure of the EPWP in Modimola, and that this site is some way off the main urban centers where workers are more likely to find employment. Consequently, workers that have successfully made transitions from EPWP to formal employment may well have had to migrate to the major urban centers. Therefore, the snowballing technique used for this study might have generated "local" respondents who might have a much higher probability of not finding work, at least compared to workers that exit EPWP and then migrate to the urban centers. This might have skewed the results of this study. To mitigate the effects of this distorting

the results of the study, the researcher targeted the respondents during the month of December during which the probability of finding those who might have made transitions to other employment post-programme participation in other areas was high. South Africa has an established tradition of labour migrancy in which people migrate to areas of economic and mainly employment opportunities and spend long periods of time during the year sequestered from their families only to join them during December holidays. This suggests that the percentage of those who might have been "missed" out by the study because they had found employment elsewhere was small. It must be borne in mind that whereas the EPWP in Modimola created 480 employment opportunities, these employment opportunities were not for 480 different persons because there was repetitive employment of the same persons but double counting of employment opportunities created.

- The framing of the evaluation around examining the efficacy of employment and therefore using it as a proxy must not be seen to attempt to build a case for causality, that is to say, it is not being implied that EPWP employment should result in post-programme employability for there are other confounding variables underpinning employment probability. Instead, this study is an attempt to test the hypothesis that is repeatedly claimed in official EPWP documentary that the work experience received in EPWPs will help workers move from the "second" to the "first" economy. This framing however presents limitations to investigating post-programme labour market attachment in respect of training and the skills acquired in the programmes, factors which are not the only predictors of labour market performance.

6 CHAPTER SIX: DATA PRESENTATION AND ANALYSIS

This chapter outlines the findings from a survey of 32 former participants of the Modimola EPWP, views of selected key informants from Aurecon, and the former contractors in this programme. The chapter begins by presenting the key findings of the research after which it outlines the demographic characteristics of the Modimola respondents, their labour market position prior to engagement in this programme and their current labour market status. The conditions of employment including work time, wage rates, and other indicators of quality of work during programme participation are investigated in order to determine whether or not, as currently suggested, EPWP employment compounds the problem of labour casualisation in South Africa.

6.1 Key findings of the study

6.1.1 EPWPs offer very casual employment

The key finding of this study is that the EPWP programmes often provide employment opportunities for people who would not otherwise have access to other formal work opportunities. The EPWP only creates employment opportunities for the unskilled and therefore transfer only rudimentary skills which do not help these workers to transition from the condition of lowly skilled EPWP "graduates" to a pool of workers with intermediate skills. Thus, this study confirms Samson's (2007) findings that EPWPs create inferior jobs that do not only have a modest impact on poverty but also create conditions of exploitative employment akin to very casual jobs in the general labour market.

Worse than Samson's (2007) findings, the study shows a widespread violation of the sectoral guidelines regarding conditions of employment in public works in South Africa. Workers in the Modimola EPWP worked without contracts, and did not enjoy basic employment rights such as sick leave, family responsibility leave, and paternity leave. They worked for long hours and often had to work on weekends to complete their allocated tasks. For example, 98% of workers in the Modimola EPWP reported that they had not been members of any local unions during their employment in this programme, while only one member said that they were a member of a local union which they had left for fear of victimisation. As one worker explains:

> *"If one had to take a sick or maternity leave, s/he had to find someone to "work for them", otherwise they would not be paid for such a leave"* (Female participant of the Modimola EPWP, December 2012)

Whereas there is no indication of arbitrary dismissals in the Modimola projects, and that no complaints were raised by the informants, there is no indication that the participants could have had any recourse to justice if these were to occur. While the Steering Committee and the Community Liaison Officer were responsible for recruiting workers into the programme, this committee was loosely organised as to have any leverage against contractors who flouted labour laws. This is worse when one considers that none of the workers claimed membership of any local union. This finding is a clarion indication of the vulnerability of these workers in a sector in which employment arrangements are so-flexible and ill-defined so as to be able to identify what benefits this kind of employment could accrue to workers. The participants felt ambivalent about how unions could succeed in organising them as they felt that union membership was only for permanent workers. The majority of them indicated ignorance about unions.

The fact that these conditions occurred in a programme that had been described as a flagship programme representing best practice in the implementation and management of performance-based employment creation is worrying. Even more worrying is the fact that these findings belie the government's commitment to "decent work" for the poor when programmes implemented under its armpit are characterised by such casualised and exploitative employment conditions. More so, the use of contractors within the EPWPs, while an attempt to promote the growth of SMMEs, creates a triangular relationship at the center of which are poor, unskilled workers who are willing to take any kinds of jobs for survival purposes rather than for dignity and meaningful livelihoods. It could be argued, therefore, that EPWPs are poverty-inducing rather than poverty-reducing schemes.

Arguably, the legislation relating to EPWP employment underlies much of the exploitative employment conditions in the EPWP. Samson's (2007) aptly put it that given that the EPWP is underpinned by agreements which limit the employment security, labour rights and wages and benefits of EPWP workers, in the absence of mobilisation and renegotiation of these agreements, public works employment creates dynamics of exploitative and very casual work in the labour market.

6.1.2 EPWP training strategy: A palliative solution to unemployment

The key insight provided by various scholars examining the correlation between educational attainment and labour market performance is that education increases the probability of employment. The EPWP training strategy is premised on the same linear incremental model, i.e. the assumption that increased skills would result in increased access to jobs. This study disproves this assumption not only because all the Modimola EPWP workers have not found jobs given the nature of training offered in this programme but also because there are no jobs. What is problematic is that the EPWP training strategy is predicated on an assumption that supply-side interventions can have a significant impact on unemployment among the low-skilled. In a growth path that does not create jobs, it would be futile to train people with the hope that they would find jobs. This assumption would be akin to the same error as Say's Law that supply will create its own demand (Amsden, 2010). Indeed, skills do not create jobs and this constraint must not be attributed to the limitations of the EPWP strategy and its failure to transfer skills that would enable workers to find jobs.

Public works were effective in providing employment to people dislocated by cyclical economic shocks in Western Europe because there were other complementary economic policies that provided jobs in the long run. In South Africa, the economy is not creating jobs. Hence, it can be argued that multiple-short term employment in EPWP projects serve to churn the unemployed replacing one cohort of the unemployed with another. Consequently, rather than move up the hierarchy of the labour market after setting foot on the employment ladder, the former Modimola EPWP workers have returned to the same labour market "rung" from whence they came into the programme, to use McCord's (2004, 2005) formulation. Arguably, the problem with temporary EPWP employment is that it creates a bubble which bursts after a short-time and could thus add to the existing problem of discouraged work-seekers.

It should be argued that the finding highlighted above does not imply that the design of the EPWP training strategy is flawless. Rather, it should be recognised that the problem, i.e. structural unemployment, for which the EPWP has been formulated can best be addressed through an industrial policy that seeks to re-engineer the structure of the economy to provide jobs which will be taken up by people skilled through the EPWPs. Perhaps the EPWPs should not only be cast as a

social policy intervention but also an industrial policy for broad employment creation beyond temporary performance-based job creation.

While the limitations of the impact of EPWP training to assist workers to find jobs in the formal labour market is a function of the fact that it is premised and thus, organised on the flawed conceptualisation of the unemployment problem as a transitional and therefore the casting of the EPWP intervention as a supply-side one, an examination of the typology of the Modimola EPWP training component reveals that it had serious limitations. The typology is as follows:

Training in this programme was provided by individual contractors in which skills that were transferred were those to enable workers to perform their allocated tasks such as minor pothole repairs, temporary repair of fence lines, compacting, etc. Qualitative data provides further insights as to the reason why contractors were the main providers of training in this programme. It is reported that during the pilot phase of the project, skills training of the workers had been allotted to and conducted by Taletso College and that this included first aid, road construction and farm work. However, this responsibility was subsequently shifted to the Department of Labour which however was not in a position to provide skills training specific to road construction, concrete works and farm work, which were the principal activities in the programme. As a result, the training responsibility was shifted to foremen or contractors in which workers were trained through mentoring and support.23 The challenges in this kind of training were that:

- Training became limited to the specific tasks that had to be performed and this, by and large, has limited employment opportunities that could be taken up by workers, subsequent to exiting these programmes.

- The training strategy was not sensitive to the heterogeneous training requirements of EPWP participants in respect of their literacy, enablement and appreciation levels. As shown in the demographics section below, the majority of workers in the Modimola EPWP had not completed primary school. So, basic training for the performance of elementary occupations such as grass cutting, excavation, gravelling, and irrigation, as were the dominant occupations in the Modimola EPWP, should not be expected to close the gap between being unskilled as an illiterate person and reaching a skills threshold where one could be described as eligible for employment in the formal labour market.

23 Interview with Desmond Roots and Mr. Putsoa Moroke, Aurecon, September 2012; Modimola Pilot Project-Progress Report, No. 5, June 2006 (Personal communication with Mr. Desmond Roots).

- The type of training provided in the Modimola programme was not skills-oriented as it was provided by contractors to equip workers with basic techniques to execute their tasks. It seems, just like what other studies have found, the people who benefited from training were the contractors who underwent a NQF Level 2 construction learnership programme, some of whom have been, since the closure of the Modimola EPWP, able to bid for construction contracts in the private sector based on this training and work experience acquired during executing their services in the programme.

- A substantial number (44%) of respondents did not receive training and 61% person of those who received training did not receive training certificates. This is not only in violation of the sectoral determination and Basic Conditions of Employment Act but presents challenges for participants in their future job search because certification has been highlighted in previous studies as one of the important denominators influencing workers' perceptions of post-programme employability.

Very few workers were of the opinion that the training they had received was useful even though the majority of them had reported that they were satisfied with various aspects of the training from the level of training received, the language used and the management of the training. Principally, the respondents perceived that training had not inserted them in a better position to be employed since they left the programme. This is not surprising given that all of the respondents reported that they had never been employed since the closure of the Modimola programme.

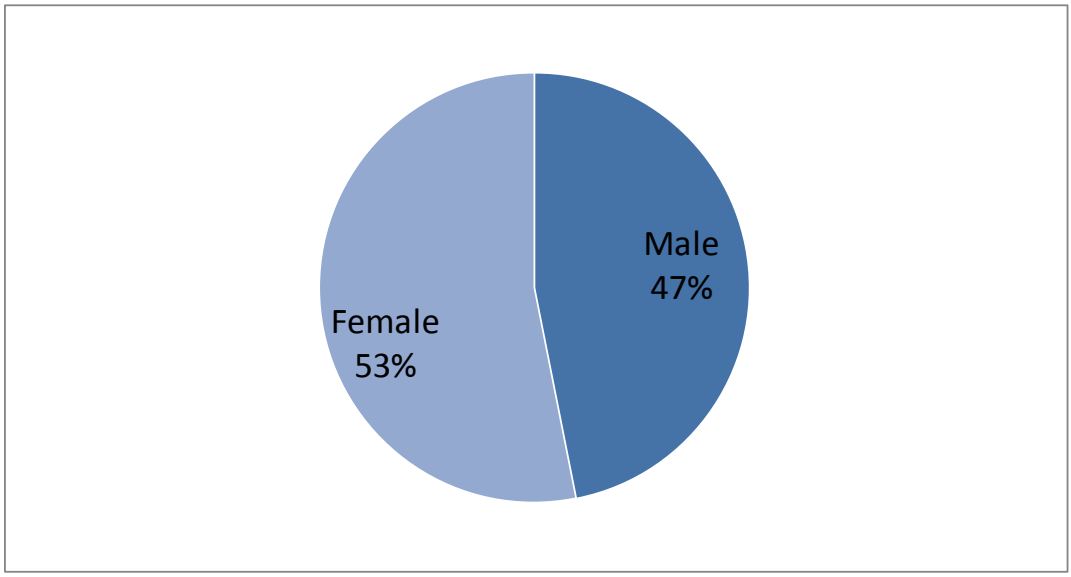
When asked why they were not finding jobs, respondents presented a variety of reasons. However, they perceived the lack of jobs, skills and funds for job search as the main constraints to improved labour market performance, even after EPWP experience and training. So, it is clear that the Modimola EPWP training did not contribute to the goal of increasing workers' "capacity to earn an income once they leave the programme."24 The programme provided basic technical skills in construction and life skills such as First Aid, Health and Safety; etc but most workers in the Modimola EPWP indicated that these skills have not enhanced their employment prospects.

6.2 Demographic characteristics of the Modimola EPWP respondents

The majority (53%) of respondents interviewed were female while men constituted 47% of the respondents interviewed.

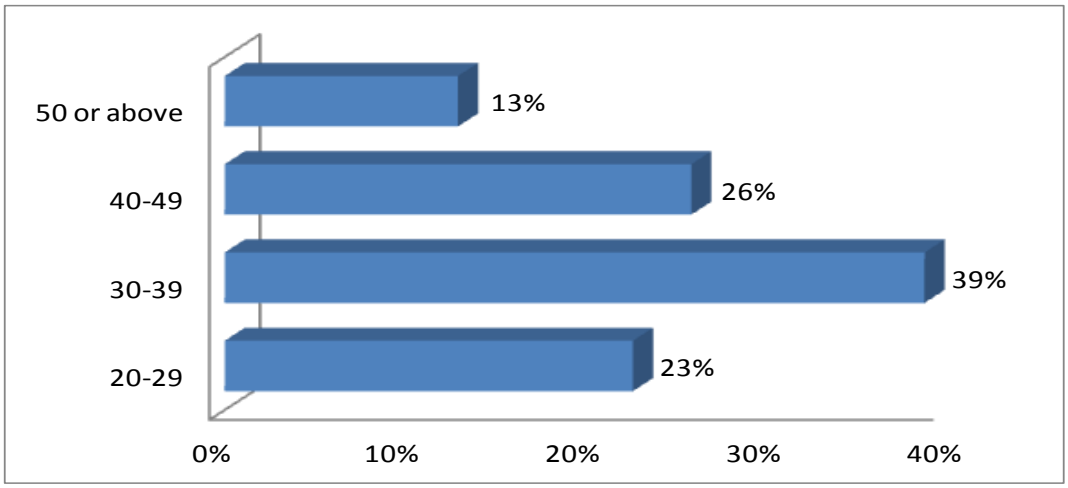
24 Mbeki, quoted in This Day, 12 November 2003.

Figure 1: Gender distribution of survey respondents



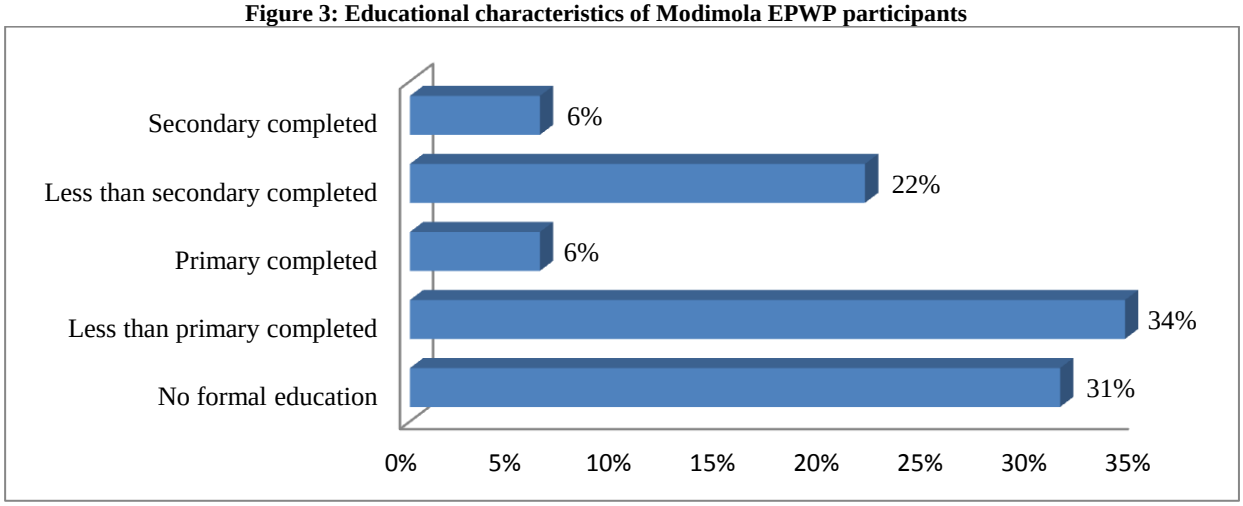
The Modimola EPWP attracted participants who were mostly youth. Even some of those who fall within the age bracket of 40 to 49 were youth at the time of their engagement in the programme while those in the age categories 20 to 29 were much younger during programme participation than they were at the time of the interview.

Figure 2: Age distribution of respondents



The majority of respondents interviewed had either no formal education or had not completed primary education. A few respondents had completed primary school and went on to complete secondary school. Of the 6% respondents who completed primary school, only 6% went on to complete secondary school while the rest (22%) did not matriculate.

Figure 3: Educational characteristics of Modimola EPWP participants



6.3 Employment, work status and survival strategies before the programme

More than half (59%) of the respondents were unemployed (and claimed to have been doing nothing) before they started working on the Modimola projects. Women were significantly more likely to engage in home care work and to report that they lived off government grants than men who were likely to report that they did casual work.

Table 2: Work done before employment in the programme

	Freq.	Percent
Home care work	4	13
Casual work	4	13
Employed	5	16
Unemployed and doing nothing	19	59
Total	**32**	**100**

Table 2 above shows that 59% of respondents were unemployed and claimed that they were doing nothing before they were employed in the programme. When these respondents were asked about their source of income, 56% of them indicated that they did casual work or piece jobs while 19% were reliant on family members or living off grants. Respondents, who indicated that they were in some sort of informal business, indicated the following kinds of businesses: running own business like a *spaza* shop and selling such items as bread, snacks; selling vegetables (tomatoes, cabbages and spinach); and selling clothes.

Respondents whose activities fell into the category of piece jobs listed a variety of occupations, including: landscaping or garden services, building homes (thatching), phone-shop assistants, farm labourers, painting, working in restaurants, domestic work and casual work.

Table 3: What was your source of income since you were unemployed?

	Freq.	Percent
Casual/piece jobs	15	56
Home care work	2	7
EPWP contract work	1	4
Child grants or family members	5	19
Informal business	4	15
Total	**27**	**100**

The findings above highlight the need for programmes such as the Modimola EPWP which provide work opportunities and training for the most vulnerable groups in society, whose low levels of education and lack of mobility (due to poverty) hinder their ability to find work, to be expanded.

6.4 Entry and conditions of employment in the EPWP

This section outlines findings of the survey with regards to recruitment practices, the number of days worked and the working conditions. The EPWP target the poor and gives preference to females (60%), youth (20%) and the disabled (2%). In order for the EPWPs to adhere to these targets it is crucial that the recruitment processes are fair and transparent. As such, this section explores how the participants became aware of the Modimola EPWP and the processes by which they became employed on the programme.

6.4.1 Awareness of the programme

Friends and relatives (59%) were the primary source of information about the work opportunities afforded by the Modimola EPWP. The ward councilors, contractors and local community leaders and those already working on the projects were prominent in disseminating the information about the Modimola programme. The informal networks through which respondents heard about the programme suggest the need for greater awareness campaigns if such programmes are implemented in the future.

Table 4: How did you hear about the programme?

	Freq.	Percent
From friends/relatives	19	59
From local community leader	7	22
From other people working on the projects	3	9
Own initiative/contractors	2	6
Refused to answer	1	3
Total	**32**	**100**

The in-depth interviews with contractors and the Modimola EPWP progress reports yielded additional insight with respect to the recruitment processes used for the programme. The interviews confirmed that the Community Liaison Officer (CLO) played a primary role in the recruitment of labour in the community hence he played a labour brokerage role between contractors, the Steering Committee and workers. The contractors also indicated that in some instances the local chief (who was the chairman of the Steering Committee of the Modimola programme), the traditional tribal

court, councilors, municipalities and even political parties were approached to request their assistance in informing the communities about the programme. Occasionally, the meetings were held with the communities to promote their support of the programme.

Table 5: Year worker started on the programme

Percent cases	Freq.	Percent
2004-2006	22	69
2007 and beyond	10	31
Total	**32**	**100**

The majority of participants worked for more than two years on the programme. Some of the workers stayed in the programme for much longer than others especially those who got involved with the Modimola farm enterprise which was the last aspect of the programme to remain operating. While the code of good practice provides that no person may be employed for more than 24 months within a five-year cycle, and adds a caveat that this could be changed if no other local labour is available, which reflects preference of public works programmes for local labour, the Modimola workers could work for more than this stipulated period.

Table 6: Year worker exited the programme

	Freq.	Percent
2004-2006	7	23
2007 and beyond	24	77
Total	**32**	**100**

The incidence of working longer weeks, i.e. working on weekends Saturdays and Sundays was prevalent amongst all project participants interviewed in this study. In addition, given that the majority of contractors employed workers for task-based work per week, there were gender disparities in terms of the reported number of days worked per week on the projects. The qualitative research provides insights as to what could have caused this disparity. Women tend to fall pregnant and cannot work due to their physical condition and whilst they are on maternity leave. Some female respondents complained that some of the tasks were too physically demanding for women.

Table 7: Duration of work on the programme

	Freq.	Percent
1 to 2 years	5	16
3 to 4 years	11	34
5 years and above	2	6
6 months to 1 year	10	31
Less than 6 months	3	9
Total	**32**	**100**

Of the 32 respondents interviewed in the survey, only five respondents indicated as having been employed prior to joining the Modimola Programme. The survey had been structured to capture the kind of jobs they were doing and to compare these jobs with EPWP employment. It was important to do so in respect of the current suggestion in public works critiques that since the EPWPs are meant to provide temporary relief to transient shocks; it means that they have a tendency to displace long-term employment with short term, low paid employment. Empirical evidence on wage rates for the five participants does not suggest any income disparities for participants before and during

participation. Hence no further interrogation was made of the character of occupations and related employment conditions on the five employees.

The five respondents were however asked why they had left their previous occupations to join the Modimola EPWP. The main reason that these workers gave up the activities they were involved in prior to the programme was because the Modimola EPWP paid more than the aforementioned activities. The other reasons for giving up prior work was that they did not have enough time and/or that their casual work ended or had already been stopped. Given that the Modimola EPWP offered continuous employment it is not surprising that the workers did not have time to pursue other work activities. With respect to other respondents who were unemployed at the time of engaging in the programme, (but were doing piece work) the other reasons mentioned included: sickness, did not like the work they were doing and wanting a stable income. This finding highlights that workers who have periodic employment in the EPWPs may be involved in other casual or informal work when they are not working on the programme.

Table 8: Reasons for giving up previous activities

	Freq.	**Percent**
The Modimola EPWP paid more	3	50
Not enough time	1	25
Casual work ended/I had already stopped casual work	1	25
Total	**4**	**100**

6.4.2 Periods without work

The objective of public works is to offer temporary employment for income and poverty relief. However, the Modimola EPWP offered a relatively continuous stream of employment to participants. The survey with participants shows that only two respondents reported that they had stopped work for two months and both of these were women. It can be inferred that this could be due to personal circumstances such as pregnancy or family responsibilities.

6.4.3 Working duties, benefits and earnings

Employment and conditions of work for Special Public Works Programmes25 are regulated by the Code of Good Practice CGN P64 published in Government Gazette 23045 on 25 January 2002. Issued in terms of section 87(1)(a) of the Basic Conditions of Employment Act (BCEA), the code provides guidelines for the protection of workers engaged in special public works programmes (SPWPs), taking into account the need for workers to have basic rights, the objectives of the programmes and the resource implications for government (Budlender, 2009). These include the overtime rate, compressed work week, remuneration for long meal intervals, Sunday pay, night shift allowance and transport, annual leave and pay, sick leave, maternity leave, family responsibility leave, written particulars, display of employee rights, information about remuneration, deductions, notice, certificate of service, and duration of employment.

25 The two instruments were drawn up before the EPWP was put in place and so do not refer to the programme explicitly. Instead public works programmes are defined to mean programmes that "provide public assets through a short-term, non-permanent, labour intensive programme initiated by government and funded from public resources." The definition as well as other clauses of the determination reflected the then existing programmes, and particularly those in infrastructure and the environment.

Among, other things, the code specifies the intended beneficiaries of the programmes being non-working individuals from the most vulnerable sections of disadvantaged communities who do not receive any social security pension income, and that the programmes should set participation targets for employment with respect to single and female-headed households, women, youth, people with disabilities, households coping with HIV/AIDS, people who have never worked and those facing long-term unemployment. The code also lists legislation with which the special public works programmes must comply and these include the BCEA, Labour Relations Act, Employment Equity Act, Occupational Health and Safety Act, Compensation for Occupational Injuries and Diseases Act, and Skills Development Act of 1998. This highlights the fact that the existence of this code and the sectoral determination does not preclude the application of other legislation on public works (Ibid.).

6.4.3.1 Working duties

Respondents were asked the types of work they did on the programme and what their main tasks were. The key occupations on the programme were slashers, general construction worker, route patroller, and farm worker. The greater number of workers exhibit greater participation in all key occupations suggesting that there may have been greater multi-tasking or that this may be because the workers were involved and shifted from one project to the other. The profile of work done by the participants is very similar to all work categories done on the project.

Gender analysis for the five most common occupations revealed that gender ratios were fairly even for general work, slashing and grass cutting, excavation. Gender analysis of work done on the programme also shows that females were likely to have worked on the Modimola agricultural farm enterprise as hoers, cultivators and harvesters than males who were more likely to be general construction workers, i.e. excavators and fence repairers.

6.4.3.2 Benefits and earnings

Against the provisions of the Sectoral Determination governing conditions of employment in EPWPs, this research investigated conditions of employment in the Modimola EPWP. The sectoral determination stipulates the terms and conditions of for workers employed in elementary occupations on the EPWPs and is quite explicit about the terms of work; hours of work; working hours; various types of leaves, i.e. sick leave, maternity leave, family responsibility leave; statement of conditions; keeping records; payment; deductions; health and safety; compensation for injuries and diseases; termination of contracts; and certificate of service. When viewed against legislation, one could argue that the Modimola EPWP offered very casual employment.

Whereas the Ministerial Sectoral Determination provides that workers employed in elementary occupations in the EPWPs should be given by their employers a “statement” containing such details as the employer’s name and address and the name of the EPWP; the tasks or job that the worker is to perform; and the period for which the worker is hired, the expected duration of the contract; the workers’ rate of pay and how this is to be calculated; and the training that the worker will receive during the EPWP, contracts of employment, slightly more than half (53%) of the respondents in

interviewed had no contracts while all respondents said that they were not given annual leave. This finding demonstrates violation of conditions of employment in the EPWP.

A similar pattern was established with regards to leave entitlements where the study found that the programme implementers generally did not afford the workers benefits and entitlements as stipulated by the sectoral determination. For example, while this determination stipulates that a worker may take up to four consecutive months' unpaid maternity leave, and that only workers who work for 24 hours per month have the right to claim sick-pay, a majority (65%) of respondents indicated that they were not given family responsibility leave, and 88% indicated that they were not given sick leave. One respondent augmented this by saying that:

> *"There was no sick leave. If you became sick, you were supposed to get your relative or your friend to work for you. Otherwise you were going to lose out on money."* (Female Modimola EPWP participant, Modimola Village, December 2012)

Two issues stand out from this quotation. The first one is that contractors violated the law in terms of denying their workers' entitlement to sick leave and other types of leave and that this could have been worsened by these workers' ignorance of the sectoral determination. For instance, only two of the 32 respondents were able to tell what the sectoral determination implied in terms of wage rates for public works employees. Samson's (2008) work describes the confusion and lack of knowledge that prevails among top officials of the EPWP and the related departments as to the relevant legislation. The confusion and lack of knowledge is even worse at implementation levels and amongst contractors and workers. This could explain the high level of non-compliance to the sectoral determination as was indicated by this study.

The sectoral determination provides that only workers who work more than 24 hours per month have the right to claim sick leave in terms of this clause and that a worker may accumulate a maximum of twelve days' sick leave in a year. The interviews with participants and contractors show that the average number of hours a general worker could accumulate was well above the stipulated 24 hours a month which means that many of the workers were supposed to be eligible for sick leave during their employment in this programme.

Secondly, the quotation highlights the problematic nature of a task-based payment system for labour intensive construction and skills development work as provided for in the sectoral determination. While the determination covers workers in relation to hours and other conditions of employment in Special Public Works Programmes, it also lists a range of clauses of the BCEA that do not apply, or are varied (i.e. changed). The participants generally did not get any benefits such as paternity or maternity leave, sick leave, and family responsibility leave.

6.4.3.3 Earnings

At the time of the implementation of the Modimola EPWP, the existing legislation was that which was provided by the provisions of the Ministerial Determination: Special Public Works Programmes published under Government Notice R63 in Government Gazette 23045 of 25 January 2002 which was superseded by the existing Ministerial determination as revised and promulgated on 22 October 2010. Both versions of the determination provide for conditions of payment. In

respect of examining the wage rates in the Modimola EPWP, it would be only fair to compare the wage rates in respect of the law which was applicable then and which is the Sectoral Determination 2002. Mitchell (2007) cited in Budlender (2009) reports that the average daily minimum EPWP wage rate in 2006/07 was R41.

The payment system during the Modimola EPWP did not differ from the stipulated wage rates as per the 2002 ministerial sectoral determination. This study highlights two wage scales for all general workers, namely: R40.00 or R50.00 per day. Even though the task system was based on the government stipulated or approved rates, participants felt that they were receiving unfairly low wages in view of the duties they performed. Each task could be completed in a day and once a task had been completed this was referred to as the "main day." Payment concerns were expressed in various ways by workers. Some workers were of the view that the wages they were given were not commensurate with the work they performed while others indicated that late payment of wages was a constant problem. The contractors attributed this late payment to delays in the issuance of funds by the department. The majority of participants were paid fortnightly.

Asked about whether workers worked over time, one contractor said that there was no over time worked. He conceded that:

> *"At the beginning people were slow because they were not used to working and had to work extra time but as time progressed they could complete tasks on time. If s/he completes the task fast, a worker could help out their peers or knock off any time. But basically there was no overtime. The time of completion was over a 'main day.'"*(Modimola EPWP, Contractor, December 2012)

The fact that workers report that they were not given leave is unlawful and was a violation of the determination as the ministerial determination states that it applies to "any department, implementing agency or contractor that hires workers to work in elementary occupations on a SPWP." However, it must be argued that the legislation itself presents challenges to the recognition of EPWP workers and creates conditions for the casualisation of EPWP jobs in which these jobs are characteristically exploitative, involve little pay because the pay should not be set above the prevailing market rates so as to not attract people away from permanent to temporary employment. For example, the determination also states that the EPWP workers are not to be considered as contributors to the Unemployment Insurance Fund in respect of this work. This means that they do not have 1% deducted from their monthly payments. It also means that they are not eligible for payments once they become unemployed.

So, it is not much the conditions of employment and non-compliance with the sectoral determination by the contractors in the EPWPs that creates conditions of very casual employment in these programmes but also the legislation itself. It is however worth to note that this framework was developed with the full participation of all the National Economic Development and Labour Council (NEDLAC) stakeholders (Ibid., p. 8).

6.4.4 Protection against arbitrary dismissal

There was no indication of and reported prevalence of conflicts of interests between contractors and workers in the Modimola programme. However, there does not seem to have been necessary apparatus through which the workers could find recourse in cases of unfair or arbitrary dismissal. In general, workers did not have protection and the respondents also felt that they were vulnerable to summarily dismissal even though they claimed that there was always rapport between themselves and the contractors. Their vulnerability could have been compounded by the non-existence of unions organising workers in the EPWP segment. Respondents either indicated lack of knowledge about unions or were ambivalent as to the success of unions in representing non-permanent EPWP workers' interests.

It is therefore important for unions to channel resources and develop a political will to organise public works employees for union membership. The Modimola EPWP employment was episodic but repetitive and the same kind of workers tended to be employed repeatedly. This provides an opportunity for unions to organise these workers. This is also a clarion call for unions to consider organising this part of the labour segment that has been left in the cold for a long time.

6.4.5 Perceptions about the Modimola EPWP programmes

The respondents were asked if they had encountered any problems relating to working conditions and working relationships in their teams or other teams. There were no notable problems with regards to relationships between contractors and workers. There were however anecdotal complaints relating to low wages, long hours of work without compensation and late payment.

Qualitative data also highlights wage-related disputes. In particular there were repeated reports of late payment or short payment of wages on the Modimola EPWP. In some cases, late payment of wages had caused workers to discontinue work. Regular payment is particularly important for poor people as it allows for better planning of use of the limited resources available, and poor people are also less likely to have savings to draw on.

Additional safety concerns related to the fact that workers were not insured against injury whilst others worked without protective clothing, i.e. gloves, helmets and safety boots. Although the issue of late payment was mentioned by only 2% of all the 32 respondents, it was raised as a problem in almost all the contractors/team leaders or site managers interviewed. These indicated that delays in their payment by the department of public works meant a delay in the payment of their workers. Even though sometimes understood, they indicated that, it was a pity to see workers exasperated because for many of them this was their only source of income as indicated one respondent:

> *Some of the work in these projects is very hard labour and we only have to work because we do not have a choice* (Modimola EPWP female participant, December 2012)

Contractors were asked about the processes workers could follow if they had problems. They indicated that the workers could go to the Community Liaison Officer who would then approach the contractor and try to reach a solution. If the CLO could not solve the problem, the steering committee presided over by the local chief had to intervene. If the latter could not resolve the issue,

the dispute was then referred to the then Chief who had to play an arbitrator's role and the matter had to be settled. Describing a case of labour unrest, one contractor said:

> *I had one case of labour unrest. You know we used to pay our labourers fort nightly. So I hired this new staff to which I did not explain clearly how we work. So when it came to payment this particular fort night they expected payment for ten days. In that particular fort night our cutoff date fell on a Wednesday which means that there were eight days for that fort night while the other two days, Thursday and Friday, were to be included in the following fort night. When I explained this, perhaps I have to blame myself that I was not clear, people did not understand and set for three days without working demanding that I pay them for the other two days. I called the CLO who only came after three days but when he came the matter was resolved* (Modimola EPWP contractor, December 2012).

6.5 Work status post participation in the EPWP

The fundamental intuition behind the use of public works is to first allow individuals and their households to accrue income that would assist them to gain some food security. That is the immediate objective. However the long term objective is to assist, through training and work experience, the participants to find employment once they exit the programmes. The thrust of this research was to investigate the extent to which participation in the Modimola projects assisted the informants in finding employment somewhere else. It has been a long time since the Modimola projects were stopped and in respect of the objectives ascribed to the public works, it is expected that the participants have been able to secure jobs in other areas or in the construction sector.

The respondents were asked about what they had been doing since the closure of the Modimola projects. All (94%), but two respondents reported that they had been unemployed and doing nothing.

Table 9: What have you been doing since the closure of the Modimola EPWP?

	Freq.	Percent
I have been employed	1	3
I have been running a small business	1	3
I have been unemployed and doing nothing	30	94
Total	**32**	**100**

These respondents were asked about how they have been surviving since the discontinuation of their employment in the programme. As shown in Table 10 below, the majority (50%) of respondents survived on grants and these were all women, followed by those who survived on piece jobs.

Table 10: Source of income for unemployed former

	Freq.	Percent
Piece jobs	11	37
Nothing	3	10
Child grant	15	50
EPWP work	1	3
Total	**30**	**100**

In respect of the above, this section sought to investigate workers' perceptions regarding the training they received during their employment in this programme and why they thought it had not assisted them in finding other jobs.

6.5.1 Training and the perceived benefits of training

This section explores the training received on the programme. The following specific issues are covered: perceived training benefits, satisfaction with training, how training could be improved and how training in combination with work experience has assisted workers to find other employment subsequent to participation in this programme. In terms of the EPWP guidelines on public works employment, all participants in these programmes should undergo training in order to assist them to find employment once they exit these programmes.

When respondents were asked whether they received training while employed on the programme, just over two-quarters (56%) interviewed reported receiving training (Table 11). Women respondents were more likely to report that they received training while employed on the programme in comparison to their male counterparts. The most common forms of work-related training received by the respondents included basic construction techniques, planting techniques, making of irrigation plots, gravelling and levelling, and construction of drifts.

Table 11: Did you receive training during your employment on the Modimola EPWP?

	Freq.	Percent
No	14	44
Yes	18	56
Total	**32**	**100**

In addition, respondents reported as having had received a wide variety of training courses, including: theoretical training on mixed farming and life skills training, i.e. management of personal finances, skills on running one's own affairs and HIV/AIDS.

Respondents who received training were asked whether they received a training certificate for completing the various training courses. 61% of respondents did not receive certificates compared to 39% of those who received them. For those workers who did not receive certificates, this was seen as a problem when they sought work opportunities as highlighted in the statement from a worker below:

> *I can dig and shovel and do construction work and get experience from all that I do but I will have a problem when I apply for other jobs because I do not have a certificate to show that I am qualified in construction [work]*. (Female Modimola EPWP participant, December 2012)

This failure to acknowledge and value training according to Ndoto and Macun (2005: 34) is a result of the fact that EPWP workers were not presented with any form of certification as a form of proof that they were indeed trained, especially on technical skills´ and the fact that this training was

provided on-the-job rather than classroom-based. These researchers emphasise the need to enhance workers' valuation of training provided if the EPWP impact is to be sustainable failure of which will render the training provided worthless.

Table 12: Did you receive a certificate for the training you received?

	Freq.	Percent
No	11	61
Yes	7	39
Total	**18**	**100**

When asked about how they benefited from the training they received during employment, 56% of respondents indicated that they acquired general skills in road construction, 33% said that they gained knowledge on mixed farming while others referred to specific activities on which they gained knowledge through the training they received, namely: constructing of side drains, gravelling, and construction of bridges.

Table 13: Type of training received

	Freq.	Percent
HIV/AIDS	1	6
Mixed farming	6	33
Personal finances	1	6
Road construction	10	56
Total	**18**	**100**

In general, workers were very satisfied with the levels of training received. 55% reported that they were either satisfied or very satisfied with the level of training received. However, further qualitative interviews with workers indicated that training was useful as long as they were employed but was less useful in helping them to secure subsequent employment. Some attributed this to not having received the training certificates. Respondents believed that training certificates could be used as proof that they had undergone training when they applied for other work. Receipt of certificates was considered an important part of benefits derived from participation in this programme and what could have enhanced their probability of being employed since they left the programme. This illustrates that without a training certificate, it is difficult to find work for public works participants. This also supports the view that one of the main ways in which training in existing EPWP programmes could be improved is through the issuing of training certificates upon successful completion of the training courses.

Table 14: Level of respondents' satisfaction with training received during employment on the programme

	Freq.	Percent
Neither satisfied nor dissatisfied	8	44
Satisfied	6	33
Very satisfied	4	22
Total	**18**	**100**

Respondents were asked to indicate what type of work they had attempted or were applying for based on the type of training they received. Table 15 below provides a breakdown of possible jobs respondents reported they could apply for. Respondents were more likely than not to report that they could apply for work as construction labourers (56%) or open income generating businesses.

This could be because most of these participants were employed in construction projects. An interesting finding is that a few (17%) the respondents who received training believed that they could not apply for any positions. This could be that training in the Modimola EPWP was very specific, focusing on technical construction and planting techniques and therefore cannot be applied to other types of work. This is problematic when one examines the often stated objectives of the EPWP training strategy, i.e. to assist participants to find other jobs once they are finished with temporary positions in these programmes. It could also be an indication that training without issuance of training certificate is problematic as it does not give participants the confidence that they can secure other work post programme participation.

Table 15: What kind of work could you apply for after training?

	Freq.	Percent
Agricultural labourer	1	6
Construction	10	56
None	3	17
Small business	4	22
Total	**18**	**100**

With respect to "Other" reasons, some respondents stated that they did not really know what to apply for, while others felt that they are not educated enough to apply for certain types of jobs.

Table 16 below summarises suggestions from respondents on how training can be improved. Only one of all respondents was of the opinion that training was satisfactory and that there was no need to change it. Importantly, qualitative interviews with respondent's shows that the majority of respondents felt that the training content should be more detailed and that EPWP work in general should be less physical for women. The respondents generally indicated the need to provide more practical and in-depth training that would improve their skills for future employability. They further suggested that training should be more detailed and practical as opposed to basic theoretical training and that people should be exposed to various types of training not only basic construction techniques.

Table 16: Can you suggest how the training could be made better?

	Freq.	Percent
More frequent training	7	39
Need for practical demonstration of the theoretical issues	10	56
Satisfied, no improvement necessary	1	6
Total	**18**	**100**

6.5.2 Has the Modimola programme assisted you in finding other employment?

The employment opportunities provided by the programme, as well as the additional training and skills developed increase the respondents' confidence level, especially in believing that they can find other employment and in having money of their own to spend. However, with respect to

employability, an overwhelming majority (97%) of respondents indicated that training in the Modimola EPWP had not helped them in any point in their lives to find employment.

Table 17: Has the programme assisted you in finding other employment?

	Freq.	Percent
Yes	1	3
No	31	97
Total	**32**	**100**

The findings of the in-depth interviews and literature review confirm that workers believed that the training and experience received on the projects had not assisted them in securing employment in the public or private sectors or that it would assist them in starting their own business at any point in their lives. There were no significant gender differences with respect to the respondents' prognosis of future employability in respect of the training they received on the programme.

When asked why they felt they have not been able to get employment since they exited the programme, respondents expressed a variety of views. While the majority of the respondents felt that training was adequate and that it helped them during their employment on the programme, they felt that the training was less useful in assisting them find employment. The majority of respondents therefore felt that training had no benefits in improving their present and future employability. This could have been due to their long time of stay without being employed after they exited this programme.

The majority of respondents indicated that they had been optimistic that the knowledge, skills or general experience gained from their employment with the Modimola EPWP, would assist them in finding employment. A substantial proportion also agreed that business skills or resources such as saving/capital, could have allowed them to start their own businesses but that the major impediment was that they could not make savings from the wages they got whilst they were employed on the programme.

A small number felt that their experience in first aid and other health issues could make them employable in the private or public sector but that they did not know how to apply for jobs. This shows that there is a significant discrepancy between the training menu offered under the EPWP for regular labourers, with its focus on life skills and labour market information, and the skills and training cited by workers as of market value, such as driving lessons and security personnel training. Other respondents felt that they were more empowered to find jobs due to their improved self confidence while some thought that certification and references would assist them in securing future employment. The value of certification when job hunting was repeatedly highlighted in individual intense interviews a point illustrated by a rhetorical question as below:

> *How would the employer know that you are good at this thing [work] if you do not have the papers [certificates] to show that you have the skills and you can do the job?* (Worker, Modimola EPWP, Modimola, December 2012)

7 CHAPTER SEVEN: CONCLUSIONS AND RECOMMENDATIONS

This chapter presents conclusions of the research on the efficacy of EPWP employment in terms of its training strategy to improve subsequent employability of participants once they exit these programmes. The specific focus of this research was to look at the extent to which the Modimola EPWP benefited participants in terms of providing employment benefits accompanied by training to improve future employability-by looking at exposure to training, type of training received, and the use of skills acquired through training. The conclusions presented combine the findings of the survey and individual diaries, literature review and in-depth interviews with key informants of the study, i.e. contractors and interviewees from Aurecon. The study also explored, the characteristics of employment in this programme against arguments that EPWP employment adds to the existing problem of the growing preponderance of very casual jobs in the South African labour market. The chapter is divided into three components: a brief summary of key findings of the study, recommendations for immediate programme improvements and recommendations for the EPWP programme as a whole.

Through an analysis of EPWP employment, its training strategy, the study contributes to the field of debates on how best to address unemployment and poverty by improving or amending existing strategies, and the challenges of dealing with casual exploitative jobs within the South African labour market. The study provides policy recommendations about how these projects could be improved or amended. The focus is on the implications of EPWP employment for long-term labour market performance of participants once they exit these projects.

7.1 A brief summary of findings

In accordance with the literature review, there are various critiques about the efficacy of public works in improving the subsequent employability of participants once they exit these programmes. The literature suggests that EPWP employment does not help participants to transition from the supposed “second” marginalised economy to the “first” developed economy. The “two-economy” thesis is mentioned here because it has been a dominant ideology underpinning the characterisation

of the South African economy within which interventions to address poverty and unemployment have been framed.

The key finding of this study is that the EPWPs fail to generate employment beyond them: once they stop, employment opportunities in areas of implementation disappear. As such, it must be acknowledged and emphasized that the EPWPs are an emergency and a poverty-alleviation programme not meant to provide long-term employment opportunities to the unskilled poor. It is important to acknowledge this fact because it absolves us from expecting too much of these programmes, whatever the state bureaucracy might claim.

Another key finding of the study is that training, which is one of the key pillars upon which the EPWP employment is premised to influence labour market performance of participants, leaves much to be desired. This study found that while the training provided to workers in the Modimola Integrated EPWP was useful, it did not enhance the participant's probability of employment after exiting the programme. The overwhelming majority of respondents had not found alternative employment five years after exiting the programme. It must be cautioned, however, that it is difficult to establish any causality between the prevalence of unemployment amongst respondents in this study and the type of training provided. Indeed, as Amsden argues, skills do not create jobs. The foregoing highlights that much EPWP training exhibits the limitations of NGO-development: generic, health or small enterprise-focused training, linked to particular fads than to any serious attempt at equipping recipients with skills which would help them find jobs.

Viewed in respect of core indicators of job quality, i.e. labour market security, wages and benefits, conditions of employment, protection against arbitrary dismissal, training and union representation, *inter alia*, the same sort of abuses as have been associated with employment arrangements that result in vulnerability and erosion of worker's rights, are discernible in the Modimola EPWP employment. Thus, this study found a gap between the legislated minimum standards for EPWP employment and the conditions of work in the Modimola Integrated EPWP.

7.2 Recommendations for immediate programme improvements

7.2.1 Recruitment and selection of workers

Key finding
The majority of workers recruited onto the Modimola programme and did not apply for positions. Recruitment was informal and was by word of mouth and through referrals, in some cases. Contractors were in a powerful position in that they were able to determine to a large extent that worked or did not on their projects. Family and friends may have received preference in this respect.

Recommendation
Information about the programmes must be disseminated as widely as possible to local communities and leaders, so that people living in the areas where the programmes are being established, have a better chance of being recruited to work on these projects. Some respondents highlighted the need for greater awareness amongst the surrounding communities where the Modimola EPWP was operating. Information about the objectives of such programmes and how they are meant to alleviate poverty of communities as well as working conditions and the rights of workers needs be disseminated through leaflets and some other written material at projects' sites. The idea expressed was the need to popularise such programmes through community information-dissemination infrastructure such as community members and community development workers.

7.2.2 Training and education

Key finding 1
Access to training should be broadened as only two thirds of the respondents interviewed reported as having received training. The research does not shed light as to why some of the participants did not receive training despite the fact that all of them were employed for a considerable period of time and that expectedly, and in terms of legislation, they must have undergone training.

Key finding 2
Respondents were more likely to report that they never received training certificates after the training. Of the 18 respondents who reported as having had received training only 7 of them said that they received training certificates. This was viewed by some workers as a problem when they were looking for other employment opportunities.

Key finding 3
As a result of training received on the programme, workers' opportunities to find other employment were largely limited by the skills they received for the specific tasks they performed on the various activities on the programme. This explains why the majority of respondents indicated that they would apply jobs in the construction sector when they were asked about what jobs they have been and/or applying for based on training they received.

Recommendation 1
Certificates must be provided upon completion of training to enhance the prospect for future employability for workers. This will enhance the valuation and the perceived benefits of training.

Recommendation 2
The scope of training must be shifted beyond the nature of skills required to perform certain programme activities to provide skills required in the formal labour market, i.e. skills that can be used in non-agricultural and non-construction work, and for example relating to home-based care, boiler-making, welding, and machine operation.

Recommendation 3
Training should be intensified, the duration of the training should be increased and the content should have more depth and specifically seek to provide intermediate technical skills for which there could an unmet demand for labour. For women, attention could be given to social development training which is useful to this category of participants so that they can take advantage of opportunities presented by the Home and Community Based Care (HCBC) programme in the context of the national strategic plan to mitigate the effects of HIV/AIDS and the increasing rise of orphans and vulnerable children as well as child-headed households.

Furthermore, as participants indicated, whilst life skills training is important, there is need for EPWP workers to undergo a vigorous entrepreneurial skills training given that these programmes are not meant to exist for ever. In the words of one worker *"One cannot construct roads forever."* The dominant view is that public works participants should not only be viewed as people waiting to be employed after the programmes come to an end but should be prepared for a life as entrepreneurs.

7.3 Recommendations for the EPWP in general

In respect of the respondents and contractors' views and a critical analysis of evidence presented here, the following general recommendations are made:

7.3.1 Opportunities for further enquiry into the EPWPs

- This study presents other opportunities for further enquiry. Since many of the former participants in the Modimola projects reported that they were unemployed because there were no similar construction projects for which they had the skills, it stands to be seen if these participants still possess the construction acumen that could enable them to secure employment should opportunities that require their skills arise. There is need for barometer-style studies to not only conduct regular studies to track participants' labour market status in the aftermath of their participation in these programmes but to also investigate their level of competency.

- Another issue that needs further interrogation and that could not be covered in the scope of this study is why existing workers (who were interviewed in this study) have not been able to

enter the informal economy. Given that training programmes provided appear to have been satisfactory, we should expect that at least some workers are able to earn incomes in the informal economy.

7.3.2 A need to rethink the EPWP sectoral determination

- The EPWP employees constitute some of the vulnerable and exploitable labour in the South African labour market. Campaigns and media material should therefore be developed in order to market workers in this sector for recognition. There should be a shift in union thinking as well as attitudes towards EPWP employees. The unions must demonstrate willingness to organise workers in this sector. Some of these workers do repetitive work. Whilst employment in other sectors, especially the infrastructure sector, is short-term, the social sector offers long-term employment in which literature has highlighted that payments tend to be low hence the need to protect the rights of these workers against exploitative wages and other abuses prevalent in EPWP employment. While COSATU has vociferously been opposed to the creation of a two tier labour market and lowering of labour standards for targeted groups of workers, it must equally be vigorous in organising for the recognition of EPWP employment and should set itself to abrogate denigrating nomenclature such as reference to EPWP workers as non-workers and therefore as "beneficiaries."

7.4 Public works as part of an enterprise development strategy

- Public works should not only be seen as part of the social policy interventions. The programme should be galvanized with broad economic or industrial strategy and especially the black economic empowerment programme or enterprise development programme. The contractors in these programmes should not be confined to service providers in infrastructure programmes but be developed into fully-fledged companies not only able to bid for big contract but able to hire, train and develop labourers. This would be an ideal avenue for black economic empowerment in a country where there is a critical shortage of skilled black entrepreneurs. This means that the EPWP strategy needs to be articulated within the context of the real economy and be part of a broad strategy for black enterprise development. It can also be part of the agrarian policy where agricultural projects such as the Modimola farm enterprise could be expanded and be established as well.

- The attempt by government to provide livelihood options and employment opportunities to people, "as they are", is a noble idea. However, EPWP employment should not be taken as a single variable which will increase employment probability post programme participation. It must be noted that some of the EPWPs are implemented in rural areas where a whole range of factors present structural barriers to and inhibit job search processes amongst the poor. Thus, there is no linear causality between skills and information about jobs and probability to find employment. One of these impediments is the unavailability of financial resources within their households to enable them to initiate and sustain the job search processes if one is to employ the job search model as

propounded by Loots (1984) to explain the unemployment phenomenon amongst particular segments of the population. As shown above, some of the respondents from Modimola programme perceived lack of resources to sustain the job search processes as the main reason why they were unemployed while others stated that they were unemployed because there were no job opportunities for which they had the skills in Modimola or the greater Mafikeng area.

In order for them to obtain such jobs it would have entailed their travelling to other areas of economic opportunities. Certainly, it would be an over-expectation for one to think that these people would be able to migrate to other areas in the North West or to other provinces in the country in search of work opportunities in the construction industry. Perhaps the government's recently mooted job search subsidy to incentivise the job search processes amongst youth could be the ideal way to address challenges to job search processes amongst poor people. Caution should; however, be exercised in terms of whom will be targeted for financial assistance.

- The Modimola EPWP demonstrates that a system of labour-intensive and small scale irrigation farming, executed by small/emerging contractors or farmers can practically be implemented, provided the necessary capacity building is done and the support structures as well as appropriate management structures are put in place. This programme can create an excellent opportunity for skills development and training in the context of performance-based job creation, poverty alleviation and food security for the communities concerned and can serve as a model for implementation in other areas of the province and the whole country.

However, even if the EPWP were to be successful in terms of increasing the number of people employed in existing public works programmes through improved labour market information and the provision of skills certification, given the lack of excess demand for low skilled labour, this employment would be at the expense of other workers, leading to the substitution of one segment of low/skilled labour by another, with "a zero net social or labour market benefit" (McCord, 2005:582). Rather than seek to expand supply in an economy in which the demand for such labour is already constrained, the skills should be offered that lead to the creation of additional informal employment in the secondary segment of the labour market so that the economy benefits from the expansion of overall employment. This study underscores McCord's view that existing government training schemes are not sufficiently orientated to the promotion of informal survivalist economic activity, and that the structure of training does not beneficiate those engaged in the informal economy, but focuses on the promotion of formal and first economy activities.

- The challenges of unemployment amongst the unskilled labour force and the limited impact of the EPWP to address this problem suggest that the best way of reducing poverty is to increase investment that creates a demand for low skilled jobs. The South African economy has not shown saturation for the possibilities of developing economic sectors for which there could be a demand for low skilled workers.

7.5 A need to rethink the EPWP training strategy

- Training facilities specialising in labour-intensive construction have been established in South Africa and the neighbouring countries. These could be expanded although on a relatively small scale to cater for a growing demand.26 There are relevant SETAs that have the capacity and competence to deliver and these should coordinate with NQF accredited service providers to address questions of centralised capacity to evaluate relevance of training in terms of exit opportunities. Therefore the exit programmes need to be strengthened. However the training of labourers in public works needs to ensure that the skills or training development component transfers marketable skills required in the formal labour market.

26 Business Plan for an Expanded Public Works Programme, Department of Public Works, July 2005.

8 REFERENCES

Abedian, I. and Standish, B. (1985) Public Works Programmes in South Africa: Coming to terms with Reality, Development Southern Africa Journal, Vol. 3, No.2, 186, pp.181-198.

Abedian, I. and Standish, B. (1986) "Poor Whites and the Role of the State: The Evidence," in South African Journal of Economics, Vol. 52, No., 1986, pp181-198.

Amsden, A. H., (2010) "Say's Law, Poverty Persistence, and Employment Neglect", in Journal of Human Development and Capabilities, *11: 1, 57-66.*

Ashman, S., Fine, B. and Neman, S., (2010) "The Developmental State and Post-Liberation South Africa", in Neeta Misra-Dexter and Judith February, eds., Testing Democracy: Which Way is South Africa Headed? Cape Town: IDASA Publishing, 2010.

Barchiesi, F. (2011) Precarious liberation. Workers, the State, and Contested Social Citizenship in Post-apartheid South Africa, New York, State University of New York Press.

Barchiesi, F. (2009) "The melancholic object of desire: Work and official discourse before and after Polokwane", Paper presented at the 2009 Congress of the South African Sociological Association, and the Johannesburg Workshop for Theory and Criticism, Ohio State University, United States of America.

Barchiesi, F. (2007) "Schooling Bodies to Hard Work: Wage Labour, Citizenship, and Social Discipline in the Policy Discourse of the South African State." Paper presented at the International Conference on "The Poverty Challenge: Poverty Reduction in (South) Africa, India and Brazil," Durban (South Africa), Elangeni Hotel, June 26-29, 2007. Available at: http://works.bepress.com/franco_barchiesi/9, accessed 17 October 2011.

Barchiesi, F. (2006) "The debate on the basic income grant in South Africa: social citizenship, wage labour and the reconstruction of working-class politics." Paper presented at the Harold Wolpe Memorial Trust's 10 Anniversary Colloquium: Engaging Silences and Unresolved Issues in the Political Economy of South Africa), 21-23 September, Cape Town.

Bezuidenhout, A., Godfrey, S., and Theron, J., (2004). "Non-standard Employment and its Policy Implications", Report submitted to the Department of Labour [SA], 30 June.

Bhorat, H. and Oosthuizen, M. (2006) "The Post-Apartheid Labour Market" , in Bhorat, H. and Kanbur, R. (eds) Poverty and Policy in Post-Apartheid South Africa, HSRC Press, Pretoria.

Bhorat, H., Leibbrandt, M., Maziya, M., Van der Berg, S. and Woolard, I. (2001) Fighting Poverty-Labour Markets and Inequality in South Africa, University of Cape Town Press.

Bhorat, H. and Hodge, J. (1999) "Decomposing Shifting Labour Demand in South Africa," in South African Journal of Economics, 67, pp. 348-380.

Budlender, D. (2009) "Towards minimum wages and employment conditions for the Expanded Public Works Programmes Phase II." Prepared for Shisaka Development Management Services, CASE, unpublished final report, February 2009.

Curtis, B. And Curtis, C. (2011) Social Research: A Practical Introduction. London, SAGE.

Dagut, S., "Labour Intensive Public Works. Towards providing employment for all South Africans willing to work", CDE, Issue 1, April 2003.

Fine, B. and Rustomjee, Z. (1996) The political economy of South Africa. From Mineral-Energy Complex to Industrialisation. London: Hurst and Company.

Fourie, F. C.v. N. (2011) "The South African unemployment debate: three worlds, three discourses?" A Southern Africa Labour and Development Research Unit Working Paper Number 63. Cape Town: SALDRU, University of Cape Town, available at: http://www.saldru.uct.ac.za/home/index.php?/component/option,com_docman/Itemid,32/gid,397/task,doc_view/, accessed 17 October 2011.

Ezemenari, K., Rudqvist, A. and Subbarao, K. (1997) "Impact Evaluation: A Note on Concepts and Methods, Poverty Reduction and Economic Management Network", The World Bank, January 1999.

Greenstein, R. (2003) Introduction to Quantitative Methods, SAGE Publications. London.

Greyling, M. R. (1994) "Critical analysis of labour-intensive Road Projects in South Africa Funded from the Sale of Strategic Oil Reserves in South Africa", M.Sc. Dissertation, University of the Witwatersrand, Johannesburg, 1994.

Habib, A. and Valodia, I. (2006) "Reconstructing a social movement in an era of globalisation: a case study of COSATU," in Ballard, R., Habib, A. and Valodia, I. (eds.) Voices of Protest: Social Movements in post-apartheid South Africa, University of KwaZulu-Natal Press.

Haddad, L. and Adato, M. (2001) "How efficiently do public works programmes transfer benefits to the poor? Lessons from South Africa." *FCND Discussion Paper No. 108.* International Food Policy Research Institute. *Washington DC.*

Kenny, B. (2005) "The 'Market Hegemonic' Workplace Order in Food Retailing", in Webster, E. and Holdt, K. V. Beyond the apartheid workplace. Studies in Transition. University of KwaZulu-Natal Press, Pietermaritzburg.

Kingdon, G. G. and Knight, J. (2005) "Unemployment in South Africa, 1998-2005: Causes and Policies", GPRG-WPS-10. Paper presented at the 10 year review of the South African Economy Conference, Stellenbosch University, January 2005.

Kingdon, G. G. and Knight, J. (2004) "Race and the Incidence of Unemployment in South Africa," in Review of Development Economics, *Vol. 8. No. 2, pp198-222. May 2004.*

Kingdon, G.G. and Knight, J. (2001b) "Unemployment in South Africa: the nature of the beast", Centre for the Study of African Economics, University of Oxford, August 2001.

Kingdon, G. G. and Knight, J. (2001a) "What have we learnt about unemployment from micro datasets in South Africa?" Centre for the Study of African Economics, University of Oxford, June 2001.

Kingdon, G.G. and Knight, J. (2000) "Are searching and non-searching Unemployment Distinct when unemployment is high: The case of South Africa", Working Paper No. WPS/2000-2, Centre for the Study of African Economics, University of Oxford, April 2000.

Kraak, A. (2003) "HRD and the Skills Crisis, in HRD Review. Human Resources Development Directory." Human Sciences Research Council.

Ligthelm, A.A., and Kritzinger-van Niekerk , L. (1990) "Unemployment: The Role of the Public Sector in increasing the Labour Absorptive Capacity of the South African Economy", in Development Southern Africa Journal, Vol. 7, No. 4, November 1990, pp.629-641.

Lewis, J. (2001) "Policies to Promote Growth and Employment in South Africa." Discussion paper 16. Washington DC: Southern Africa Department World Bank, World Bank.

Loots, L. J. (1984) "Black Unemployment in South Africa: Searching or queuing. An analysis of the Current population Survey." Second Carnegie Inquiry into Poverty and Development in Southern Africa, 13-19 April 1984, Cape Town.

Mafiri, M.1. (2002) "Socio-economic impact of unemployment." Master's thesis, University of Pretoria.

Mahadea, M. (2003) "Employment and Growth in South Africa: Hope or Despair", in The South Africa Journal of Economics, Vol. 71 (1), 21-48.

Makgetla, N. (2010) "The international economic crisis and employment in South Africa", in Daniel, J., Naidoo, P. Devan, P. and Southall, A. (eds.) (2010) New South African Review 1 2010: Development or decline?, Johannesburg, Wits University Press.

Marais, H. (2011) South Africa pushed to the limit. The political economy of change, Cape Town, University of Cape Town Press, 2011.

Mbeki, T. (2003) State of The Nation Address." House of Assembly. Cape Town, 12 February.

McConnell, J., Groth, L. and Kamman, E. (2008) "Findings of the longitudinal survey undertaken on the implementation of the Expanded Public Works Programme." Final draft report, Development Research Africa, Johannesburg, South Africa.

McCord, A. (2005b) "A critical evaluation of training within the South African National Public Works Programme", South Africa Labour and Development Research Unit (SALDRU), University of Cape Town, South Africa, in Journal of Vocational Education and Training, Volume 57, Number 4, 2, pp563-586.

McCord, A. (2005a) "Win-win or lose-lose? An Examination of the use of Public Works as a Social Protection Instrument in Situations of Chronic Poverty." Paper presented at the Conference on Social Protection for Chronic Poverty, Institute for Development Policy and Management, University of Manchester, 23-24 February 2005.

McCord , A. (2004b) "Public Works and Overcoming Underdevelopment in South Africa." Paper presented at Conference on Overcoming Underdevelopment in South Africa's Second Economy, October 29.

McCord, A. (2004a) "Policy Expectations and Programme Reality: The Poverty Reduction and Labour Market Impact of Two Public Works Programmes in South Africa", *ESAU Working Paper, 8.* Available at http://scholar.google.com/scholar?q=a%20critique accessed 14 July 2011.

McCord, A., (2002) "Public Works as response to labour market failure in South Africa", CSSR Working Paper No. 19, November 2002.

McCutcheon, R. T. (1996) "A strategy for Innovative and Productive Employment Creation in the Construction Industry", University of the Witwatersrand, Johannesburg, 1996b.

McCutcheon, R. T. (1992) Employment creation in Construction in South Africa. The Potential and Problems, African Studies Institute, University of the Witwatersrand, 24 February 1992.

McIntosh Xaba and Associated (2006) Case Studies and Completion reports on the Expanded Public Works Programme: Synthesis report of evaluations of selected EPWP projects (Part A), Project No: HP05/31. Department of Public Works, Republic of South Africa.

Meth, C. (2007) "Sticking to the Facts: Official and Unofficial Stories about Poverty and unemployment in South Africa," School of Development Studies, University of KwaZulu-Natal & Southern African Labour and Development Research Unit**,** University of Cape, June 2007.

Meth, C. (2006) "What was the poverty headcount in 2004? A critique of the latest offering from Van Der Berg et al." Draft Working Paper, UKZN/SALDRU UCT.

Meyer, L.; Denga, S. and Kamman, E. (2007) "Findings of the first cross-sectional survey undertaken on the implementation of the Expanded Public Works Programme," Final draft report, Development Research Africa, Johannesburg, South Africa.

Mitchell, W. F. (2008) "Assessing the wage transfer function of and developing a minimum wage framework for the Expanded Public Works Programme in South Africa", Centre of Full Employment and Equity. University of Newcastle, June 12 2008.

Mohamed, S. (2010) "The state of the South African economy", in Daniel, J. Naidoo, P. and Pillay, D. and Southall, R. New Southern African Review 2010: Development or decline? Wits University Press.

Mohamed, S. and K. Finnoff (2005) "Capital Flight from South Africa, 1980-2000", in Capital Flight and Capital Controls in Developing Countries, ed. Gerald A. Epstein, 85-115. Massachusetts: Edward Elgar Publishing.

Mphei, M. A. (1997) "The organisation and impact of Public Works programmes within the Katorus Presidential Lead project" M. M. Thesis, University of the Witwatersrand, Johannesburg, 1997.

Mthombeni, C. "A critical analysis of the community-based public works programmes CBPWP) in South Africa." M.Sc. Thesis, University of the Witwatersrand, Faculty of Engineering, Johannesburg, July 1996.

Ndoto, M. and Macun, I. (2005) "World Wide Fund for Nature Rapid Socio-economic Survey of Working for Wetlands." Johannesburg: C A S E, unpublished.

Neuman, I. W. (2000). Social Research Methods: Qualitative and Quantitative Approaches (4th Edition). Boston and London: Ally and Bacon.

Phillips, S. (2004) "Expanded Public Works (EPWP)." A paper presented at Conference on Overcoming Underdevelopment in South Africa Second Economy." 28-29 October, Johannesburg.

Pons-Vignon, N. and Anseeuw, W. "Great expectations: Working conditions in South Africa since the End of Apartheid", in Journal of Southern African Studies, 18 November 2009.

Rodrik, D. (2006). Understanding South Africa's economic puzzles. Working Paper 130, CID, Havard University.

Samson, M. (2008) "Organising Health and Home Community Based Workers in South Africa." National Labour and Economic Development Institute: Johannesburg, November 2008.

Samson, M. (2007) "When public works programmes create 'second economy' conditions." in Bond, P. (2007) (ed.) Transcending Two Economies Renewed debates in South African political economy. Special issue of the University of South Africa, in Development Studies Journal Africanus, 216-227.

Subbarao, K. (2003). Systemic Shocks and Social Protection: Role and Effectiveness of Public Works Programs. Social Protection Unit. Human Development Network. The World Bank, Washington, D.C.

Twala, W.D. (2006) "Urban Renewal through Labour-Intensive Construction Technology in South Africa: Problems and Potentials" in African Studies Quarterly, Vol. 8, Issue, 4 Summer 2006.

Von Holdt, K. and Webster, E. (eds.) (2005) Beyond the apartheid workplace: Studies in Transition, Scottsville: University of KwaZulu-Natal Press.

Webster, E. and Buhlungu, S. (2004) "Between Marginalisation and Revitalisation? The State of Trade Unionism in South Africa." in Review of African Political Economy, No 100: 39-56.

Webster, E. and Omar, R. (2003) "Work restructuring in post-apartheid South Africa", WORK AND OCCUPATIONS, Vol. 3x, No. x, 2003, 3-22.

Zondi, J. (2010) "Job Sustainability in the Expanded Public Works Programme for Gauteng Province, 2006 to 2009," A research report submitted to the School of Management, University of the Witwatersrand, in Partial fulfillment of the requirements for the Masters Degree of Public and Development Management.

ASGISA Discussion document, www.info.gov.za/asgsa/asgisa.htm, accessed on 12 July 2012.

Budget Speech 2007/08 for the North West Department of Public Works by MEC H D Yawa, North West Provincial Legislature, 10 May 2007. Available at: http://www.polity.org.za/article/yawa-north-west-public-works-prov-budget-vote-200708-10052007-2007-05-10.

Civil Engineering, Volume 15, No. 2, February 2007.

Community Agency for Social Enquiry (C A S E) "An assessment of the socio-economic impact of the Working for Water Programme on the Households of Beneficiaries" (Final Report), commissioned by the Department of Water and Forestry Working for Water Programme, unpublished report.

Department of Public Works (2004), "Expanded Public Works Programme (EPWP) Consolidated Programme Overview and Logical Framework."

Department of Public Works Handover Report. Available: http://www.nmmdm.gov.za/nmm/sites/default/files/ul/documents/documents/IDP2007-2011.pdf, accessed 23 May 2012.

Department of Public Works, (1997) "Public works towards the 21st century", White Paper. Department of Public Works: Pretoria

Expanded Public Works Programme (2004) EPWP Website. Available at: http://www.epwp.gov.za,accessed on 13 March 2012.

Economic Development Department, 23 November 2010 (EDD). Available at: http://www.stringfellow.co.za/publications/SA-government-New-Growth-Plan.pdf, accessed 16 March 2012.

Growth and Development Summit Agreement, June cited on "Welcome to the EPWP" website, Department of Public Works.

Human Science Research Council (HSRC) (2007) "Mid-Term Review of the Expanded Public Works Programme," Component 3: Analysis and Review, Commissioned by the Expanded Public Works Support Programme, unpublished report.

National Treasury, "2011 Estimate of National Expenditure" (Pretoria, 2011).

NW: Molewa: State of the Province Address by North West Province Premier Edna Bomo Molewa (13/02/2009) Available at: http://www.polity.org.za/article/nw-molewa-state-of-the-province-address-by-north-west-province-premier-edna-bomo-molewa-13022009-2009-02-13, accessed on 13 December 2011.

Progress report No.5 "Modimola Pilot Project to address job creation, poverty alleviation and food security", Department of Public Works, North West province, (June 2006).

Republic of South Africa (2010). The New Growth Path, Economic Development Department, 23 November 2010.

RSA, (2010) "Migration and employment in the construction industry." A pilot study by the Forced Migration Programme, University of the Witwatersrand in collaboration with the Department of Labour , July 2010.

State of the Province Address by, Edna Molewa, Premier of the North West Province, Provincial Legislature, 18 February 2005. Available at: http://www.info.gov.za/speeches/2005/05021811151001.htm, accessed on 13 December 2011.

Statistics South Africa and National Treasury, 21 February 2007.

Statistics South Africa, Quarterly Labour Force Survey, Statistical Release, Quarter 2, 2012.

World Bank (2001) "World Development Report 2001: Attacking Poverty." World Bank, Washington, D. C. Available at: http://www1.worldbank.org/sp/safetynets/Public%20Works.asp – accessed 15 March 2012.

9 APPENDICES

9.1 *APPENDIX ONE: DEMOGRAPHIC BACKGROUND TO SURVEY RESPONDENTS*

Table 18: Demographic background of 32 respondents from the Modimola EPWP

Number	Name	Sex	Age	Education	Working duties
1	Kgomotso	Female	47	Less than secondary school completed	Vegetation clearer
2	Marion	Female	26	No schooling	Route patroller
3	Thembela	Male	32	Less than primary school completed	Cattle chaser
4	Ntombi	Male	42	Less than primary school completed	Road construction worker
5	Sethabile	Female	51	Less than secondary school completed	Route patroller
6	Albert	Male	32	Secondary school completed	Road construction worker
7	Christine	Female	39	Less than primary school completed	Vegetation clearer
8	Thato	Female	37	Primary school completed	Road construction worker
9	Regina	Female	39	No schooling	Road construction worker
10	Mpho	Female	32	Less than primary school completed	Road construction worker
11	Smangele	Female	39	No schooling	Road construction worker
12	Anna	Female	37	No schooling	Road construction worker
13	Rene	Female	43	No schooling	Road construction worker
14	Katlego	Male	21	Less than secondary school completed	Road construction worker
15	John	Male	54	No schooling	Road construction worker
16	Philane	Male	27	Less than primary school completed	Road construction worker
17	Mogorose	Male	42	No schooling	Route patroller
18	Andries	Male	48	No schooling	Route patroller
19	Lorraine	Female	32	Less than primary school completed	Route patroller
20	Bongi	Female	39	Less than secondary school completed	Route patroller
21	Shareick	Male	41	Primary school completed	Road construction worker
22	Joyce	Female	37	Less than primary school completed	Road construction worker
23	Ismael	Male	35	Less than secondary school completed	Road construction worker
24	Donny	Male	55	Less than secondary school completed	Road construction worker
25	Maun	Female	52	No schooling	Route patroller
26	Gallo	Male	34	Less than primary school completed	Road construction worker
27	Lerato	Female	43	Less than primary school completed	Route patroller
28	Edward	Male	40	Secondary school completed	Road construction worker
29	Vumile	Male	22	Less than primary school completed	Route patroller
30	Tummy	Male	24	Less than primary school completed	Road construction worker
31	Moses	Male	22	Less than secondary school completed	Road construction worker
32	Noxie	Male	24	No schooling	Road construction worker

** Pseudonyms have been used to protect the identity of respondents. If there could be any coincidence that the names of persons that participated in this programme resemble any of these pseudonyms, it must be indicated that it is not my intention to reveal the identity of these participants.

9.2 *APPENDIX TWO: LIST OF IN-DEPTH INTERVIEW RESPONDENTS*

Lesego I. Mohapi, Litmo Construction Cc, 08 November 2012.

Tshipilentswe H. Seleka, Tshipilentswe Construction Cc, 08 November 2012.

Orefile K. Matshidiso, Pabalelo Building and Civil Construction Cc, 08 November 2012.

Matlhare B. Phaka, Matbepha Civil Contractors Cc, 09 November 2012.

Mr. Desmond Roets, Aurecon, 09 November 2012.

Mr. Moroke Putsoa, Aurecon, 09 November 2012.