



Replacing ‘delivery state, passive citizenry’ with active citizens

By Jeremy Cronin

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The new orthodoxy in economics decries a role for the state in creating jobs but their ideologues might want to reconsider this position when they look at the Expanded Public Works Programme (EPWP). This is by no means a solution to South Africa’s stubbornly high unemployment rate but, as Jeremy Cronin demonstrates in this article, this government-run employment programme has made a difference on a number of levels.

In the face of persisting crisis levels of poverty and unemployment, South Africa’s Expanded Public Works Programme (EPWP) was launched in 2004. It was a key outcome of the Growth and Development Summit convened by the National Economic Development and Labour Council (Nedlac) the previous year. Now probably second only to India’s National Employment Generation Scheme (NREGS), South Africa’s EPWP has become among the most sustained, mass-based public employment programme (PEP) in the world.

In 15 years over 10 million work opportunities have been created. Billions of rands have been transferred to the unemployed poor as EPWP wages – in quarter two of the last financial year (May to July 2018), for instance, R4.99bn was paid out in wages to EPWP participants. At current levels of participation, at least 284,000 EPWP participants are involved each work day in a wide range of socially useful activities. These include basic rural road maintenance, homework supervision in township schools, home-based care, early childhood care, communal food gardens, school feeding programmes, community safety activities, the eradication of invasive alien plants, saving the environment and protecting communities during outbreaks of wildfires through the Working on Fire (WoF) programme, and much more.

Somewhat unheralded within South Africa, the EPWP has been a global innovator in many respects. While infrastructure public employment programmes are to be found in other countries, South Africa has led the way in vastly expanding the suite of programmes, notably in the environmental and social sectors. EPWP has also experimented with programmes in which the state funds non-profit formations which create public employment.

Many public employment programmes internationally respond to relatively short-term challenges – a natural disaster or a major cyclical downturn. India’s NREGS programme is rural and confined to targeting the Indian down season in the agricultural cycle. By contrast, the EPWP is year-round, rural as well as urban, and, given the systemic nature of our poverty and unemployment challenges, it is designed to be a long-haul, sustained intervention.

Another internationally unique character of the EPWP is that it is not funded out of a single budget line item. Although the Department of Public Works (DPW) has broad coordinating responsibility and leads the infrastructure sector, three other national government departments in their respective sectors (Environmental Affairs, Social Development and Co-operative Governance and Traditional Affairs) also contribute. >>

Apart from the annual R2bn administered by DPW in various incentive grants to all municipalities and provinces, all spheres of government are expected to leverage off their own budgets to create EPWP work opportunities. Needless to say, while this diversified approach has resulted in important innovations, it also comes with many challenges to achieve better co-ordination and good practice in, for instance, the selection of participants.¹

Despite the EPWP's international standing with bodies like the International Labour Organization (ILO), there is often a poor understanding of EPWP in local media commentary and in some academic circles. The programmes are still often seen locally as temporary "gap-fillers", as "not real work", or as "a failure" because they have not (single-handedly?) solved unemployment. At best, they are seen as transmission belts into the labour market or into individual entrepreneurship, without inherent value in themselves.

While there are certainly many challenges, these views are fundamentally misplaced, and not only for a post-apartheid South Africa where crisis levels of unemployment have remained distressingly high. In an era of deepening neo-liberal austerity and de-industrialisation, with formal sector job security increasingly precarious, with millions marginalised into informality, in a world where so-called atypical work is increasingly the norm these considerations need to be located within a wider question, which the ILO is asking itself: What is the future of work itself?

At its launch in 2004, the EPWP initially laboured under several illusions. The dominant (although not uncontested) view in the ANC-led government at that time was that South Africa was characterised by "two economies". There was a "first economy" which, we were told, was doing just fine, thanks to the package of neo-liberal policies inspired by government's macro-economic policy at the time known as

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Growth, Employment and Redistribution (GEAR). And then there was a supposedly separate, laggard "second economy", an apartheid-era legacy of un-(rather than under-) development. What was needed, so the argument went, was for a series of once-off catch-ups, like banking the unbanked, or taxi recapitalisation, or an EPWP work opportunity. These would be ladders to lift individual denizens of a *skorokoro* "second economy" into happy-ever-after "first economy" formality. A further related assumption (which is still

prevalent) is that the unemployment crisis is fundamentally a problem of supply, an insufficient supply of appropriately skilled labour (which, of course, is partly, but only partly, true), rather than fundamentally a problem of labour demand, that is the absence of an inclusive economy.

What was left out, of course, was the reality that the trajectory of the so-called "first economy", with its highly financialised, oligopolistic, de-industrialising, job-less growth, was precisely what was reproducing underdevelopment. What was (and is) required is a fundamental transformation of the path-dependent systemic features of a single (if polarised) political economy that reproduces crises of poverty, inequality and unemployment. Clearly, EPWP is not the silver bullet solution in this regard – but what, if any, strategic role might it play?

In the first few years of EPWP the illusion of once-off catch-up interventions resulted in the notion that EPWP work opportunities could (and should) be of relatively short duration and these would ensure participants' progression into formal employment. Training would be largely a vaguely defined provision of "life-skills". This short-term assumption also helped assure buy-in from the union movement, which generally remains suspicious of these public employment programmes, fearing that they will result in cheap labour displacing formal sector jobs.²

At its launch in 2004, EPWP also scored own goals with exaggerated claims. It was going to "halve unemployment" for instance. This was later, sensibly, amended to say that EPWP would "contribute to halving unemployment". However, the dangers of short-termism and of exaggerated expectations continue to shadow the programme. In particular, these dangers still tend to be incentivised by targets that are unduly focused on numbers of work opportunities created, rather than on full-time equivalents (reckoned at



230 days a year), or on actual outcomes and outputs of the work undertaken. In recent times, for instance, the City of Cape Town has been by far the best performer among metros in terms of work opportunities provided. But when these are calculated in terms of full-time equivalents (that is, actual days worked in aggregate), Cape Town was the worst performing metro, indicating that many of the work opportunities were of extremely short duration (three weeks in some cases).

A second illusion at the outset of the EPWP was that its major focus, as one of the initial architects of the programme Sean Phillips recently recalled, would be to “reverse-engineer greater labour-intensity into [mainstream] infrastructure projects”, rather than to have separate EPWP infrastructure projects (Centre for Development and Enterprise, 2019: 18). The results of this specific approach have not been impressive. The major civil engineering companies spend less than 5% on labour, and their inclinations are to ever greater capital intensity. Even where there is some capacity in the state to write labour intensity into infrastructure tenders, there is often tick-box compliance, with jobs that would have been created in any case now simply labelled as EPWP work-opportunities.

Over the past decade or so, learning from doing, a much surer understanding has developed of the significant potential and actual role of public employment programmes in South Africa. In the beginning there was a tendency to have exaggerated expectations of what an EPWP project could accomplish. There is now greater sensitivity to what is sometimes referred to as the “tri-lemma” of these programmes.

EPWP projects have a three-fold potential – first, contributing to a social security net by offering a measure of income security to participants through the payment of stipends; second, as a stepping stone to formal employment or self-employment for graduating participants; and third as a contributor

to the economy and to community development and social cohesion more generally through the collective provision of services and assets. It is possible and desirable for every EPWP project to contribute in some measure to each of these objectives. But we have learned, sometimes the hard way, it is not possible to give equal weight to all three simultaneously. Overloading expectations across all three dimensions in any one project typically results in sub-optimal outcomes across all three.

Although different EPWP projects should be designed for different segments of the unemployed and with different emphases, the primary strategic role of EPWP lies in its contribution to consolidating a more comprehensive social security net. With over 17 million pensions and grants paid out monthly, South Africa has one of the largest (if not the largest) per capita social grant systems in the world (Seekings, 2002; Ferguson, 2016). This is certainly a significant achievement of the post-apartheid dispensation. Despite this, there is a major gap in the system. Those over 18 years old and under 60, who are relatively able-bodied but unemployed, in short, the 6.2 million unemployed (except for a small minority benefiting briefly from UIF), are not covered. As a result old age pensions, for instance, are typically not just supporting the direct beneficiaries, but in many cases multiple members of extended families.

Consequently, Chapter 11 of the National Development Plan identifies the EPWP as a key contributor towards social protection. Similar perspectives are advanced in other key policy documents such as the Reconstruction and Development Programme (1994), the “White Paper for Social Welfare” (1997) and the Department of Social Development’s “Comprehensive Report on the Review of the 1997 White Paper” (2016).

These policy statements locate the EPWP primarily (but not exclusively) within the context of building towards a more comprehensive social security

system. This is always appreciated. For instance, in the NEDLAC negotiations on a national minimum wage (NMW),³ The EPWP minimum wage rate has been set by an annual determination by the Minister of Labour. At NEDLAC, the unions argued for EPWP participants to be paid the NMW. They reasoned that with an extra R2bn or R3bn budgetary allocation to EPWP programmes this would be feasible. While an extra-budgetary allocation would certainly be welcome, the view of the DPW is that with an extra allocation, the number of participants in EPWP programmes could be expanded from the roughly one million a year to reaching more of the radically unemployed, with a long-term aspiration of a universal basic work guarantee. In the end, a somewhat unsatisfactory settlement was reached at NEDLAC, with an agreement that the EPWP minimum wages would be set at a tiered percentage of the NMW (54%), which happens to correspond with the current EPWP minimum rate.

Among the more successful EPWP programmes and where there is significant room for major expansion are those which offer relatively permanent (if not full-time) work to participants. These include the rural road maintenance household contractor programmes in different provinces and the community work programme. Both operate on a two days of work a week principle, with participants often active in the programmes over several years. The possibilities for longer stints of participation is also why in the infrastructure sector we have increasingly shifted the emphasis from construction (which comes and goes in any particular locality), to sustained locally-based maintenance.

In KwaZulu-Natal, where the rural road-maintenance household contractor programme is known as Zibambele, there are currently nearly 48,000 households participating in the routine maintenance of rural roads. The households are overwhelmingly women-headed and >>

the poorest households are contracted on a renewable yearly basis to take responsibility for a stretch of nearby rural road. The work involves the clearing of verges and stormwater drains and road patching, for which basic training is provided, along with protective gear and basic tools. The fact that participants are able to walk to work means that transport costs are eliminated. Most of these households are also receiving social grants and possibly remittances from absentee wage earners in urban areas. The EPWP wage serves as a top-up.

Some writers, particularly those arguing for a universal basic income grant, have argued that a less administratively costly means of getting cash to the poor would be simply by increasing direct cash transfers to individual beneficiaries. This is the central argument by James Ferguson (2015), for instance. These arguments should certainly not be ignored. However, without falling into an anti-welfarist argument about grants “building dependency” among a “scrounging, undeserving poor”, we should not ignore the potential positive social and psychological impact of collective team-work and the “social capital” that EPWP participants are able to build. Many participating households in the Zibambele programme, networking through the programme and with assistance through the programme on financial skilling, have clubbed together to set up savings societies. In at least one case, a sewing group was established producing protective clothing for the programme itself. In the Zibambele programme a high proportion of the households have been participating in the programme since its launch in 2007. A similar programme in the Eastern Cape is now employing members of some 40,000 households. There are significant prospects for scaling up similar programmes in other provinces, particularly in the North West, Mpumalanga and Limpopo.

Overwhelmingly, the participants in

the Zibambele programme are women-supporting extended families, and the average age, at a guess informed from direct observation, is in the mid-40s. The two-days a week of EPWP work enables them to attend to other responsibilities, including subsistence farming and basic care work within extended families and the wider community. If and when we are able to place the economy onto a more shared and job-creating trajectory (through a range of other state-led initiatives, including re-industrialisation, land reform, spatially transforming infrastructure development, de-concentration of the economy, improved education and training outcomes, etc.), the majority of participants in the Zibambele-type programmes will not likely be in front of the employment queue. In short the programme is neither particularly designed for, nor is it likely to attract, a major cohort of the unemployed youth who, in particular, have understandable aspirations for both career and often locational mobility.

So what are we trying to achieve with our public employment programmes? Is it to enable participants to “exit” into new spaces where the grass is greener? Or is it to improve sustainable livelihoods, to “green the grass” where large numbers of the poor currently are? In a political economy in which the principal cause of unemployment was labour supply, the former priority would surely be the correct emphasis. But the prime problem we are confronting is a dysfunctional labour market and a growth trajectory where the major blockage is insufficient labour demand. We therefore have to have a range of approaches.

Which brings us to the second dimension of the EPWP tri-lemma. To what extent can (and should) EPWP programmes nonetheless seek to create pathways into formal employment or self-employment? Between 2011 and 2015 the Stats SA's Quarterly Labour Force Survey (QLFS) sought to provide some indication of what was happening to participants in EPWP-type projects.

(Unfortunately the relevant questions in the QLFS have, for some reason, since been dropped.) Between 2011 and 2015 a consistent pattern emerged. In the last 2015 survey, for instance, of those surveyed and who had participated in an EPWP-type programme in the previous 12 months – 12.4% said they were now in permanent work; 4.8% had set up an own business; 47.8% had found temporary work; and a further 14% were in further training.

The positive news in this is that around 79% of former participants had found a pathway to some improvement in their lives out of radical unemployment (but 21% had returned to unemployment). Many of those reporting that they had found temporary work may well actually still be in the same or a new EPWP programme.

Given the scale on which the EPWP is operating and the generally weak job-absorption performance of the labour market, the fact that 12.4% said they were now in permanent work is encouraging.

This suggests that while EPWP programmes in the current context should primarily focus on building sustainable livelihoods as part of a broader social security package, the prospect of some graduation into formal sector work should not be forgotten. Generally, the prospects for successful graduation into formal employment or effective self-employment will be enhanced by the amount of training provided during EPWP work experience. This is where another aspect of the tri-lemma rears its head. The legitimate objective of maximising participant numbers within the available budget inevitably bumps into another important objective: improved training in the work experience to enhance the viability of pathways into formal employment. Some EPWP programmes involve certificated artisan training, but artisanal training costs around R150,000 per person over a three-year period. Training opportunities therefore vary considerably across the range of EPWP projects. Currently, a relatively small number of participants



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(just over 20,000) are directly involved in artisan training. A further 200,000 are targeted for some certificated, typically SETA-provided training, while all EPWP projects are required to provide at least basic occupational and health training relevant to the particular tasks.

In particular, government hopes to improve training possibilities within youth-targeted EPWP projects. Over the past years, EPWP has had an overall target of 55% participation of both youth and women. While the women participation target has consistently been met and surpassed (67% for the first four years of the 5-year Phase 3 period 2014-2019), there has been a continued under-achievement with the youth participation target (at 46% for the same period). Part of the problem is that the nature of some of the work is unattractive to young people and considered demeaning particularly, it seems, by young men. (“Picking up stompies” was the words of one youth recently interviewed.) Over the past few years greater emphasis has been placed on EPWP projects that are more likely to attract youth – including sports coaching⁴, community cultural activities and activities that involve IT, like geo-mapping to assist informal settlement upgrades, or community-based surveys to assess front-line government services. Other highly successful programmes are inherently youth-oriented, like the



excellent WoF programme, requiring high-levels of physical fitness and continuous training. The WoF participants reportedly have good graduation prospects, both within the programme itself and into municipal fire brigades and the SAPS. But here, too, numbers are limited by budgets with only some 5,500 participants. The Department of Environmental Affairs (DEA) estimates that at least a figure of 17,000 participants would better meet the needs of an increasingly wild-fire prone country in the midst of climate change. Once more the lesson here is that a one-size-fits-all approach is inappropriate in these public employment programmes as we seek to address the diverse challenges of unemployment and poverty.

What about the third potential of EPWP projects as contributors to wider socio-economic development and social cohesion through the collective provision of services and the assets? With the notable exception of DEA’s generally excellent range of environmental EPWP programmes, the broader EPWP family has been slow to monitor and evaluate, still less publicise, the range of outputs and outcomes flowing from the programmes. Where this is done there are often surprisingly positive indications. On the basis of independent CSIR research, in 2014 DEA estimated that some 71% of South Africa’s grazing potential had been saved

through the removal of alien invasive plants, including through biological control methods. In the same year, it calculated that R3,7bn had been saved in suppressing wild fires in forestry areas through the WoF programme.

More recently, as the overall coordinator of EPWP, DPW has attempted to obtain reporting on outputs across all EPWP projects. For the financial year 2017/18 a sample of asset and service outputs reported, for example: extent of parks cleaned and maintained – 52,800 square metres; alien invasive plants cleared – 31,699 hectares; number of water reticulation units maintained – 18,254; children provided with early childhood development services – 32,642; food gardens established or sustained – 143,826; households receiving home-based care services – 37,169; children provided with cooked meals at school – 73,617. There is still substantial under-reporting of outputs and the quality of the reported outputs has often not been independently verified. Nonetheless, we are not dealing here with simple “make-work” efforts, digging holes and filling them up again.

While outputs should be relatively easy to measure, more challenging is the evaluation of the qualitative and transformational impact of EPWP projects not just on the immediate >>

participants, but also on communities. In theory, at least, public employment programmes have the potential to overcome the problematic top-down “delivery state” syndrome into which the post-apartheid government has seemingly manoeuvred itself. The so-called “new public management” ethos, an adjunct of the wider neo-liberal onslaught, has atomised citizens as clients to whom services are to be delivered, not as active protagonists of transformation. As delivery often falls short of electoral promises, protests break out in which, typically, different segments of the poor compete to be first in the “delivery” queue – pitting backyarders against informal settlement dwellers; or taxi associations against each other in competition for routes; or ethnic mobilisation as in Vuwani; or xenophobic attacks against foreign traders. Public assets, libraries, schools, community halls are often destroyed with little sense of common ownership and collective responsibility for them.

Several independent academic studies point to the positive impact on social cohesion in poor communities in which well-run PEPs have taken root. In particular, the Centre for the Study of Violence and Reconciliation has conducted a series of detailed, project-level case studies which suggest that well-run EPWP projects can have a significant impact on enhancing social cohesion and reducing crime and violence in the household and the community.⁵ These studies add weight to the National Development Plan assertion that without PEPs “the social tensions arising from high unemployment are likely to undermine medium- to long-term growth and development objectives” (National Planning Commission, 2012: 380).

Effective PEPs have the critical developmental potential to break from the “delivery state – passive citizenry” syndrome and help to build active citizens taking collective responsibility for their neighbourhoods and communities.

Much progressive social movement and NGO activism is now rooted in lawfare and rights-based demands made against the state. Popular forces tend not to be mobilised as protagonists, as productive agents in building a new society. Rather they are mobilised as righteous beneficiaries of state delivery. An otherwise impressive NGO like Equal Education is a case in point. It has justifiably campaigned around the dismal infrastructure in many schools, but there is little evidence that it has mobilised students to help clean their schools, or paint structures, or protect younger grades from bullying, or volunteered for sports coaching and homework supervision.

It is not a question of off-loading the state’s public responsibilities onto NGOs and communities, but rather how to build state-community mobilisation in which there is a co-production of a new society. Unevenly, but where they are relatively well-run, there are many EPWP projects that have begun to show that public employment programmes are one important possibility in this direction.

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ENDNOTES

- 1 There are allegations and at least some hard evidence that in municipalities there is clientelism, political favouritism and other forms of corruption on the part of politicians and local officials in the selection of EPWP participants. Where evidence exists, strong measures need to be taken against offenders. DPW has also published guidelines on recruitment, emphasising the importance of transparency and of community participation in the selection process. A significant risk is the practice in some municipalities of allocating to individual ward councillors a share of the EPWP incentive grant as a “personal” budget. A major review of how the incentive grant is allocated is now under way (DPW/GTAC, *Incentive Grant Review*, presented to the Public Employment Inter-Ministerial Committee, April 2017).
- 2 There is a legitimate concern among trade unions that the EPWP could be used to substitute, displace and/or replace formal employment. An independent survey commissioned by the labour movement through NEDLAC (“*Further Research into EPWP – Final Report*”, 24 June 2016) found no evidence of this, however the survey was relatively superficial. More research and continued vigilance is required to ensure that substitution/displacement/replacement does not happen. Most union allegations relate to municipal work. It is possible that municipal-type service work currently carried out in EPWP programmes was either never done in black townships in the apartheid era, or that services were contracted out to private providers in the post-apartheid era as municipalities restructured under budgetary constraints. It is possible that most EPWP projects have not actively displaced existing municipal jobs so much as filled glaring historical gaps or responded to the failure of private contractors.
- 3 Unlike the Indian NREGS or the Ethiopian public employment programmes, where working conditions are often extremely harsh, EPWP participants are covered by the Basic Conditions of Employment and the Labour Relations Acts, as well as other occupation, health and safety legislation.
- 4 Two NGOs, Seriti and Paphoma, have been running innovative public employment programmes (which happen not to be formally part of the EPWP reporting system) on the West Rand – Football for Youth and Netball for Youth. Community coaches are employed and a league of local community teams established. Youth in the programmes are also trained as mentors to broaden the impact on a wider cohort.
- 5 Kirsten, Adele & Karl von Holdt, *The smoke that calls. Insurgent citizenship, collective violence and the struggle for a place in the new South Africa*, CSVR & SWOP, 2011; Langa, Malose, *A follow-up report on the CWP in Bokfontein*, CSVR, 2015; Mullagee, Fairuz & David Bruce, *Building a good nation in Manenberg: A study of the Manenberg CWP*, CSVR, 2015; and Langa, Malose, *The impact of the Orange Farm CWP on violence in Orange Farm*, CSVR 2015 (the latter three available at the CSVR website - www.csvr.org.za) **NA**