

## Jobs Jobs Jobs: Decent Work for Development

Jobs Jobs Jobs is a three-year project which aims to demonstrate that Decent Work is fundamental for development and the eradication of poverty.

Decent Work is a concept developed by the International Labour Organization, and supported by trade unions, NGOs and other civil society organisations. It brings together the quantity of employment with the quality of the employment created. The main elements of Decent Work are employment creation, workers' rights, social protection and social dialogue.

Decent Work is now recognised as a route out of poverty for millions of people.

**Not any job is a good job!** Half of the world's workers earn less than two dollars a day. They have no job or depend on precarious working conditions. While it is clearly the case that employment is central to poverty reduction, it is only Decent Work that can allow people to fulfil their right for a Decent Life.

**Growth is not enough!** International trade and economic growth alone cannot eradicate poverty. In many countries wealth is continuously concentrated within a few hands. Decent Work is a key mechanism by which wealth is redistributed and poverty eliminated.

A key component of the project has been the elaboration of **8 case studies** in countries in Asia, Africa and Latin America. These provide examples of the link between Decent Work and the achievement of the Millennium Development Goals which range from halving extreme poverty to providing universal primary education, all by the target date of 2015.

The case studies will feed a wide range of advocacy activities including seminars and campaign materials in different European countries.

The project – supported by the EU – is coordinated by:

**SOLIDAR** ([www.solidar.org](http://www.solidar.org))

**Progetto Sviluppo** (Italy – [www.cgil.it/prosvil](http://www.cgil.it/prosvil))

**Olof Palme Center**

(Sweden – [www.palmecenter.org](http://www.palmecenter.org))

**War on Want** (UK – [www.waronwant.org](http://www.waronwant.org)).

Other organisations involved are: ISCOS (Italy), One World Action (UK), the Johannes Mickelson Center (Estonia), and four Global Network ([www.theglobalnetwork.net](http://www.theglobalnetwork.net)) partners - Plades (Peru), Learn (The Philippines), SEWA (India), and LRS (South Africa).

# Is job creation enough to tackle poverty?

## Case study on South Africa

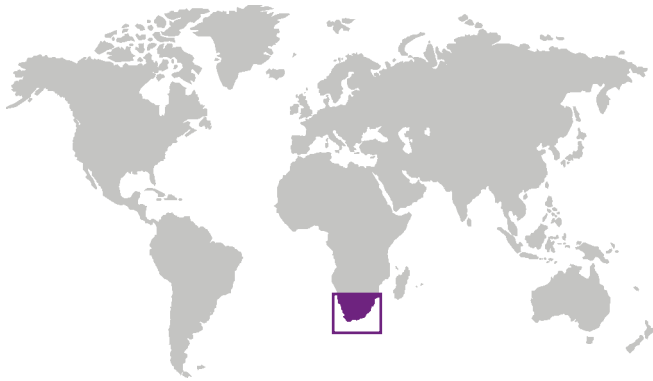


— This briefing is based on research into South Africa's Expanded Public Works Programme (EPWP) conducted by Shane Godfrey and Jan Theron from the University of Cape Town under the supervision of **Labour Research Service (LRS, [www.lrs.org.za](http://www.lrs.org.za))** for SOLIDAR's Jobs Jobs Jobs Project.

The research included interviews with managers and workers who are involved in the EPWP in the Western Cape Province. These interviews took place in August 2006.



MORE THAN ONE THIRD OF SOUTH AFRICAN POPULATION SURVIVES ON LESS THAN TWO DOLLARS A DAY



# Is job creation enough to tackle poverty?

## Case study on South Africa

### Summary

South Africa is facing a serious unemployment crisis. Despite steady economic progress in the post-apartheid era, unemployment affects more than one third of the economically active population. Poverty is widespread and has increased over the last decade. Millions of people struggle to survive on less than two dollars a day.

The government has responded to the crisis with a range of policies, including public works programmes. These are work and training programmes for the unemployed which aim to create jobs and reduce poverty. In 2004, the government stepped up its response with the Expanded Public Works Programme (EPWP) which has a target of reaching one million unemployed people by 2009. The programme consists of provincial and national projects, financed by the public sector, which provide short-term employment and training for people in desperate need of income and a job.

Labour Research Service (LRS) commissioned research from the University of Cape Town to find out whether the EPWP is creating Decent Work and helping South Africa meet the Millennium Development Goals. Through interviews with men and women who have participated in the EPWP, the researchers established that the programme did help people living in poverty. These men and women were often the sole breadwinners in their households, supporting extended families with the wages they earned from their work on the EPWP.

However, the research failed to find evidence that the EPWP is creating sustainable employment. None of the men and women interviewed had found further employment since their contracts on the EPWP had terminated. This raises doubts about the EPWP's potential to have a significant impact on poverty and unemployment in South Africa. The programme could be improved with longer job contracts, more rigorous training, and engagement by trade unions.

## Unemployment and poverty in South Africa

In 1994 the first democratically elected government in South Africa's history inherited a range of problems rooted in the country's apartheid past. Topping the list were widespread poverty, very high unemployment, extreme inequality and stagnant economic growth. At the same time, South Africa's emergence from economic isolation into a liberalised global trading environment created a new set of challenges for the economy.

Since 1994 there has been steady economic growth, giving an average annual growth rate of 2.5% GDP. The number of jobs has also grown, from about 9.5 million employees in 1995 to almost 11.6 million in 2004. However, employment growth has not kept pace with the increase in people seeking work. Where jobs have been created, these have mostly been in the informal economy.

One decade on, unemployment remains significantly high. In 2004, the official unemployment rate was 26.2% though a broader definition of unemployment gives a far higher figure of 41%. Unemployment is particularly high among women and affects rural regions more than urban areas.

Poverty, already widespread in 1994, has increased in the post-apartheid era. More than one third of the population survives on less than two dollars a day. The country has become even more unequal with rising income inequality.

IN 2004, UNEMPLOYMENT RATE WAS 41%. UNEMPLOYMENT IS PARTICULARLY HIGH AMONG WOMEN AND AFFECTS RURAL REGIONS MORE THAN URBAN AREAS



## The Expanded Public Works Programme

One of the government's responses to these problems has been public works programmes. These are work and training programmes for the unemployed which aim to create jobs and alleviate poverty. These began with the National Public Works Programme (NPWP) in 1994. The NPWP focused on the creation of jobs through **labour-intensive construction projects** financed by the public sector. It also included a short-term job creation programme, the Community-Based Public Works Programme, targeting unemployed people in rural areas. A number of similar programmes have also been launched.

In 2004, the government launched a new project - the Expanded Public Works Programme (EPWP) - to deal with the country's unemployment crisis. It was announced by President Mbeki in his 2003 State of the Nation Address and agreed by the social partners at the Growth and Development Summit in 2003. The first five-year phase of the EPWP was launched at the beginning of 2004.

The EPWP has been designed as a short- to medium-term programme that is part of a broader government strategy to alleviate poverty and reduce unemployment. Its stated aims are to "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 scale of the programme is ambitious. Its target is to provide employment opportunities and training to at least one million unemployed people by the beginning of 2009.

The programme has three layers - national, provincial and municipal - and is divided into four sectors:

- the infrastructure sector
- the social sector
- the economic sector
- the environment and cultural sector.

Most of the EPWP projects are developed at the provincial level, though there are also major national programmes cutting across all provinces. Overall coordination is provided by the Department of Public Works, with lead departments assigned to each sector.



— THE EPWP INCLUDES FOUR SECTORS - THE INFRASTRUCTURE SECTOR, THE SOCIAL SECTOR, THE ECONOMIC SECTOR, AND THE ENVIRONMENT AND CULTURAL SECTOR

## Creating Decent Work?

LRS's case study evaluates whether the implementation of the EPWP is creating Decent Work and whether the programme contributes towards the Millennium Development Goals.

South Africa has a huge unemployment problem. This has placed enormous pressure on the government to adopt policies that create jobs. The risk is that very low quality jobs will be created that pay so little that they make almost no impact on poverty. In this scenario, the unemployed of today would become the working poor of tomorrow. The challenge for the South African government, therefore, is not just to create jobs but to create Decent Work.

The EPWP's goal is to create 'work opportunities' for unemployed or under-employed people. Through training, it intends to help those people acquire the skills which enable them to obtain income-generating work. At the same time, it aims to carry out projects that will benefit communities. It seeks to achieve these objectives on the basis of a number of principles, including consultation with communities, gender equity, and compliance with relevant labour laws.

The programme's aims are also relevant to the Millennium Development Goals as it intends to target people living in poverty and needing work; it integrates gender equity and focus on employment for the benefit of the community.

The case study developed by LRS is based on secondary sources and interviews to managers and workers involved in the EPWP in the Western Cape. The study focused on projects in the infrastructure and social sectors which, between them, cover road construction, the maintenance of school buildings, home-based care for the sick and terminally ill, and increased security on trains.

## Employment creation

The main objective of the EPWP is to provide employment for people in great need of a job and income. Workers are generally paid well, with salaries comparing favourably with wages paid locally. Many of the men and women interviewed relied heavily on the income they received for their EPWP work and were very concerned about future unemployment.

However, although the EPWP provides valuable short-term work for the unemployed, it does not create sustainable employment. The programme's expectation that work experience plus training would lead to employment or self-employment was not supported by the interviews. Most of the interviewees who had completed their contracts with the EPWP were unemployed at the time of the interviews. None appeared to have gained any additional advantage from their employment in the EPWP projects. These experiences, if mirrored elsewhere in the country, suggest that the programme will only have a limited short-term impact on poverty and unemployment.

The first problem appears to be the short-term length of job contracts. Workers are employed for a maximum of two years but most jobs are considerably shorter and are not full time. EPWP workers are carrying out essential work which, arguably, should be the responsibility of local authorities. Given the extent of restructuring and job cuts that have taken place in the public sector during the last decade, local authorities will be wary of making long-term commitments to EPWP workers. However, the length of contracts could be extended to enable participants to gain more work experience and training.

The second problem concerns the training component of the EPWP. Some projects provided training of less than the two days minimum for every 22 days worked specified in the EPWP's Code of Good Practice. The research also threw up questions about the type of training being provided and its quality. Doubts about the effectiveness of the training are reflected in the interviews. Some workers were unable to recall the training they had undergone until prompted by colleagues.

## Workers' rights

Workers in the EPWP have significant rights as they are covered by South Africa's labour statutes. They are covered by freedom of association, organisational rights, collective bargaining and industrial action. They are protected against unfair discrimination. Employing contractors must comply with health and safety



THE INFRASTRUCTURE SECTOR COVERS ROAD CONSTRUCTION, THE MAINTENANCE OF SCHOOL BUILDINGS, AND INCREASED SECURITY ON TRAINS

requirements. Workers are also entitled to protection, on similar terms to other employees, in respect of hours of work, rest periods, Sunday work and work on a public holiday, maternity leave, and family responsibility leave.

However, a special provision generally reduces their rights and is intended to reflect the temporary basis on which they are employed. EPWP workers do not, for example, receive annual leave or annual leave pay, and they are not entitled to notice pay on termination.

The EPWP also has a Code of Good Practice for employment and conditions of work that provides recommended guidelines in respect of working conditions, payment and rates of pay, and disciplinary and guidance procedures. Furthermore, men, women, disabled people and the elderly must receive the same pay for work of equal value. The Code sets out the training requirements of the programme. It includes stipulations that there should be a minimum of two days training for every 22 days worked, and that at least 30% of the training be accredited.

The research found that project managers did comply with the protections accorded to workers on the EPWP. The one discrepancy concerned training. Workers are generally employed in good quality jobs with clear legal protections.

## Equality between men and women

Equality between men and women is a requirement of the EPWP. The researchers found that gender equality was rigorously promoted on EPWP projects. Interviewees stated that men and women were treated equally, carried out the same work, and were paid the same wage.

The EPWP has been particularly successful at employing women in traditionally male occupations such as road maintenance, construction, and policing.

In Kayamandi, less than an hour from Cape Town, women are employed on a school maintenance project. The workers are all parents with children at the school where the project is operating. Men and women have been trained in plumbing and bricklaying and work alongside each other to improve the schools their children attend.

In the Safer Trains Project in Khayalistsha on the edge of Cape Town, the targets for recruitment were unemployed young people, women and single parents. About 60% of the new security guards are women.

## Social protection

There is no comprehensive social security system in South Africa so it is hardly surprising that the social protection provided by the EPWP is at best temporary and limited. Workers enjoy the same rights as other employees with respect to sick pay, maternity pay and family leave. However, employment contracts are for a maximum of two years and often for much shorter periods. This means that EPWP workers do not qualify for unemployment insurance benefit once their contracts come to an end.

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## Social dialogue

Partnerships between government, employers and trade unions are a way of ensuring that Decent Work is at the heart of policies to tackle poverty and unemployment. The EPWP was launched with the endorsement of trade unions at a national summit in 2003. However, there has been little involvement by trade unions since. Trade unions are not involved in setting wages and conditions of employment for the projects. None of the interviewees were members of a trade union and there appears to have been no attempts by unions to organise at any of the projects.

Unions could play an important role in the programme, ensuring, for example, that the EPWP is reaching those most in need, that training is effective, and engaging with local authorities to see how projects can lead to sustainable employment.

The EPWP aims to make a positive impact on local communities by raising skills levels, creating jobs, and improving the local environment. There appears to be good community involvement in most projects. The Community Access Road Project at Droehewuel was actually initiated at the behest of the community.

THE EPWP AIMS TO MAKE A POSITIVE IMPACT ON LOCAL COMMUNITIES BY RAISING SKILLS LEVELS, CREATING JOBS, AND IMPROVING THE LOCAL ENVIRONMENT



## Conclusions

In general terms all indications are that the EPWP projects were well-received in the communities in which they were located and that the projects had a number of positive impacts in these communities. However, this is in part a measure of the level of desperation in these communities, where any programmes to alleviate poverty, no matter how inappropriate or ill-conceived, are likely to be well-received.

Moreover, the case study indicates that the EPWP is not creating sustainable employment. The main reason for that lies with the training component, which does not appear to be sufficient to develop the levels of skills people need to get jobs or make self-employment viable. Another reason is that the contracts of workers might be too short. In other words, they need longer contracts to gain more work experience (and also to do more training).

These findings suggest that there is the need

For government and employers:

1. To re-examine the training component of the EPWP. Ensure that training is of sufficient quality, duration and breadth to enable people to develop skills for future work or self-employment.
2. To reconsider the length of job contracts so that participants can gain more work experience and training and in order for communities to reap further benefits from local schemes.

For trade unions:

1. To encourage local unions to be engaged with the EPWP to ensure that the programme targets those areas and groups most in need and to make sure there is no adverse impact on labour standards. Use national and local influence to raise quality of training. Recruit EPWP workers into trade unions and organise for improvements.

# Focus

## Solonzi's and Bethwell's stories

Solonzi Ntageni and Bethwell Mhlomi live in Zolani township not far from Robertson. Zolani is located on a hill and is susceptible to winter rain. The roads are quickly eroded and filled with potholes. Pavements are poor, and the roads covered in litter. Solonzi and Bethwell were employed under the EPWP as road maintenance workers. Their job was to sweep roads, fill pot holes and clear up refuse and litter.

The community was disappointed when the project came to an end. "We were not able to complete the job because of time limits," says Solonzi, pointing to places where litter is building up and the roads being eroded. Now unemployed, both men struggle to support their own families, as well as a large number of dependents. "The local authority needs to give us work," says Bethwell, "to do what we are trained to do".

## Sarita's story

Sarita Jagers has not had a permanent job since leaving school. She has a four-month seasonal job in the canning factory in Ashton which pays R600 a week (about USD 83). Her husband is diabetic and unemployed, and the couple have two children. Apart from Sarita's seasonal earnings, the family's only income is government grants, totalling R960 per month (about USD 132).

Sarita worked for six months on an EPWP road construction project. Her work also involved laying storm water drains and pipes to relieve serious flooding in Droeheuwel township. She did a variety of tasks and there was no distinction drawn between male and female roles on the project. "It was nice for me to work together with men," said Sarita. Although she has only had seasonal work since the project ended, she was optimistic about finding other work as a result of what she had learned.

## Vuyiseka's story

Vuyiseka Madlala is a 31 year-old single woman who lives in a shack she rents in a backyard in Langa. The income from her work as a security guard for the Safer Trains Project allowed her to move to this shack. It is a considerable improvement on her previous one because it has electricity, running water and a flush toilet.

Four people live in the shack with Vuyiseka, all of whom are dependent on her income. Vuyiseka earns R500 per month (around USD 69) from the Safer Trains Project and a small stipend from the government for assisting in a TB programme. When her contract at the Safer Trains Project finishes, she faces unemployment, and the household will depend entirely on the stipend she receives for her TB work. She thinks her wages are too low, but would work at an even lower rate of pay if this meant keeping her job.



## Resources

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The full case study is available online at [www.solidar.org](http://www.solidar.org)

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SOLIDAR is an independent international alliance of non-governmental organisations (NGOs) working in development and humanitarian aid, social policy and social service provision. SOLIDAR promotes economic and social justice in Europe and worldwide by working in alliance with trade unions and organisations of the labour movement.

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