Productivity and social gains of social protection: An analysis of South Africa’s Expanded Public Works Programme.

SASPEN Conference on Social Protection in SADC 20-21 October 2015

By Rutendo Mudarikwa
Presentation Overview

1. Productivity and social gains of social protection
2. South African context and Expanded Public Works Programme
3. The Expanded Public Works Programme
4. The legal framework governing EPWP
5. Social Gains of EPWP
6. Productivity Gains of EPWP
7. Conclusions and lessons for other SADC countries
1. Productivity and social gains of social protection

- Global recognition of the productivity and social gains of social protection
- ILO Resolution on Social Security - “social security well designed and linked to other policies, enhances productivity, employability and supports economic development”
- SADC Protocol on Employment and Labour:
  - Art 11 - each state should develop social protection measures aimed at integrating/re-integrating workers into the labour force.
  - Art 15: Employment and Under-Employment
- Sustainable development goals - High Panel on Post 2015 Development: “Improved social protection mechanisms are indispensable means to eradicate poverty and establish a virtuous circle of inclusive economic growth leaving no one behind”
ILO and Sustainable development

Goals

1. NO POVERTY
   - Implement nationally appropriate social protection systems

4. QUALITY EDUCATION
   - Sustainably increase number of youths and adults who have relevant skills, including technical and vocational skills

5. GENDER EQUALITY
   - End all forms of discrimination against women

8. DECENT WORK AND ECONOMIC GROWTH
   - Achieve full and productive employment & reduce the proportion of youth not in employment

10. REDUCED INEQUALITIES
    - Sustain income growth & ensure equal opportunity and reduce inequalities of outcome
2. South African Context and Public Works Programs

• Pre-1994- Apartheid- poverty, inequality, unemployment
• 1994 Democracy introduction of the Reconstruction and Development Programme (RDP)- called for a national public works programme to provide infrastructure and repair environmental damages
• 1996- Closing of the RDP and paradigm shift under GEAR- primary focus was to create formal employment through more economic facilitated growth
• Some public works programmes
• But structural poverty, inequality and unemployment remained high
3. The Expanded Public Works Programme Phase 1 2004-2009

• Massive public works programme aimed at creating 1 million work opportunities
• Key sectors Infrastructure, Environment, Social and Economic Sectors
• Key assumption (at the time) economic growth in the “first economy” was not impacting the second economy
• EPWP a ladder to graduate second economy activities into formal economy
• Strengths: 1 million jobs were created one year ahead but unemployment remained high
EPWP Phase 2 2009-2014

- Aimed at creating 4.5 million work opportunities
- 4 million jobs achieved, target missed by 500 000
- Paradigm shift recognition that the EPWP needs to be integrated into strategies to address the systematic nature of unemployment and poverty in South Africa
- 3 core dependent pillars- sustainable household livelihoods, provision of assets and services and skills development
EPWP Phase 3 2014-2018

• Based on the National Development Plan
  “Contribute social protection for the unemployed by providing them with income support” (NDP Chapter 11)

  “The Public works programmes should target the creation of 2 million job opportunities annually by 2020” (NDP Chapter 3)
EPWP Phase 3

1. Founded on **training and skills** development—training focused on the **operational needs of the specific sector**
   - Strong **partnerships** with the National Skills Development Fund and Skills Education and Training

2. Continuation of National Youth Service – training youths in artisan trades
   
   NNB: promotion of accredited training

3. Employment target 6 million jobs
4. Labour Regulation of EPWP

- Ministerial Determination 4 sets minimum conditions of employment and rates of pay
- Terms of work - temporary or contract basis
- Except when performing emergency work, EPWP workers must have at least two days off work each week
- Employers obliged to provide protective equipment
- Employment may be terminated if worker fails to show up 3 consecutive days with notice
- Sick Leave: only workers who work for more than 24 hours per month can claim sick - pay: 1 days pay for every full month of work
- Maternity leave: 4 consecutive month’s unpaid maternity leave
- Family responsibility leave; worker that works at least 4 days per week entitled to 3 days leave each year
- EPWP minimum wage from 2010-2014- R60, 2014- R75 per day
5. Social gains of EPWP

- 2 Clusters:

**Impact on the labour market:**
- Employment creation 1 million, 4 million
- *Employability?*

Skills development - 2014 27 000 youths trained as artisans
Graduation of trained fire fighters in the Working on fire project (low numbers 5 000 fire fighters a year)

*Shattered hopes* - expectations for full time employment of participants at completion
Social Gains Continued.....

2. What are the impacts on labour rights and working conditions?
   • Challenges with compliance with the labour regulations

3. Access to expanded public works programmes
   Large statistics of employment creation
   Critics – “Selection of EPWP participants hijacked by politicians for patronage purposes”
Social Gains continued..

2. Impact on poverty reduction
   • 1. Do the incomes transferred have a long-term impact on poverty reduction?
   • 2. Do the skills transferred have a long term impact on poverty reduction?
# Comparison of minimum wages in SA

<table>
<thead>
<tr>
<th>Sector</th>
<th>Min ph</th>
<th>Min pd (9 hour day)</th>
<th>Min pm</th>
<th>Review date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Domestic metro</td>
<td>9.63</td>
<td>86.67</td>
<td>1877.70</td>
<td>30th Nov 2014</td>
</tr>
<tr>
<td>Domestic non metro</td>
<td>8.30</td>
<td>74.70</td>
<td>1618.37</td>
<td></td>
</tr>
<tr>
<td>2. Security Officer Grades D &amp; E Area 1</td>
<td>14.12</td>
<td>*-</td>
<td>2938.00</td>
<td>31st August 2014</td>
</tr>
<tr>
<td>Security Officer Grades D &amp; E Area 2</td>
<td>12.92</td>
<td></td>
<td>2688.00</td>
<td></td>
</tr>
<tr>
<td>Security Officer Grades D &amp; E Area 3</td>
<td>11.74</td>
<td></td>
<td>2441.00</td>
<td></td>
</tr>
<tr>
<td>3. Forestry</td>
<td>12.41</td>
<td>111.69</td>
<td>2420.41</td>
<td>31st March 2015</td>
</tr>
<tr>
<td>4. Farm</td>
<td>12.41</td>
<td>111.69</td>
<td>2420.41</td>
<td>28th Feb 2015</td>
</tr>
<tr>
<td>5. Contract Cleaning Area A metros ex KZN</td>
<td>15.66</td>
<td>140.94</td>
<td>3051.35</td>
<td>30th Nov 2014</td>
</tr>
<tr>
<td>Contract Cleaning Area B all other ex KZN</td>
<td>14.19</td>
<td><strong>127.71</strong></td>
<td>2764.92</td>
<td></td>
</tr>
<tr>
<td>6. Hospitality 10 or &lt; workers</td>
<td>13.34</td>
<td>600.48</td>
<td>2601.88</td>
<td>30th June 2015</td>
</tr>
<tr>
<td>Hospitality &gt; 10 workers</td>
<td>14.87</td>
<td>669.30</td>
<td>2900.08</td>
<td></td>
</tr>
<tr>
<td>7. Taxi drivers and admin workers</td>
<td>13.68</td>
<td>657.05</td>
<td>2847.01</td>
<td>30th June 2015</td>
</tr>
<tr>
<td>Taxi rank marshals</td>
<td>10.94</td>
<td>525.23</td>
<td>2275.81</td>
<td></td>
</tr>
<tr>
<td>Wholesale &amp; Retail shop ass. Area B</td>
<td>13.16</td>
<td>118.44</td>
<td>2556.30</td>
<td></td>
</tr>
<tr>
<td>Wholesale &amp; Retail sales person Area A</td>
<td>19.83</td>
<td>178.47</td>
<td>3866.20</td>
<td></td>
</tr>
<tr>
<td>Wholesale &amp; Retail sales person Area B</td>
<td>16.73</td>
<td>150.57</td>
<td>3261.51</td>
<td></td>
</tr>
<tr>
<td>9. EPWP (Ministerial Determination)</td>
<td>8.82</td>
<td><strong>70.59</strong></td>
<td></td>
<td>31st October 2014</td>
</tr>
</tbody>
</table>

Jane Barret
Productivity gains of EPWP

• 2014 222 770 km roads had been maintained in the Infrastructure programme
• 161 labour intensive contracting companies developed through the Vuk’Uphile Contractor Development Programme
• More than 3 million hectares of land rehabilitated and cleared under the land care programmes
• Environmental gains 150 000 indigenous trees rehabilitated
• Critics- Labour intensive methods are slow and quality is poor
• Need strategic partnership and quality control
Lessons for other SADC Countries

- The EPWP serve as a reference point for other SADC countries that wish to establish such programmes.
- Productivity and Social gains of EPWP apparent.
- Key factors to include in order to insure a successful implementation of the program:
  - Proper design, implementation and constant review.
  - **Causation!!!!** Do not transplant SA model find a context specific solution.
  - A call for further empirical research.
Thank you!!!

Tatenda!!!