



The political and institutional challenges faced by ELR proponents in South Africa



**the case for a community demand-led
as opposed to a government supply-side approach**

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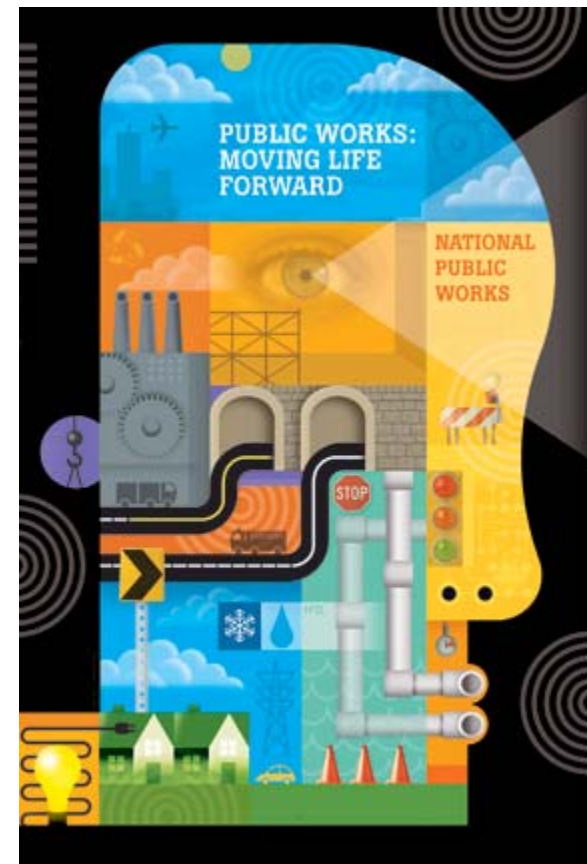
HEALTH SYSTEMS TRUST

Funding support from the
Development Bank
of South Africa



Structure of this presentation

- Background on South Africa
- National Public Works Programme
- Institutional constraints to the ELR concept
- Demand-led vs supply-driven approach
- Summing up





South African background





The global relevance of Employer of Last Resort Programmes in South Africa

South Africa faces some exceptional challenges to poverty & health

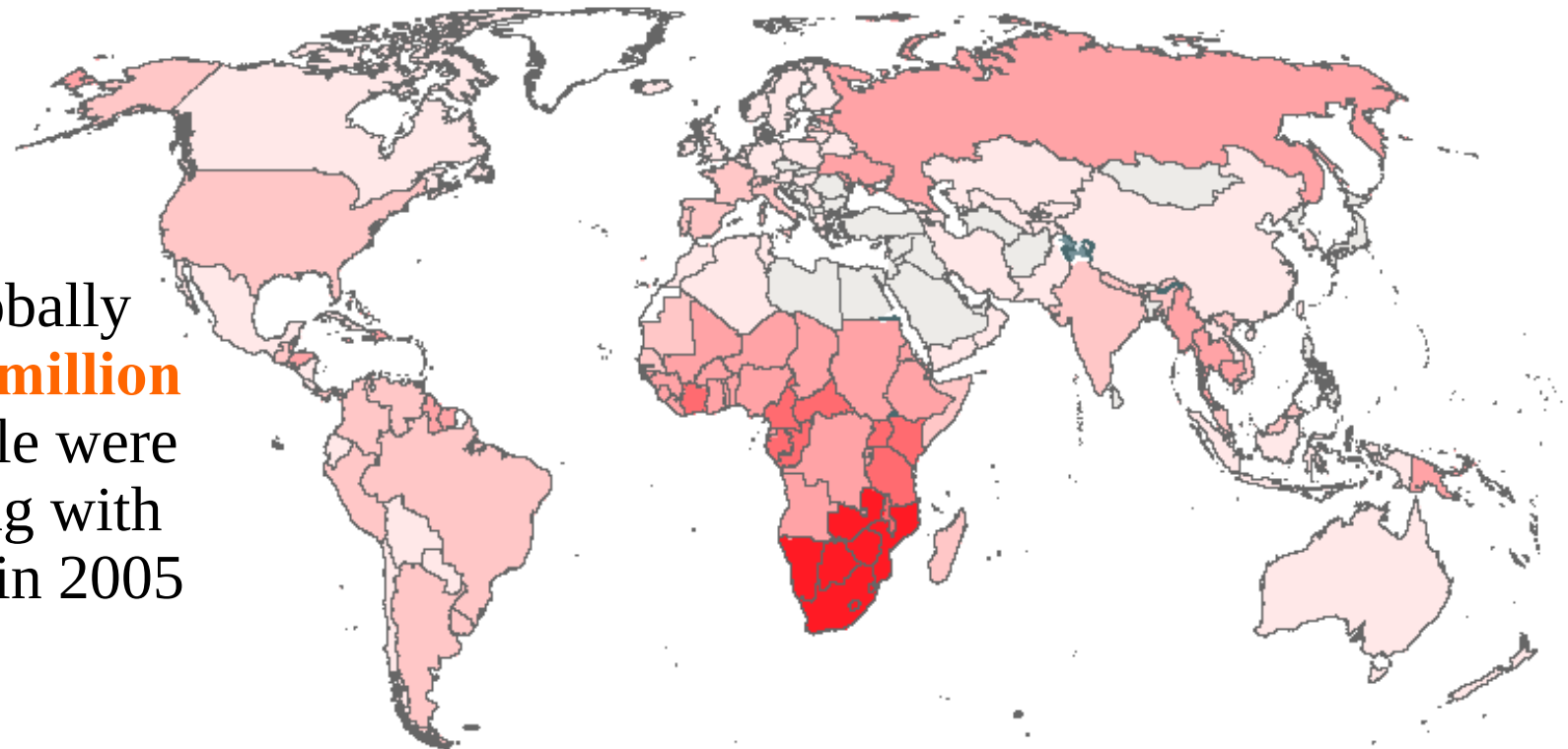
- Racial inequity over many generations
- Social fragmentation and diversity of culture
- Mid-level income, but high levels of inequity
- Strongly dualistic economy
- High levels of unemployment & poverty
- Multiple burdens of epidemic disease





Global epicentre - HIV pandemic 2005

Globally
38.6 million
people were
living with
HIV in 2005



Adult prevalence rate

■ 15.0%–34.0%

■ 1.0%–<5.0%

■ 0.1%–<0.5%

■ 5.0%–<15.0%

■ 0.5%–<1.0%

■ <0.1%

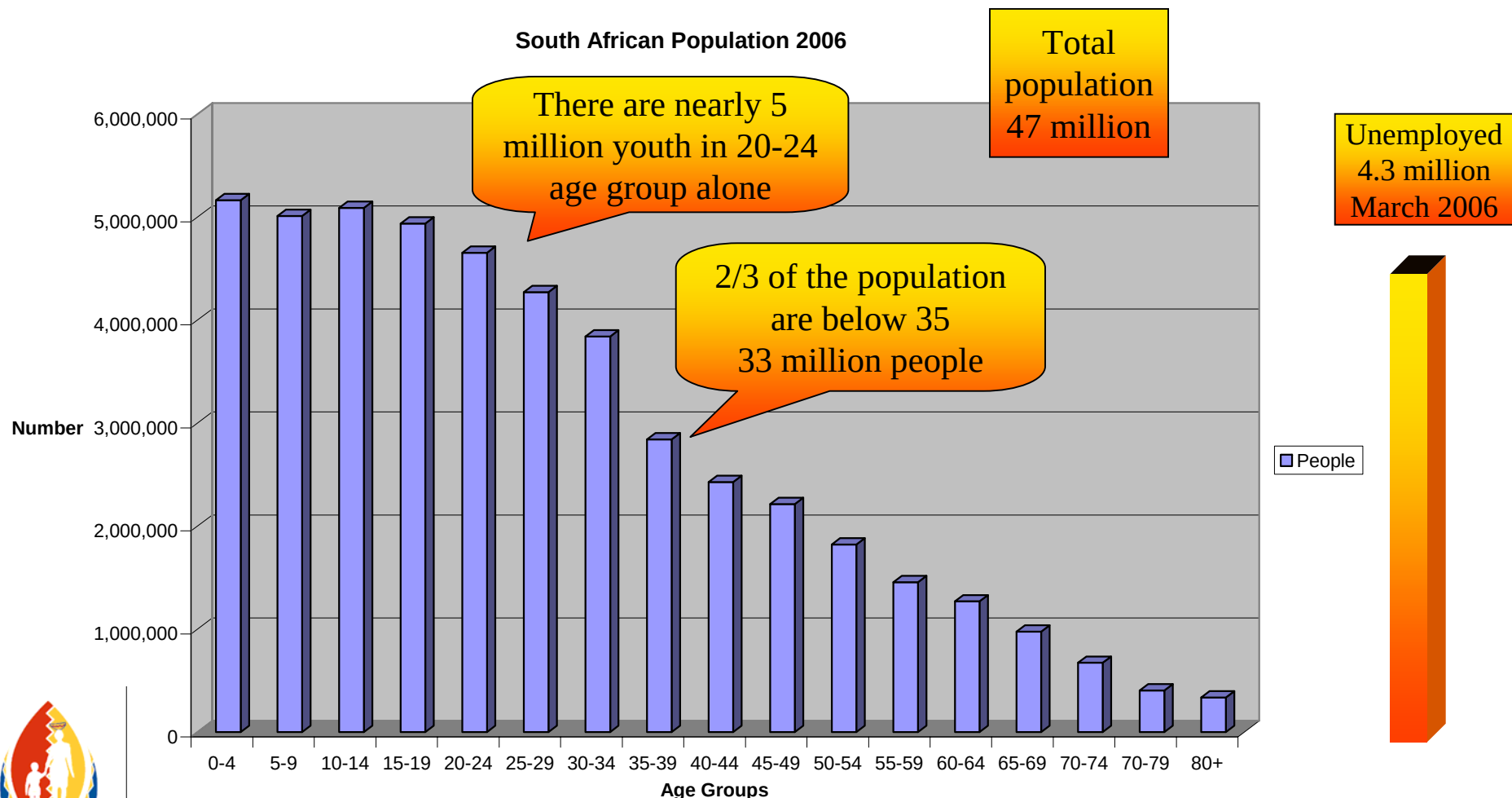
In South Africa **5.5 million (14,2%)** were HIV+ve.

1/3 of all women in the 25-29 age group



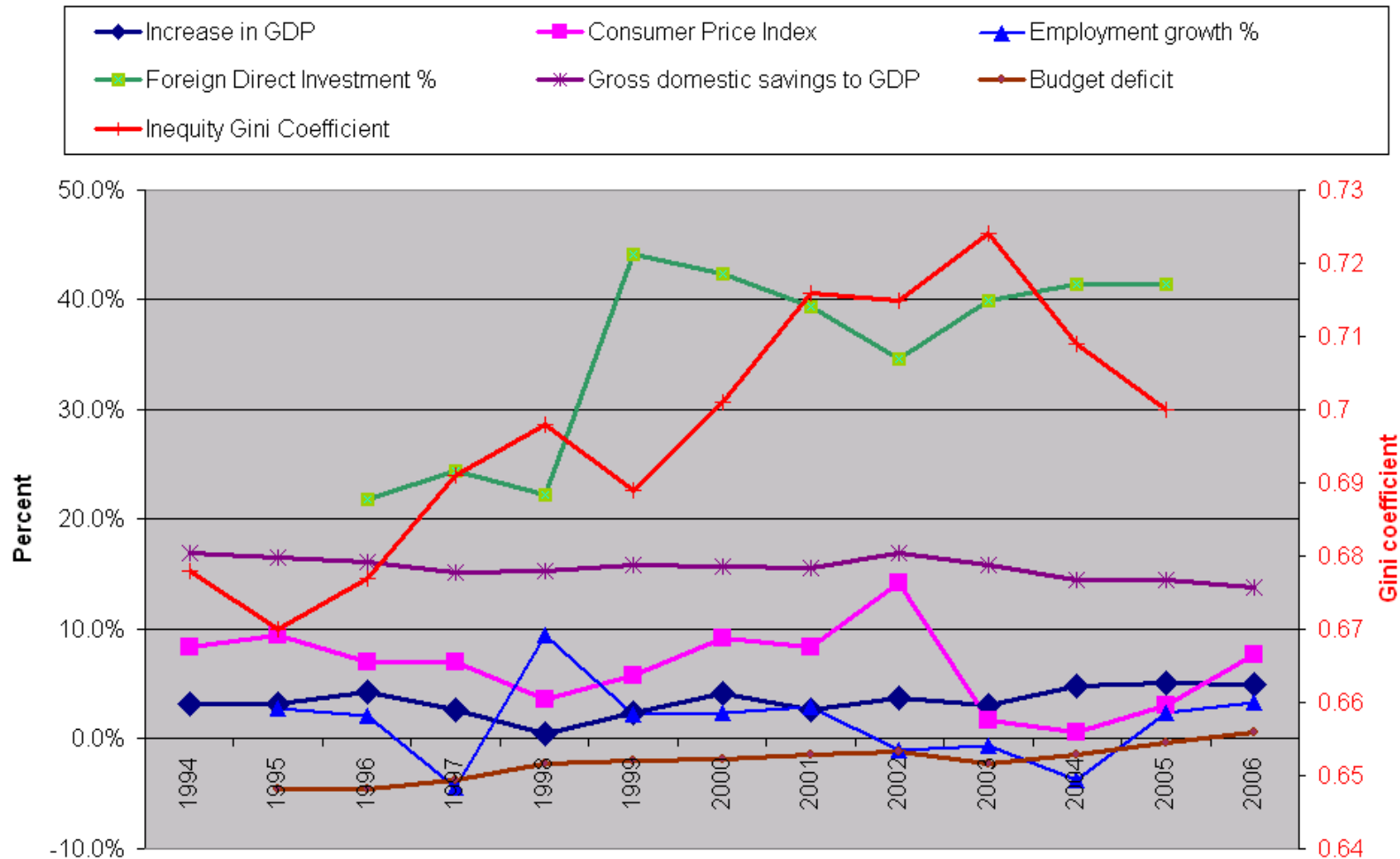


People and unemployment





Growth trends in the SA Economy

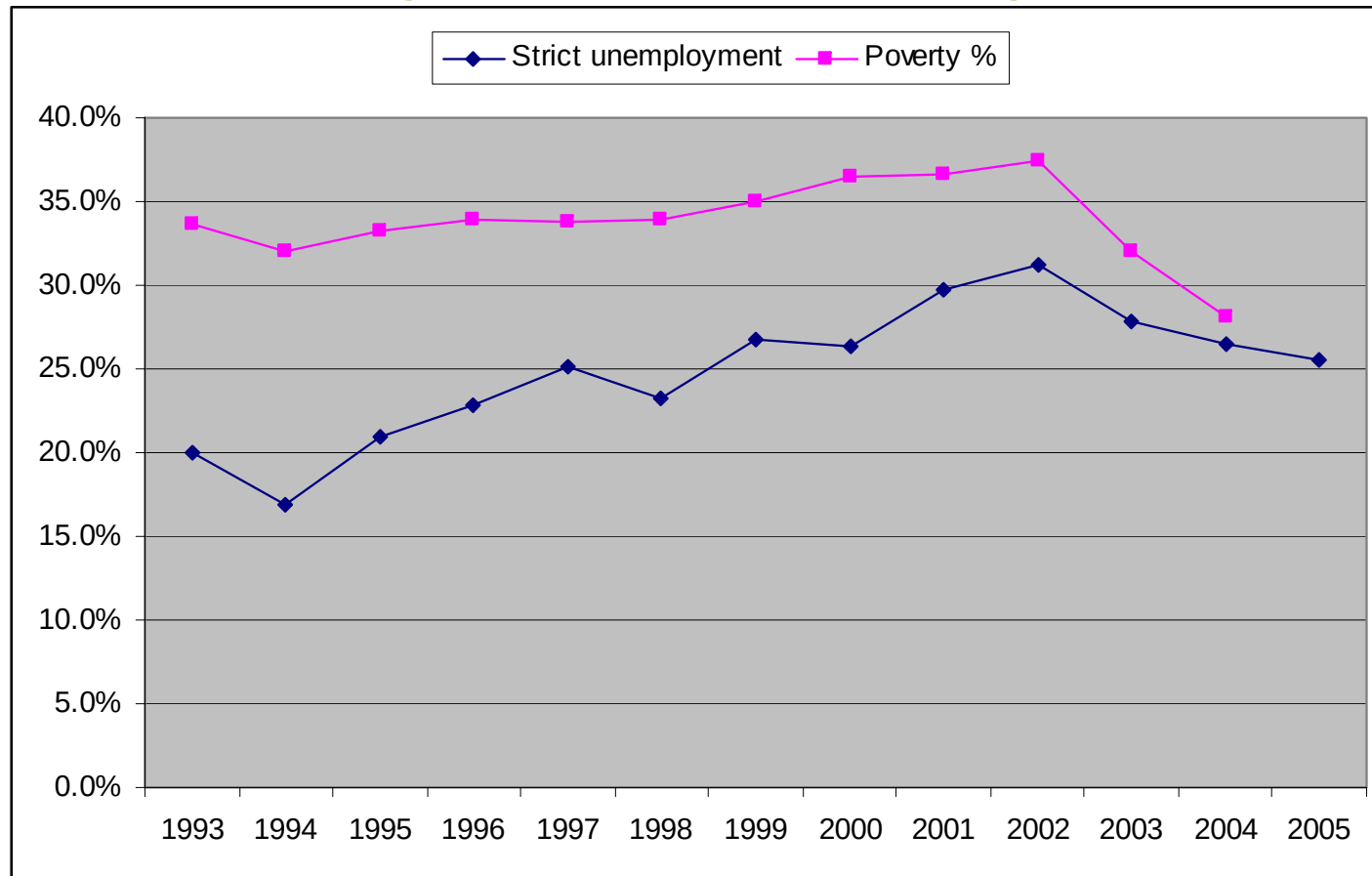


- Economy has not been effective in redistributing the growing wealth





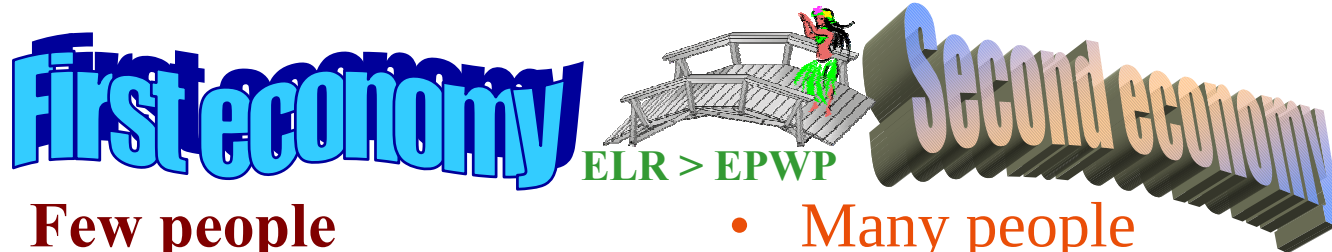
Poverty & unemployment



- Over a quarter of the people severely affected



The inequitable dual economy



- Few people
 - Extreme wealth
 - Meaningful work
 - Considerable well-being
 - Enormous capacity
 - Threatened by crime
 - Capital intensive
 - Vast increasing output
 - Monopolises resources
 - Full employment
- Many people
 - Severe poverty
 - Menial labour
 - Disease & social problems
 - Capacity deficiencies
 - Crime inducing
 - Surplus labour
 - Diminishing output
 - Market exclusion
 - Massive joblessness





National Public Works Programme





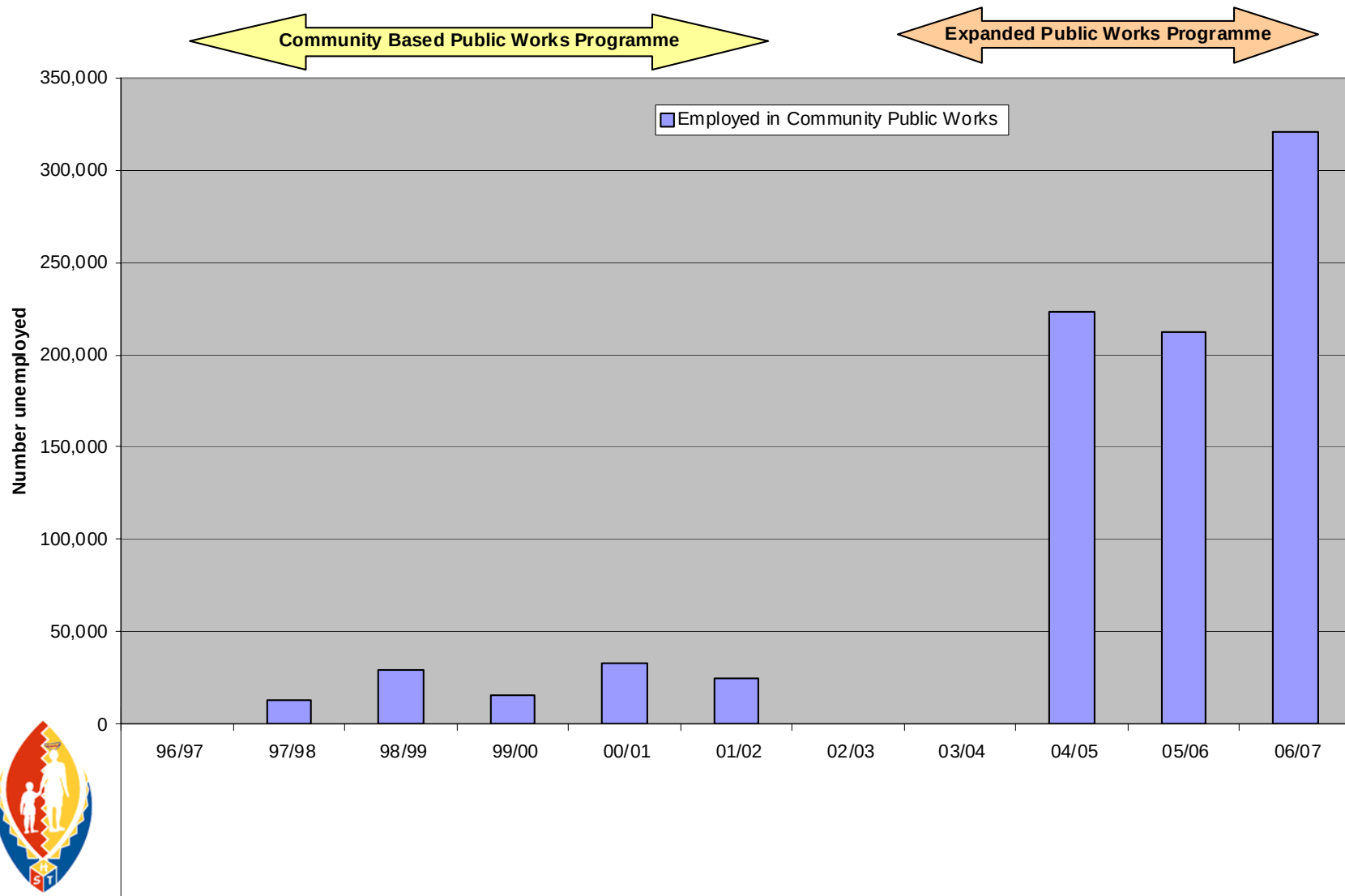
14 years of innovation in employment intensive public works

- Since 1994, Government created opportunities for implementing employment intensive public works primarily in the infrastructural sector.
- Focused on unemployed, under-skilled, poorly qualified, especially youth, women & disabled
- In 2003, programme broadened the infrastructure focus as the Expanded Public Works Programme including also the environmental, social and economic sectors
- Aims to provide an opportunity to work & learn.



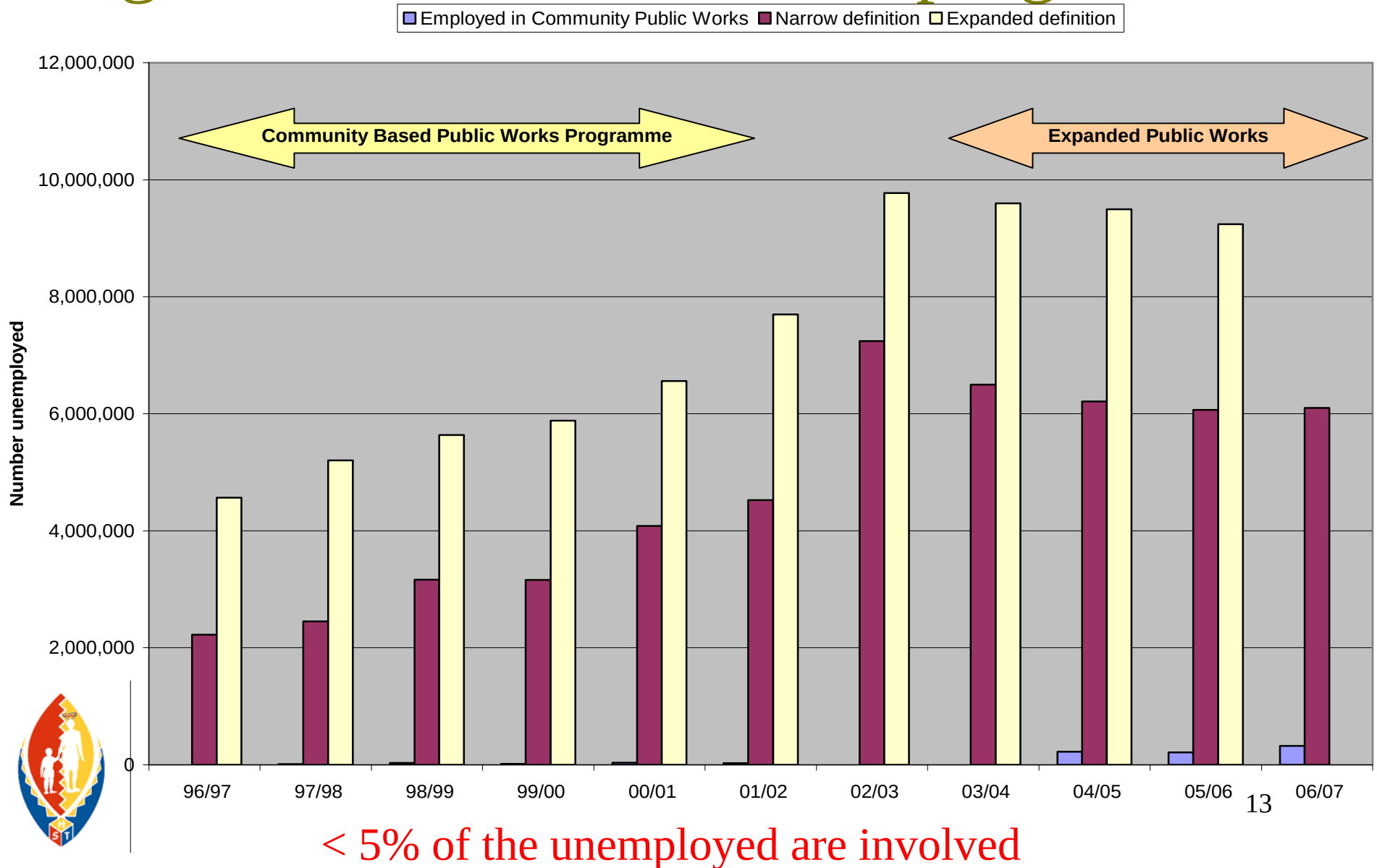


Increase in public works employment





Significance of the scale of programmes





Achievements of the EPWP

- **Providing meaningful employment** on a albeit small scale within the short-term;
- **Redistributing income** to poor households;
- **Reducing social inequity & crime;**
- **Helping to reach social targets** by mass mobilisation of additional social services;
- **Provision of widescale training opportunities**
- **Integrating the dual economy**
- **Building social & infrastructural capital**





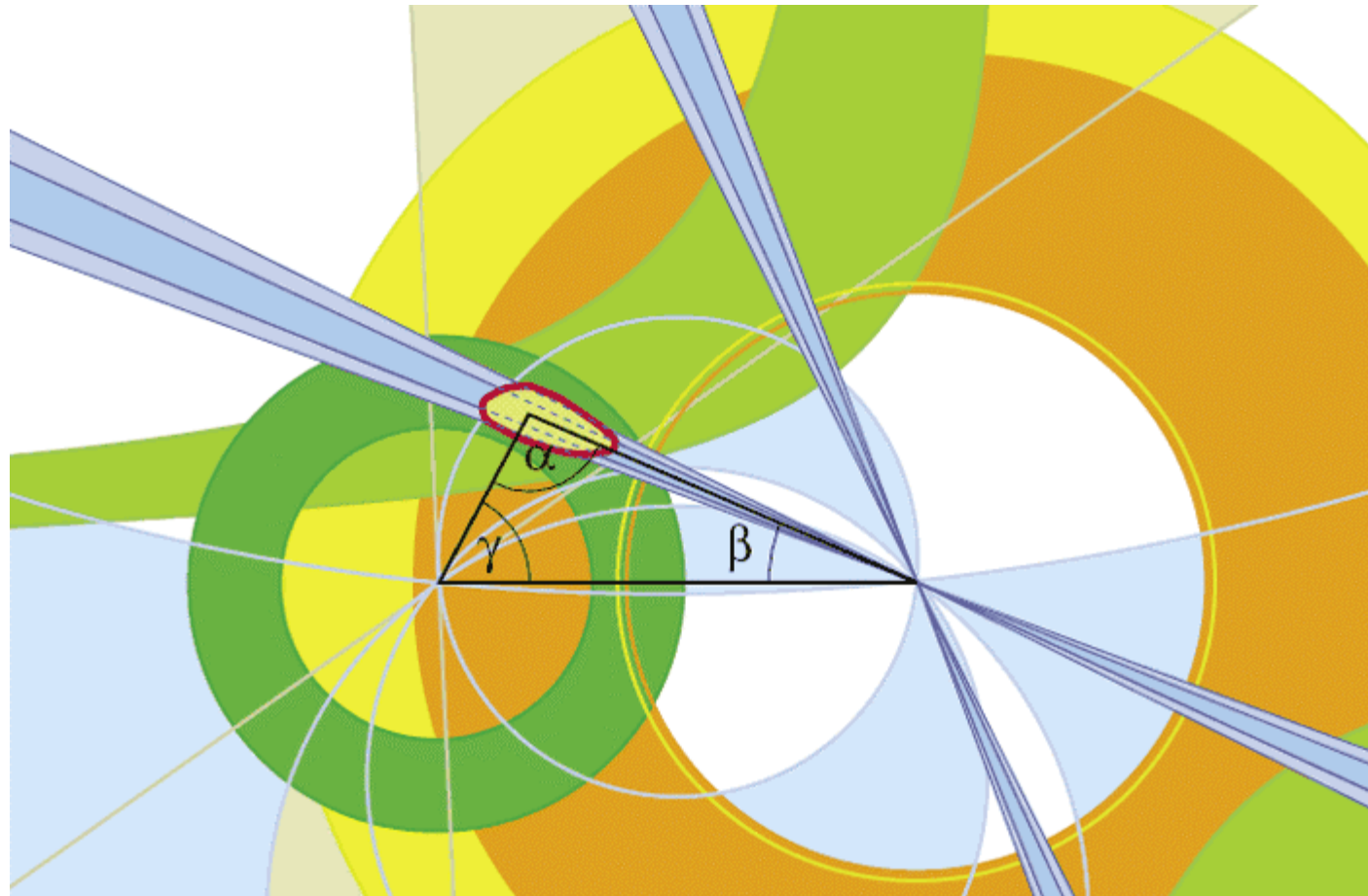
Impact on the lives of participants

- Provides basic income that elevates households out of poverty;
- Improves dignity of individuals who earn their stipends;
- Provides structured learning environment on the job;
- Creates opportunities for people to get longer-term employment;





Institutional constraints





Review of institutional constraints and approach to growing the EPWP

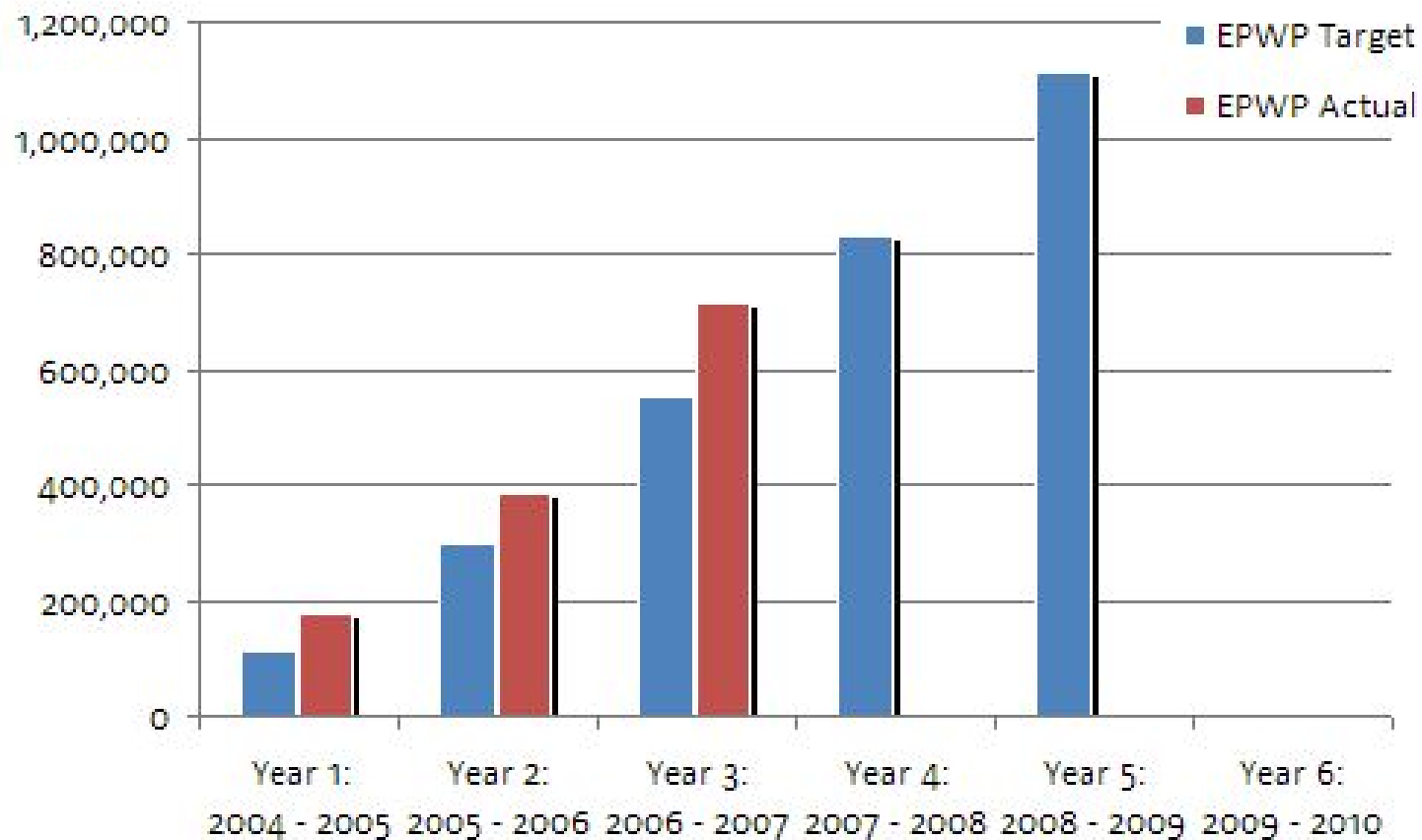
- In 2006 Health Systems Trust undertook a national and provincial review of the social cluster projects
- The two main groups of the work creation projects in the cluster were
 - Home & Community Based Workers
 - Early Child Development Workers
- Issues that constrained growth were identified





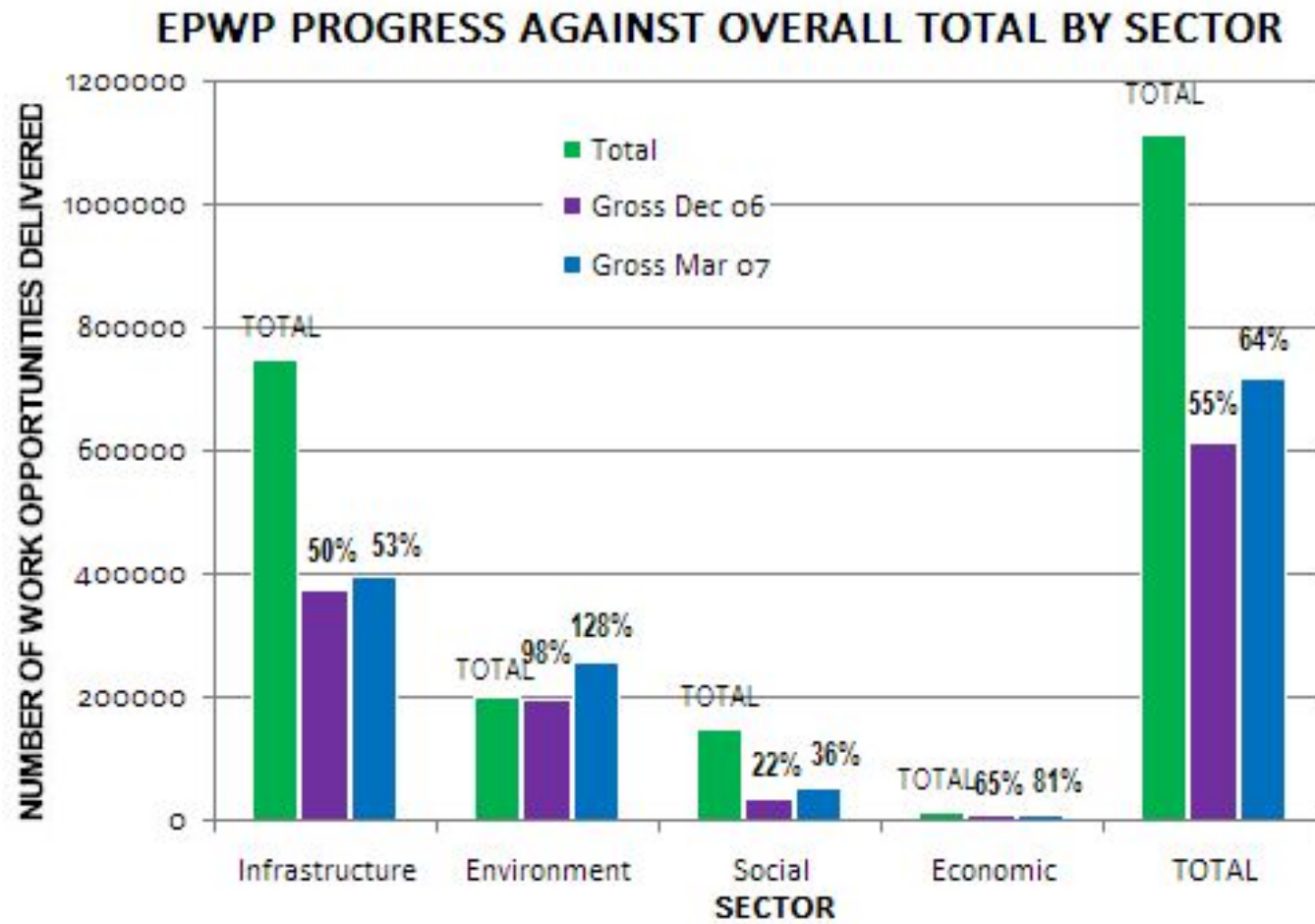
EPWP growth

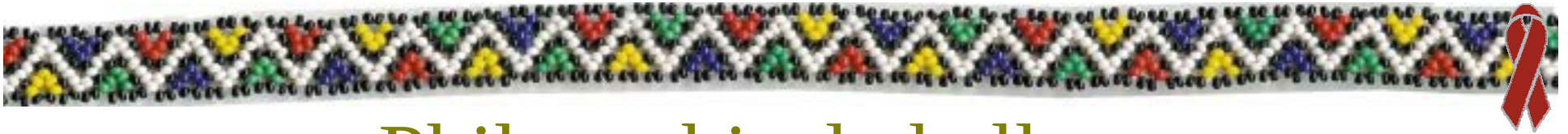
EPWP PROGRESS AGAINST TARGETS (CUMULATIVE)





EPWP by sector





Philosophical challenges, fears & concerns among policy makers

- Creating 'dependency' on state
- Creating an entitlement culture
- 'Unsustainable', short-term jobs
- Doesn't adequately equip for permanent jobs
- Communities don't have capacity to manage
- 'The Party' must be seen to deliver
- Less targetted than social grants





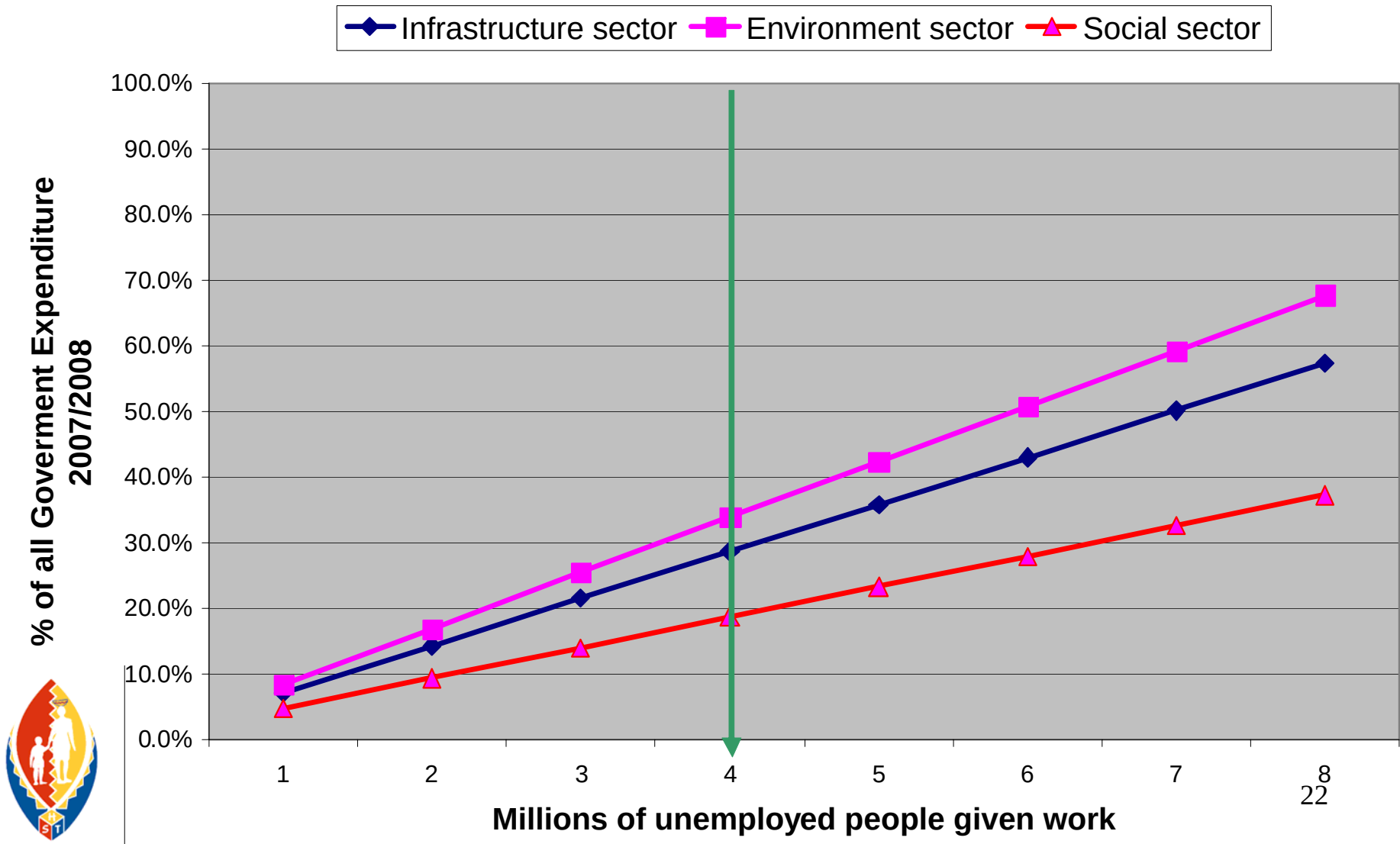
Concerns of some macro-economists

- Potential cost of the programme is frightening
- Undermining minimum wages in formal sector
- Low wages not really improving poverty
- Undermining free-market approach
- Keynesianism & socialism don't work
- Crowding out private sector
- Displacing other social spending
- Public sector employment = consumption





Potential cost of ELR programme





Institutional & capacity challenges ...

- Scale too small to deal with mass unemployment
- Social sector public works not well understood;
- Preference for capital intensive approaches;
- Lack of support of provincial treasuries in allocating priority spending;
- Lack of appropriate policies & legislation;
- Short-term nature of jobs (two years);
- Stipends are very low;
- Labour rights & working conditions;
- Inadequate preparation for 'formal' employment
- Lack of exit strategies after completion of training



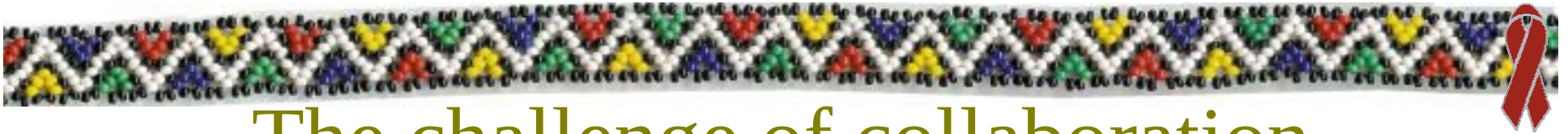


and more challenges

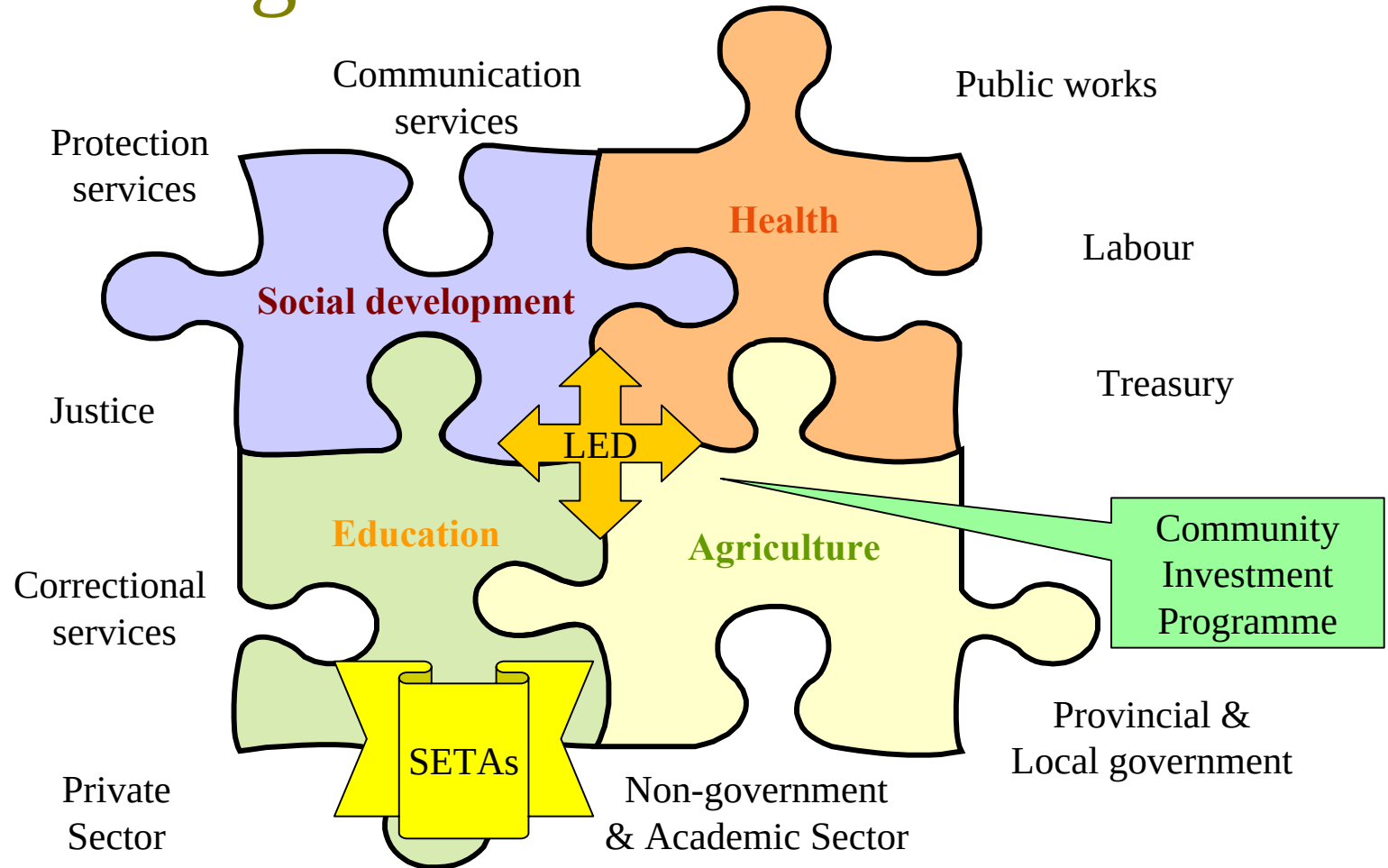
- Insufficient commitment from some of the leadership;
- Greatly overextended programme staff;
- Hurried, uneven implementation;
- The top-down approach, generally ineffectual;
- Confusion over whether it is a programme or an approach
- Departments regarding the EPWP as a non-core activity;
- The EPWP not widely known or understood;
- HCBC & ECD were pre-existing; separate agendas;
- Accreditation and training provision are in disarray;
- Despondency is rife



BUT on the positive side – some provinces have several successful & exciting initiatives

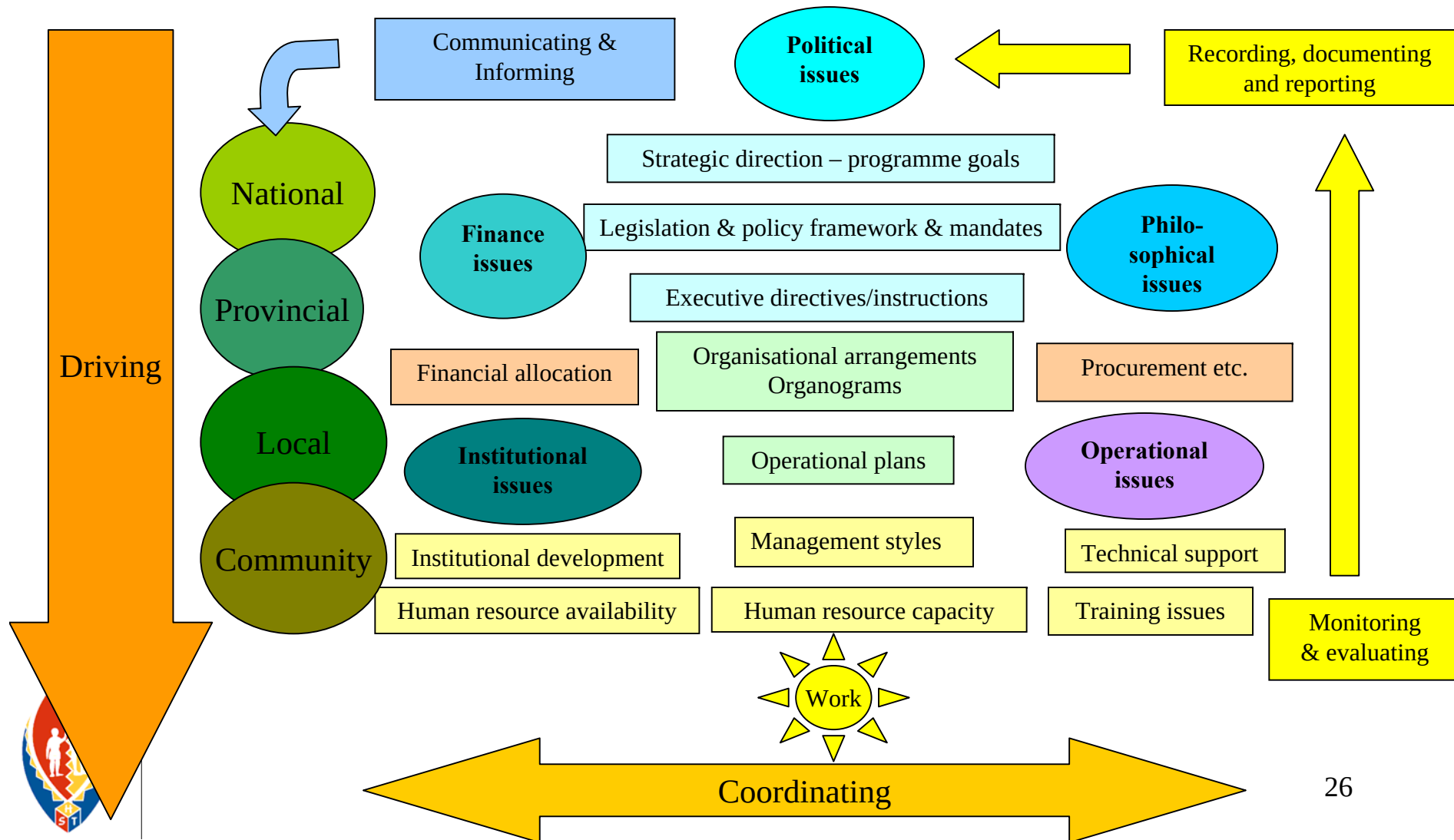


The challenge of collaboration eg. in social sector





Institutional constraints to EPWP





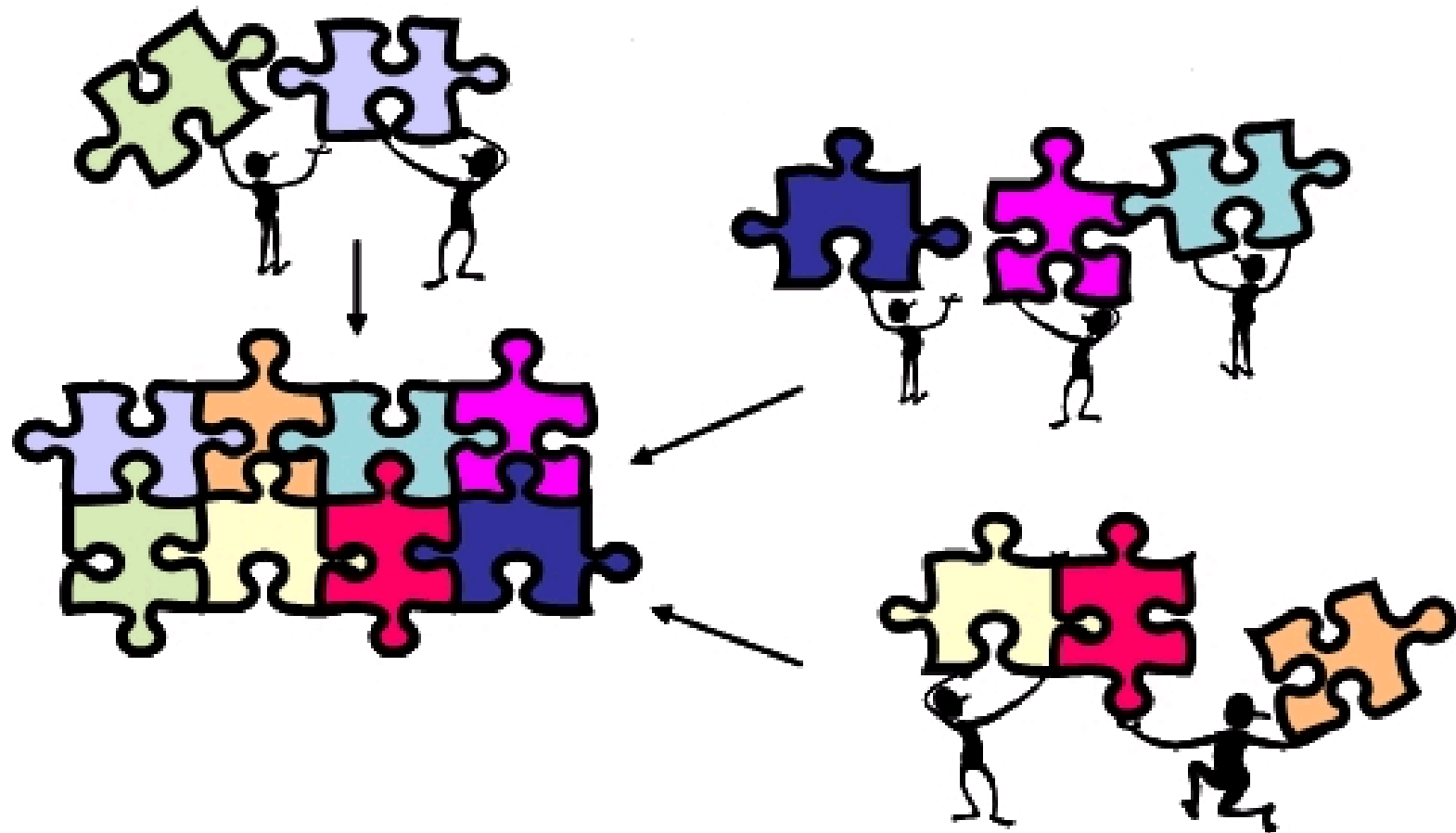
Overcoming obstacles to ELR

- Mobilize political & technical support for ELR
- Undertake critical path planning;
- Boost the scale gradually to show GDP benefits;
- Addressing funding issues;
- Build programme & management capacity;
- Reduce confusion over coordination, driving & support;
- Improve communication;
- Get buy in from provincial, local & community;
- Reduce complexity;
- Shift from supply-driven to demand-led approach





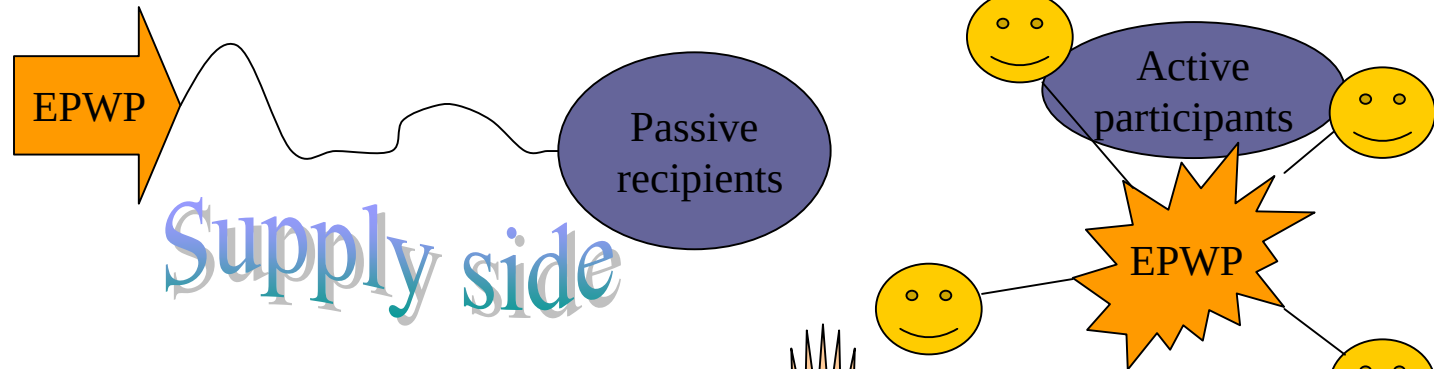
Supply-driven vs demand-led





Demand side

Development economic paradigms



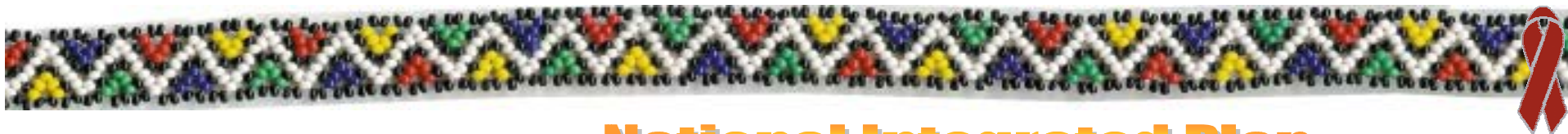
- **Push model**
 - **Command/supply approach**
 - **Government controlled**
 - **Predetermined solution**
 - **Difficult to deliver**
- Hybrid
- **Pull model**
 - **Rights driven/ Demand approach**
 - **Community as state partner, flexible**
 - **Widespread uptake**





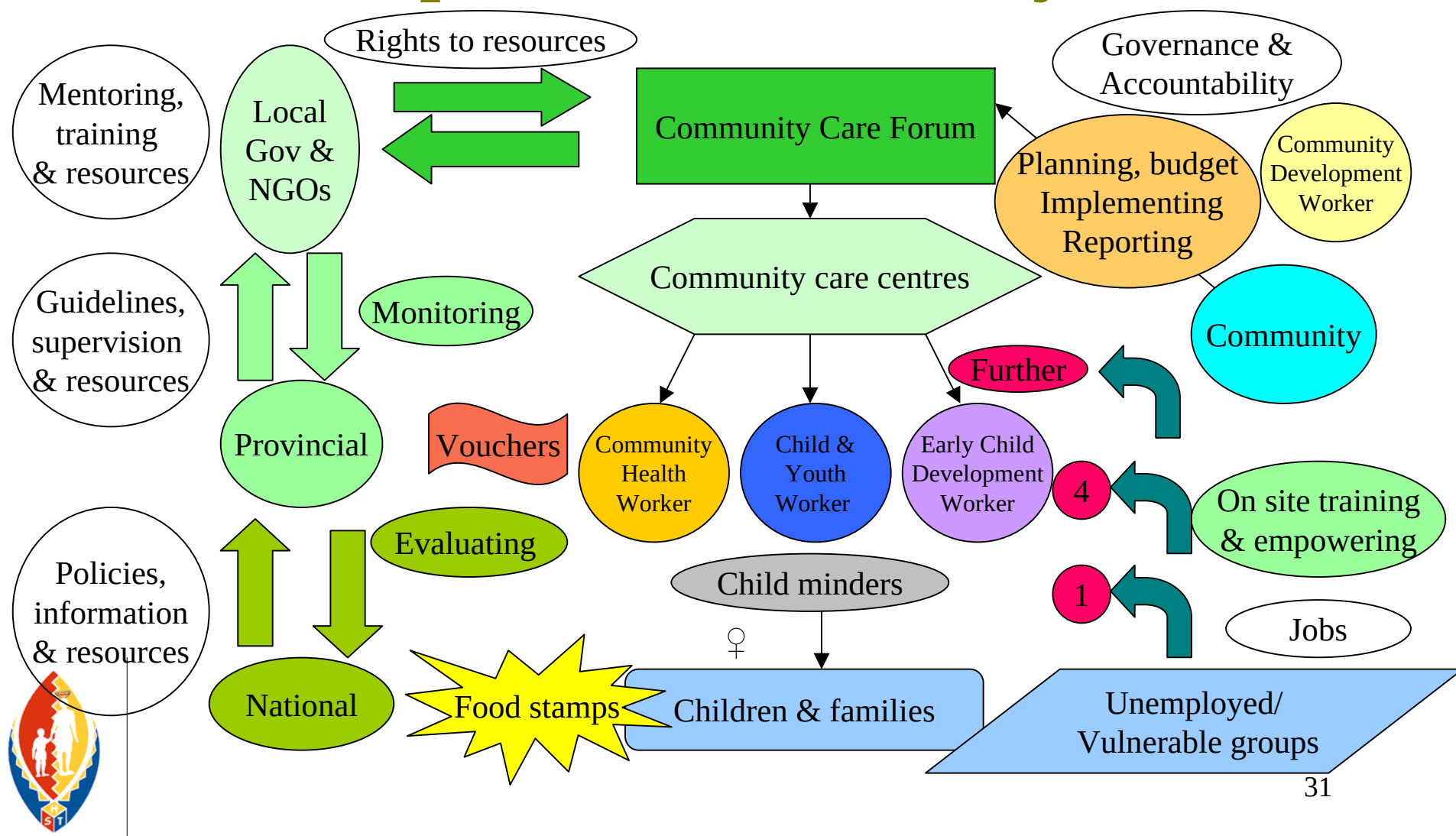
Child carers & child care access





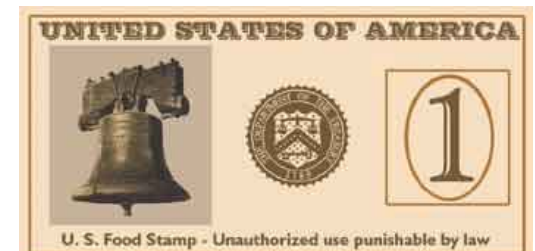
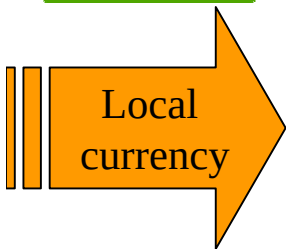
National Integrated Plan

Example – Child/family care



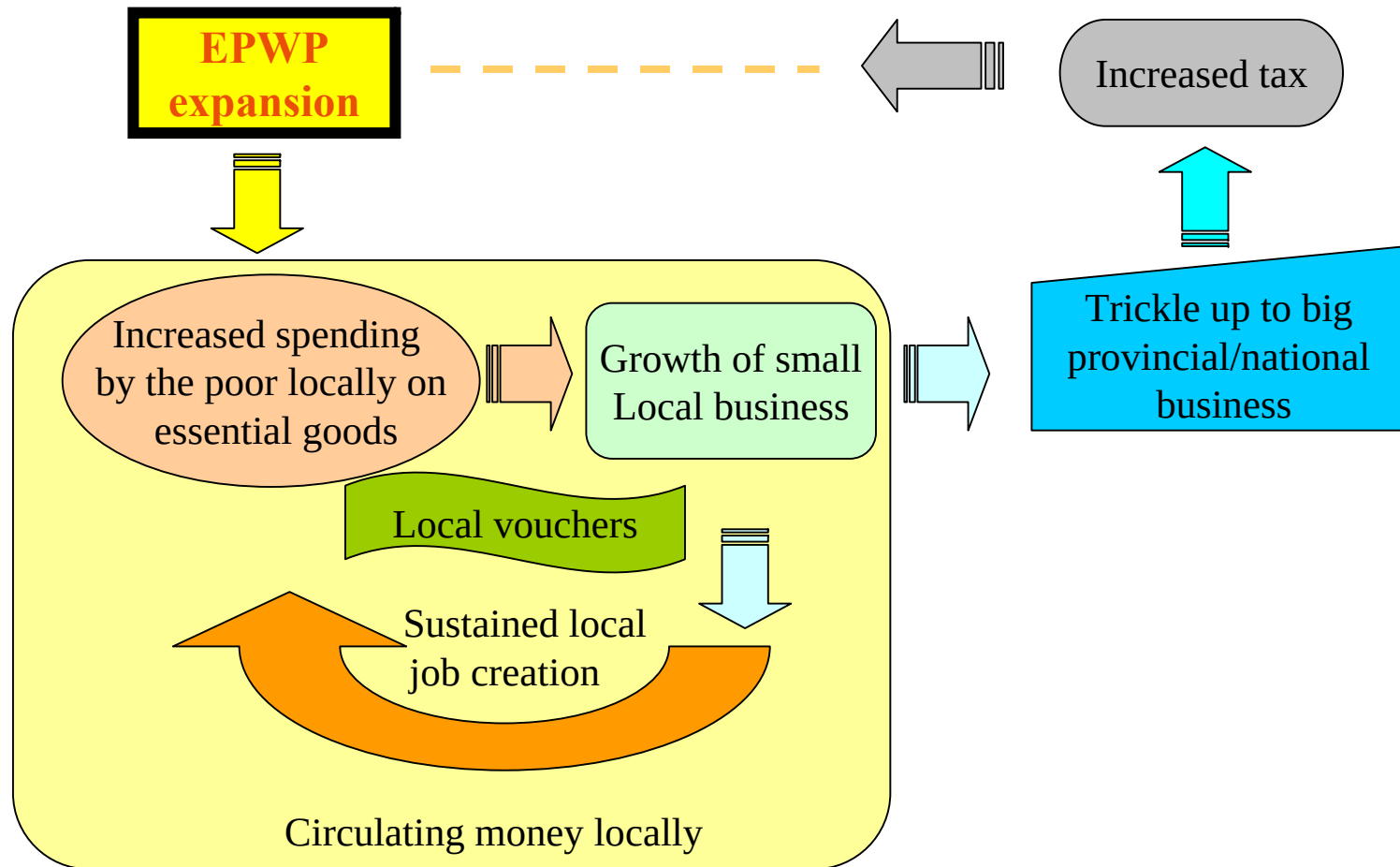


Vouchers, food stamps & local currency are widely used in the USA, Europe & elsewhere





Building the local multiplier



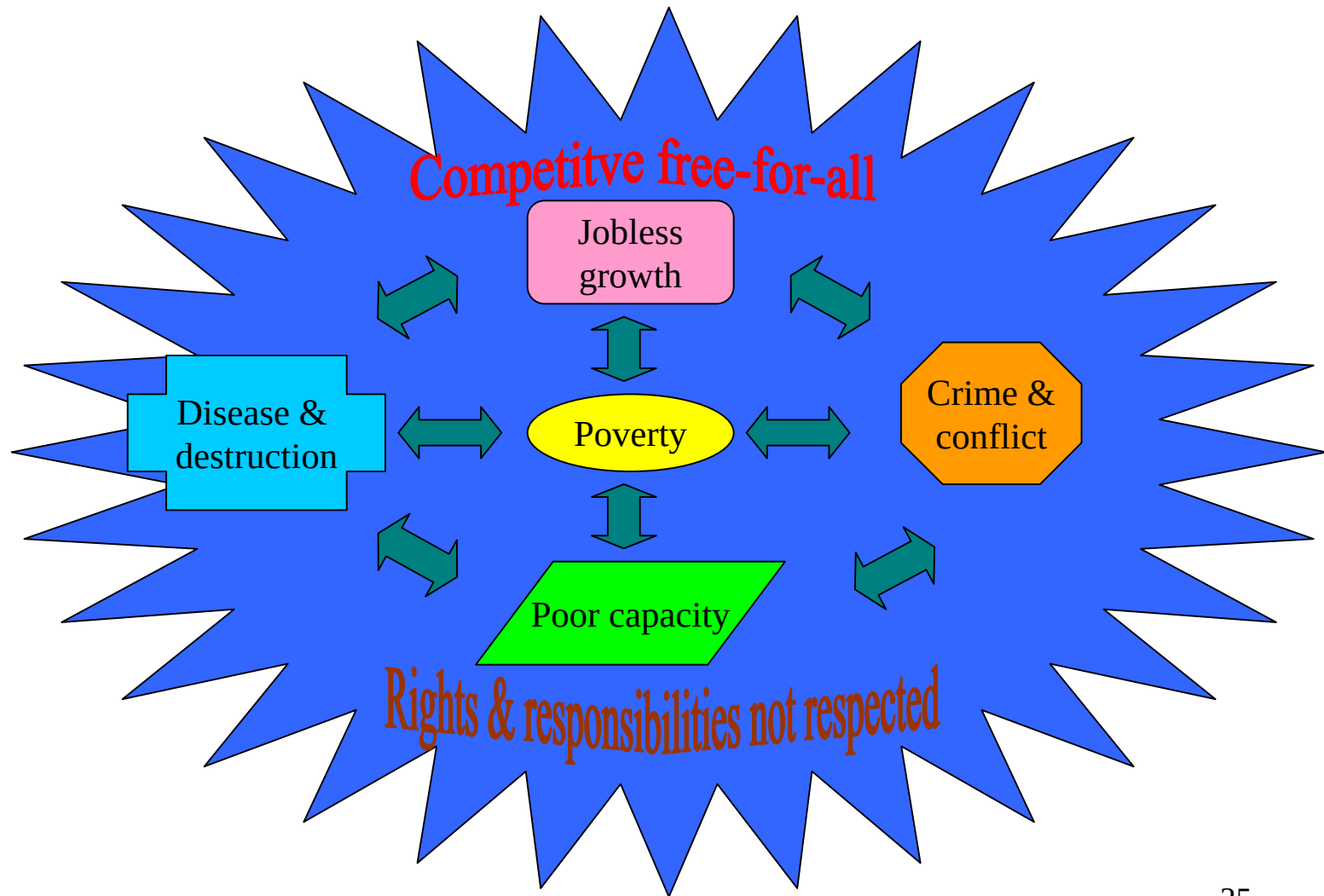


Summing up



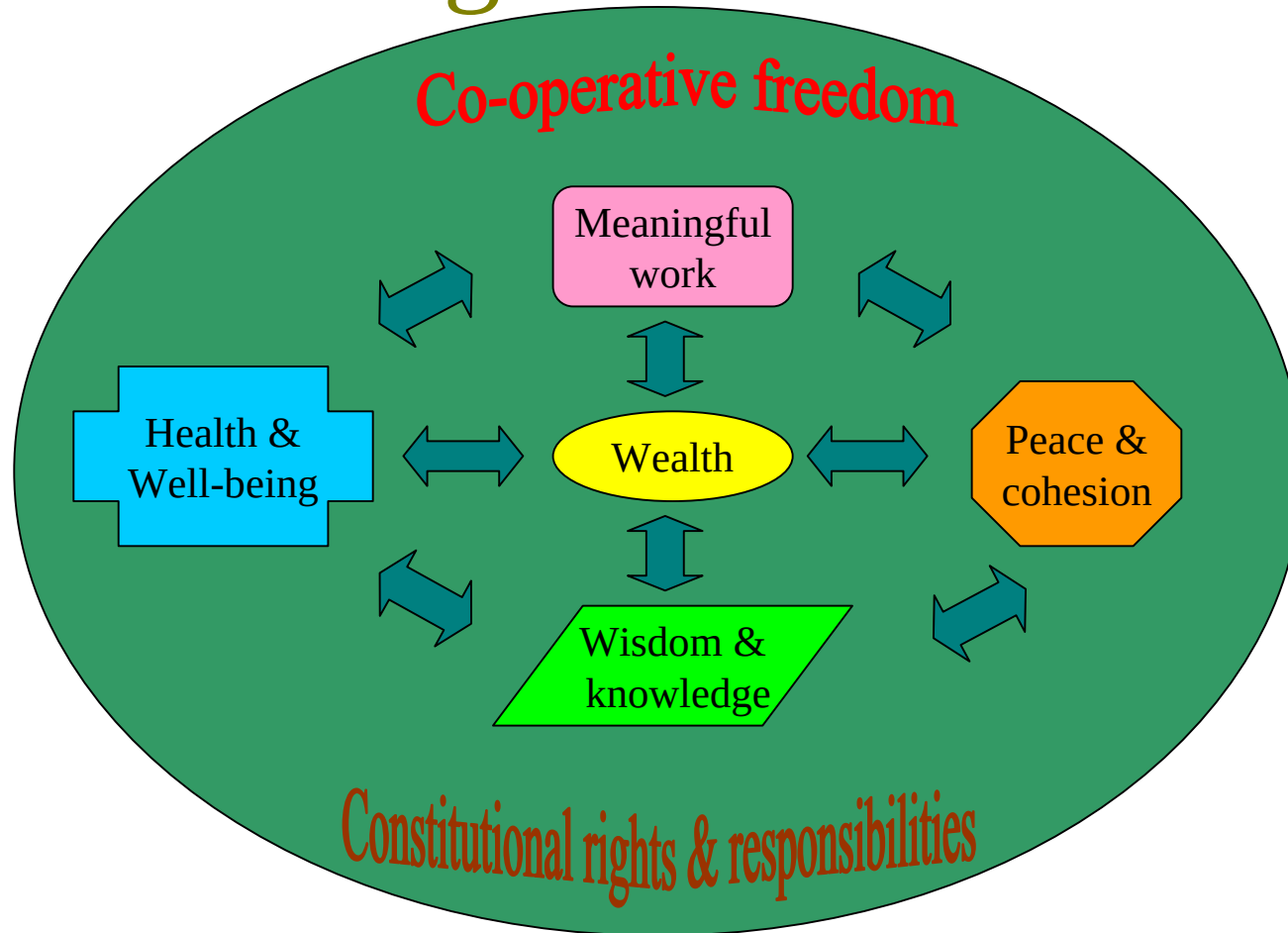


Vicious cycles





Creating virtuous circles

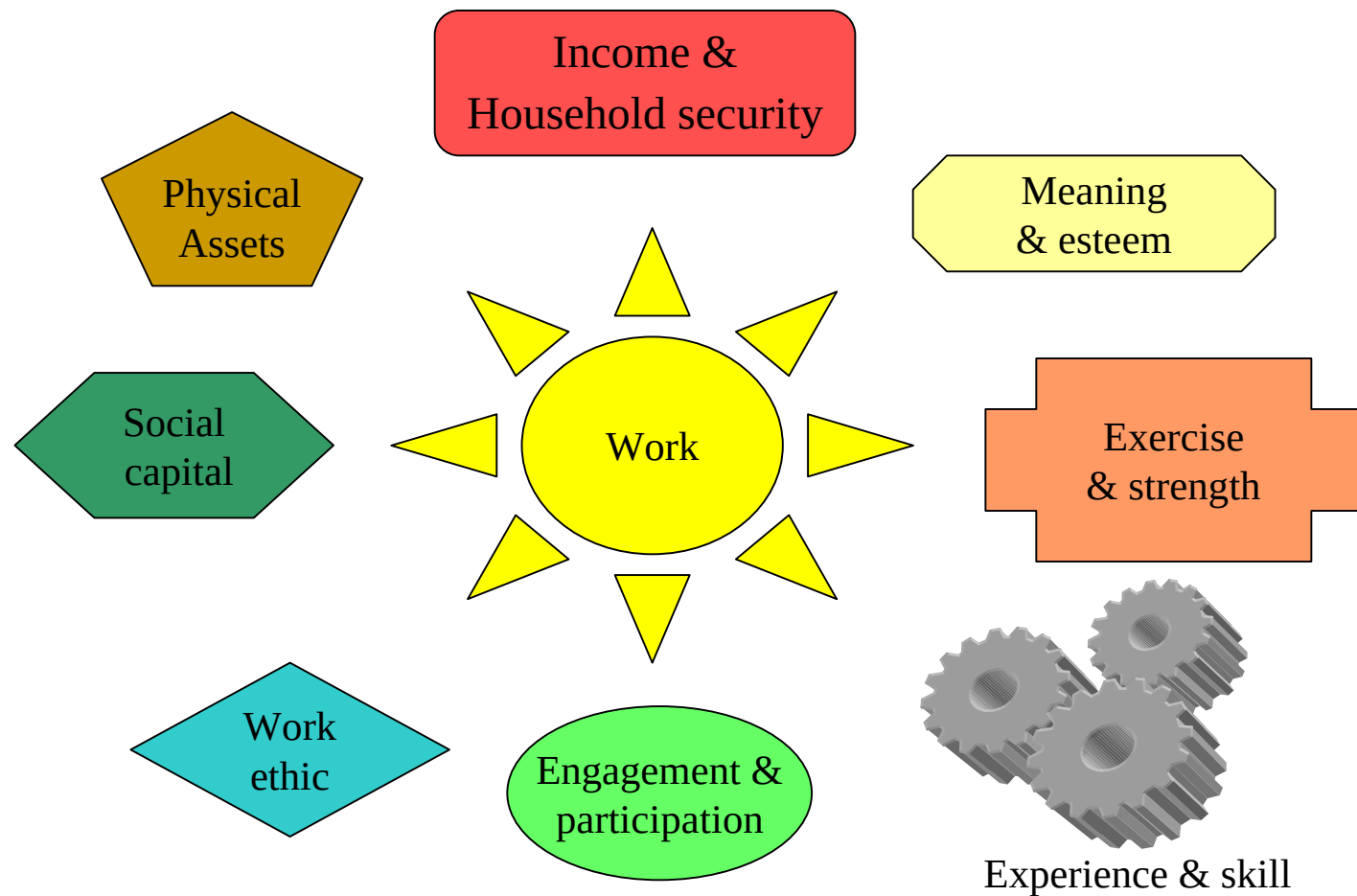


Employer of Last Resort Public Works could be a solution



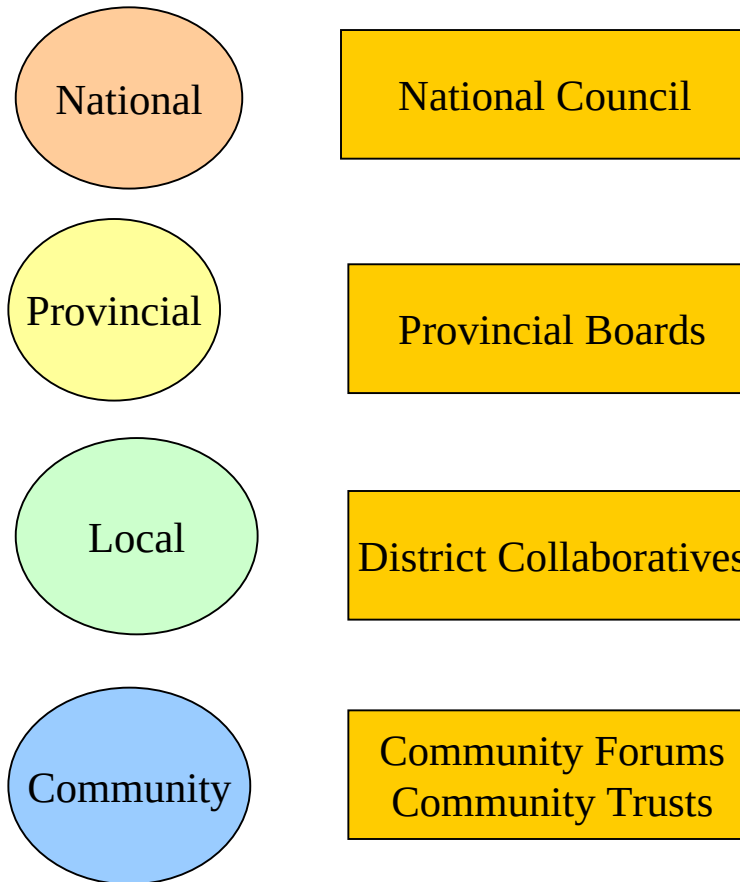


Creating meaningful work





Giving citizens a greater role

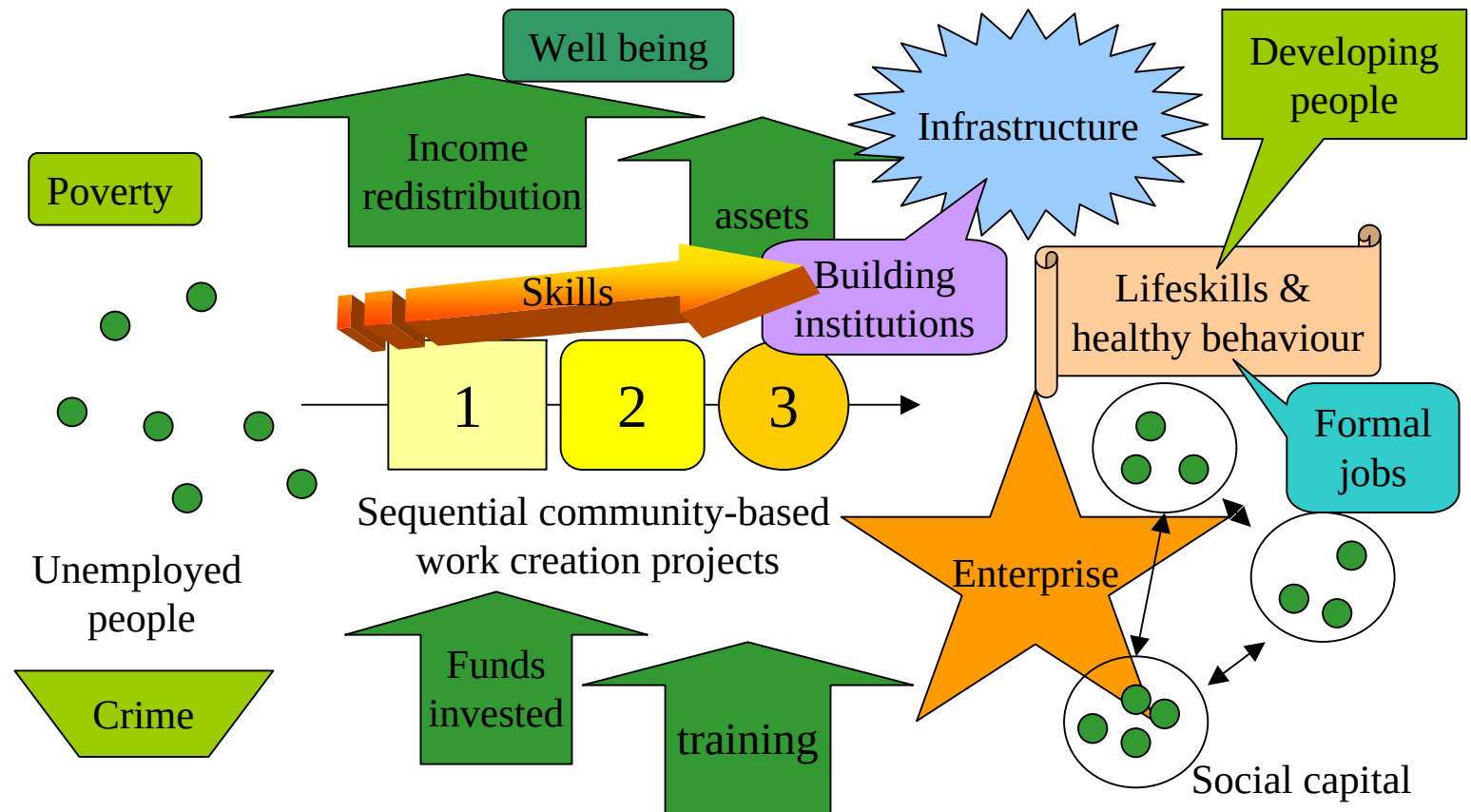


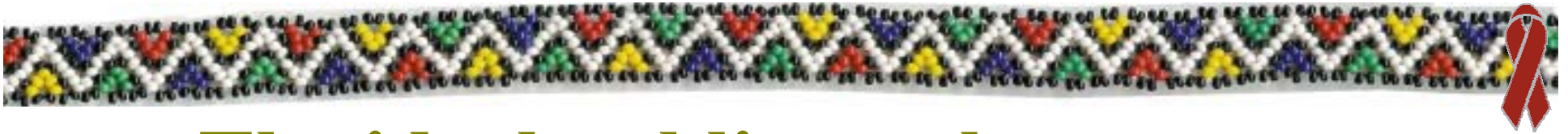
There needs to be
room to create
more
participatory
governance
structures for
the ELR





Publically Organised Work for Empowerment & Reconstruction





The ideal public works programme

- **Central policy making** & fair resource allocation [income redistribution]
- **Centralised programme review/ M&E** [learning organisation]
- **Decentralised planning** & implementation to ward level [accessible]
- **Rural or marginalised areas focus** [equitable]
- **Labour intensive** [appropriate]
- **Materials/equipment sparing** [affordable]
- **Builds people, social capital & infrastructure** [builds assets]
- **Uses local resource use** with environmentally soundness [sustainable]
- **Focuses on high priority** issues [relevant]
- **Builds collaboration** by depts, spheres, NGOs/business [intersectoral]
- **Involves communities actively** [participatory, community governance]
- **Sequential** site, skills building [progressive & developmental]
- **Male and female involvement** [gender sensitive]
- **Strengthens local exchange** trading, uses vouchers [multiplier]
- **Promotes access to human rights** [1st, 2nd & 3rd generation rights]





“Without work all life goes rotten, but
when work is soul-less, life stifles and die
Albert Camus

“If we do not take care of Poverty,
Poverty will take care of us”
Irwin Friedman

Thank you





EPWP as ELR



EXPANDED PUBLIC WORKS PROGRAMME
Creating opportunities towards human fulfilment

- The EPWP draws a proportion of the unemployed into productive work to redistribute national income, using public budgets in **four sectors**, infrastructure, environment, social and economic development
- **Labour-intensivity is coupled with training** to develop *people, social capital* as well as physical infrastructure
- **Workplace-acquired skills are intended to lead participants to other work opportunities** in the labour market or in entrepreneurial activity





EPWP Objectives

- Draw significant numbers of the unemployed into productive work to enable them to earn an income
- Provide unemployed people with education & skills
- Ensure participants are either enabled to set up their own business/ service or become employed.
- To utilise public sector budgets to reduce and alleviate unemployment
- Build infrastructure, improve environment and enhance social capital
- Strengthen government service delivery

