

The Expanded Public Works Programme (EPWP)

Overcoming underdevelopment in South Africa's second economy Jointly hosted by the UNDP, HSRC and DBSA

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INTRODUCTION

This paper provides an overview of the whole EPWP, with a focus on the infrastructure sector (which is coordinated by the Department of Public Works). The paper begins by briefly sketching the rationale for an EPWP, in the context of high unemployment, low skills, and large backlogs of public services. The evolution of public works programmes (PWPs) in South Africa since 1994 is then outlined, and two provincially-initiated PWPs are introduced in order to provide an indication of the rich diversity of existing local PWP initiatives. A short summary of some of the lessons from the international experience of PWPs is provided to complete the background to the EPWP.

The conceptual framework for the EPWP is described in some detail, with an emphasis on how and why it differs to previous initiatives. This is followed by a short description of progress to date, focusing on two examples in the infrastructure sector, with the aim of illustrating some of the ways in which the programme can be expanded. The paper concludes with a description of some of the implementation challenges of the programme.

BACKGROUND

1.1 The Need for PWPs

The magnitude of South Africa's structural unemployment crisis is such that in September 2003, 4.6 million people were unemployed in terms of the strict definition and 8.3 million in

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terms of the broad definition. In the 16 - 34 age group, 70% of the unemployed have never worked, while 59% of all unemployed people have never worked. To reach government's target of halving unemployment by 2014, 546 000 new jobs would have to be created each year (Statistics South Africa, 2003).

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

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

Economically efficient PWPs can therefore be used to simultaneously achieve the following objectives: providing public services; temporarily increasing incomes; increasing dignity, reducing alienation, and giving people valuable experience of the workplace; and making a modest contribution to increasing skills levels.

As with any development initiative, PWPs need to be designed to minimise unintended consequences. For example, one of the unintended consequences commonly associated with PWPs are the displacement of long-term employment with short-term, lower paid employment. This can be avoided by carrying out PWPs in sectors of the economy which are growing.

LOCAL AND INTERNATIONAL EXPERIENCE

2.1 Local Experience

The Framework Agreement and the Code of Good Practice

During the early 1990's, engagements took place between organised labour, the construction industry and government over the use of labour intensive construction methods. These engagements resulted in the signing of a temporary Framework Agreement for labour intensive construction. The principles in this Framework Agreement were later written into a Code of Good Practice for Special Public Works Programmes (and a related Ministerial Determination), which was formally gazetted by the Department of Labour in 2002, after further discussions at NEDLAC. The Code of Good Practice sets targets for the employment of youth, women and people living with disabilities on PWP's. It requires that relevant community-based organisations be consulted regarding the selection of workers to be employed on projects. The Code also allows for special conditions of employment for workers employed by contractors on labour intensive projects, including the use of task-based payment systems, and the setting of payments for tasks based on consideration of the local going rate for unskilled labour. It limits the duration of employment under these special conditions and provides PWP workers with an entitlement to training. The Code of Good Practice therefore establishes a PWP employment framework based on a concept of PWPs as a mechanism for providing unemployed people with a combination of work experience and training.

The National Public Works Programme (NPWP) and the Community Based Public Works Programme (CBPWP)

Commitment to labour-intensive PWPs is not a new feature of development policy in South Africa. In the run-up to the first democratic election in 1994, a major pre-investment investigation into their feasibility was conducted under the auspices of the National Economic Forum. PWPs were included in the Reconstruction and Development Programme under the name 'National Public Works Programme' (NPWP), as a critical element of job creation efforts.

The NPWP had two strategic thrusts. The first was a community based public works programme (CBPWP) intended to provide rapid and visible relief for the poor, and to build the capacity of communities for development. At its peak, the CBPWP was allocated approximately R350 million per annum, and the programme resulted in the creation of approximately 130 000 work opportunities between 1998 and 2004. Initially, the CBPWP involved allocating funds to community-based organisations (CBOs) to carry out projects, but after the democratic local government elections, the funds were allocated to municipalities to carry out projects. A wide variety of projects were funded under the CBPWP, ranging from basic infrastructure such as roads to income generating projects such as communal agricultural undertakings. The reasons why funding for the CBPWP was stopped in 2004 will be discussed in section 3 below.

The second strategic thrust of the NPWP was the reorientation of mainstream public expenditure on infrastructure towards labour-intensive techniques. Unfortunately the NPWP's goal of achieving a major reorientation of public expenditure was not realised. In

a context of major political restructuring, multiple demands on a new government, and an uncertain legal framework for labour-intensive construction, this thrust of the programme failed to gather momentum.

The national government has also initiated a range of environmental PWPs since 1994, including, for example, Working for Water and the Land Care and Coastal Care programmes. A number of provinces and municipalities have also initiated their own PWPs. In order to provide an indication of the rich diversity and innovativeness of these local initiatives, two provincially-initiated infrastructure PWPs are introduced briefly below.

The Gundo Lashu Programme in Limpopo

Few of the local PWPs involving the substitution of labour for machines have had a strong emphasis on developing the management and supervision capacity that is required in order for highly labour intensive methods to be cost-effective and to result in good quality products. A notable exception has been the Gundo Lashu programme which was initiated by the Limpopo provincial government in 2001. Under the Gundo Lashu programme, 24 aspirant small contractors (of whom 13 are women), each with two higher level supervisors, were selected through an open competitive process to go onto a three year full-time training programme in labour intensive construction. The contractors and their supervisors were sent to the Ministry of Works Labour Construction Unit training school in Lesotho, and were then provided with a series of practical training projects (on the basis of negotiated prices), involving the upgrading of district roads. The provincial government facilitated access to finance from ABSA Bank for the trainee contractors. The contractors are currently completing their final training projects and will soon be graduating to compete on the open market for tenders specifying the use of labour intensive construction methods, which will be issued by the Limpopo provincial government and municipalities in the province.

The 2003/4 budget for the programme was R50 million. It is achieving a 600% increase in employment creation compared to similar conventional machine-intensive road works, without increasing the overall cost per kilometre of road upgraded. The contractors move from project to project with their supervisory staff. For each project, the contractors employ between 60 and 100 local workers on a task-based payment system. The contractors are contractually required to employ the workers in terms of the Code of Good Practice for Special Public Works Programmes described above. The workers are paid R30 per task. On average 51% of workers have been women, 58% youth and 1% disabled. All the workers are provided with both on-the-job training and formal training funded by the Department of Labour. The formal training covers topics ranging from life skills to basic agriculture. Due to the occasional nature of road upgrading projects, the duration of employment of the workers is approximately four months. A system of project steering committees and community liaison officers has been developed which plays a key role in community mobilisation and monitoring of the projects.

The Zibambele Programme in KwaZulu Natal

A very different approach to PWPs was taken by the KwaZulu Natal Department of Transport when it initiated the Zibambele programme in 2000. Its objectives are to carry out routine maintenance on the province's rural access road network and to provide poor rural households which have no other source of income with a regular income. The programme is based on the 'lengthperson' contract system which has been used extensively in Europe and Southern Africa. In 2002/3 there were approximately 10 000 Zibambele contractors carrying out routine maintenance on approximately one-third of the KwaZulu Natal rural access road network. The Department planned to extend the number of contractors to 14000 by the end of the 2002/3 financial year and, ultimately, to a maximum of 40000 poor households. The budget for Zibambele in 2002/3 was R56 million.

In return for eight days of work a month spent carrying out maintenance work to an agreed standard on an agreed length of road, households received a transfer of R334 per month. The part-time nature of the work, which may be carried out flexibly within the month, is designed to accommodate engagement in household tasks and other wage or subsistence opportunities should they arise. The work is allocated on a household basis, so that if the participating household member falls sick or dies, another household member may take up the activity, and thus retain the monthly income. Households are selected for participation at a district level by representatives of the local community and by the elected Rural Road Transport Fora using criteria of poverty, unemployment and female-headed households. A recent study has concluded that the programme is cost-effective in terms of transferring resources from the state to recipients, the proportion of programme costs spent on labour and the cost of the creation of a day's work (McCord, 2002).

Due to the continuous nature of routine road maintenance work, it is possible to create longer term work opportunities in this type of infrastructure work. In Zibambele each household is a contractor, and there is therefore no employer-employee relationship, and the Code of Good Practice for Special Public Works Programmes does not apply.

2.2 International Experience

There is vast international experience of PWPs, ranging from small programmes to very large-scale initiatives such as the Maharashtra Employment Guarantee Scheme in India and the New Deal programme during the Great Depression in the USA, both of which absorbed up to 30% of the unemployed (McCord, 2003:8). One of the lessons from the international experience is that the impact of a PWP on unemployment levels depends on the scale of the PWP. The issue of the scale of the EPWP will be addressed later in this paper.

On the basis of the international experience, it is possible to identify mistakes to be avoided and best practices to be emulated in order for PWP's to be successfully implemented, regardless of their scale. Mistakes to be avoided include:

- attempting to achieve too much too quickly (this usually leads to sacrificing at least one of the goals of the PWP, such as providing quality services, or using labour-intensive methods);
- not allowing time to plan properly and to build the required institutional and management capacity for effective and efficient implementation;
- many small projects without a common programme, resulting in loss of economies of scale, duplication of learning and training costs, and inconsistencies in performance;
- overloading the programme with too many objectives, with the result that the programme fails to achieve any of them; and
- lack of consistent political support.

Best practices to be emulated include:

- consistent political support and multi-year budgeting for the programme;
- resources and time allocated to planning the programme, and to developing the capacity to implement it;
- planning of programmes to ensure that the pace of implementation is linked to the pace of development of the required implementation capacity;
- strong institutions put in place to manage or coordinate the implementation of the programme;
- high priority given to effective systems of monitoring and evaluation.

INITIATION OF THE EXPANDED PUBLIC WORKS PROGRAMME

At its policy conference in late 2002, the African National Congress resolved that there should be a large-scale expansion of the use of labour-intensive construction methods to alleviate unemployment and to address the backlogs of infrastructure in previously disadvantaged areas. In June 2003, the Growth and Development Summit (GDS) resulted in agreement on a number of interventions aimed at reducing household poverty and vulnerability, including public investment initiatives, sector partnerships and strategies, local procurement, small enterprise promotion, support for cooperatives, and expanded public works programmes. The GDS agreement stated that "EPWPs can provide poverty and income relief through temporary work for the unemployed to carry out socially useful activities. These EPWPs will be designed to equip participants with a modicum of training and work experience, which should enhance their ability to earn a living in future."

In his State of the Nation speech in February 2003, the President stated that: "... the government has decided that we should launch an expanded public works programme. This will ensure that we draw significant numbers of the unemployed into productive work, and that these workers gain skills while they work, and thus take an important step to get

out of the pool of those who are marginalised...” In February 2004 the President announced in his State of the Nation Address that the programme would create at least one million work opportunities in its first five years.

THE EPWP

3.1 Design of the Programme

The EPWP has been designed as a broad framework in order to allow for the diverse range of existing programmes as illustrated by the examples described in section 2.2 above. The challenge is not to reinvent the wheel, but to develop and promote existing best practices and to expand their application more widely. The broad framework attempts to find a balance between clearly defining the programme (so that it can be differentiated from other programmes) on the one hand, and creating sufficient flexibility to allow for diversity on the other hand. The EPWP is a programme of the whole of government – it is not just a Public Works Department programme.

3.1.1 Definition

The EPWP is a cross-cutting programme to be implemented by all spheres of government and state-owned enterprises. It is defined as a nation-wide programme which will draw significant numbers of the unemployed into productive work, so that workers gain skills while they work, and increase their capacity to earn an income. The objective of the EPWP is to utilise public sector budgets to alleviate unemployment by creating temporary productive employment opportunities coupled with training.

3.1.2 EPWP Sectors

The following sectors were identified as having potential for creating EPWP employment opportunities:

- infrastructure (increasing the labour intensity of government-funded infrastructure projects);
- environment (creating work opportunities in public environmental improvement programmes);
- social (creating work opportunities in public social programmes (e.g. home-based care workers and early childhood development workers));
- economic (eg income generating projects and programmes to utilise government expenditure on goods and services to provide the work experience component of small enterprise learnership / incubation programmes).

Existing programmes in these four sectors were included under the umbrella of the EPWP.

The EPWP has the following common characteristics across these sectors:

- workers are usually employed on a temporary basis (either by government, by contractors, or by other non-governmental organisations), under employment conditions governed by the Code of Good Practice for Special Public Works Programmes, or by the Learnership Determination for Unemployed Learners;
- workers are provided with a combination of work experience and training;
- there is a deliberate attempt by the public sector body to use its expenditure on goods and services to create additional work opportunities for the unemployed (usually unskilled);
- the public sector body attempts to identify and develop exit strategies for workers when they leave the programme.

3.1.3 Funding of the Programme

During 2003, the Government decided to fund poverty relief through the normal budgeting process, rather than through a separate special fund with its own budgeting process. This decision was based on a review of poverty relief programmes which found that the separate budgeting processes for these programmes resulted in a number of problems, such as:

- tensions in inter-government fiscal relationships (eg a school being built through a national poverty alleviation programme, but the recurrent costs of the school having to be met through the provincial government's budget); and
- departments and spheres of government becoming involved in work which is not part of their constitutional core function (eg municipalities using poverty relief funds to build schools, which is a provincial function).

It was also decided that Departments should only carry out poverty relief programmes in their core functional areas. For this reason the funds which had been allocated to DPW for the CBPWP were reallocated to the Department of Provincial and Local Government (dplg) to form part of the Municipal Infrastructure Grant allocations to municipalities.

The EPWP is very different to previous initiatives in the way in which it is funded. As a result of the decision to have a single budgeting process, the EPWP does not have its own special budget for projects - it is funded by earmarking funds on the budgets of line-function departments, provinces and municipalities. In the infrastructure sector, R15 billion of the conditional infrastructure grants which will be allocated to provinces and municipalities over the next five years has been earmarked for the EPWP. In addition, R4 billion has been earmarked on the environmental sector departments' budgets for environmental EPWP programmes over the next five years, and at least R600 million will be allocated to social sector EPWP programmes over the next five years. Assuming that it will take three years for the programme to reach full-scale implementation, this funding will

result in approximately one million work opportunities of varying duration, or approximately 500 000 person-years² of employment.

Whilst this decentralised approach to funding poses challenges for coordination and implementation, it also enables the programme to have access to much greater resources and to be taken to a greater scale. It also increases the sustainability of the programme, because:

- special poverty relief funds tend to be managed with a short-term perspective;
- there is a tendency for issues of effectiveness, efficiency and quality to be given less emphasis in special poverty-relief programmes than in mainstream budget programmes;
- it starts to address the perception that labour intensive technology is a peripheral technology which is not part of the mainstream activities of government organisations.

The fact that the infrastructure sector of the EPWP is supported by funds which have been designated for the delivery of infrastructure means that a substantial amount of additional employment can be created without putting additional demands on the fiscus.

3.1.4 Coordination Arrangements

The EPWP is led by a sector coordinating department in each of these sectors. The Department of Public Works (DPW) is both the overall EPWP coordinating department and the sector coordinating department for the infrastructure sector. The Department of Labour funds the training programmes to meet the training entitlement for workers employed on EPWP projects, and is coordinating an EPWP training committee with representatives of all the sector coordinating departments. Sector Coordinating Committees for the Environmental, Social and Infrastructure sectors meet monthly. All of the provinces have also set up provincial EPWP steering committees.

As the overall coordinating department, DPW is responsible for overall monitoring and evaluation; progress reports to Cabinet; promoting linkages between sectors (eg through learning networks); putting in place common support programmes (eg access to credit for learner entrepreneurs); and common monitoring, evaluation, exit strategy, and training frameworks. An EPWP unit with approximately 15 professional positions has been created in DPW to carry out this work and to coordinate the infrastructure sector. Each of the sector coordinating departments are required to champion the EPWP in their sector; produce a sectoral plan identifying areas of expansion of EPWP approaches and setting targets for expansion; facilitate the meeting of common needs in the sector (eg sectoral training and qualifications frameworks, sectoral guidelines); monitor implementation against the sectoral plan; and produce sectoral progress reports to DPW.

² One person working for one year is equal to one person-year of employment.

3.1.5 Expansion

The intention is to expand PWP by:

- a) expanding beyond the traditional focus on infrastructure, into social, environmental and economic work activities;
- b) expanding the application of existing isolated best practices to the rest of government;
- c) motivating for increased budgets for components of the programme which prove to be successful.

PROGRESS WITH IMPLEMENTATION

3.2.1 Monitoring and Evaluation

EPWP monitoring indicators have been integrated into existing reporting systems of the various sectors. For example, the existing National Treasury monitoring system is being used to monitor EPWP projects funded through the Provincial Infrastructure Grant (PIG), and EPWP indicators have been included in the single monitoring system which is being established for the Municipal Infrastructure Grant (MIG). It has been agreed with Stats SA that EPWP indicators will be included in both the Labour Force Survey and the General Household Survey. A draft evaluation framework has been developed with the assistance of the HSRC, and evaluation work will commence during the current financial year.

A first quarter monitoring report for the 2004/5 financial year is available on the EPWP website. The report indicates that the programme is slowly gathering momentum, but that much more work will need to be done to obtain accurate and comprehensive monitoring reports from all the sectors.

3.2.2 Sectoral Progress

Sector plans have been produced for the infrastructure, environmental and social sectors. Many of the environmental sector programmes are already up and running. Activities in the sector have therefore focused on how these programmes can be expanded, coordinated, integrated and improved in order to ensure increased employment creation and improved outcomes. The sector is exploring new opportunities to maximise the benefits of the EPWP, e.g. to establish an urban greening programme integrated with the housing programme in which the focus will be on the involvement of the youth.

The social sector is focusing on the expansion of Home Community Base Care (HCBC) programmes in the health/ social areas and on Early Childhood Development (ECD) programmes in the social/ education areas. Both of these areas are highly labour-intensive and provide enormous opportunities for the creation of work opportunities, given the large needs for these services. The departments in this sector are working on putting

in place a common system of remuneration for people employed on these programmes; improving programme management and reporting systems; and putting in place the required NQF unit standards, qualifications and learnerships. The intention is to motivate for increased funding for these programmes once it can be shown that adequate management systems are in place to absorb increased funding.

EPWP work opportunities in the social sector will consist of learnerships during which workers will undergo formal training while also doing practical work. Upon completion of these learnerships workers will have obtained a formal qualification in HCBC or ECD, thus enabling them to exit from the EPWP and to enter into formal employment in these sectors. There is a need to plan for growth in these sectors in order to generate these formal employment opportunities.

In the infrastructure sector, the additional employment creation resulting from the use of labour-intensive methods varies depending on the type of infrastructure work and the degree of labour-intensity of the production methods used. For example, the average increase in employment creation in Gauteng's EPWP programme is 10%, whereas the average increase in employment creation on the Gundo Lashu roads programme in Limpopo is 600%. There is local and international evidence that machines can be replaced with labour in many of the construction activities associated with civils infrastructure such as low-volume roads and municipal water and sanitation pipelines and stormwater drains, without sacrificing quality or cost (McCutcheon, 2001). There is less potential in building work because it is already highly labour-intensive and involves less machinery. DPW has therefore been focusing on putting in place various mechanisms aimed at expanding the use of labour-intensive methods for those types of infrastructure which offer the most potential for additional employment creation. Two of such mechanisms are described in more detail below in order to illustrate how this is taking place. Although the focus of the initiatives described below is on low-volume roads and municipal infrastructure, other types of infrastructure are not excluded from the EPWP, and DPW is encouraging all public bodies responsible for infrastructure to use more labour intensive construction methods whenever possible.

Division of Revenue Act

EPWP conditions have been placed on the Provincial Infrastructure Grant (PIG) and the Municipal Infrastructure Grant (MIG) via the 2004 Division of Revenue Act (DORA). The DORA requires provinces and municipalities to execute all low-volume roads, storm water drains, and trenching work (funded through PIG and MIG) in a labour-intensive way, in accordance with guidelines produced by DPW, and approved by SALGA and National Treasury. The guidelines provide implementing bodies with the contractual tools that they need to ensure that contractors carry out certain work activities by hand, and to ensure that the minimum requirements in for employment conditions in the Code of Good Practice for Special Public Works Programmes are adhered to. In order to ensure the EPWP

Guidelines are well understood and used properly, DPW is providing customised training to provincial and municipal officials on the use of the guidelines.

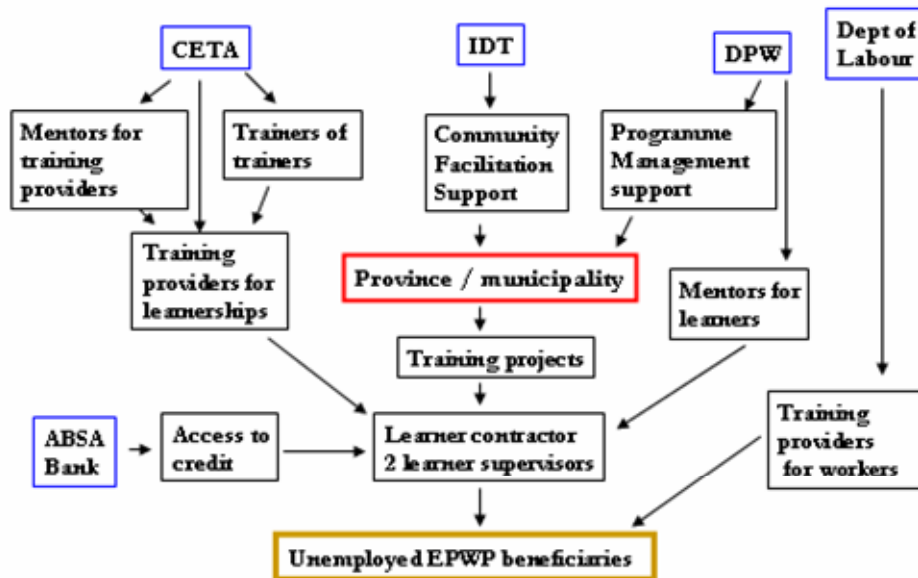
The guidelines stipulate that, for these projects to be carried out labour intensively, provinces and municipalities may only appoint contractors and consulting engineers who undergo training in the design, supervision and management of labour intensive works. The intention is for these special conditions to create demand for this training, which in turn will stimulate the training providers to train their trainers and get themselves accredited to supply the training. The Construction SETA (CETA) has put in place the required NQF unit standards and skills programmes, and has trained training providers to enable them to meet this demand

It is too early to ascertain the success of this expansion mechanism, i.e. whether or not there will be general compliance with these DORA conditions. DPW is engaging in an ongoing communication programme with municipalities and the construction industry regarding the application of these conditions, and is working with the Auditor General to carry out audits to detect non-compliance with the DORA.

Labour Intensive Contractor Learnership Programme

DPW and the CETA have put in place a labour intensive contractor and supervisor learnership programme, with the aim of expanding the application of the approach adopted in the Gundo Lashu programme to other provinces. The CETA has allocated a large number of funded learnerships to the programme, and to date, twenty-five provincial and municipal bodies have applied for over 1000 of these learnerships, and fourteen Memoranda of Understanding (MOU) have been signed with provinces and municipalities. Each signing of an MOU is effectively an 'expansion' of the Gundo Lashu programme to another part of the country. As illustrated in Figure 1, overleaf, a range of measures have been put in place to support participating provinces and municipalities with the implementation of this programme.

Figure 1 Labour intensive contractor learnership programme



CONCLUSIONS

The point that the EPWP is not a solution to the unemployment problem has been stressed in this paper. The employment creation which will result from the EPWP is small in comparison to the scale of the unemployment problem. The EPWP has been designed within the budgetary constraints of the medium term expenditure framework (MTEF). Within these constraints, the EPWP will create approximately 500 000 person-years of employment in its first five years³, based on approximately R4 billion worth of expenditure per annum (which is more than ten times bigger than the CBPWP at its peak.) However, as mentioned in the introduction, 4.6 million people were unemployed in terms of the strict definition and 8.3 million in terms of the broad definition in 2003. In order for the EPWP to reduce unemployment by 30%, it would need to create at least 8 million person-years of employment over its first five years. Assuming that funds were allocated to the various sectors in the same proportions, this would require expenditure of R64 billion per annum.

The above analysis does not take into account capacity constraints in the various sectors, which would limit their ability to absorb increased funding. Nevertheless, some labour-intensive infrastructure programmes in some locations do currently have the capacity to absorb increased funding. Some of the environment sector programmes also have capacity to absorb increased funding.

³ DPW estimated that the person-years of employment which would result from each billion rand of expenditure would be as follows:

- approximately 26 000 person-years for the infrastructure sector
- approximately 22 500 person-years for the environmental sector
- approximately 40 000 person-years for the social sector.

The main challenge facing the programme at present is to mobilise all the relevant national, provincial and local government bodies to implement the programme. There are a number of implementation challenges which need to be overcome. Mobilisation is required to overcome the tendency for the EPWP to be seen as a Department of Public Works programme rather than as a programme of the whole of government. It is also required to overcome the tendency for people to view the unemployment problem as somebody else's problem. For example, some people involved in infrastructure programmes argue that their task is to deliver infrastructure projects, not to alleviate unemployment. It is also necessary to address the widely-held perception that labour-intensive methods are more difficult to manage, take longer, are more costly, and result in inferior quality products.

In the infrastructure sector, DPW's approach to these challenges is to focus on working with departments, provinces and municipalities which are enthusiastic about the programme, so that they can be held up as models of what can be achieved. The example of the labour intensive contractor learnership programme described above indicates that it is possible to develop and expand the programme by integrating the work of different departments, different spheres of government, the private sector, and the SETAs. In this regard, the Business Trust is putting in place a support programme to facilitate and promote innovative EPWP programmes. DPW will also be seeking ways of expanding other PWP initiatives, such as the Zibambele road maintenance programme.

In conclusion, the EPWP has the potential to make a modest contribution to employment creation, poverty alleviation and skills development. The immediate challenge is to ensure that the programme's current targets are met. Once the programme is established and is shown to be economically effective, then motivations may be made for increased funding levels to take the programme to a larger scale.

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