



CITY OF CAPE TOWN
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Local Economic Development: Exploring the Expanded Public Works Programmes as a leading contributor to the City of Cape Town's Economic Growth Strategy

Paper presented to the Economies of Regions Learning Network Conference on Economic Development at the Sub-national Level

By

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Making progress possible. **Together.**

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- Summary of Key Findings

Introduction to the Paper and its Objectives

Introduction

- Explore the state of the City Of Cape Town's (City) LED through looking at the Expanded Public Works Programme's (EPWP) contribution to the City's Economic Growth Strategy (EGS), which is the City's main tool to LED
- Understand the relation between the EGS and the objectives of a developmental local government
 - With specific focus on maximizing social development and economic growth.
 - And acknowledging that LED is still a Key Outcome under current circumstances
- Acknowledging that the City has created more than 113 000 EPWP work opportunities since 2012.
- Further exploring the impact of the programme from a spatial and developmental perspective

Exploring LED and EGS

Contextualising the approach
And
Providing an Overview of Cape Town

Contextualizing LED and the EGS

- LED is an ongoing process and it is driven by local actors from different societal sectors
- Success is highly dependent on collaboration underpinned by clear roles and responsibilities
- Ultimate goal is to gain long term prosperity
- Critical to note that this is fairly new concept in South Africa as contemplated by SALGA in 2010
- South Africa's approach to LED is directed at creating robust and inclusive local economies
- Economic Growth Strategies are at the centre of successful LED
- It is further accepted as core indicators of LED in any region and measurable by their adequacy and easiness to implement

Facts and figures about Cape Town

Population

- Approximately 3.7 million people live in Cape Town, South Africa's second most-populated city.

Total area

- 2, 461 km²

Number of households

- 1 068 572

GDP per Capita

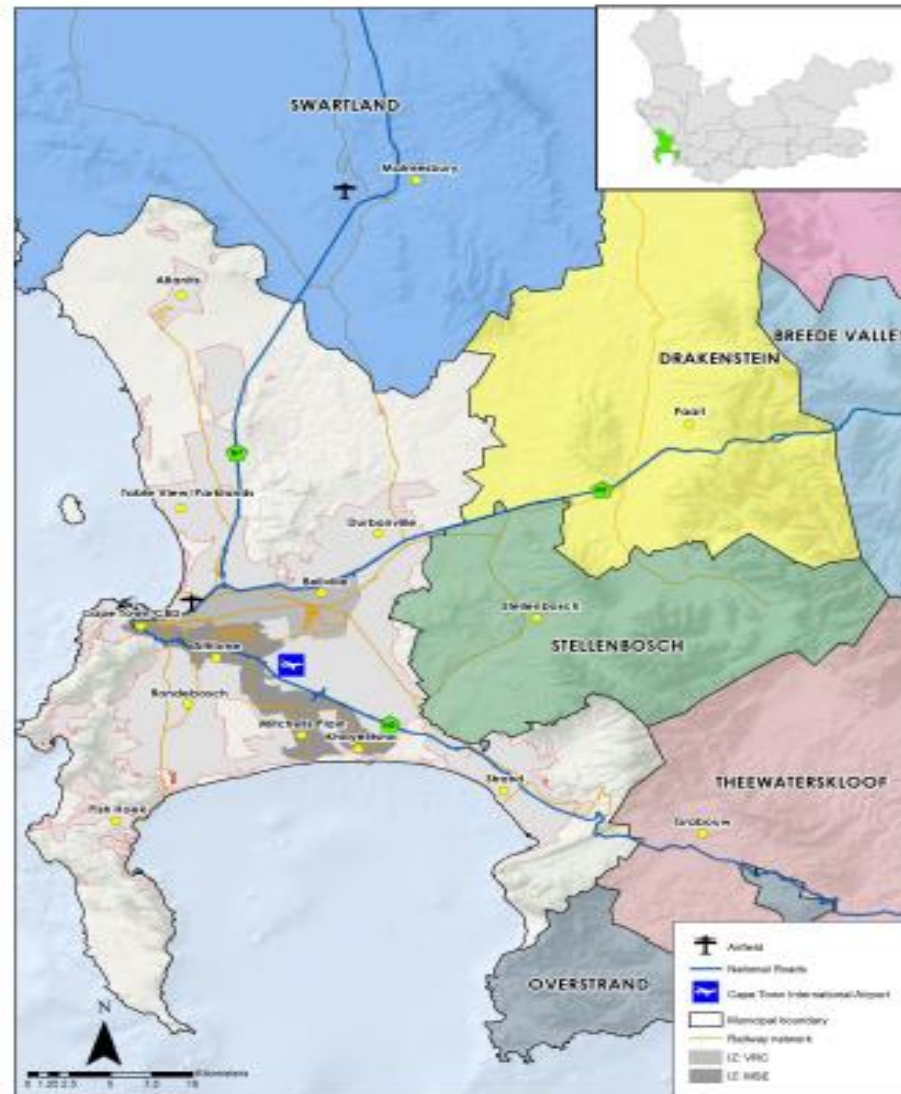
- R58 844

Unemployment Rate

- 24.9%

Key growth sectors

- Fishing;
- Clothing and textiles;
- Wood product manufacturing;
- Electronics;
- Furniture;
- Hospitality; and
- Finance and business services



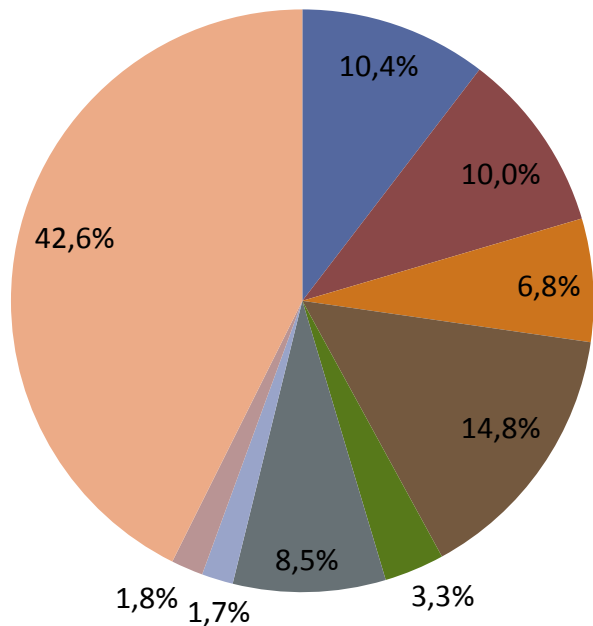
Map of the City of Cape Town municipal area, key neighbourhoods and routes



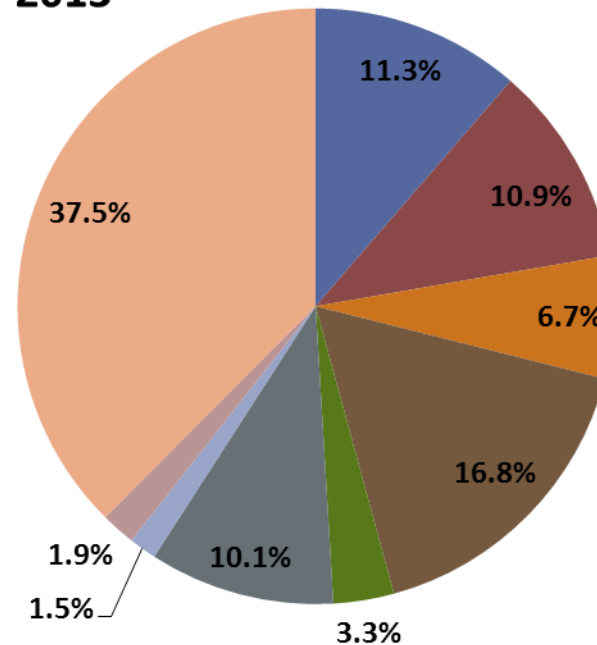
Overview of Cape Town's

GGP 1996

Cape Town



GGP 2013



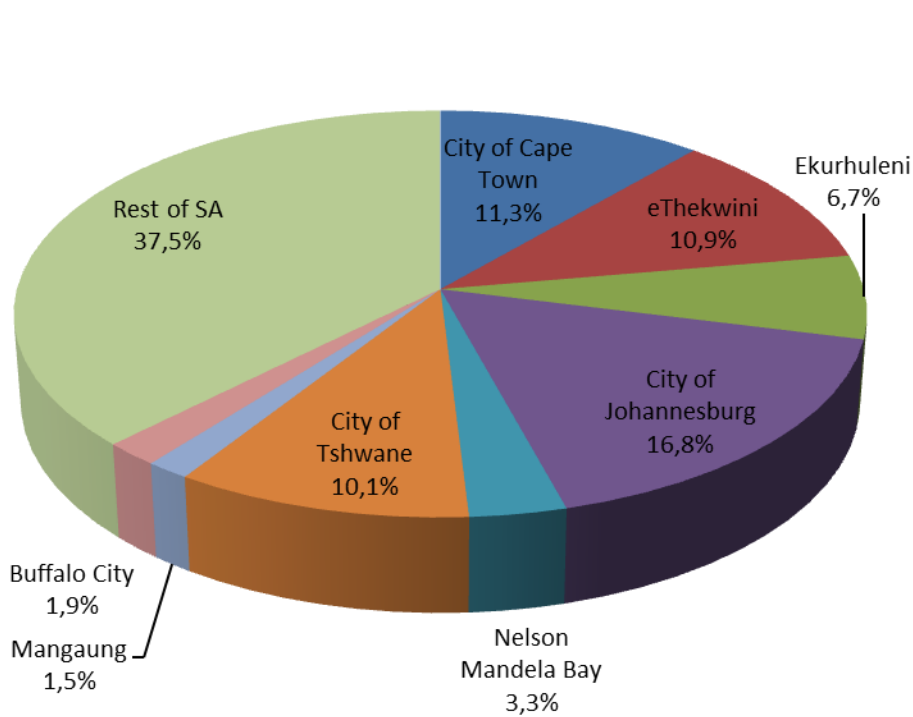
- City of Cape Town
- Ekurhuleni
- Nelson Mandela Bay
- Mangaung
- Rest of SA
- Ethekewini
- City of Johannesburg
- City of Tshwane
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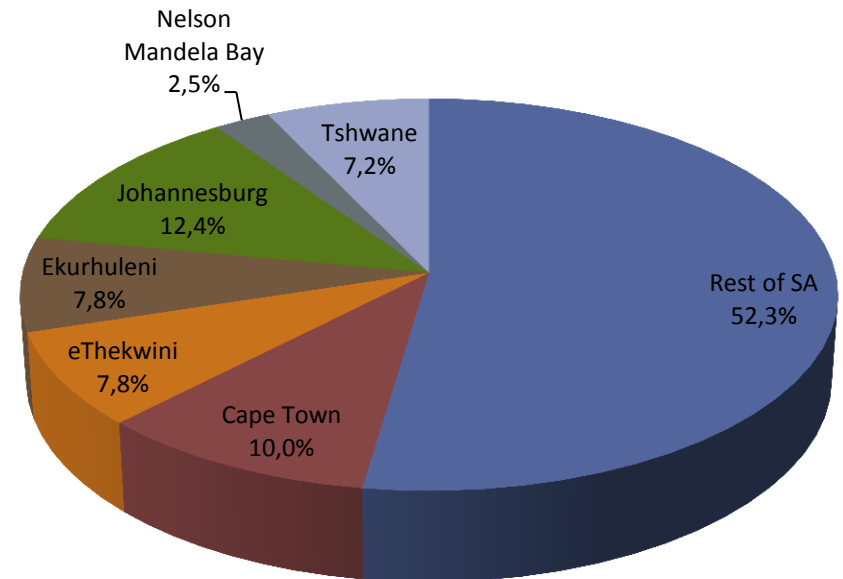


Overview of Cape Town Economy

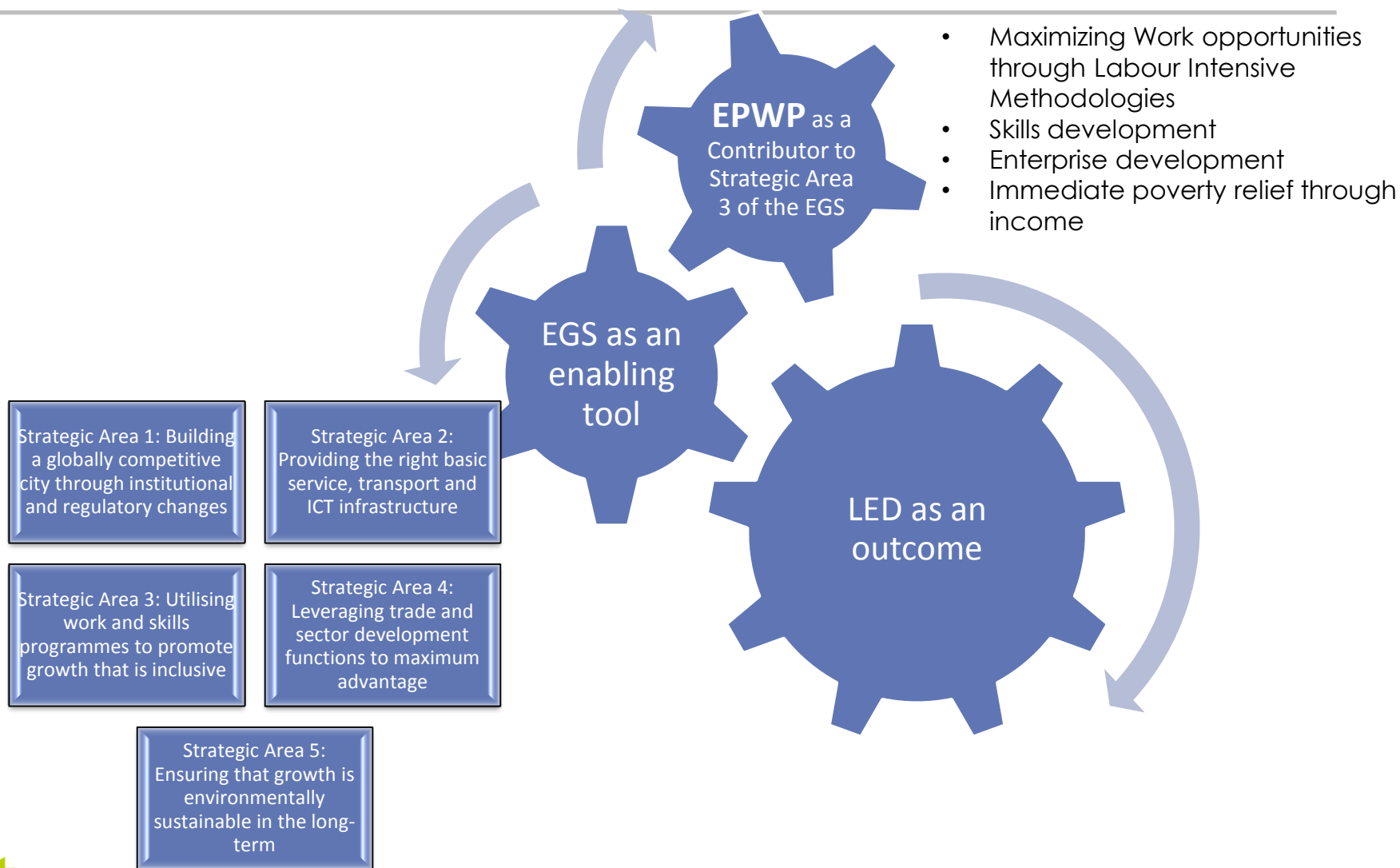
Share of SA Output



Share of SA Employment



The City Of Cape Town's Economic Growth Strategy (EGS)



EGS expected contributions from EPWP

EGS Objective	Status of the Programme
1. Develop a policy to facilitate the inclusion of EPWP into the operations of the organization's line directorates	1. Policy in place and updated regularly. Supported by inclusion of job creation targets in performance scorecards and Service Delivery Budget Implementation Plans (SDBIP)
2. Align the EPWP with the City's broader Skills Development and Infrastructure Development goals	2. Alignment with procurement specifications; EPWP Training Framework Developed and implemented – linking key sectors to skills development initiatives
3. Meet the Full Time Equivalent (FTE) target set by the National Department of Public Works	3. Lagging but showing significant growth
4. Enhance the future employability of participants by certifying skills gained and by opening up the EPWP jobseekers database to the Public	4. More than 350 000 jobseekers registered. Currently collaborating with Public. Enhancements in development

The Expanded Public Works Programme

National context and Implementation within the City of Cape Town

EPWP Background - National overview

EPWP is a national government programme that aims to provide social protection through the creation of jobs.

The programme's mandate is

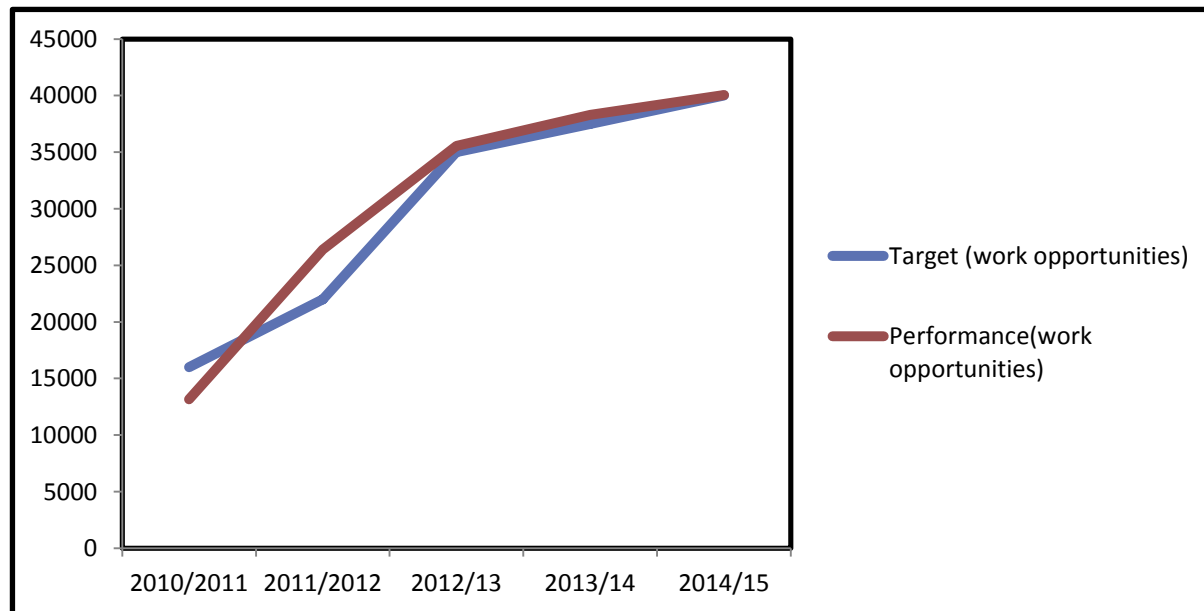
“to contribute to development by providing work opportunities to poor and unemployed people in the labour intensive delivery of public and community assets and services”.

- The importance of the EPWP is clearly reflected in key government guiding frameworks such as, the New Growth Path (NGP) and the National Development Plan (NDP).
- Critical national challenges include that:
 - Over the years, youth unemployment has been increasing and this is compounded by the fact that they are not employable due to lack of skills, education, and experience.
 - EPWP was identified as a key contributor to addressing this challenge

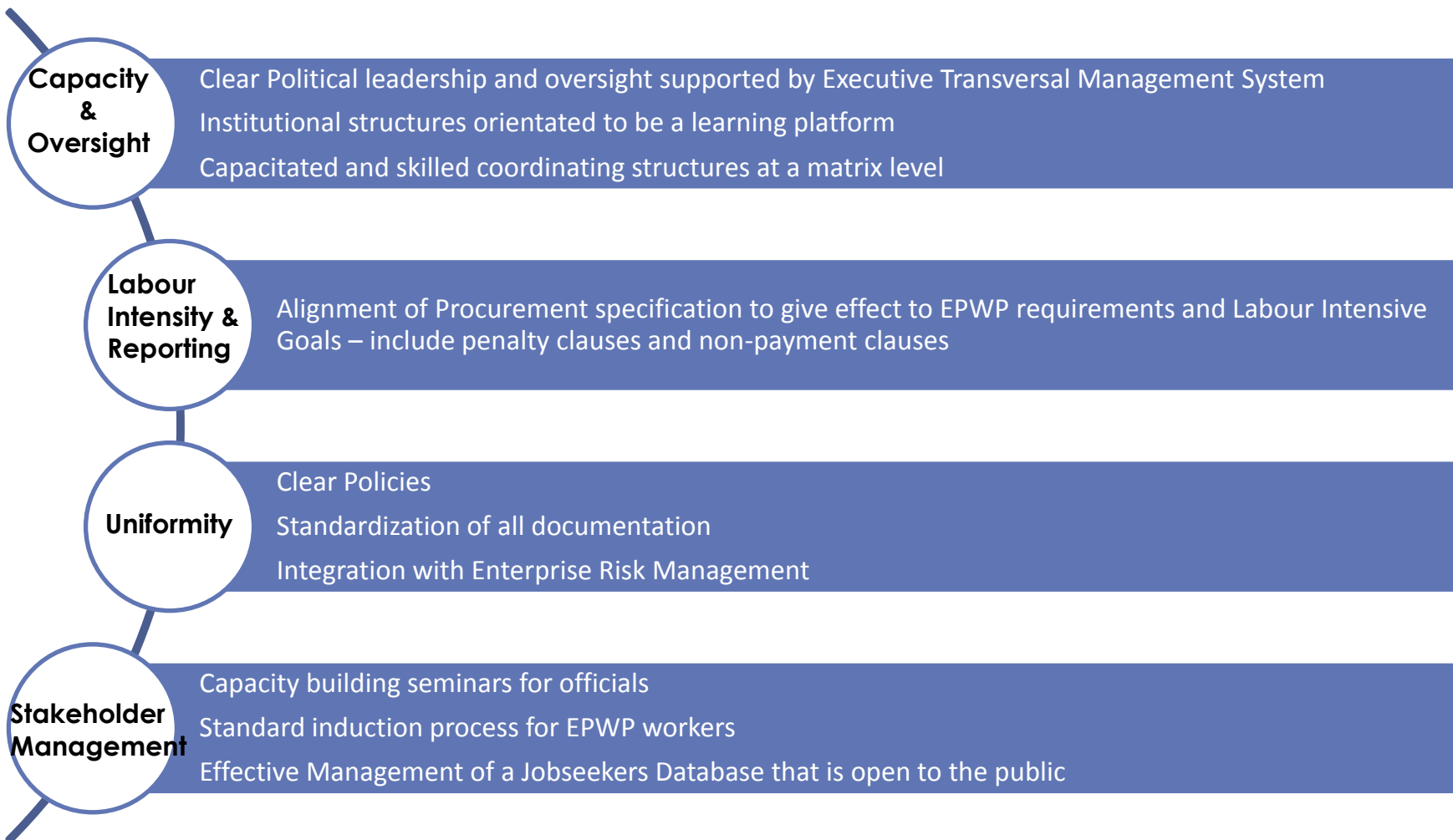
EPWP Background - City overview

- The EPWP is identified as a Flagship programme in the City's Integrated Development Plan (IDP) under Strategic Focus Area 1 – an Opportunity City
- It is further entrenched in the Economic Growth Strategy (EGS) and the Social Development Strategy (SDS) which are transversal strategies that operate in support of the objectives of the IDP
- These two strategies advocate the “changing of gears” to ensure rapid and inclusive growth and incorporate EPWP through identified “levers”.

NDP highlights that Public Works Jobs will be required in high numbers over the entire period



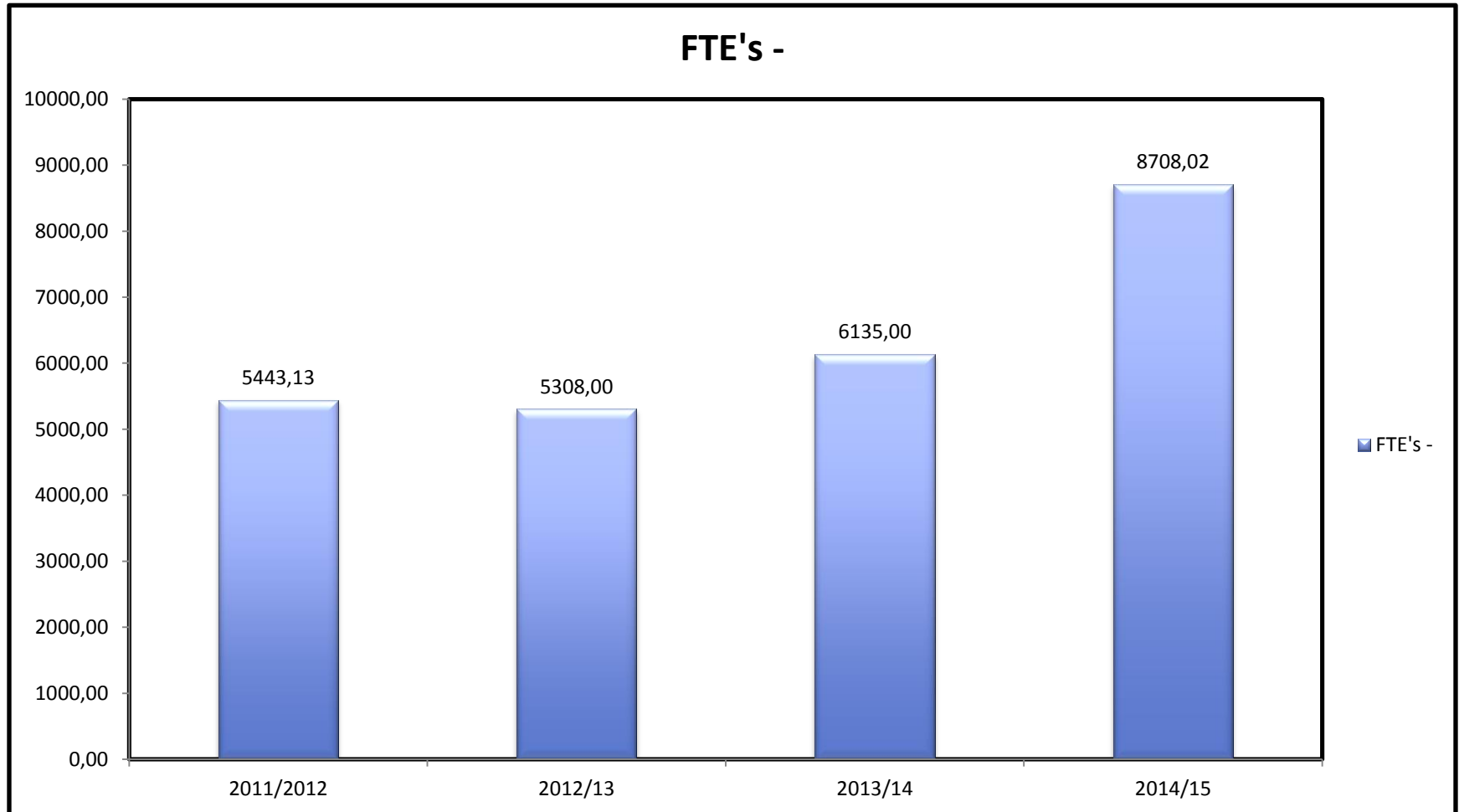
Strategic thrusts of the City of Cape Town EPWP Business Model



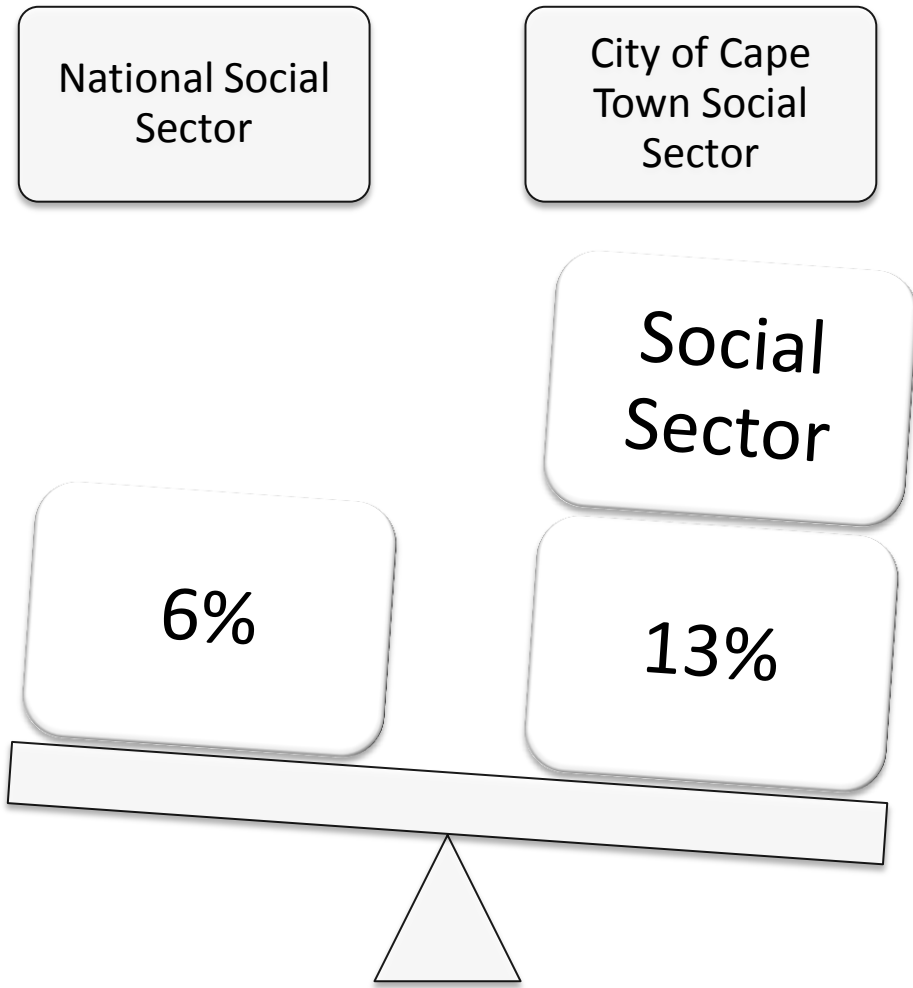
EPWP Impact

Contribution to EGS and Key Findings

Duration of EPWP work opportunities



Social Sector National Comparison



Other Sectors:

Sector	National	CoCT
Infrastructure	67%	52%
Enviro & Culture	27%	34%

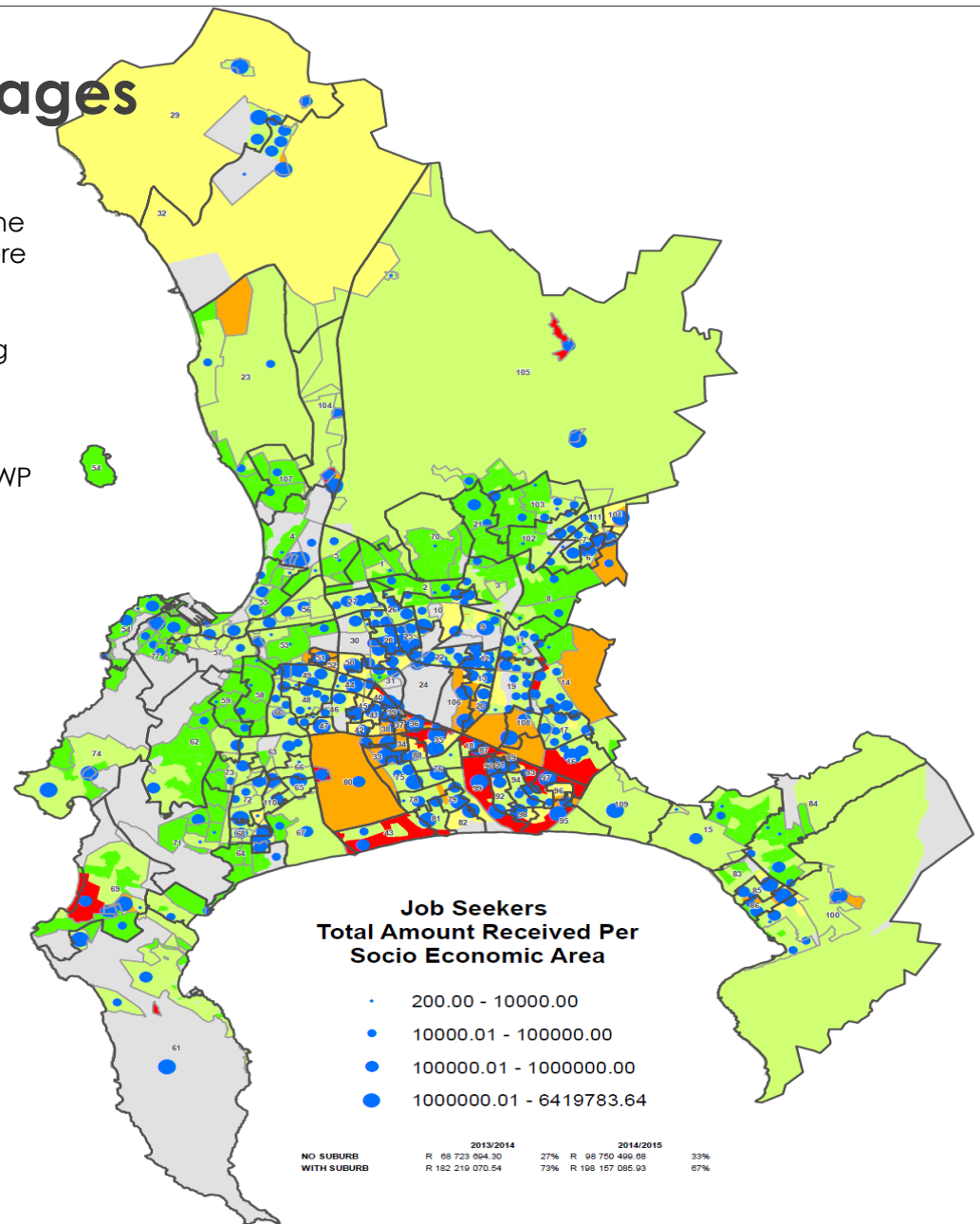
Flagship Social Sector Projects

Sector identified as an EPWP growth sector in the NDP



Spatial Allocation of Wages

- The first inference that one is able to make from the map is that the concentration of EPWP wages were paid to workers residing in the average (yellow), needy (orange), and very needy (red) areas, respectively; with the majority of the money going to the average and needy areas.
- This is a positive sign for the contribution of the EPWP to both the inclusive growth and opportunity city objectives of the EGS



Household income sources



Amplifies the fact that unemployment is a great concern, for the majority households of the EPWP workers are proving to be highly reliant on government related incomes.

EPWP is therefore responding to its intended purpose as outlined in the City's SDS & EGS as well as the NDP

EPWP at a glance 2012 - 2015



113 000 EPWP
workers employed



R356m
paid in wages



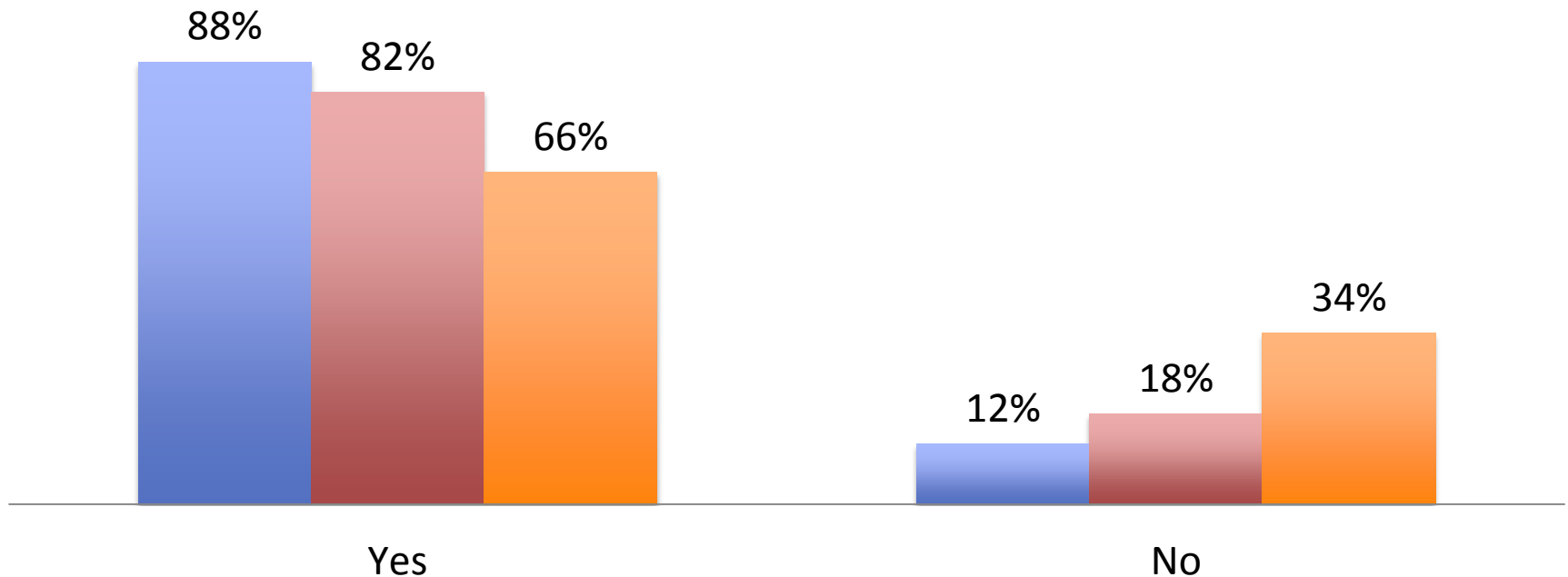
183 060
persons directly
benefitted

Ave household size = 3
31% sole breadwinner

Employment History of EPWP workers

Previously employed

■ 2012 ■ 2013 ■ 2015

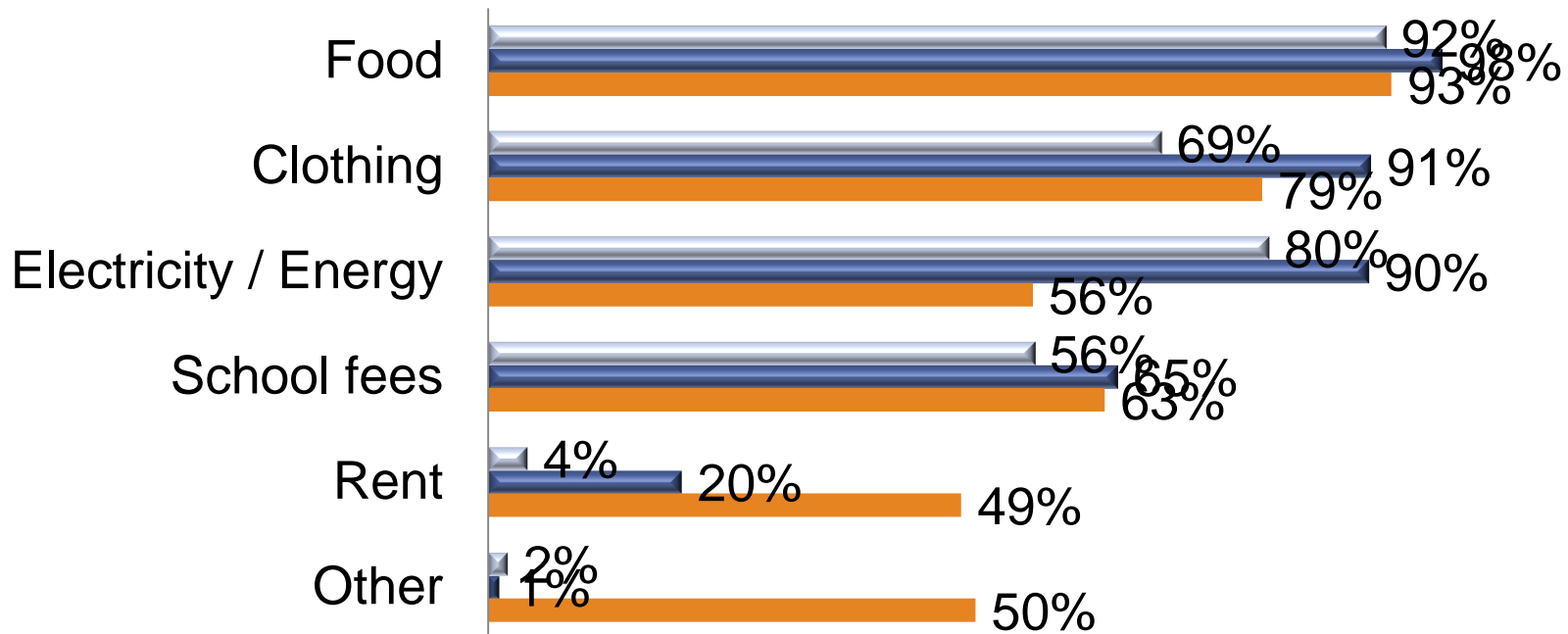


This finding implies that more and more new jobseekers are struggling to find work outside the EPWP, with an over 100% increase in the number of new jobseekers depicted on the graph in the past two years

Spending pattern of EPWP workers

The money you have earned, what did you spend it on?

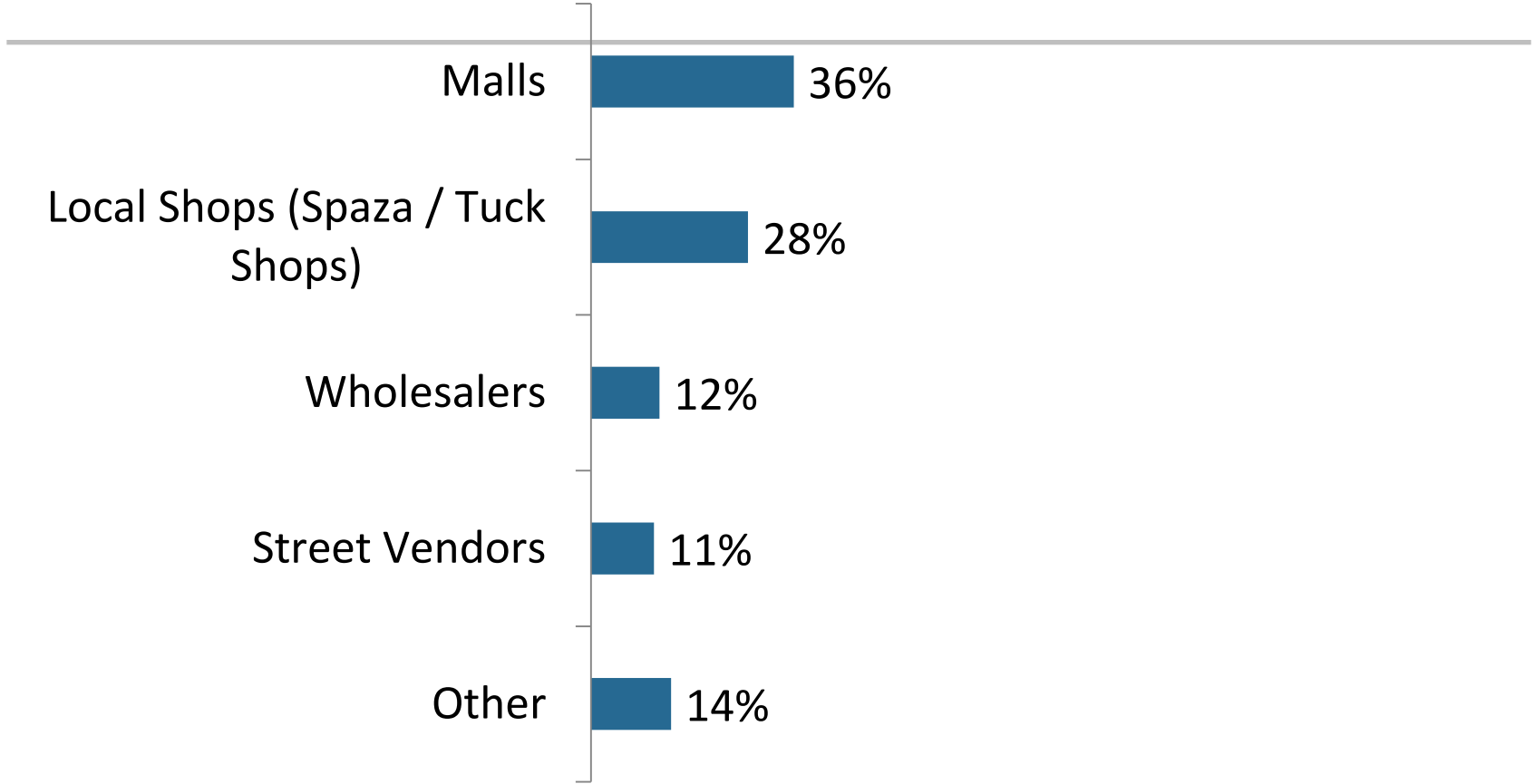
2012 2013 2015



Significant increase in other category; include:

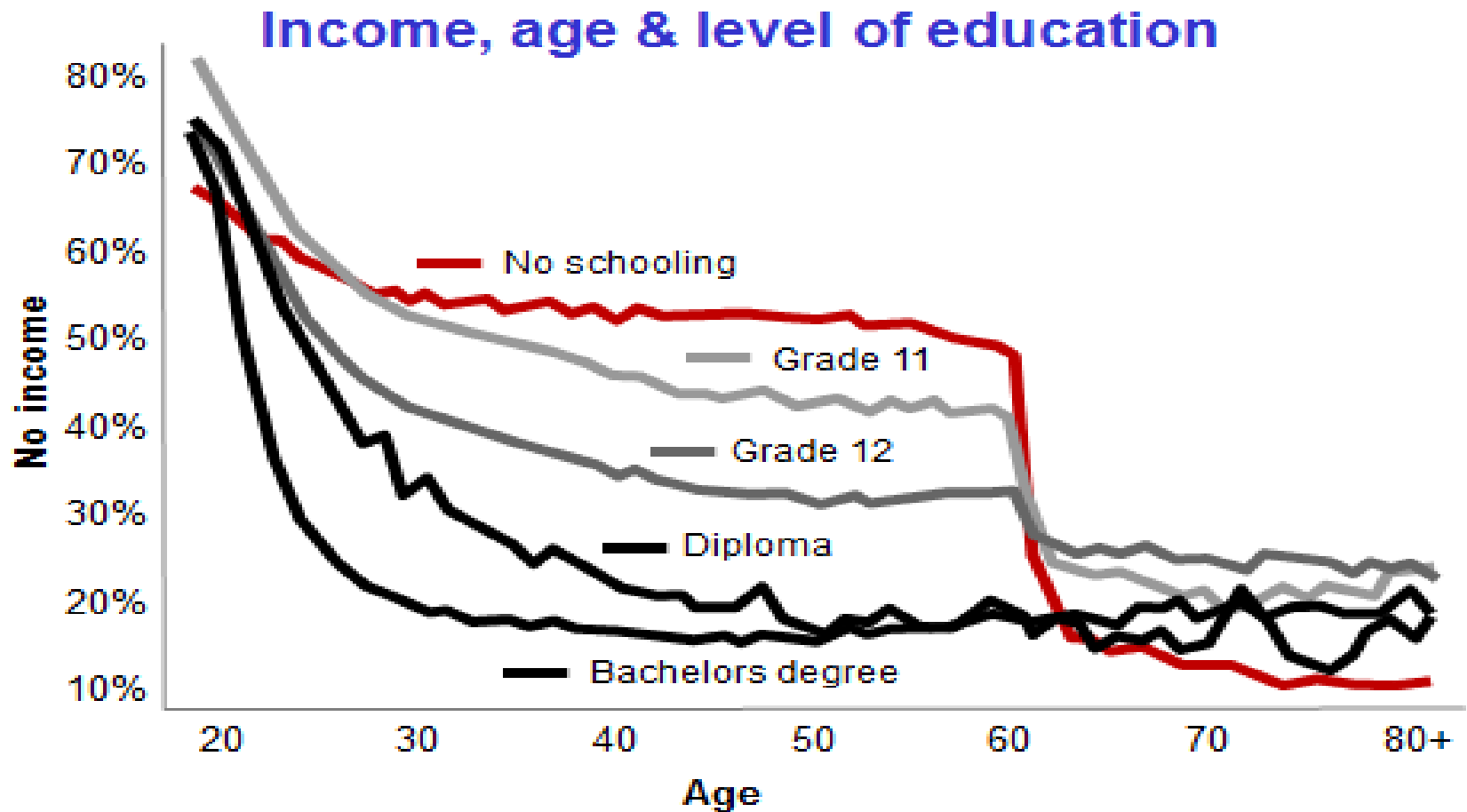
- Sanitary needs, Home improvements and Savings

Shopping pattern of EPWP workers



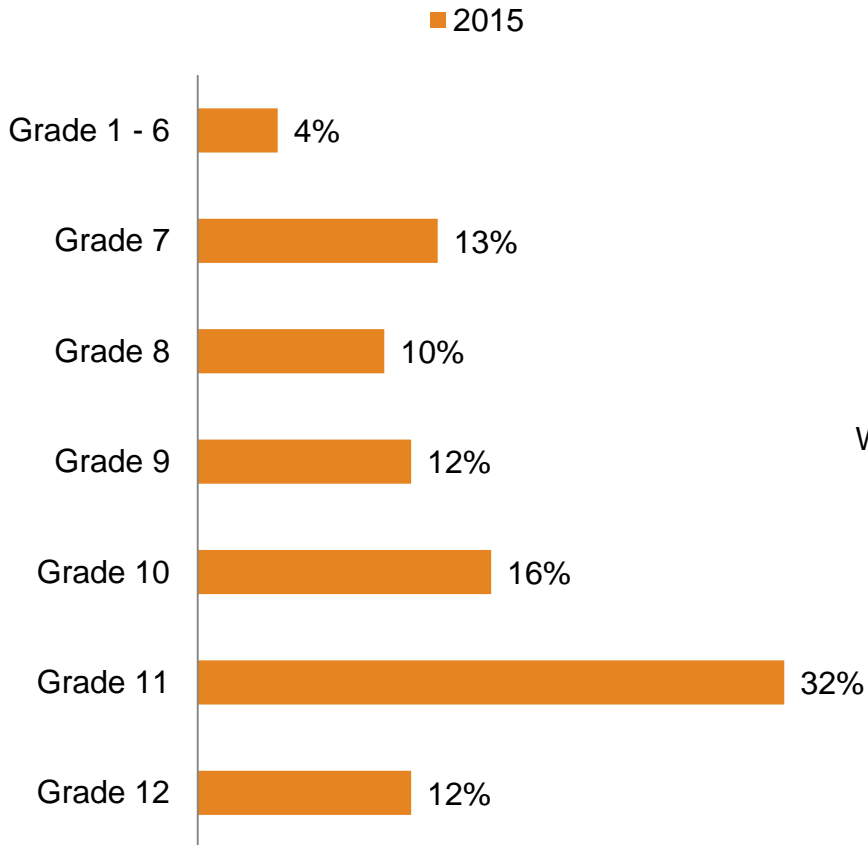
This gives insight to where the majority of the EPWP injected funds are going after being paid as wages to the relevant workers. It says the money is not circulating enough within the targeted communities.

EPWP target market

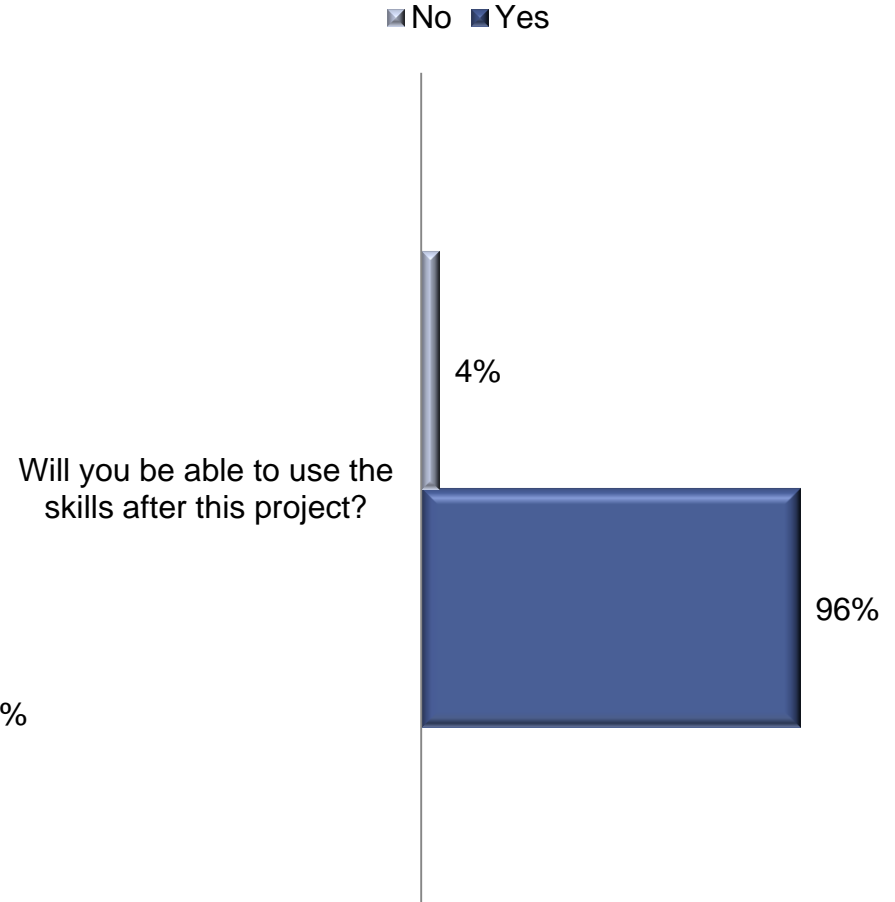


EPWP worker education levels and impact of skills development intervention

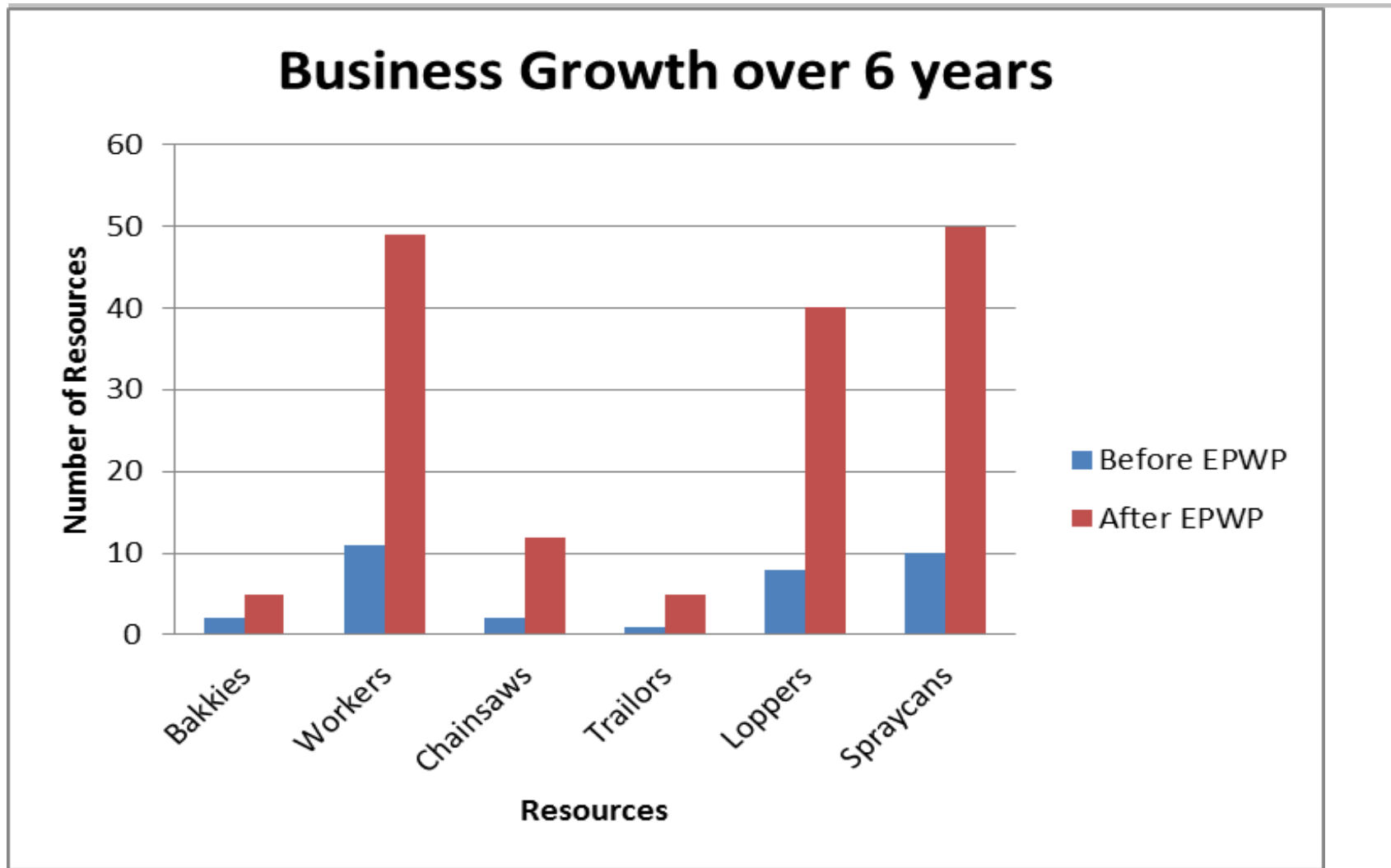
Highest grade when started on EPWP project



Ability to use skills after this project?



Enterprise Development



Summary of Key Findings

- The EPWP seems to be overachieving on the EGS set goals and taking lead in the Inclusive and Opportunity City strategic focus areas.
- It is taking initiatives in bridging the skills gap within the infrastructure sector
- It is proving to be a key entry to the job market for first time workers and it respond to the EGS and SDS objective of providing a direct cash injection into poor households and communities.
- This suggests that while the EPWP is not strategically placed to take the lead in contributing to the EGS and therefore the LED in the City, it is showing signs of capability in this regard.
- Moreover, the lack of EPWP strategic alignment and effective use seems to be a national government challenge.
- This can be addressed through instruments such as the Built Environment Performance Management Plan, etc.



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Thank You

For queries contact (epwp.help@capetown.gov.za)

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