



Lessons from the EPWP and CWP Programmes – Public Service and Social Security

January 2021

Introduction

The concept of social security is often used interchangeably with social protection. There is a more precise definition of social security as referring to actions such as income protection schemes. On the other hand, social protection is broader and incorporates a range of actions aimed at improving essential social services related to education, healthcare and basic housing to minimise social disadvantages.¹ In the South African context, social security is about provision of social assistance to those who are unable to provide for themselves. Social assistance is typically provided to individuals from families and households with inadequate incomes. This social assistance entails income transfer - or, refers to what is commonly known as social grants offered by the state. The essence of social security is the provision of one form of income or another to mitigate against poverty.

The Strategic Value of EPWP and CWP

The Expanded Public Works Programme (EPWP) and the Community Work Programme (CWP) form a crucial part of the social security system in South Africa. The EPWP was a culmination of the Growth and Development Summit of 2003.² It was then implemented from 2004, while the CWP came about as a result of the need to focus on the 'second economy' as alluded to by the 2007 Accelerated Shared Growth Initiative of South Africa (AsgiSA). The CWP commenced in 2008.³ The second economy referred to those activities that fell outside of the mainstream economy, in particular the informal sector. The key rationale for the EPWP was to offer income relief for the unemployed through temporary work. On this, the EPWP and the CWP share the same objective in that they both aim at providing employment safety net through government-created work opportunities, a key intervention for safeguarding dignity and fostering social inclusion. It also provided an opportunity for the unemployed to gain valuable skills to enter the formal economy.

These programmes are by no means a sustainable solution to the employment crisis confronting South Africa. However, they play a pivotal role in poverty reduction by providing relief in the form of social protection or social security. This is particularly important in light of the country's high levels of unemployment at 30.8% in 2020 Q3⁴. There is also a lack of permanent social security provision for unemployed persons between the ages of 19 and 59.

¹ Van den Heever, A. 2020. "Social security/protection in South Africa". Wits School of Governance Future Economy Project.

² Department of Public Works and Infrastructure. "Welcome to EPWP". <http://www.epwp.gov.za/>

³ TIPS. 2008. "Second Economy Strategy Programme". <https://www.tips.org.za/projects/past-projects/inequality-and-economic-inclusion/item/1487-second-economy-strategy-programme>

⁴ Stats SA. 2020. "Key findings: P0211 - Quarterly Labour Force Survey (QLFS), 3rd Quarter 2020". http://www.statssa.gov.za/?page_id=1856&PPN=P0211&SCH=7891

As Phillips (2011) noted, “there is no support for people who are willing and able to work - but unable to find any.”⁵ As such, these individuals typically depend on goodwill transfers from those who are employed and social grants recipients.

The need to bolster long-term solutions

While the Social Relief of Distress (SRD) payments were introduced in May 2020 as a means to provide relief to unemployed people who receive no other state support during the COVID-19-induced lockdown, this measure is available only for a limited period - up until the end of January 2021. In as much as there are possibilities of the SRD being extended for the duration of the national state of disaster⁶, the grant is in its very nature a temporary relief measure, offering no long-term respite for vulnerable citizens. However, there are considerations to introduce a basic income grant to provide a social safety net to the poor as indicated by the ANC in its 2021 January 8th statement.⁷ The considerations have gained traction as the governing party’s National Executive Committee (NEC) has agreed in principle – at its NEC Iekgotla in January 2021 - to introduce the grant. This will in all likelihood take years to implement as the government will need to develop a policy framework.

The absence of permanent social security provision for many of the unemployed South Africans – especially the lowly skilled and the unemployed poor - renders both the EPWP and CWP programmes critical to the country’s social security provision efforts – especially given the Constitution’s recognition of the link between income and the realisation of basic human rights. The EPWP, of which the Department of Public Works and Infrastructure is the custodian, is a programme that is implemented across all spheres of government. It cuts across different dimensions, including infrastructure; environment and culture; and social sectors. There are also initiatives related to the non-state state where publicly funded, community-based, non-profit formations are the actual implementing agents.⁸ The EPWP is in its fourth phase since inception in 2014.

Challenge and opportunities

The first phase had a target of creating one million work opportunities by 2008/9 with all the beneficiaries receiving training when they exit the programme into the mainstream economy. This target was met, and Phase II of the programme was implemented. Targets for Phase II included creating 4.5 million work opportunities across all EPWP sectors, covering all spheres of government and the 2 million full-time equivalent (FTE⁹) jobs.¹⁰ While these targets were not met, with only 4 071 292 work opportunities and 1 147 699 FTE jobs registered, Phase II had a level of success as more than 80% of the beneficiaries were in EPWP employment. This was after the authorities responsible for EPWP and 47% of beneficiaries polled indicated that their financial situation and that of their families had improved as a result of the programme. Despite the EPWP’s second phase having no significant contribution to job creation and poverty and inequality reduction in general, it generated benefits for the poor, albeit marginally.

Phase III of the EPWP was implemented in 2015 with a target of 6 million work opportunities. This target was not met as only 4 522 288 million work opportunities were created.

⁵ Phillip, K. 2011. “How the structure of the economy impacts on opportunities on the margins”. TIPS. https://www.tips.org.za/research-archive/inequality-and-economic-inclusion/second-economy-strategy-project/item/download/977_26c264fd9a63152626438586cebe02ac

⁶ Mahlaka, R. 2021. “ANC policymakers endorse a basic income grant, but it is still far from being implemented,” *The Daily Maverick*, 25 January 2021. <https://www.dailymaverick.co.za/article/2021-01-25-anc-policymakers-endorse-a-basic-income-grant-but-it-is-still-far-from-being-implemented/>

⁷ ANC. 2021. “Statement of the National Executive Committee on the Occasion of the 109th Anniversary of the African National Congress”. https://www.anc1912.org.za/sites/default/files/January%208th%20Statement%202021%20final_1.pdf#pdfjs.action=download

⁸ Department of Public Works and Infrastructure. 2018. Annual Report 2017/2018. http://www.publicworks.gov.za/PDFs/documents/AnnualReports/DPW_AR_2018_WEB.pdf

⁹ FTE indicates the number of work opportunities created based on the number of hours worked by beneficiaries.

¹⁰ Department of Public Works and Infrastructure. 2014. EPWP Phase 2 Performance. http://www.epwp.gov.za/documents/Summit/2014/Day%20One%2027%20November%202014/03_Mr_H_EPWP_Phase_2_Performance.pdf

Even though work opportunity targets are not met, the EPWP's contribution extends beyond the creation of work opportunities and income transfer. Through some of its services such as the home-based care projects, support for the sick and elderly, and the Working for Water Programme, the EPWP ultimately contributes to the provision of social protection and generates outputs that improve the lives of the poor.¹¹

The fourth phase of the EPWP is currently under implementation. The relative success of the EPWP cannot be ignored. However, the programme has faced some challenges arising from various factors. These include insufficient technical and managerial capacity for the EPWP implementation; failure to provide training to all beneficiaries of the programme due to financing constraints; political interference and corruption as in certain instances payments were made to ghost workers; and lack of monitoring and evaluation, amongst others. Other stakeholders have raised concerns about the low wages paid to programme beneficiaries. Labour unions have previously raised concerns about the programme and called on municipalities to stop implementing the programme because they deemed it exploitative as it paid beneficiaries far less than the minimum wage in the local government sector, which currently stands at R8 329.27 per month.

Conclusion

The need for the CWP remains relevant as the socio-economic conditions deteriorate and this is made even more stark by the current challenges presented by the COVID-19 lockdown. The challenges identified with the CWP and those with EPWP indicate that the lack of capacity and ethical failures throttle the potential of these critical programmes. Boosting their capacities, improving controls, and restoring ethical leadership are key for the long-term success of these programmes.

¹¹ Department of Public Works and Infrastructure. 2019. Expanded Public Works Programme (EPWP) Phase IV: Business Plan 2019 – 2024. http://www.epwp.gov.za/documents/Cross_Cutting/Monitoring%20and%20Evaluation/EPWP_PhaseIV_Business_Plan_2019-2024.pdf