

Evaluation of the South African
special programmes for creating
employment

Research report No 8 March 1987

DBCA

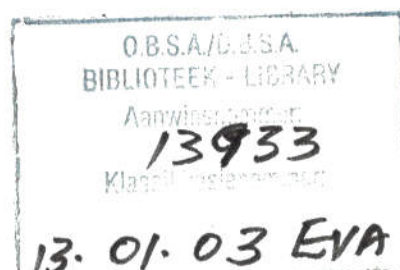
Prepared by :

F V Viljoen
H J A Müller
J R Bloomfield
J D Smith
A J van Zyl

Industry and Tertiary Development Branch
Policy Research Unit
Institute for Development Research
Development Bank of Southern Africa

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REACTION OF THE DEPARTMENT OF MANPOWER TO THE REPORT OF THE DEVELOPMENT BANK OF SOUTHERN AFRICA ON THE SPECIAL EMPLOYMENT PROGRAMME

Some time after the special employment programme had been launched, the Department of Manpower felt there was a need for a critical evaluation of the programme. Due to its functions, the Development Bank was seen to be the most suitable institution to undertake such a study, and the Department wishes to express its gratitude towards the Bank for its willingness to undertake the study.

The results of the investigation are important, not only for recording information that would be useful for posterity, but also to re-evaluate the programme as a whole.

The general conclusion in the report seems to be that the programme must, by and large, be regarded as having served its purposes, but that when considering a continuation of the programme, certain elements require attention.

Partly due to a restructuring of the programme in 1986/87 (which is not covered by the report) and partly due to ongoing discussions with officials from the Development Bank while the study was still in progress, many of the problem areas identified in the report have already been addressed, while the others are receiving attention.

The programme has moved away from direct measures to provide relief (eg the distribution of food parcels) and more towards productive employment opportunities. This also implies less attention being given to ongoing maintenance work and more to projects contributing to the capital or infrastructural stock of Southern Africa.

Steps have also been taken to improve the process of project selection and at the same time improve co-ordination at the local level. The Department also agrees with the conclusion that participants should be carefully selected and that workers should be rotated.

Even more attention than in the past is being given to training programmes, as these are viewed as important transition devices for getting people into regular employment, or to assist people to better fend for themselves (for instance in the so-called informal sector). In this regard special attention is being given to training people skills which are used for self-build housing and to linking these training programmes with the government's programme of R750 million for low-cost housing.

Overall, the Department views the report as an important contribution to improve the efficiency and effectiveness of the special employment programme, and so ensuring the optimal utilization of the tax payers' money and the alleviation of the plight of the unemployed in this country.

ACKNOWLEDGEMENTS

It will be appreciated that during the course of a regionally dispersed, wide-ranging, diversified study, many inputs are sourced from a large number of persons other than direct members of the assignment team. Apart from the persons and organizations listed in Annexure II, the assignment team therefore also wishes to thank the many individuals who are not specifically identified in the report. These individuals include co-ordinators, project leaders, all participants in the SECP, the individual members of the target groups, colleagues, secretaries and in particular, Miss I A E J van Rensburg, in short, all persons who facilitated the investigation and the finalization of the report.

The assignment team also cannot fail to specifically thank top management of DBSA for having afforded it the opportunity to undertake the, at times, almost daunting assignment.

In conclusion, the assignment leader also wishes to record his personal thanks to his team members and, in particular, to Mr H J A Müller who provided much of the basis of this report. Obviously, the undersigned accepts full responsibility for any shortcomings in the report.

F V VILJOEN

Assignment Leader

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SUMMARY

1. INTRODUCTION

- 1.1 The South African Government allocated a sum of R100 million in the 1985/1986 budget for special employment programmes and emergency relief, while a further amount of R500 million was set aside for the same purpose in September 1985. These programmes were a continuation of those launched in 1983/84 (an amount of R10 million) and 1984/85 (R18 million).
- 1.2 The South African Government appointed the Minister of Manpower to take overall responsibility for the allocation of the R600 million to the relevant authorities. The responsibility of ensuring that funds would be allocated according to need was delegated to an Action Committee for the Creation of Employment (Action Committee), chaired by the Director-General of Manpower. Subsequently, the Department of Manpower (DMP) requested the Development Bank of Southern Africa (DBSA) to evaluate the effectiveness and efficiency of the programme (SECP).
- 1.3 Emanating from subsequent correspondence between DMP and DBSA as well as from discussions between the assignment team and the Chairman and certain members of the Action Committee, the terms of reference can be stated to be:
- to evaluate the effectiveness and efficiency of the special programme for creating employment opportunities and providing relief during cyclical unemployment situations
 - to evaluate the basic premises and assumptions underlying the objectives of the programme and its constituent sub-programmes

- to provide information on learning experiences as guidelines for the implementation of similar future programmes
- to record such information as would be useful for posterity.

1.4 Efficiency could be understood to reflect the ratio of actual outputs to actual inputs and effectiveness the measurement of the degree to which actual outputs of a given action correspond to desired outputs. These definitions imply that efficiency and effectiveness should be measured quantitatively. However, because of time and resource constraints it was agreed to limit the scope, content and depth of the investigation mainly to qualitative aspects. For this reason effectiveness has been viewed as 'doing the right things', and efficiency as 'doing things right'.

2. METHODOLOGY

2.1 Scope of the investigation

2.1.1 The unit of observation was the total programme and its stated objectives. Sub-programmes and selected projects were only evaluated in terms of their relative contribution towards the efficiency and effectiveness (as defined above) of the total programme.

2.1.2 The general and financial administration of the programme elements as such were not evaluated. It should also be noted that the investigation was more in the nature of a monitoring exercise than an **ex post** impact or cost-benefit evaluation.

2.2 Method of approach

2.2.1 The sheer magnitude, comprehensiveness, diversity and regional dispersion of the programme and its constituent sub-programmes, as well as time-limits and logistical and cost constraints, prescribed a judgemental, qualitative approach rather than more sophisticated evaluation designs.

2.2.2 The very nature and overriding objective of the SECP prescribed that the evaluation had to be based on socio-psycho-political rather than economic considerations. The overall approach, therefore, had certain constraints which are more fully described in the report.

3. OUTLINE OF THE REPORT

3.1 During the investigation of the SECP, it became clear that the international and historical experiences with regard to similar programmes were not only required as a historical record for posterity (as specifically requested by DMP), but that this background information was indeed a prerequisite for a proper understanding and evaluation of the programme.

3.2 Chapter 2 of the report therefore attempts to provide the historical and international background against which the programme should be evaluated. The programmes are briefly described in Chapter 3. Chapter 4 seeks to find the overriding objective of the SECP and to evaluate its effectiveness in terms thereof but also in terms of other RSA government objectives. An evaluation of the efficiency of the SECP is presented in Chapter 5. Chapter 6 contains the conclusions and recommendations of the report.

3.3 The main observations and findings of the various

chapters are presented below.

4. AN INTERNATIONAL AND HISTORICAL PERSPECTIVE

- 4.1 The recent cyclical fluctuations in business activity are not without precedence in the history of Southern Africa, nor are they peculiar to Southern Africa. In fact, the business cycle in Southern Africa is frequently closely linked to those of overseas countries.
- 4.2 The question logically arises whether other countries are taking any steps to combat cyclical fluctuations in the economy, and especially with regard to cyclical unemployment.
- 4.3 From the literature there is no doubt that, for example, Western Europe and Northern America do employ a combination of policy measures to combat cyclical unemployment. These measures include the customary anti-cyclical fiscal and monetary measures as well as, 'during downturns', public works programmes (PWPs), employment subsidies, training incentives, wages and price controls, social security, reduction of working time, curtailment of employment of foreign workers, provision of counselling and placement services, and special measures aimed at the employment of specific population groups such as women, the disabled, etc.
- 4.4 As far as the direct employment creation measures are concerned, the common international principles include the following:
- It is endeavoured to address cyclical and structural unemployment simultaneously.
 - Emphasis is placed on job creation, with no duplication or displacements.
 - The programmes are set up in such a way as to militate against any dependency after the project

terminates.

- They are considered as transition devices for people into regular employment.
- They have wage ceilings.
- Only small amounts are disbursed for capital expenditure with the emphasis on labour-intensive growth.
- The programmes fund only non-profit endeavours.
- They adopt a project-by-project approach.
- Most countries distinguish between youth and adult programmes and provide special assistance to regions/minorities/the hard-to-employ.

4.5

Some of the lessons learned in South Africa during the Great Depression include:

- There may be times when the State has to offer assistance to alleviate momentary distress, but such measures must be accompanied by measures aimed at future improvement.
- All measures must be based on the principle that social isolation has to be lessened, for instance by providing training and education.
- Appropriate vocational guidance and advice regarding employment possibilities should receive due attention.
- The success of the programmes is to a large extent dependent on the efficiency and enthusiasm of the institutions and personnel involved.
- Funds and other resources are too scarce to provide relief to all in need: priorities must therefore be set and participants must be carefully selected.

4.6

There exists a certain interdependence between structural and cyclical unemployment. Therefore, there is no easy practical way to distinguish between different categories of unemployment. However, from

a policy perspective, it is preferable to differentiate, both conceptually and statistically, between the various categories.

4.7 Although there are inhibiting factors such as a lack of reliable, comprehensive official statistics and a great deal of confusion about appropriate definitions of unemployment, there is general consensus that the registered number of unemployed vastly understates the magnitude and thus the seriousness of the problem.

4.8 Since the seventies the South African economy has shown an increasing inability to provide employment for its total labour force, even at the peaks of business cycles. Fundamentally, unemployment rates should therefore be explained in long-run structural rather than in short-run cyclical terms. The structural unemployment problem was aggravated by the fact that the South African business cycle has mostly been in a downward phase since September 1981, with a concomitant rise in cyclical unemployment. Whereas not a single negative growth rate was realised in any year from 1950 to 1981, the South African economy has experienced negative growth rates in three of the four years since 1982. Something 'more than a normal' cyclical wave in the business cycle set in that is not explainable by trend, cycle or seasonal variation.

4.9 Ordinary cyclical fluctuations in business activity usually tend only to affect the unemployed and those employed in marginal jobs. During the period under review, however, not only the latter categories were affected, but also the ranks of the 'regularly' employed. Concomitant with a resultant need to supplement the Unemployment Insurance Fund the Government also had to create confidence in the economy and to alleviate the hardship of the target group, namely the unemployed. The cataclysmic

upheaval had to be addressed with special measures, among others the SECP, which was thus announced as 'a special, temporary, auxiliary, emergency measure.'

5. **PROGRAMME OBJECTIVES, INSTRUMENTS AND TARGET GROUPS**

5.1 Although the SECP certainly started in 1983/84 with special employment creation as the overriding objective in view of the considerable cyclical unemployment in Southern Africa, in 1985/86 this became a means to satisfy a higher order objective, ie to provide relief. Stated differently, while the 1983/84 and 1984/85 SECP should be viewed solely in terms of the White Paper on Employment Creation, this is no longer the case for the 1985/86 SECP. Unfortunately this was not expressed in a change in the name of the programme, nor sufficiently clear in official statements. The latter tended to put relief as an addition or appendix to employment creation.

5.2 The overriding objective of the SECP can, therefore, be stated as **'to provide temporary relief to the unemployed but to refrain from giving them handouts, and to deploy them as productively as possible'**.

5.3 This objective was considered to be appropriate in view of the circumstances in Southern Africa during the financial year 1985/86, given the assumption that the programme would adhere to the following principles:

- reduce unemployment in the short term
- ease the unrest situation at least temporarily
- have a negligible effect on the balance of payments
- stimulate business activity
- provide at least a meal a day for each destitute family

- demonstrate the Government to be a concerned Government ie 'one that cares'
- not conflict with long-term objectives of the Government and would therefore have a neutral although preferably supportive effect on such other objectives.

5.4 Thus, purely economic effectiveness considerations were superseded by socio-psycho-political considerations and an attempt to evaluate the SECP could therefore not be based on a purely economic evaluation.

5.5 In the latter regard the OECD states as follows:
'While there are many differences between activities whose primary objectives are socio-political and projects which primarily address economic goals, there are three basic differences that are important for project appraisal/evaluation. In respect of a socio-political evaluation there is

- lack of agreement on expected results;
- lack of agreement on means to measure the results and
- knowledge about the relationships between inputs and outputs are not known in the social fields.'

5.6 In a study of emergency employment schemes undertaken by the International Labour Office (ILO), a distinction was made between various types of emergency situations. *Inter alia*, a distinction was drawn between, on the one hand, long-term policies having short-term, incidental employment effects and, on the other, schemes whose time horizon was short and in which the overriding objective was the creation of more jobs immediately.

5.7 The latter formed the subject matter of the above research report and therefore closely correlated with

the SECP objective and it is therefore important to note the criteria that were applied by the ILO to evaluate the relevant emergency employment schemes:

- the speed and effectiveness of job creation
- the extent, nature and importance of the other immediate effects
- the nature and importance of the long-term effects on economic and social development and, in particular, on the employment situation.

5.8 For purposes of evaluating the effectiveness of the SECP, the assignment team applied the above criteria in conjunction with the assumptions/principles listed in section 5.3 above.

5.9 Looking at the overall situation of people in need, it was difficult to assess the actual impact made by the SECP. On the one hand the SECP might have had only a marginal impact in addressing the adverse effects of the overall emergency situation. Available statistics might, on the other hand, understate the real impact of the SECP. Other spin-off effects are not accounted for and figures do not indicate exactly the real number of beneficiaries from the employment created directly. Furthermore, for many SECP workers, this programme represented the only possible short-term escape from the adverse effects of unemployment. The SECP also had income redistribution effects and generally enabled the unemployed to stay in their local regions and, simultaneously, in many instances, to acquire new skills. Thus a certain degree of regional distribution of economic activity took place. By and large, projects undertaken under the SECP succeeded in keeping participants productively occupied. Some projects will have long-term beneficial effects.

5.10

Further indications were, among others:

- Random evidence (correspondence, newspaper articles, personal communications) indicated that the SECP had an easing effect on the unrest situation.
- Assistance to small business concerns not only helped existing businesses to survive but also created new businesses and new employment opportunities. Many rural areas experienced what they termed 'mini-booms'.
- Up to 31 March 1986 a total of 1 064 805 persons received assistance under the food relief sub-programme, which used R10,36 million.
- Evidence indicated that the SECP had generally been well received and that Government's initiative had been viewed in a positive light. Negative comments mostly concerned the short duration and size of the SECP. In the latter regard some quarters felt that the amount of money was too small to make a significant impact on the overall situation of people in need.
- The SECP had a negligible effect on the balance of payments as well as on inflation.
- Throughout its duration the training sub-programme experienced a continuous oversupply of applicants. Not only did this sub-programme succeed in keeping large numbers (253 168 trainees up to 31.03.86) of people productively occupied, but it also created goodwill among the unemployed persons. The training experience assisted in alleviating the skills mismatch of the structurally unemployed.
- The majority of the trainees were Blacks and as unemployment among this population group poses the greatest problem in South Africa, this sub-programme also served to address the most serious aspect of the unemployment problem. The training programme was most effective in those areas where

future employers came forward to offer employment to quotas of successful trainees. About 25-30 per cent of trainees were able to find permanent employment shortly after completing the training courses.

- The criterion in respect of the extent to which the SECP had a neutral, supportive or conflicting effect on other government objectives, however, required separate discussion.

5.11 It cannot be denied that relief programmes are necessary during emergency situations, because South Africa, in view of its particular circumstances, has no well-developed social security system. The only safety net is the Unemployment Insurance Fund which can only provide limited benefits for a limited time for only certain members of society. If special expenditure programmes are to be used as the required 'safety net', careful consideration will have to be given as to how such programmes should be implemented to dovetail with other long-term government programmes and without distorting factor prices and without misallocating scarce resources. Recommendations in this regard were made in the final chapter of the report.

6. EVALUATION OF THE EFFICIENCY OF THE SECP

6.1 Because the SECP was not intended to show a (direct) economic return, its efficiency had to be evaluated in terms of socio-psycho-political considerations. (See sections 5.1-5.4). The scope, content and depth of the investigation was therefore limited to qualitative aspects of the SECP, with the focus on the planning and implementation phases of the SECP and its constituent parts. It was not attempted to quantify the ratio of actual outputs to actual inputs but to follow a qualitative, judgemental approach. The

general and financial administration of the programme elements as such were therefore not specifically evaluated.

6.2

The report identifies certain strengths (positive features) and weaknesses (negative features) as far as the efficiency of the SECP is concerned and also makes certain recommendations with respect to possible similar future programmes. These can be summarised as follows: It would appear that in contrast to the original intention that the SECP and its forerunners would be temporary, special expenditure programmes, announcements with respect to the continuation of these programmes indicated that they were becoming repetitive. It was therefore imperative that these supplementary programmes should dovetail with the long-term structural programmes and that an integrated strategy, which would include economic restructuring as well as appropriate population policies, be devised to combat the large structural unemployment problem in Southern Africa.

REPORT ON THE EFFECTIVENESS AND EFFICIENCY OF THE SPECIAL EMPLOYMENT CREATION PROGRAMMES (SECP)

1. INTRODUCTION

1.1 Terms of reference

Against the background of a confluence of negative events in Southern Africa (described more fully in Chapter 2), the South African Government allocated a sum of R100 million in the 1985/86 budget for special employment programmes and emergency relief, while a further amount of R500 million was set aside for the same purpose in September 1985. The second amount was to be financed mainly by a surcharge on imports. These programmes were a continuation of those launched in 1983/84 (an amount of R10 million) and 1984/85 (an amount of R18 million).

The South African Government decided that the Minister of Manpower should accept overall responsibility for the allocation of the R600 million to the relevant authorities. The responsibility of ensuring that funds would be allocated according to need was delegated to an Interdepartmental Action Committee for the Creation of Employment (Action Committee), chaired by the Director-General of Manpower. Subsequently, the Department of Manpower (DMP) requested the Development Bank of Southern Africa (DBSA) to evaluate the effectiveness and efficiency of the programme (see Annexure I).

Emanating from subsequent correspondence between DMP and DBSA as well as from discussions between the assignment team and the Chairman and certain members of the Action Committee, the terms of reference can be stated as follows :

- to evaluate the effectiveness and efficiency of the special programme for creating employment opportunities and providing relief during cyclical unemployment situations

- to evaluate the basic premises and assumptions underlying the objectives of the programme and its constituent sub-programmes
- to provide information on learning experiences as guidelines for the implementation of similar future programmes
- to record such information as would be useful for posterity.

1.2 Methodology

1.2.1 Scope of the investigation

It should be noted that efficiency could be understood to reflect the ratio of actual outputs to actual inputs, and effectiveness the measurement of the degree to which actual outputs of a given action correspond to desired outputs. These definitions imply that efficiency and effectiveness should be measured quantitatively. However, because of time and resource constraints it was agreed to limit the scope, content and depth of the investigation mainly to qualitative aspects. For this reason effectiveness has been viewed as 'doing the right things', and efficiency as 'doing things right'. The focus of the investigation was, therefore, on the planning and implementation phases of the SECP and its constituent parts, and on the likely direct and indirect impact of the programmes on the achievement of objectives. However, the general and financial administration of the programme elements as such were not evaluated. It should also be noted that the investigation was more in the nature of a monitoring exercise than an **ex post** impact or cost-benefit evaluation. The investigation was therefore undertaken in the spirit of the Overseas Development Administration's (1983: 23) distinction between 'evaluation' and 'audit' : 'Evaluation is not an "audit" in the narrow sense of the word. Audits normally test compliance with management controls and regulations and they do not usually deal with the overall objectives set for an activity ... **evaluations are not intended to pin blame on particular individuals or organizations but to yield useful lessons for all**

concerned ...'. It should be mentioned that the evaluators approached the whole assignment along these lines and during all interviews stressed the point that the assignment had a fact-finding and not a fault-finding mission; it was not intended as a 'witch-hunt' but as an exercise to provide learning experience for the future.

The unit of observation was the total programme and its stated objectives. Sub-programmes and selected projects were only evaluated in terms of their relative contribution towards the efficiency and effectiveness (as defined above) of the total programme.

1.2.2 Evaluation criteria

For reasons that are more fully discussed in Chapters 4 and 5, in the evaluation of the effectiveness and efficiency of the SECP socio-psycho-political considerations had to take precedence over purely economic considerations.

1.2.3 Method of approach

The sheer magnitude, comprehensiveness, diversity and regional dispersion of the programme and its constituent sub-programmes as well as time limits, and logistical and cost constraints prescribed that the method of approach should be based on:

- personal interviews
- personal observation
- analysis of available, selected records and other sources of published information

rather than on more sophisticated evaluation designs. The fact that the evaluation is based on a judgemental, qualitative approach must be regarded as a shortcoming, but unavoidable because of the above-mentioned factors. Nevertheless a concerted effort was made to limit subjectivity in the results as far as possible by selecting the persons interviewed and projects visited with care.

By agreement with DMP, information on the characteristics of the persons who participated in the special programme (the target group), ie whether they were in fact cyclically or structurally unemployed before participating in the programme, their previous employment, sex, age, training and education particulars, and their satisfaction with the programme were, where available, obtained from employer records and other centralized sources. Except when practically feasible, interviews were not conducted with the participants themselves.

The assignment was directed and monitored by a control committee consisting of the following members :

Dr P J van der Merwe

Dr F S Barker

Mr G J Richter

Dr F J van Eeden.

1.2.4 Programming of the survey

A list of participating organizations was received from the Department of Manpower together with suggestions in respect of organizations which should be included in the study. The Department also requested the assignment team to add its own selection of organizations to those selected by the Department itself in order to obviate any possible bias on the part of the Department.

During the first phase of the investigation interviews were therefore conducted with the programme co-ordinators of the selected organizations. The point of departure was to obtain an overall view of the programme in its various facets and to gather lists of projects and names of contact persons (at project level) for follow-up visits during the second phase of the investigation.

A list of interviews conducted by the members of the assignment team are attached for information purposes (see Annexure II).

An analysis of this list is presented in Table 1 below.

Table 1 : Breakdown of visits

Visits to		Number of visits	Representativeness of sample	
			% of total	% of funds
1.	Co-ordinating institutions ¹	14	82,4	99,1
2.	Implementing institutions			
2.1	RSA			
2.1.1	Government departments	4	44,4	66,7
2.1.2	Development Boards	5	38,5	-
2.1.3	Local authorities	9	-	-
2.1.4	Private enterprises ²	71	-	-
2.2	TBVC countries	4	100	100
2.3	Self-governing states	3	50	-
3.	Projects	111	-	-

Notes : 1 Relevant RSA government departments and provincial administrations.

2 Including SBDC and DBSA.

In order to synchronize and harmonize the respective interviews, the combinations and number of members assigned to undertake respective interviews were alternated. Initially the number of team members per interview was three but once the team leader was convinced that the required synchronization and harmony had been achieved, the number of team members per interview was scaled down to a maximum of two.

Because the programme was subdivided into sub-programmes a measure of specialization was introduced by assigning specific sub-programmes to specific team members. Practical considerations such as logistics and cost considerations, however, prescribed that, at times, the individual team members had to cover the total programme when they were visiting a

specific area/region. This obviously also provided each team member with the opportunity to gain an overall insight into the total programme and its constituent parts. Regular team meetings were held to monitor progress, to compare notes and to plan and co-ordinate future visits.

Because of cost considerations the assignment team also decided that as soon as a specific pattern in respect of a certain sub-programme seemed to be repeating itself in a specific region or in respect of homogeneous institutions, no further interviews were to be conducted. The rationale behind this decision was that, at a certain stage, a point of diminishing returns and thus a point of less cost-effectiveness would be reached.

The programming was such that as many as possible of the development regions (A-J) were covered by the investigation. The same applied with regard to the individual TBVC countries and the self-governing national states.

1.2.5 Outline of the report

During the investigation of the SECP, it became clear that the international and historical experiences with regard to similar programmes were not only required as a historic record (as specifically requested by DMP) for posterity, but that this background information was indeed a prerequisite for a proper understanding and evaluation of the programme. Chapter 2 will therefore also attempt to provide the historical and international background against which the programme should be evaluated. The programmes are briefly described in Chapter 3.

Chapter 4 seeks to find the overriding objective of the SECP and to evaluate its effectiveness in terms thereof but also in terms of other RSA government objectives. An evaluation of the efficiency of the SECP is presented in Chapter 5. Chapter 6 contains the conclusions and recommendations of the report.

1.3 Concept of unemployment and aspects relating thereto¹

Before discussing the problem in question, the concept of unemployment will first be clarified. This is necessary because employment was found to be the major instrument in the programme which had the provision of relief as the overriding objective.

Unemployment is a multi-dimensional concept and can be defined as comprising all the persons who are able and willing to work and are actively seeking work but who are not gainfully employed.

It is important, particularly in the Southern African context, to note that the definition includes jobless persons who seek work, but who may not be interested or able to fill existing vacancies. It is equally important to note that the definition does not include underemployed persons, ie persons who may be working below their skill levels, persons working fewer hours, days or months than they would like to work or people working productively. Neither does it include unemployed persons who do not actively seek work (Bepa, 1980 : 2).

It is also useful to distinguish between different types of unemployment in accordance with causal factors (Bepa, 1980 : 2). Thus it is possible to identify seasonal unemployment, cyclical unemployment, and structural unemployment.

Seasonal unemployment stems mainly from the seasonal pattern of the weather.

Cyclical unemployment occurs because of the uneven pattern of growth which is experienced in capitalist economies. Growth has an erratic course, with the real national income and employment growing at higher than average rates in booms, and growing more slowly and possibly falling during slumps. As levels of effective demand fall and the level of economic activity is

¹ See National Manpower Commission, 1985 : 3ff.

consequently reduced, so workers are laid off - to be re-employed when the economic times improve.

Structural unemployment is more difficult to define, but generally refers to the overall inability of the economy due to structural imbalances to provide employment for its total labour force, even at the peak of the business cycle.

It should be noted that there is a certain interdependence between structural and cyclical unemployment and that the various categories of unemployment tend to become blurred. Furthermore, there is no easy practical way to distinguish cyclical from structural unemployment. While analytically useful, and particularly relevant from a policy perspective, this raises many empirical questions and is difficult to quantify, each category overlapping with the other to a significant extent (OECD, 1985 : 63). In its study, the OECD (1985) concludes that there is also no stability in each of these unemployment categories, an increase in one frequently leading to an increase in another. Thus it could well be argued that the present recession initially led to an increase in cyclical unemployment which, with the induced slowdown in investment, has however gradually taken the form of an increase in structural unemployment - firms have adjusted their capacity to the lower expected output levels.

2. AN INTERNATIONAL AND HISTORICAL PERSPECTIVE

From the definition of unemployment discussed in Chapter 1 it can be concluded that there is a fairly close relationship between cyclical unemployment and the business cycle. This should not be surprising since the business cycle is statistically described in terms of production activities which reflect the demand for labour, capital and other factors of production. It is, therefore, to be expected that cyclical unemployment will rise during a downturn in the business cycle and *vice versa*, taking leads and lags into account.

It should also be noted that the recent cyclical fluctuations in business activity are not without precedence in the history of Southern Africa; nor are they peculiar to Southern Africa. When evaluating the special employment programme it would, therefore, be useful to note the experiences of the past and also to take cognizance of experiences in other countries in this regard. (Also see section 1.1.)

2.1 An international perspective on measures to combat cyclical unemployment

Cyclical downturns in the economy are not peculiar to Southern Africa; in fact, the business cycle in Southern Africa is frequently closely linked (taking lags into account) to those of overseas countries. Figure 1 demonstrates this relationship in general, using one of South Africa's major trade partners, the United States of America, as an example. It is clear from an inspection of turning points that the general course of the two cycles is similar, although there are lags of as much as nine to fifteen months.

The question now logically arises whether other countries are taking any steps to combat cyclical fluctuations in their economy, especially with regard to cyclical unemployment.

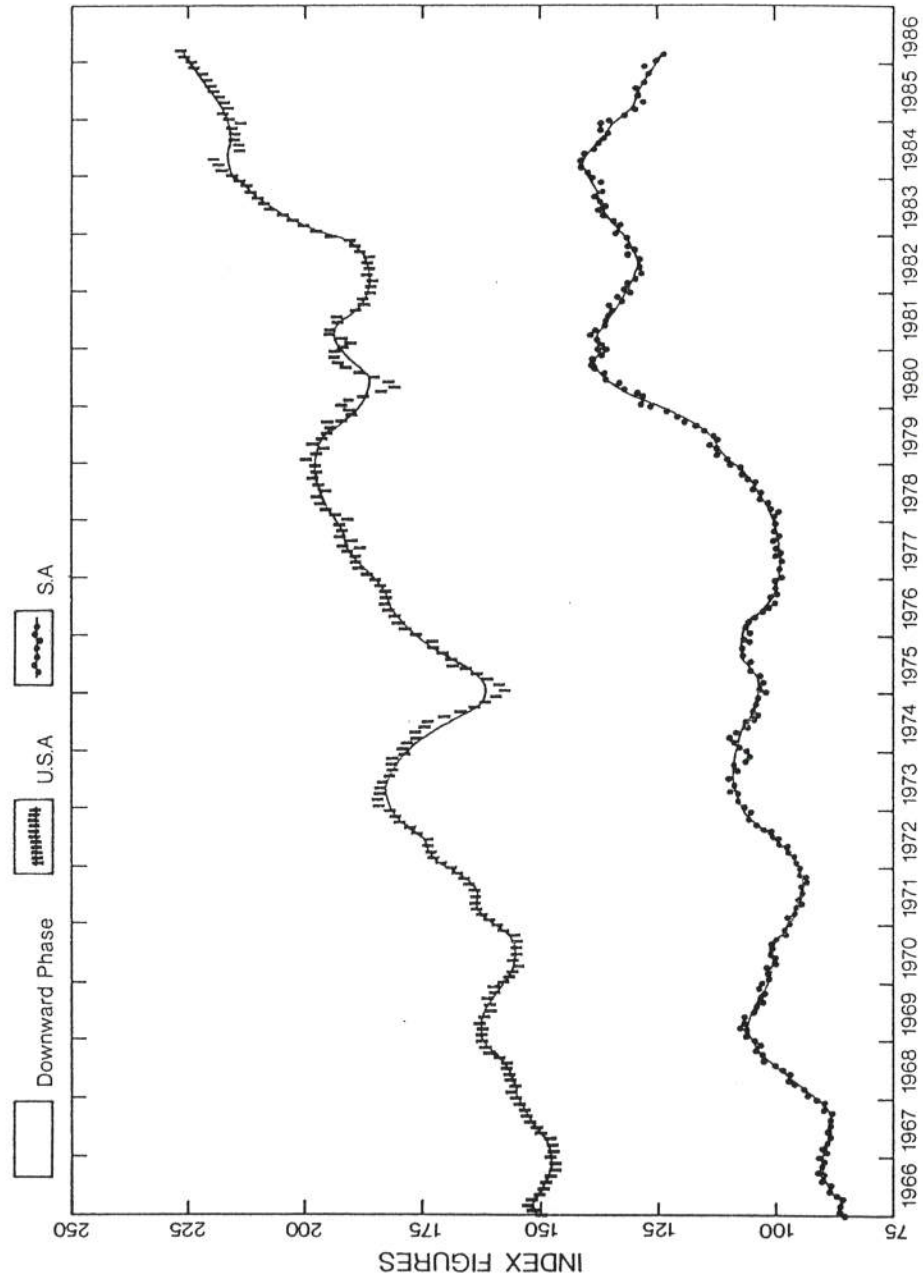
From the literature there is no doubt that, for example, Western

Europe and North America do indeed use a combination of policy measures to combat cyclical unemployment. These measures include the customary anti-cyclical fiscal and monetary measures, as well as - 'during downturns' - public works programmes, employment subsidies, training incentives, wages and price controls, social security, reduction of working time, curtailment of employment of foreign workers, provision of counselling and placement services, and special measures aimed at the employment of specific population groups, such as women, the disabled, etc.

As far as public works programmes (PWPs) are concerned, the World Bank (1975 : 14) investigated twenty-four PWPs in fourteen developing countries and found that all these programmes attempted to combine the two objectives of generating employment and income, and creating useful economic assets. The relative priority given to these objectives varied between different programmes, and classifications according to underlying problems were not completely satisfactory. The following typology is based on the programmes' main objectives and their intended effects on target groups in rural areas (World Bank, 1986 : 14; Ligthelm, 1984 : 388) :

- (a) **Relief programmes** respond to emergency situations and are mainly designed, by offering wage employment, to supplement or replace sources of agricultural income reduced or destroyed by natural calamity. They are needed for at least one full crop cycle, though provision should be made for some slowing of construction activity during the planting season.
- (b) **Long-term employment programmes** are designed to absorb structural unemployment. In such cases there is a need for long-term support; an accent on training for specific vocations; land reclamation where possible; and relief for high levels of urban unemployment.

Fig.1 BUSINESS CYCLE: COMPOSITE INDEX OF
LEADING INDICATORS: S.A and U.S.A



Source: Bureau for Economic Research

(c) **Income augmenting programmes** supplement the normal earning activities of those they employ. Such programmes therefore need to take account of seasonal employment patterns with projects that can either be completed quickly or can be conveniently interrupted during planting and harvesting seasons.

(d) **Low-cost infrastructure programmes.** The main emphasis of these programmes is on the assets constructed.

As far as the direct employment creation measures are concerned, the common international principles include :

- It is endeavoured to address cyclical and structural unemployment simultaneously.
- Emphasis is placed on job creation, with no duplication or displacement.
- The programmes are set up in such a way as to militate against any dependency after the project terminates.
- They are considered as transition devices for getting people into regular employment.
- They have wage ceilings.
- Only small amounts are disbursed for capital expenditure with the emphasis on labour-intensive growth.
- The programmes fund only non-profit endeavours.
- They adopt a project-by-project approach.
- Most countries distinguish between youth and adult programmes, and provide special assistance to regions/minorities/the hard to employ.

With respect to the **type of projects**, over

- 50 % of the projects are in primary services, construction, environment, public safety and public works
- 20 % are in social and cultural services
- 15 % are in parks and recreation
- 15 % are in education-related activities.

The activities are 90 per cent of a manual nature with 10 per cent supervisory. The emphasis in some countries, such as Canada

and Norway, is towards work which also provides 'life skills'.

The **sponsors** are almost all non-profit organizations, and central and local governments. The highest percentage of private employer participation was recorded in the UK with just under 10 per cent.

Participants are primarily those registered unemployed. Over 70 per cent are males, and over 70 per cent are under 25.

The programmes are usually financed out of general revenue, and paid for by a variety of income and consumption taxes, and deficit financing methods.

2.2 Historical perspective on the unemployment situation in South Africa with special reference to the Great Depression

In announcing the R500 million programme, the Minister of Manpower (7 October 1985 : 2) stated that it should be regarded as a 'special and temporary auxiliary measure aimed at involving the greatest possible number of unemployed ... Employment will therefore be provided on a temporary basis'. The Minister also stated that the projects were to be similar to those launched during the Great Depression of the thirties. The implication was therefore that South Africa was experiencing a serious 'cyclical' unemployment problem, which was to be alleviated by this programme. (See Annexure III.)

Certain inferences can be drawn from the above quotations, namely :

- that there existed special circumstances at the time, which, as far as employment was concerned, were identified as a serious cyclical unemployment situation
- that a comparison was drawn with the situation during the Great Depression.

It will therefore be necessary to give a perspective of the historical background of the employment situation in Southern

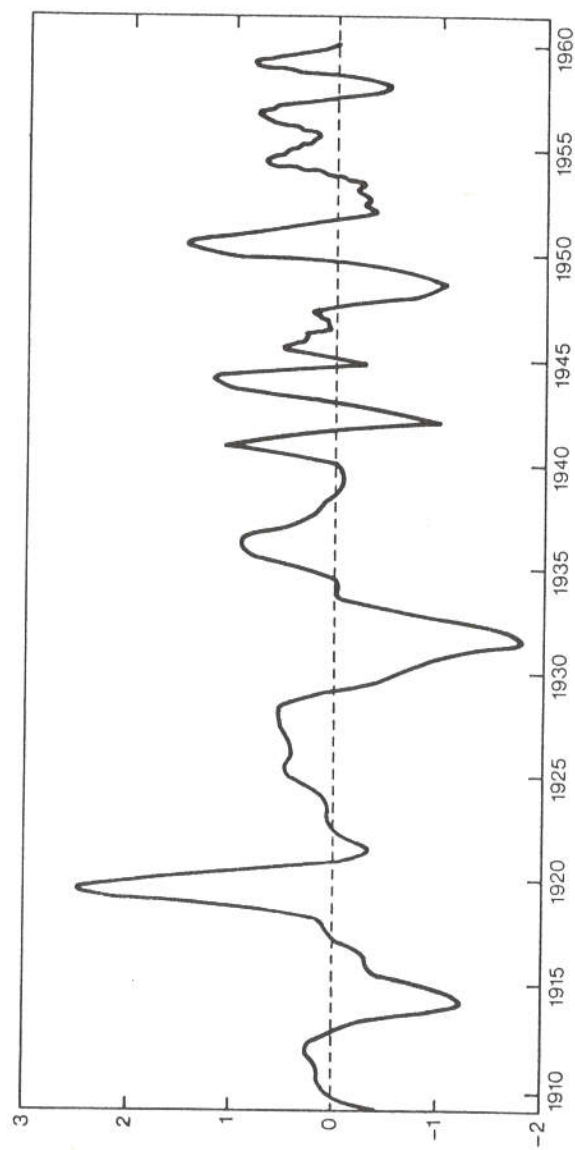
Africa.

From Figures 2 and 3 below, depicting the South African cyclical experience from 1910 to 1985, the general cyclical movement of economic activity, and the irregular shape of the cycles in respect of duration and depth are immediately apparent. Right through the history of South Africa, and especially since the discovery of gold and diamonds during the second half of the previous century, the South African economic system has been subject to the uncertainties of the business cycle. At the same time it is apparent that the 1932 depression could still be regarded as one of the most serious economic crises South Africa has had to face up to date. Thousands of people became unemployed. The gross domestic product fell from R605 million in 1928/29 to R473 million in 1931/32 at current prices (Lombard & Stadler, 1967 : 28). Many farmers had to leave farming because of low agricultural prices and stock losses as a result of severe drought conditions. Many infant enterprises went bankrupt because of the diminishing ability of customers to pay. Even the South African unit of currency, then the South African pound, was depreciated by thirty per cent.

It should also be noted that the structural problems experienced during the depression, namely poverty, agricultural stagnation, neglect of industrial development, marginal mines, uncertain future of gold mining, and the position of Blacks in the economic life of the country, existed in spite of the depression. However, the depression intensified the awareness and effects of the structural problems and thus helped to create a new sense of urgency to address them.

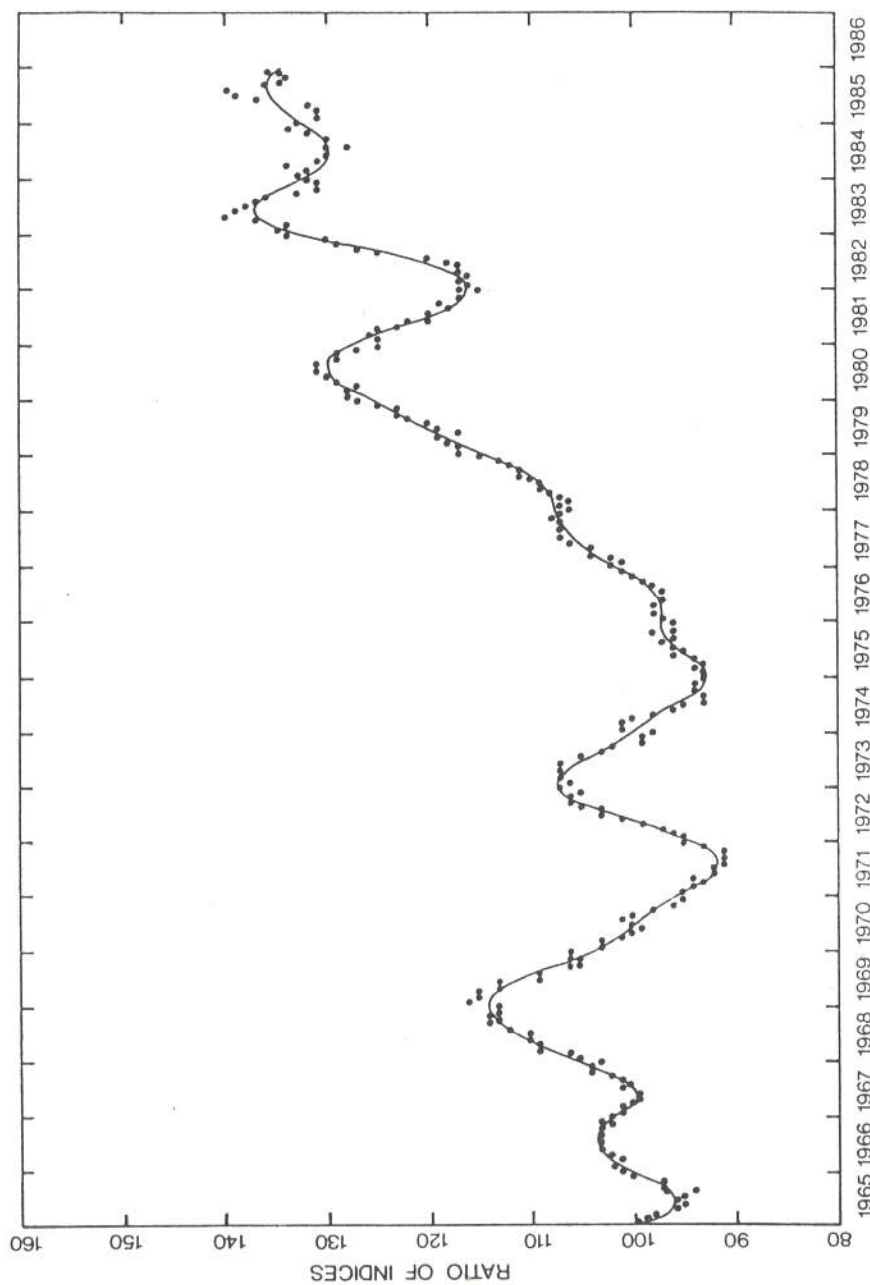
The State responded by providing relief as well as remedies for unemployment. Various measures were adopted to create 'acceptable' standards of living, eg the Apprenticeship Act, 1922, the Industrial Conciliation Act 1924, the Wages Act, 1925, the Mines and Works Act, 1926, and the Natives (Urban Areas) Act, 1923. At the same time the following remedies for unemployment were introduced : vocational training, assistance to gold mining,

Fig. 2 FLUCTUATIONS IN ECONOMIC ACTIVITY
IN SOUTH AFRICA SINCE 1910



Source : Lombard and Stadler

Fig.3 RATIO LEADING/COINCIDING INDICATORS



Source: Bureau for Economic Research

assistance to industrial expansion, and provision of cheap transport and marketing facilities for produce. Although these actions were primarily directed at structural aspects of the economy, it should be kept in mind that their implementation was prompted or rather enhanced by the downswing in the economy.

Drought relief consisted mainly of loans to certain farmers to overcome their financial difficulties. The State also provided 'pauper relief', ie temporary piece-work employment on public works, embracing the Railways, ISCOR, Provincial Administrations, municipalities, irrigation, afforestation, anti-soil-erosion, eradication of noxious weed, and special army service. These efforts by the State certainly brought relief, but only to a few. The unemployment crisis had in the end to be alleviated by means of structural programmes.

Some of the lessons learned during the Great Depression include the following (Hobart Houghton, 1964) :

- There may be times when the State has to offer assistance to alleviate momentary distress, but such measures must be accompanied by measures aimed at future improvement.
- All measures must be based on the principle that social isolation has to be lessened, for instance by providing training and education.
- Appropriate vocational guidance and advice regarding employment possibilities should receive due attention.
- The success of the programmes is to a large extent dependent on the efficiency and enthusiasm of the institutions and personnel involved.
- Funds and other resources are too scarce to provide relief to all in need : priorities must therefore be set and participants must be carefully selected.

2.3 Events leading to the introduction of the SECP

An analysis of the prevailing economic conditions from the late seventies to the early months of 1986 clearly illustrates that during the past few years South Africa has experienced what the State President (Hansard, Monday 21 April 1986) termed 'a confluence of negative economic developments which were unparalleled in this country's economic history'.

The following adverse factors may be listed:

- Within the space of one decade South Africa had to assimilate the adverse effects of two oil crises. From 1973 to 1984 South Africa was thus obliged to pay on average about R1 800 million more per annum for its oil imports than would have been the case under previous circumstances (Hansard, Monday 21 April 1986 : 3807 ff).
- The sharp increases in the price of crude oil after 1973, together with high inflation rates abroad, led to considerable rises in the prices of South African imports. Concomitantly, the price of gold, South Africa's major export commodity dropped from a high point of \$198 per fine ounce towards the end of 1974 to a low of \$103 per fine ounce in August 1976, later to be followed by a peak of about \$613 per fine ounce in 1980 and then a low of \$299 per fine ounce in February 1985.
- During the early eighties one of the most oppressive droughts since 1933 crippled the agricultural sector, reducing its contribution to the gross domestic product by more than 33 per cent between 1981 and 1983. Conditions in agriculture therefore compelled the South African Government to render assistance to farmers on a large scale. From 1982/83 to 1985/86 a total of R1 013 million had to be made available in the form of direct drought assistance. Furthermore, the drought also caused the positive balance of agricultural exports over agricultural imports to decline

from R850 million in 1980 to R395 million in 1983.

- South Africa was not the only country experiencing a recession in its economy. The oil crisis also affected South Africa's most important trading partners leading them into one of the longest and deepest recessions that the capitalist countries of the world have had to cope with in three decades. These slack conditions resulted in South Africa's exports performing poorly and, at times, even declining in real terms. However, South Africa's imports remained at a relatively high level for a considerable period following the commencement of the recession in South Africa in the third quarter of 1974. This must be ascribed to factors such as the big investment programmes implemented by the public sector during this period; a relatively high level of defence spending made necessary by events in and around South Africa and, because of trade boycotts, the continued stockpiling of strategic supplies that was started in the early sixties. (South Africa had to invest R1 459 million in the stockpiling of oil, and also had to accelerate the local fuel manufacturing programme. The completion costs of Sasol II and III amounted to a further R5 756 million.)
- Towards the middle of the seventies the political uncertainties of Southern Africa, combined with the economic recession, made it much more difficult for South Africa to obtain foreign capital on normal terms. The country's gold and foreign reserves came under severe pressure and the Government therefore had to introduce several measures to strengthen the balance of payments. These measures included devaluations of the rand on two occasions in 1975 which resulted in a further increase in import prices and consequent upward pressure on domestic prices. South Africa was also obliged from time to time to obtain large short-term loans abroad to support the reserves.
- During the seventies an imbalance between savings and

investment arose that made the South African economy considerably more dependent on foreign capital. During this period the aggregate propensity to save declined slightly, but the gross domestic fixed investment propensity, in contrast, increased tremendously. Despite a lower economic growth rate, the rate at which the economy became capital-intensive continually accelerated. In general, the public sector increased its share considerably in the economic activities of the country. This resulted in bigger financing needs, particularly by the public corporations which operate mainly in capital-intensive sectors of the economy. The State attempted to satisfy these financing needs in various ways. Among other measures, the Government increased the tax burden on the private sector and made use of domestic and foreign loan financing on a large scale, which, at times, had important inflationary results. This development had various adverse effects, but in particular it curtailed Government's ability to apply its fiscal and monetary policy measures effectively.

This also had a direct effect on the activities of the private sector. Little expansion took place in the production capacity of this sector, especially as far as the manufacturing industry was concerned. Moreover, it appeared that capital deepening of the private sector's production processes was increasing rapidly, despite the slow expansion of capital investment. This, together with the increased tax burden, reduced the financing ability of the business sector. Naturally, such a situation can be expected to create problems as soon as the private sector begins to expand its capacity during a recovery phase.

- Following a period of strong economic expansion from the middle of 1979, important production resources, such as skilled labour and production capacity in manufacturing, became almost fully employed towards the end of 1980 and could no longer sustain an economic growth rate as high as that recorded during that year. Thus, largely as a result

of these physical constraints, the economy in 1981 entered a downward phase in the business cycle which lasted for about twenty-four months (Bureau for Economic Research, September 1983 : ii)

Subsequently, a short, but nevertheless vigorous, economic upswing set in from about the second quarter of 1983 but came to an abrupt end in the middle of 1984. The cause for this turnaround must be sought in adverse extraneous developments at the time, among others a decline in the gold price, a sluggish recovery in world demand for South Africa's non-gold exports and the new onset of drought conditions. The essentially consumption-based upswing therefore proved to be unsustainable because of growing imbalances in the economy, such as a deteriorating balance of payments on current account, a weakening of the rand and accelerating inflation. Remedial policy measures were therefore introduced early in the second half of 1984 to bring about an adjustment in the economy. The Reserve Bank and the Treasury co-ordinated in applying a short-term monetary and fiscal strategy designed to curb inflationary overspending and to improve the balance of payments. It was envisaged that this strategy would unfold in four phases (South African Reserve Bank, Report of the sixty-fifth ordinary general meeting of stockholders, 1985). In broad outline these were the following :

- The first phase of the strategy provided for the elimination of excess demand or overspending from the economy.
- The second major objective of monetary and fiscal policy was to transform the deficit on the current account of the balance of payments into a surplus. It was envisaged that this transformation would occur in the second phase of the official strategy.
- A reduction in the rate of inflation was planned to

occur in the third phase of the strategy.

- The official short-term strategy finally provided for a fourth phase which would be characterized by a new cyclical upswing and a higher rate of real economic growth.

These measures resulted in a rapid turnaround in economic activity after the middle of 1984. From then up to the third quarter of 1985 the economy has been in a downswing characterized by a contraction of real economic activity that has been notably more severe than during immediately preceding downward phases of the business cycle. Thereafter a modest but fairly broad-based upswing became discernible in the fourth quarter of 1985, and on 7 April 1986 the Minister of Finance, in his budget speech, envisaged that South Africa's economy was in the early stage of a new upswing of the business cycle.

- Apart from the above-mentioned factors there were also further circumstances which had a detrimental effect on the performance of the South African economy.
- Considerable politically motivated pressure was exerted on foreign banks and other international financial institutions to suspend and withdraw their investments in and loans to South Africa. This undoubtedly affected the investment climate in South Africa, as well as South Africa's exchange rate and finally, South Africa's eventual ability to service and repay foreign loans on due dates, thus forcing the country into a situation where it had to enter into standstill negotiations with creditors to reschedule the repayment of foreign debts.
- In the above regard it is important to note that, during the early seventies, South Africa's sound economic image abroad gave the country fairly free access to foreign capital markets. The severe economic recession, coupled

with unfavourable political developments (among others, the declaration of a state of emergency in certain parts of the country in 1984), however, gradually began to change this image, and from about 1975 onwards the character of foreign capital flowing into South Africa began to undergo a fundamental change. The most important change was that foreign capital was switched more and more from direct investment capital to loans. In addition the terms became shorter and the Government was obliged to negotiate short-term compensating loans on a large scale to protect reserves. This structural change in the foreign capital sector naturally made control of domestic conditions considerably more difficult.

As will be discussed more fully in the next section, almost throughout the period under review there was an underlying structural tendency for unemployment rates to rise, particularly among unskilled workers. The rising trend in unemployment, however, became more visible when companies, in the wake of diminishing markets, started retrenching vast numbers of even skilled and semi-skilled employees. A great number of workers also started losing their jobs through liquidations of their employers. These developments led to a great deal of publicity in the media and ultimately to the introduction by the South African Government of the SECP.

2.4 The unemployment problem

2.4.1 Introduction

A recent report by the Bureau of Market Research (1986) provides useful information on certain demographic characteristics of the Southern African population. Some of the salient aspects are highlighted below.

'In November 1985 the population of the RSA numbered 27,7 million, of whom 68,7 per cent were Blacks, 17,7 per cent were

Whites and 10,4 per cent and 3,2 per cent were Coloureds and Asians, respectively. If the populations of Transkei, Bophuthatswana, Venda and Ciskei are added to this number, the total population of the RSA and TBVC countries rises to 33,6 million, of whom 74,1 per cent are Blacks and only 14,6 per cent are Whites. (pp 1-2.)

'The growth rate of the Black population in the RSA and TBVC countries (2,8 per cent per year) is almost as high as that of Africa, which in turn is appreciably higher than the average growth rate of the population in developing countries. The growth rate in South Africa's White population (1,6 per cent per year) is about twice as high as the figure for developed countries. South Africa has elements of both the First and the Third Worlds and shares many of the problems that hamper economic progress in the rest of Africa. It is noted that rapid population growth is intensifying the economic, social and psychological problems associated with un- and under-employment, especially since it retards the prospects of those already born. It is also making tremendous inroads into state funds which are already stretched to the limit.

'Roughly 40 per cent of the Black population of the RSA, aged 20 years and older in 1980, had had no formal schooling, as against 2,0 per cent of the Whites, 19,8 per cent of the Coloureds and 13,6 per cent of the Asians. Only 4,1 per cent of the Black population in the relevant age groups had Std 9 and 10 and higher or technical qualifications as against 53,8 per cent of the Whites. The Black workforce is therefore poorly qualified compared with its White counterpart. About 54 per cent of the RSA's own Black population, 51,3 per cent of the Coloureds and 47,5 per cent of the Asians are aged 19 or younger compared with 36,5 per cent of the Whites. The number of children is therefore much higher in non-White households and this is having a negative effect on the welfare of these households.

'In November 1985 there were 7,23 million persons in wage-earning employment in the RSA and a further 490 000 in the TBVC

countries, bringing the total number of persons in wage-earning employment in the RSA and TBVC countries to 7,72 million. Fewer people were gainfully employed in the RSA and TBVC countries in 1985 than in 1982 (7,78 million). This decline is consistent with the South African economy's poor performance over the past four years. (p 2)

'From 1950 to 1985 the number of wage-earning Black employees rose by 95,6 per cent, with corresponding figures of 102,0 per cent for Whites, 130,6 per cent for Coloureds and 237,7 per cent for Asians. The lower figure for Blacks is largely due to a 10,9 per cent decline in employment in Agriculture which, in 1950, represented the most important employment sector for Blacks. The annual increase in the creation of wage-earning employment was only 0,6 per cent from 1980 to 1985 as against an average population growth of 2,5 per cent. The period 1960 to 1970, which saw a real GDP growth rate of 5,9 per cent per year, was the only one in which the annual increase in employment was at least equal to the average annual growth rate of the population.' (p 3)

Referring to official sources, the Bureau of Market Research (1986, p 3) points out that 8,6 per cent of the economically active Blacks, 1,4 per cent of the Whites, 10,2 per cent of the Coloureds and 10,1 per cent of the Asians, or a total of 722 thousand people, were unemployed in January 1986 in the RSA. The official figures, especially those of Blacks, are generally regarded as too low. Besides these unemployed, there are the jobless in the TBVC countries for whom statistics are, unfortunately, not available. This study estimates the number of un- and under-employed Blacks in the RSA and TBVC countries at 1,7 million, or 23,1 per cent of the economically active Black population.

'In the 15 years up to the year 2000 the population of the RSA and TBVC countries in the 20 to 64-year age group is estimated to increase by 6,85 million. These people, who are already born, will enter economic life and a livelihood will have to be created

from them. This implies that, by the year 2000 at least 3,6 million new jobs will have to be created between 1985 and 2000. This is the absolute minimum number of jobs. It does not include job opportunities for those currently un- and underemployed, nor does it take into account that over one-quarter of the economically-active population will have to make a living other than as wage-earning employees. If un- and underemployment are to be eliminated by the year 2000 and the percentage of economically-active non-Whites in wage-earning employment is to be raised to that of whites, an additional 3,2 million jobs will have to be created, or a total of 6,8 million new job opportunities.' (p 3)

The Bureau of Market Research (1986, p 3) notes that the proportions assumed by this task become evident if it is considered that the present wage-earning employment figure of 7,72 million was created over a period of three centuries, and only 226 000 jobs have been created over the past five years. If the South African economy fails to improve on its performance over the past five years, 81 per cent of the new entrants to the labour force will be jobless by the year 2000. If it fails to create more jobs than in the past 15 years, 56,6 per cent of new entrants will be jobless. The task of creating at least 3,6 million new jobs in the RSA and TBVC countries by the year 2000 will make enormous demands on capital resources and entrepreneurship.

In 1983 registered foreign migrant workers in South Africa numbered 358 000, but the Africa Institute (Malan, 1985 : 106) estimates that the number of foreign migrant workers in 1983 was nearer one million than the 358 000 registered by the Department of Development Aid. The Bureau of Market Research (p 3) suggests that gradual replacement of these workers is one of the options open to South Africa, but such action would cause large-scale deprivation in its neighbouring states whose economies are largely dependent on their migrant workers. In 1980, for instance, roughly 75 per cent of Lesotho's GDP was earned by migrant workers in the RSA.

2.4.2 The extent of unemployment in Southern Africa

Attempts to analyse the unemployment situation in South Africa are inhibited by a lack of reliable, comprehensive official statistics. In the public mind there is also still a great deal of confusion about the appropriate definitions of unemployment and their statistical measurement (Brand, 1983).

Available statistics do, however, indicate trends in the unemployment position but only a general, qualitative impression of its absolute level is possible. It can, for example, be pointed out that there is general consensus that the registered number of unemployed vastly understates the problem. Nevertheless, there are considerable disputes about the actual size of the unemployed total.

The unemployment position in South Africa according to different official sources is shown in Table 2.

Some broad conclusions may be drawn from these statistics :

- It is clear that the figures on unemployment which are based on the registration of unemployed persons with the various institutions provide an incomplete coverage for all population groups. For a variety of reasons, not all those who are unemployed according to the current population census (CPS) definition, register with the various labour offices. One reason is that many professional and other people earn more than the maximum income below which contributions to the Unemployment Insurance Fund are compulsory, and therefore have no incentive to register. Other workers, such as farm workers, are not permitted to contribute to the fund and are, therefore, also excluded from unemployment insurance benefits.

Table 2 : Unemployment in South Africa

Source	Number and date										Percentage of economically active population			
1. Registered unemployment	Nov 1981	Nov 1982	Nov 1983	Nov 1984	Nov 1985	Apr 1986	Nov 1981	Nov 1982	Jun 1983	Jun 1984	Jun 1985	Jun 1985	Aug 1985	
- Whites	5 759	10 227	12 048	15 592	27 771	32 114	0,3	0,6						
- Coloureds	6 557	14 051	12 821	15 994	31 941	32 640	0,7	2,2	5,0	7,6	6,2	8,1	8,4	
- Asians	2 537	5 278	5 049	5 435	13 861	12 485	1,0	2,5	-	7,3	6,5	7,6	7,5	
- Blacks	na	na	32 871	35 281	51 752	57 886	2,2	na	7,7	8,5	8,1	7,8	8,1	
Total			62 789	72 302	125 325	135 125	1,5	1,2						
2. Current population survey	Jun 1981	Jun 1982	Jun 1983	Jun 1984	Jun 1985	Mar 1986	Jun 1981	Jun 1982	Jun 1983	Jun 1984	Jun 1985	Mar 1986		
- Blacks	425 000	427 000	483 000	488 000	495 000	533 000	7,8	7,7	8,5	8,1	7,8	8,2		
- Coloureds	41 000	48 000	75 000	63 000	84 000	108 000	4,5	5,0	7,6	6,2	8,1	10,2		
- Asians	na	na	21 000	19 000	23 000	na	-	-	7,3	6,5	7,6	10,1		
3. Economic development programme, 1978-1987	1982	1987					1982	1987						
- Growth rate 3,6 per cent	1 815	2 406					18,8	21,9						
- Growth rate 4,5 per cent	1 607	1 649					16,6	15,0						
- Growth rate 5,0 per cent	1 495	1 262					15,5	11,5						

Notes :

na : Figures not available

Sources :

Department of Manpower

Central Office of Statistics

Economic Development Programme for the Republic of South Africa, 1978-1987

- The CPS figures include the self-governing national states but exclude the TBVC countries. In view of the economic interdependence between these countries and the RSA, practical considerations suggest that provision should be made for the TBVC countries.
- There is almost no country-wide information available on the informal sector. As the CPS becomes fully developed, this lack of information should, hopefully, be remedied so that the informal sector can be examined in more detail and, by the same token, a clearer perspective on the unemployment situation be facilitated.
- **The Economic Development Programme for the Republic of South Africa, (EDP) 1978-1987** (1979, p 96) calculated that the 903 000 persons unemployed in 1977 represented an unemployment rate of 10,6 per cent during that year and projected the unemployment rate (see Table 2) to increase to 21,9 per cent, representing 2 406 000 persons, by 1987 based on an assumed real economic growth rate of 3,6 per cent per annum over the period. To reduce the existing level of unemployment and make provision for a rise in the average standard of living of the population of say 1,5 per cent per annum, a growth rate of at least 4,5 per cent per annum in the real GDP is required (EDP : 8). That rate has not been achieved. Reserve Bank figures (various Quarterly Bulletins) show that from 1978 to 1985 inclusively, real gross domestic product (GDP) during that period on average rose by only just under 1,1 per cent per year. From 1980 to 1985, the real increase in the GDP was only 0,9 per cent per year. Whereas not a single negative growth rate was realized in any year from 1950 to 1981, the South African economy has experienced negative growth rates in three of the four years since 1982. This compares with earlier situations when annual average growth rates of 4,4 per cent, 5,9 per cent and 3,6 per cent respectively, in the three ten-year periods from 1950 to 1980 had been achieved. These statistics would, therefore, seem to indicate a current

unemployment situation of well in excess of 2,4 million persons.

It can also be noted that the Bureau of Market Research study already referred to in subsection 2.4.1 observed (pp 32, 37) that, as the annual increase in employment lagged behind population growth throughout the period 1950-1985, the percentage of the South African population in wage-earning employment definitely declined over the period. In five of the nine sectors of production, the total number of paid employees was lower in 1985 than in 1980, as reflected in the negative growth rates for the period. The relevant sectors are agriculture, manufacturing, construction, trade and accommodation, and transport.

2.4.3 Cyclical unemployment in South Africa

From the above analysis it is quite clear that, since the seventies, the South African economy has shown an increasing inability to provide employment for its total labour force, even at the peaks of business cycles. Bell (March 1985, p 28) is therefore of the opinion that the trend in South African unemployment rates over the last ten years should be explained in long-run structural rather than in short-run cyclical terms.

It must also be reiterated (see section 1.3) that while a distinction between cyclical and structural employment is analytically useful and particularly relevant from a policy perspective, there does exist a certain interdependence between the two - the one feeding on the other - and that the various categories of unemployment tend to become blurred. There is, therefore, no easy practical way to distinguish between cyclical and structural unemployment. While acknowledging that the distinction between different categories is to some extent artificial, it appears to be preferable to differentiate, both conceptually and statistically, between these categories.

The relative importance of cyclical unemployment may be gleaned from estimates (see Table 3) made by Simkins (1978, 1982). The

Table 3 : Unemployment rates in South Africa 1960-1982

1960	16,7
1961	17,4
1962	17,9
1963	17,8
1964	17,0
1965	17,5
1966	16,2
1967	15,9
1968	18,5
1969	17,3
1970	17,5
1971	17,7
1972	18,9
1973	17,0
1974	16,2
1975	16,2
1976	16,9
1977	18,4
1978	20,4
1979	21,1
1980	20,8
1981	21,1
1982	22,5

Source : Bell, R T, 'Issues in South African unemployment', **The South African Journal of Economics**, March 1985, quoting Simkins (1978, Table 20), Simkins (1982, p 6) and unpublished adjustments suggested by Simkins.

Notes : The unemployment rates for 1970-81 are from Simkins (1982, p 6), adjusted for an estimated decline in the labour force participation rate of Blacks over this period, due to an increase in the proportion of Blacks in the 15-24 age-group staying on at school. This reduces the rate of increase in the unemployment rate compared with the 1982 estimates. The unemployment rates for 1960-69 have been obtained by adjusting his earlier estimates for those years (Simkins, 1978, Table 20) in accordance with the suggestion he makes in his 1982 study and linking them to the estimates for 1970-81.

table indicates that after rising in the early sixties, the unemployment rate fell to its lowest level in 1967. In 1968 it rose sharply but thereafter declined somewhat until 1972 when, at 18,9 per cent, it exceeded the 1968 rate. The gold boom of 1973-75 brought a concomitant decline in the unemployment rate to a level only slightly higher than in 1967. Thereafter the unemployment rate rose strongly to 21,1 per cent in 1979 and more or less maintained that level until 1981. However, it then rose again in 1982 to 22,5 per cent, a level which had not previously been reached. Simkins thus concludes that the cyclical fluctuations of less than three per cent over the period are small relative to the larger structural problem.

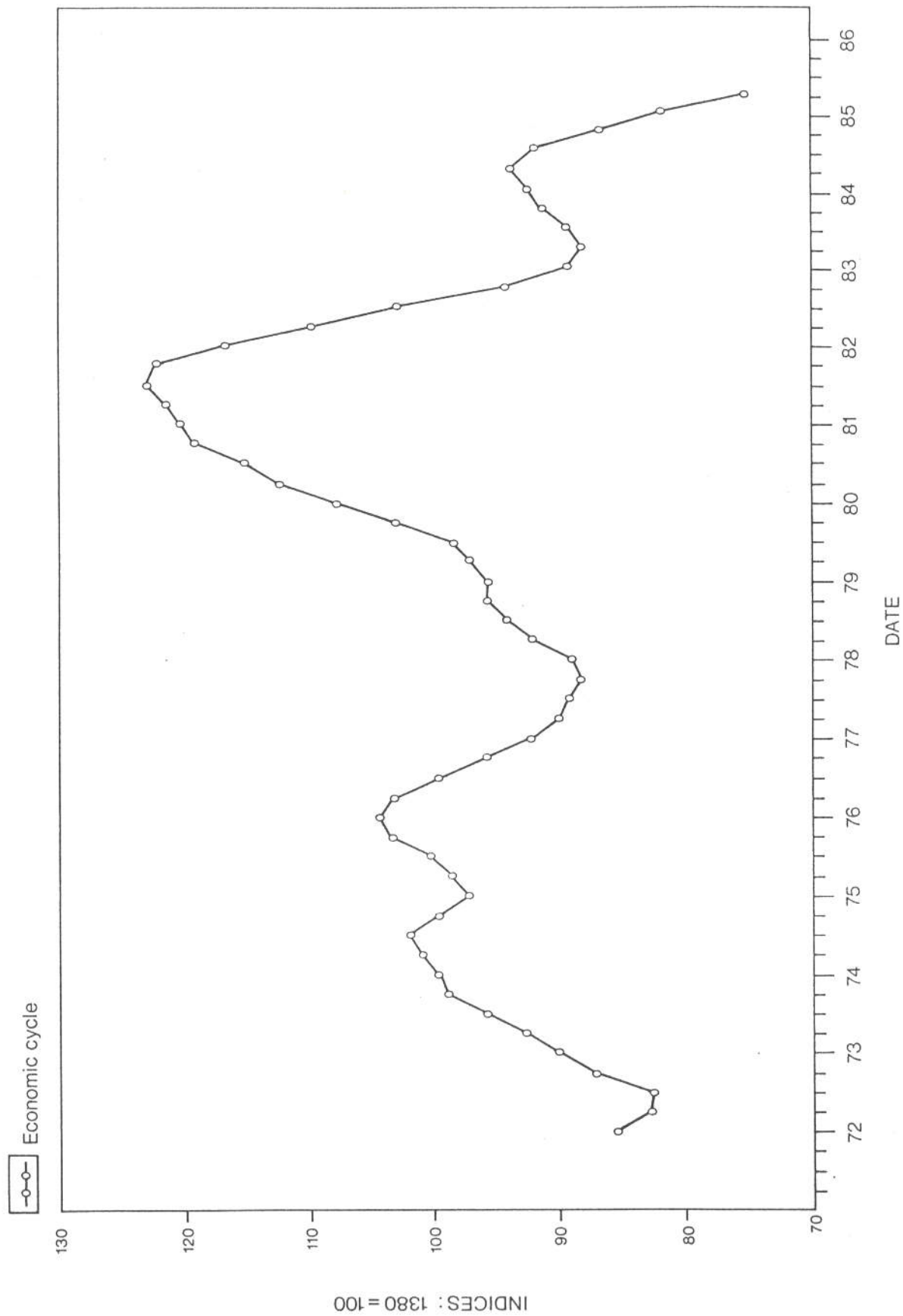
As part of an unpublished, ongoing study into 'Methods to counter the effect of cyclical unemployment in the short term without harming the long-term growth and employment creating capacity of the economy', the NMC and the Central Economic Advisory Services, *inter alia*, also devoted some attention to a statistical analysis of cyclical unemployment in South Africa. Some salient points made in the working papers prepared for the above study are given below. (pp 7-13)

By comparing the coincident business cycle indicators with time series for unemployment and employment, some idea is formed of how cyclically sensitive they are to the business cycle. A combination of chosen indicators has the advantage of providing a more stable relationship with the general business cycle because the composite indicator will be a more even series than the individual economic indicators. (See p 7)

Because employment in the formal sector gives an indication of cyclical instability, the quarterly indices for total employment in the non-agricultural sectors for the population groups Whites, Coloureds and Blacks were compared with an overlay of coinciding indicators for the period 1972 to 1985 (Figures 4 and 5). This was to assess the cyclical variations in employment for the various population groups. White employment in the total non-agricultural sector showed little correspondence to the business

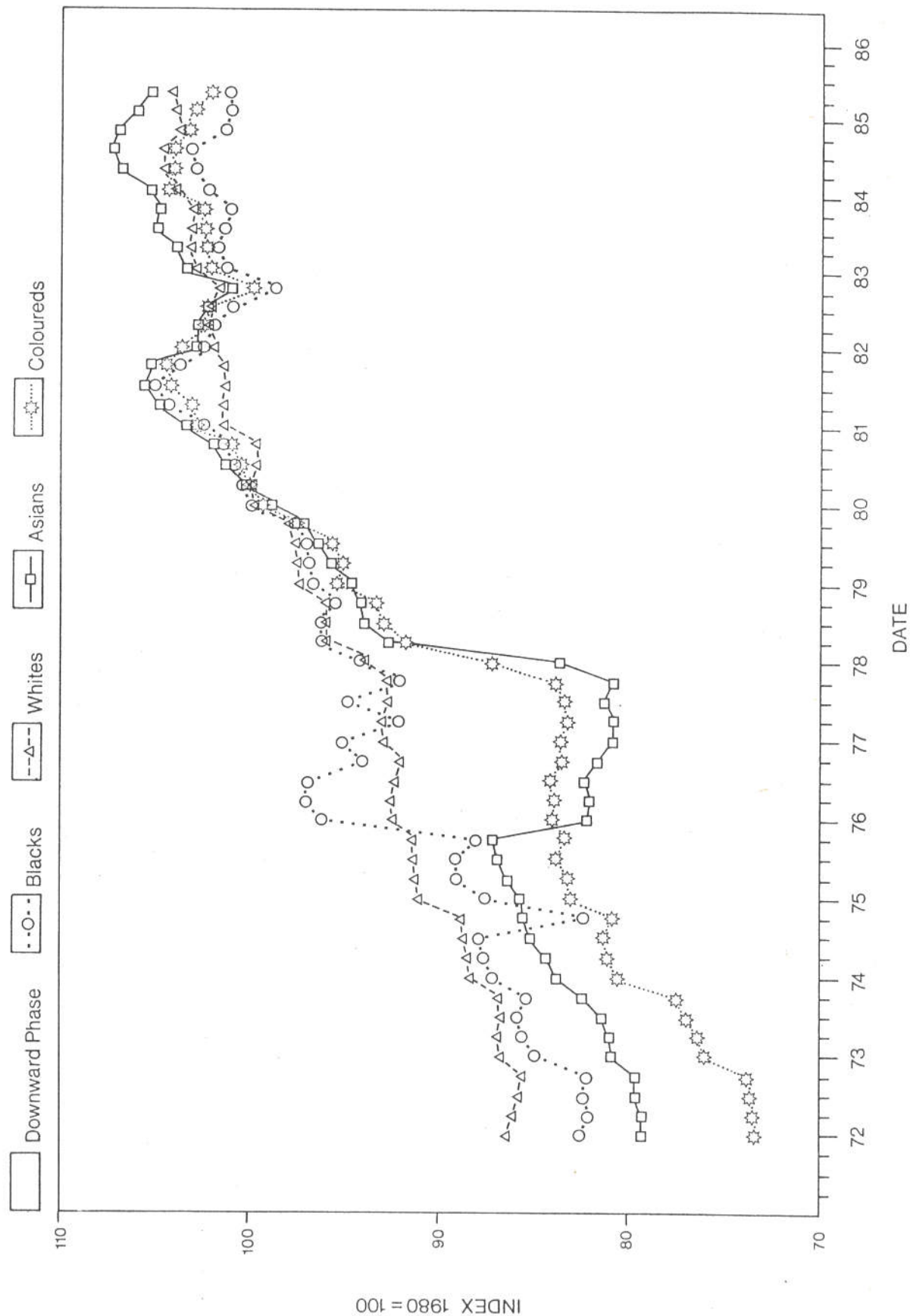
Fig.4 SELECTED COINCIDENT BUSINESS CYCLE INDICATORS

1972 — 1985



Source : SARB Quarterly Bulletin

Fig.5 TOTAL EMPLOYMENT IN THE NON-AGRICULTURAL SECTORS
FOR WHITES, COLOURED, ASIANS AND BLACKS



Source: Central Statistical Services

cycle. Employment increased with minor fluctuations from 1978 to 1984, implying an insensitivity to the business cycle. Coloured employment showed a responsiveness to the business cycle indicator and also had the largest variation (that is, greatest fluctuation). The peaks lagged the cyclical indicators by six months in the first cycle and by three months in the second cycle. There was also a responsiveness to the cycle in Black employment in the non-agricultural sector (p 8). It is important to stress here that there are significant lags between the time policy is initiated and implemented. This impacts the effectiveness in addressing meaningfully cyclical unemployment.

The following reasons were offered why Coloured employment seemed to be cyclically more sensitive if compared with Black and White employment :

- A greater percentage of the Coloured labour force than the Black labour force is involved in the non-agricultural, formal sectors, which are more sensitive to business cycles than the informal sector or subsistence farming.
- A greater percentage of Coloureds than Whites are in semi- or unskilled occupations, where the impact of a cyclical downturn is felt more severely.

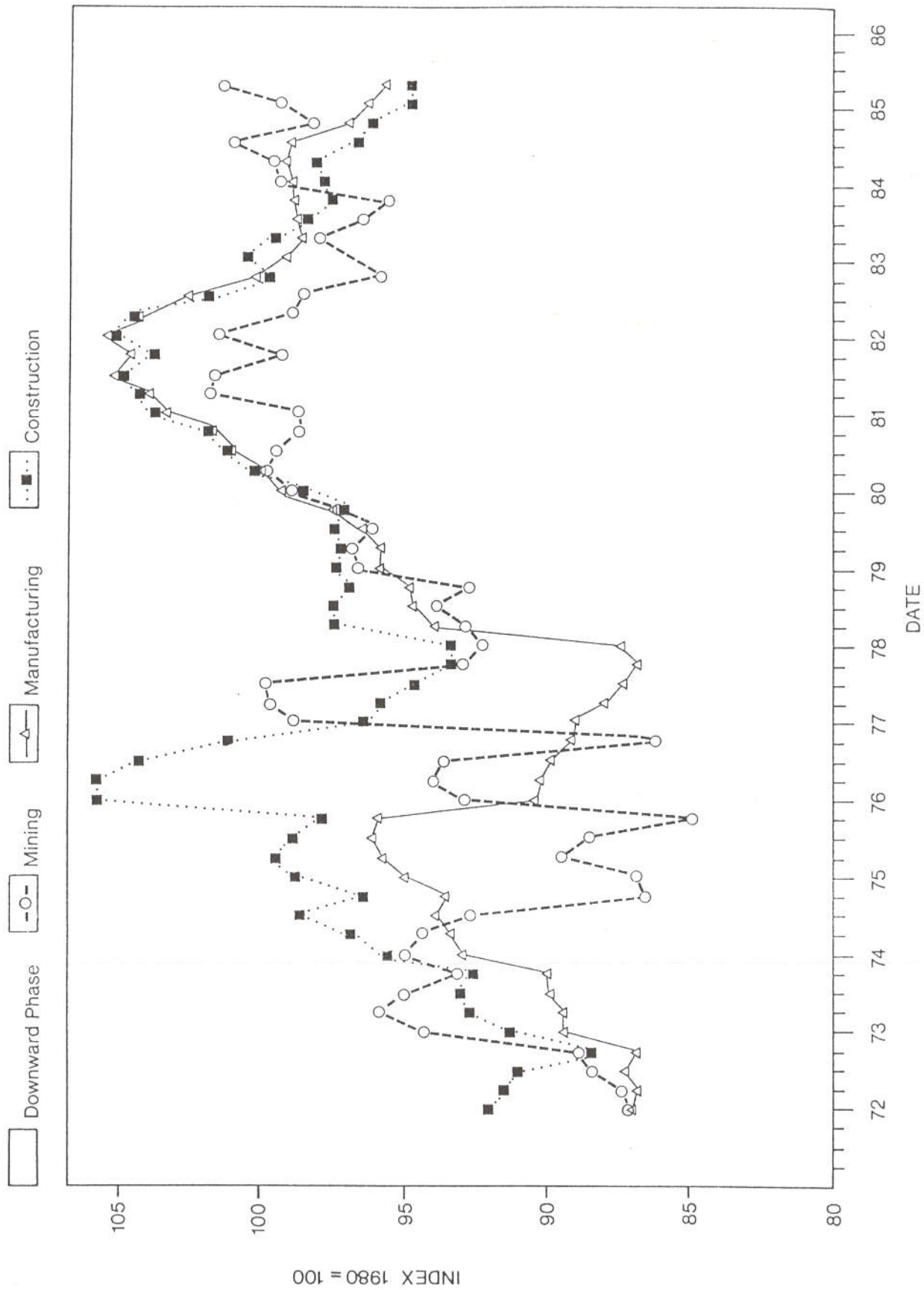
The sensitivity of employment to the business cycle was also gauged in six sectors of the economy, namely mining, manufacturing, construction, commerce, transport and communication, and government services (Figures 6 and 7). For total employment both manufacturing and construction corresponded to the cycle with peaks coinciding but with the downturns lagging by approximately three to nine months. This could be due to a backlog of orders in these two sectors being built up during the upswing and thus sustaining them at the peak for a period before going into decline. At the bottoming out phase, the better utilization of existing personnel is probably the reason for the lag in the increase in employment. Mining, while showing a mild degree of sensitivity to the cycle, had greater quarterly fluctuations

(Figure 6). Both commerce and transport and communication showed little sensitivity to the cycle as did government services (Figure 7). Total employment in government services showed a steady growth over the period. One reason for this is that this sector is not prone to cycles as the Government does not retrench staff in a recession. In fact the Government often absorbs the unemployed in a time of cyclical downturn. (pp 8-9)

Employment of Whites in the sectors mentioned shows the same pattern as that for total employment. Mining, manufacturing and construction all show some sensitivity to the cycle with the peaks lagging the cycle by some months. Commerce, transport and communication and government services showed little or no response to the cycle, again with a long-term upward trend in the government services sector. For Coloureds, employment in manufacturing showed a small degree of responsiveness to the cycle albeit with a small variation. Mining showed a long-term decline in employment from the second quarter of 1980 whereas construction showed very little sensitivity to the cycle. Employment in commerce showed no relation to the business cycle with a modest growth in employment over the period, whereas in the transport and communication sector employment showed a modest decline. Again government services showed a marked increase in employment of Coloureds. Black employment in the manufacturing and construction sectors showed a high degree of correspondence peaking at approximately the same time as the business cycle. Employment in mining showed a small response to the cycle with a high degree of seasonal adjustment taking place. In the transport and communication sectors some sensitivity to the cycle can be seen with peak employment lagging the cyclical indicator. Long-term growth was experienced in both commerce and the government services sector. (pp 9-10)

As far as unemployment is concerned, it was observed that there was a definite cyclical pattern discernable regarding Whites, Coloureds and Asians registered as unemployed (Figure 8). Unemployment tends to decline only a few months after the start

Fig.6 TOTAL EMPLOYMENT IN CERTAIN SECTORS



Source: Central Statistical Services

Fig.7 TOTAL EMPLOYMENT IN CERTAIN SECTORS

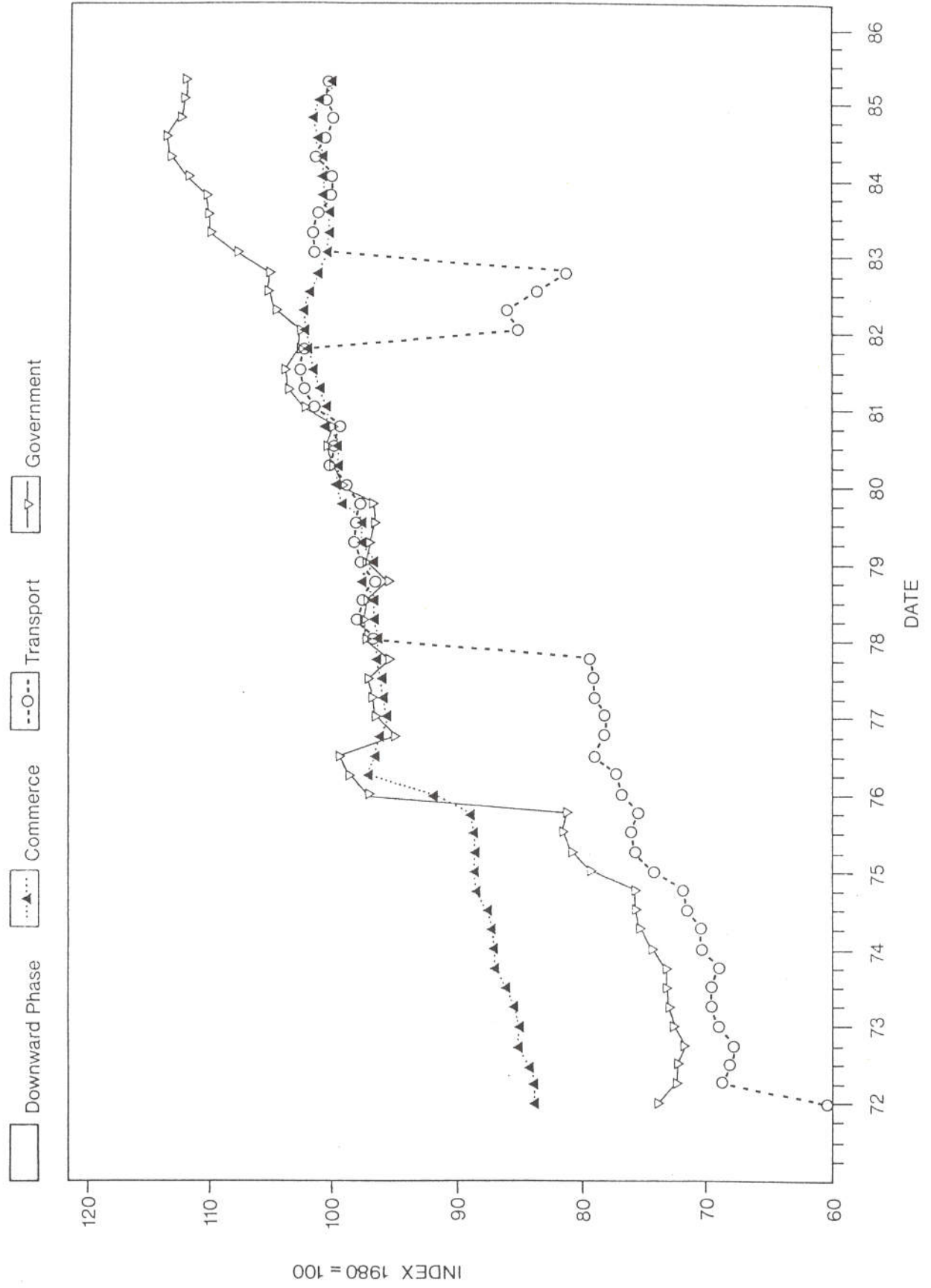
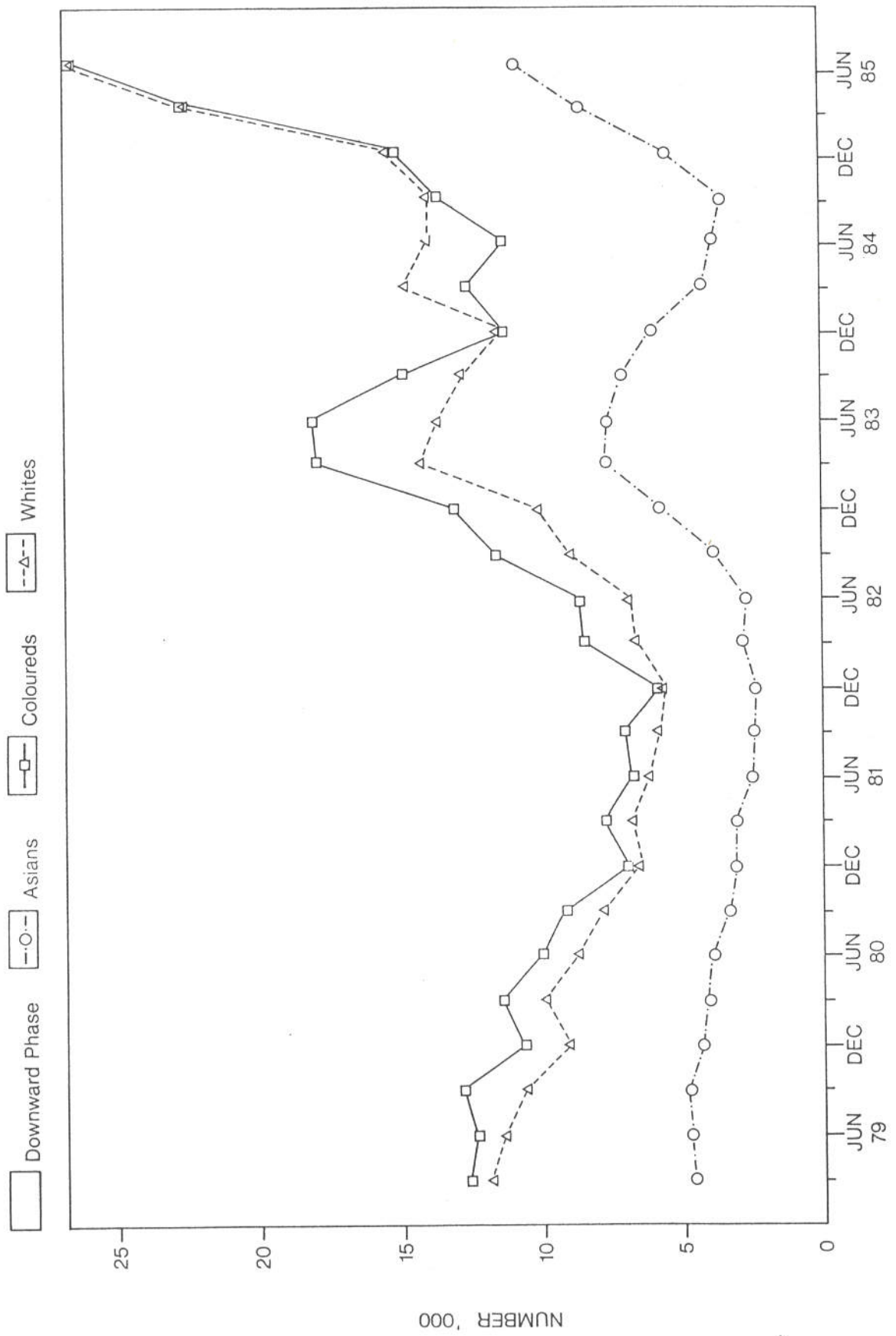


Fig.8 REGISTERED UNEMPLOYMENT AMONG WHITES, COLOURED
AND ASIANS; 1979 — 1985



of the upturn in the economy. This could be due to spare capacity being utilized before additional workers are employed. The increase in unemployment commences before the onset of the decline in economic activity. This could be due to firms reaching full capacity, and thus starting to cut back on new recruitment. (p 10)

Unemployment according to the CPS for Blacks, Coloureds and Asians is indicated in Figure 9. A breakdown by sex was required to determine whether males or females were more cycle prone. The percentage unemployed was calculated on a quarterly basis from the first quarter of 1978 to the second quarter of 1984. For Coloureds both male and female unemployed showed a sensitivity to the business cycle indicator. It should be noted that female Coloured unemployed were slightly more volatile than the male time-series (Figure 10a). Unemployment for male and female Blacks over the same time period showed only a mild sensitivity to the business cycle, being slightly more pronounced for women than for men. Again for male unemployment the variation was smaller. This small variation in unemployment over the period and the corresponding mild effect the business cycle had on Black employment could indicate that this population group suffers more from a structural unemployment problem than a cyclical one. Although Black employment in the formal sector shows sharp cyclical fluctuations, this does not always show up to the same extent in total Black unemployment. The reason for this is possibly that a large part of the Black work-force is involved in the less cyclically influenced agricultural and informal sectors (Figure 10b). (pp 10-11)

The cyclical influence on Coloured and Black unemployment in urban and rural areas is indicated in Figures 11a and 11b. This was to assess where the business cycle influence had its greater effect, ie in urban or in rural areas. For Coloureds (Figure 11a) unemployment in both the cities and the towns showed a strong correlation with the business cycle indicator. With most of the coloureds employed in industry which is centered around the major cities and towns this sensitivity to the business cycle

Fig.9 UNEMPLOYMENT ACCORDING TO CPS: BLACKS, COLOUREDS AND ASIANS, RSA; JAN. 1979 – JUL. 1985

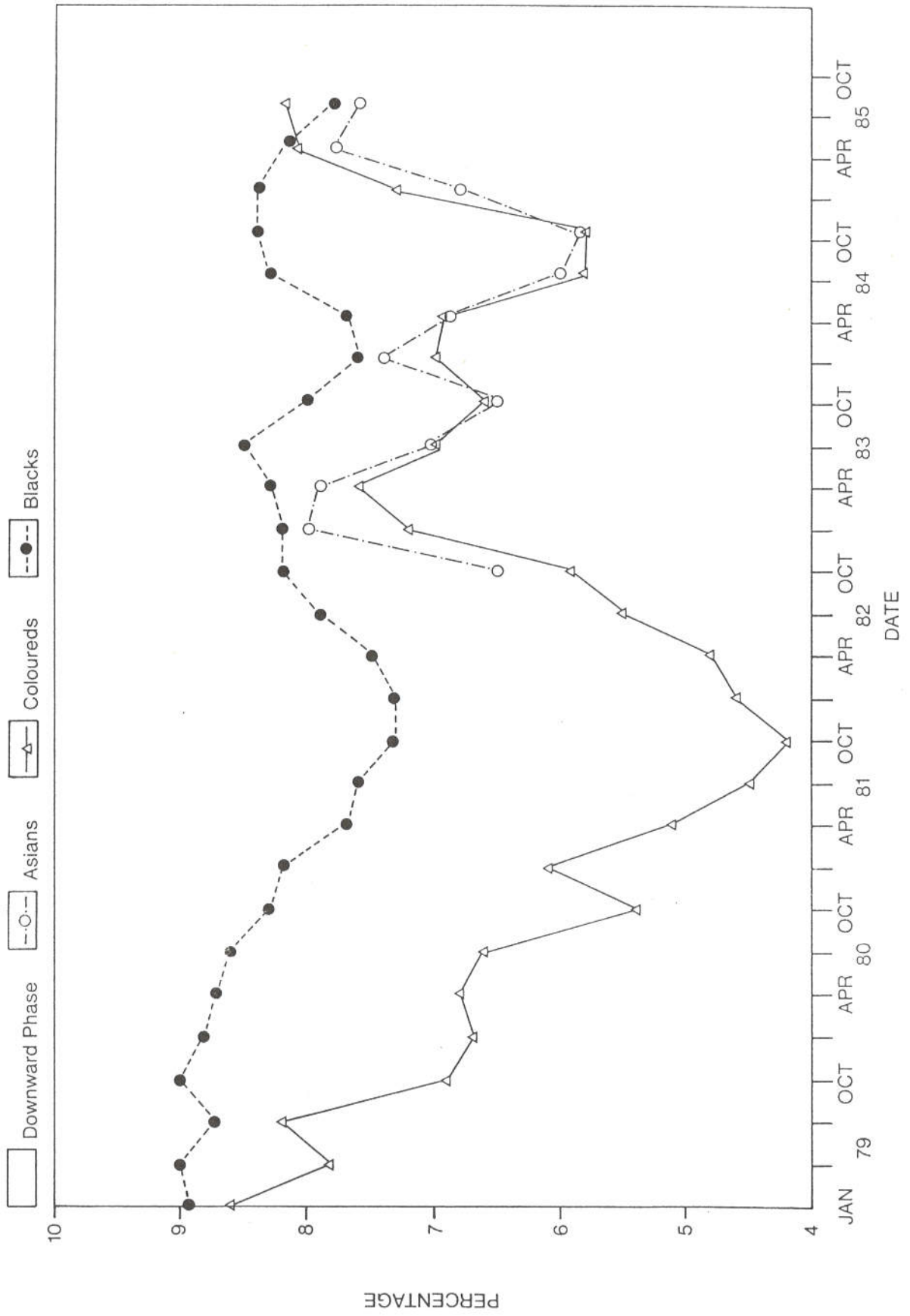


Fig. 10a UNEMPLOYMENT ACCORDING TO THE CPS:
COLOURED, RSA; JAN. 1979 — JUL. 1985

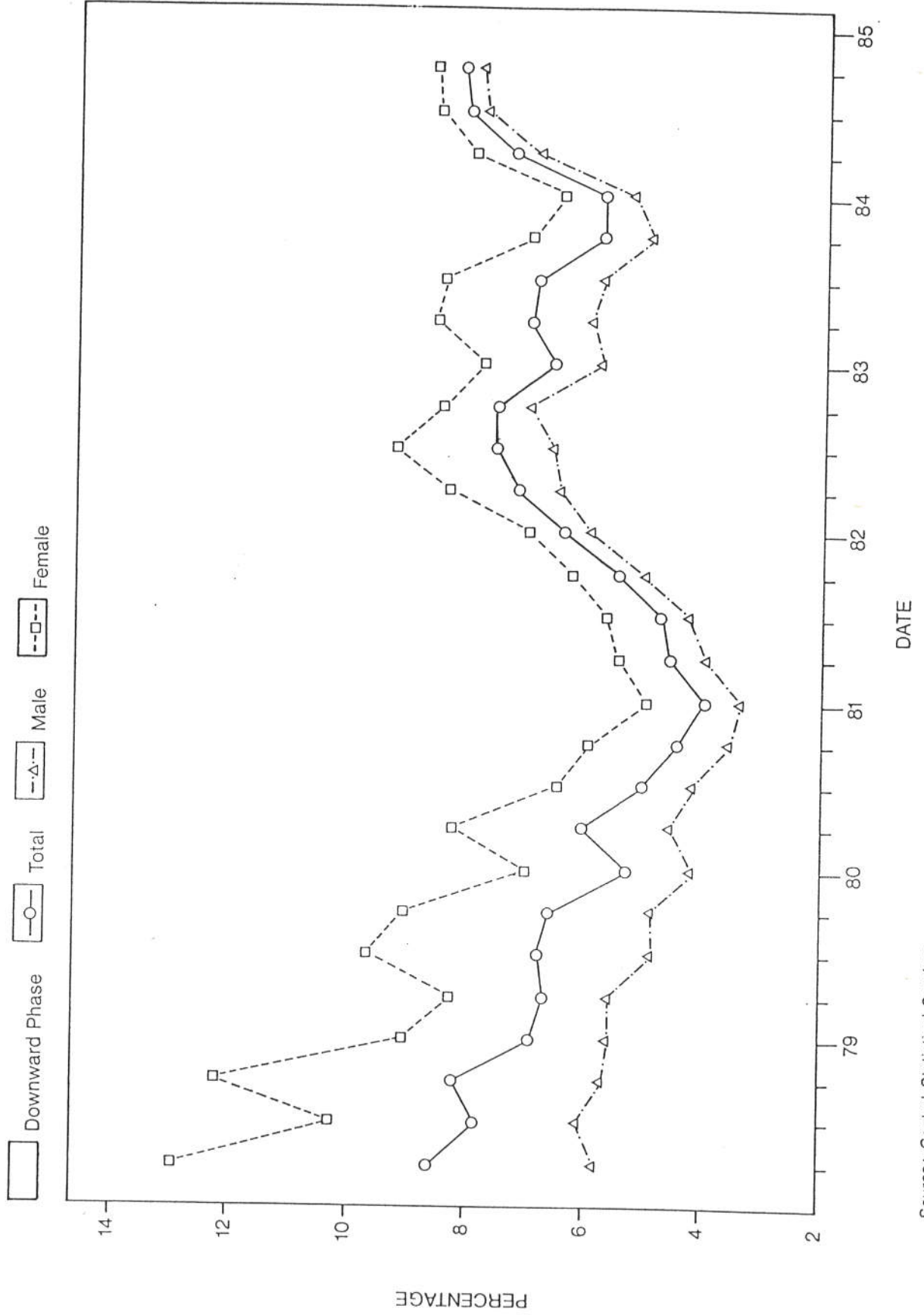


Fig.10b UNEMPLOYMENT ACCORDING TO THE CPS :
BLACKS, RSA; JAN 1979 — JUL. 1985

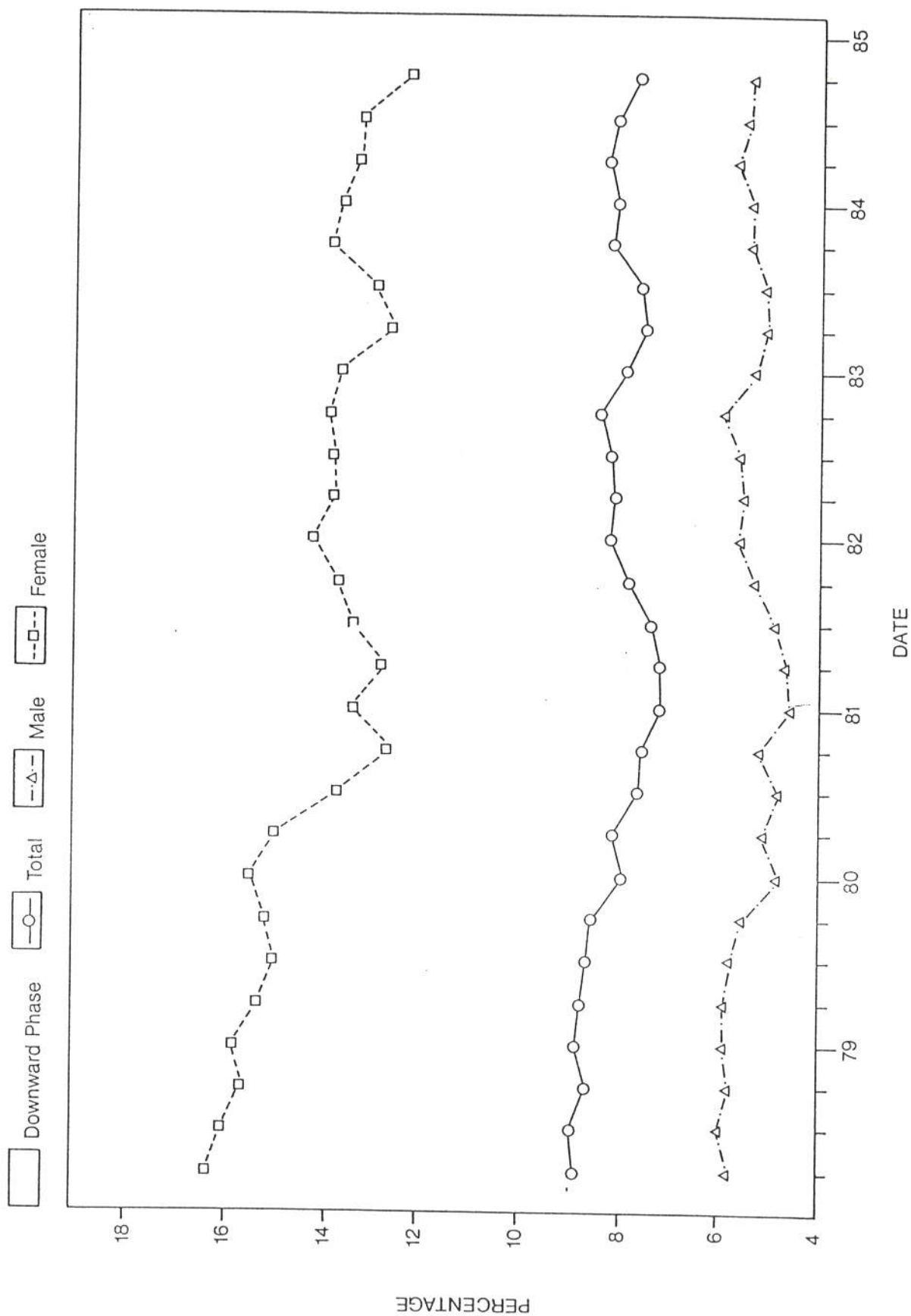


Fig.11 a UNEMPLOYMENT ACCORDING TO THE CPS : COLOURED,
JANUARY 1979 — JULY 1985

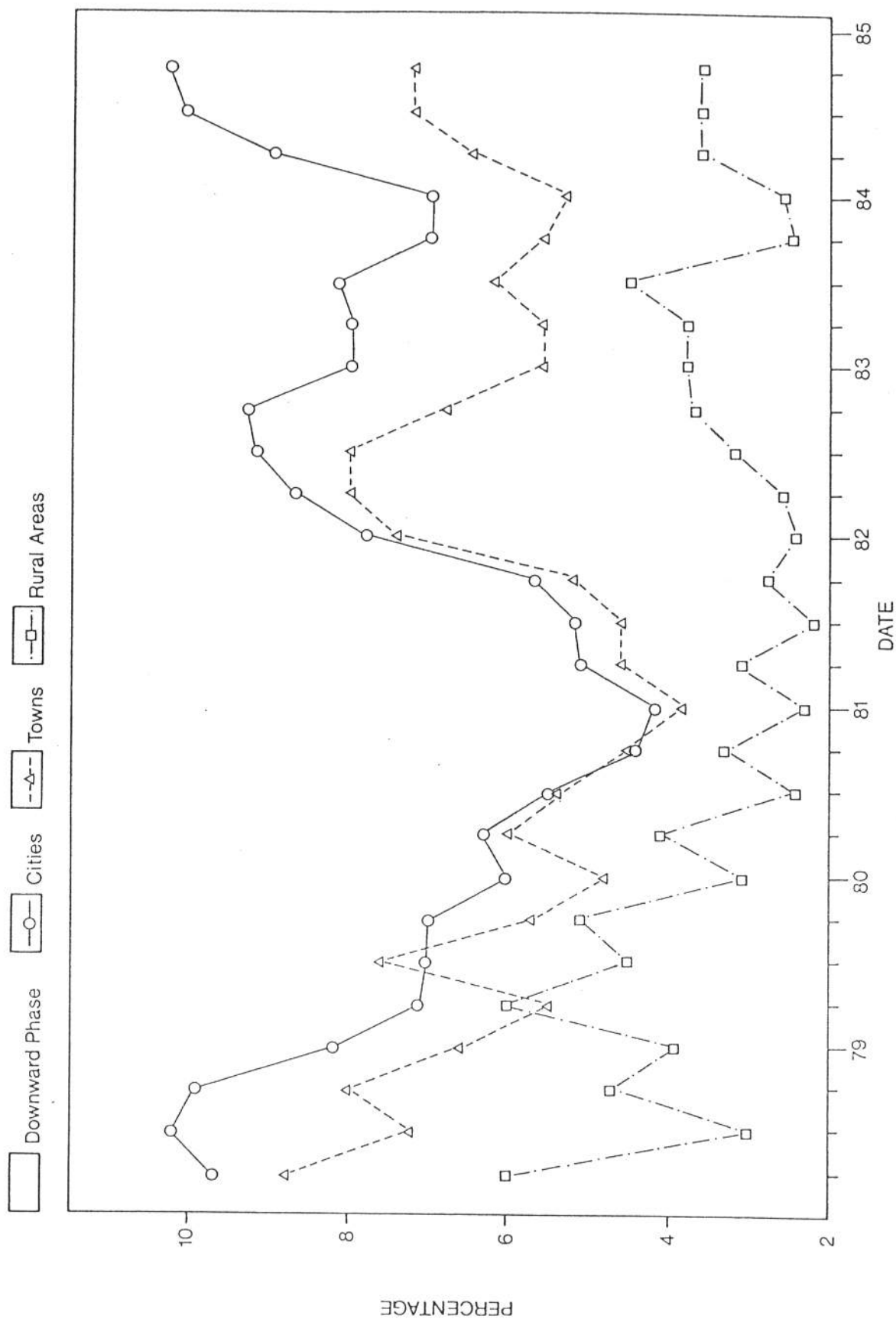
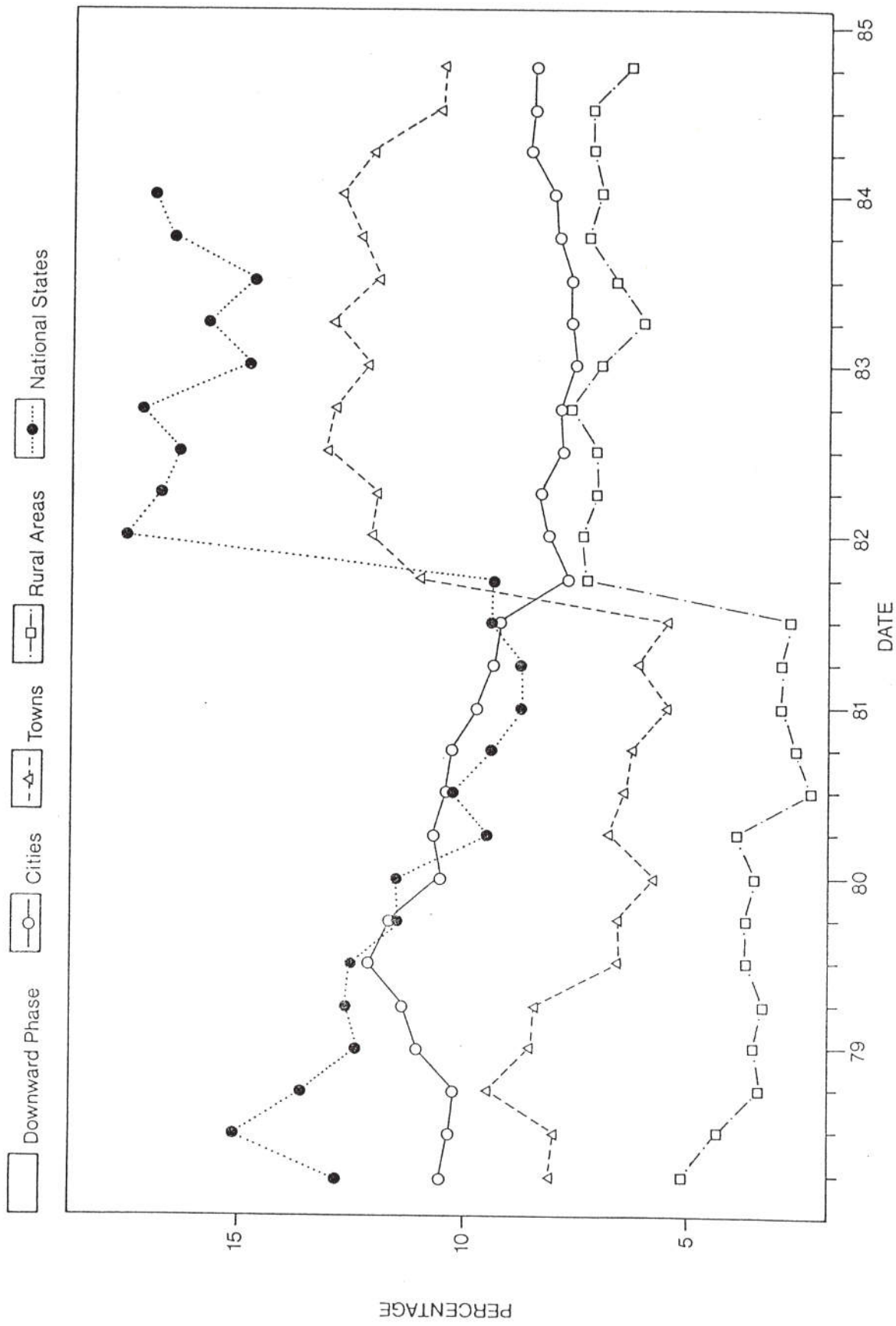


Fig.11 b UNEMPLOYMENT ACCORDING TO THE CPS: BLACKS,
JANUARY 1979 — JULY 1985



could be expected. Rural areas showed only a mild reaction to business cycle influences. The predominance of the agricultural sector in rural areas could be responsible for this tendency. The time

series for Black unemployment in all areas except cities has shown a marked upward shift since 1982. This could be related to the fact that the classification system for urban and rural areas has been changed. The two data sets are thus not strictly comparable (Figure 11b). As a higher percentage of workers in the urban areas are involved in the formal sector, one would expect cyclical unemployment to be more pronounced in the urban areas. This tendency can be discerned among Coloureds, but not among Blacks. (p 11)

Cyclical unemployment, however, also places a heavy burden on rural Black communities which could be related to the migrant labour system. Migrant workers occupy predominantly the least attractive jobs, which are cyclically quite sensitive while the flow of migrants through labour bureaux is also reduced when employment is contracting. Furthermore, the fact that a migrant worker must return to rural areas when he is retrenched severely reduces his chances of soon finding another job. (p 12)

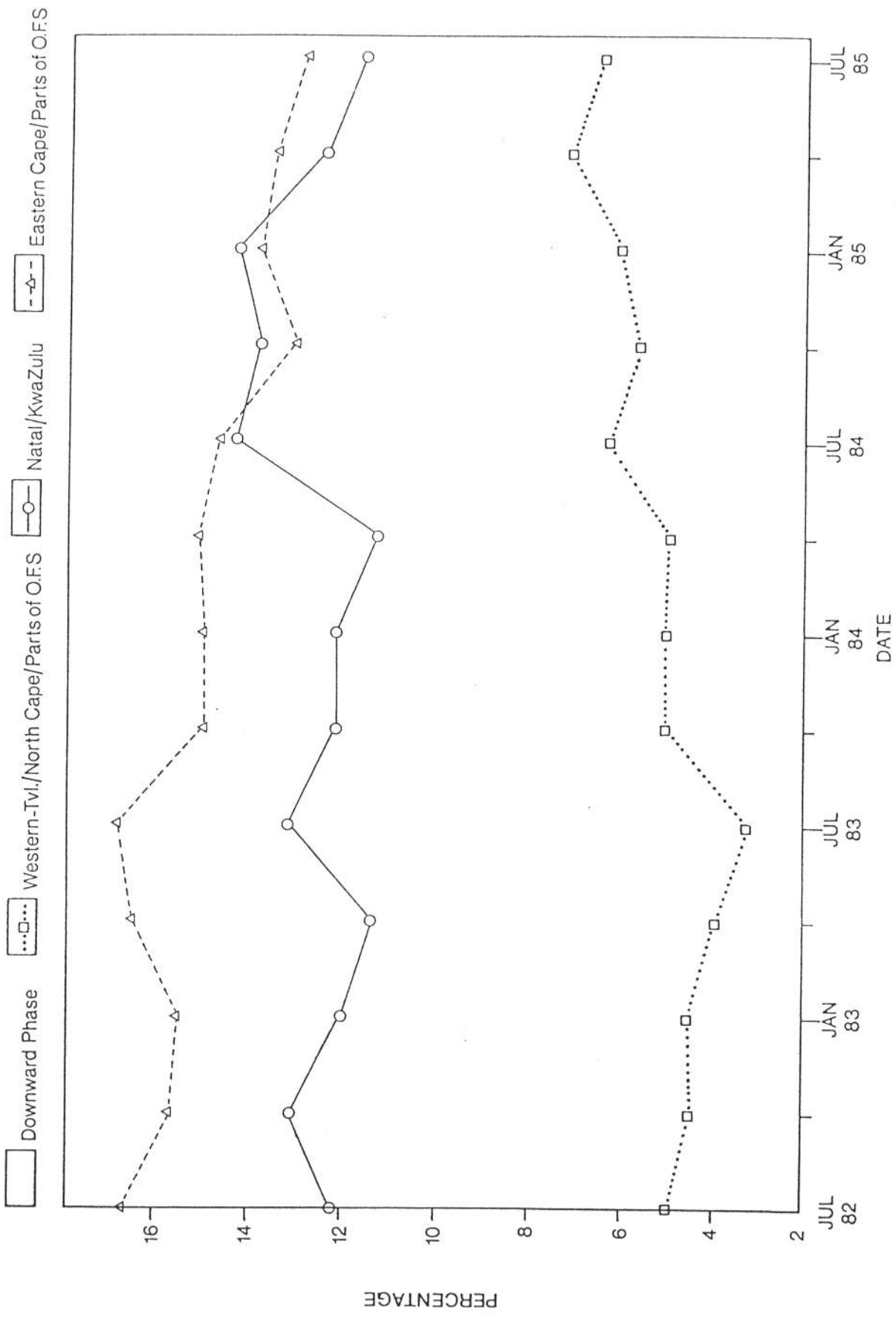
Finally, the study looked at unemployment of Blacks as a percentage of the economically active population by development region. This was to determine what effect the business cycle had on employment in these regions. Data was available for the period July 1982 to January 1985 on a quarterly basis. The six development regions included are the Western Transvaal/Northern Cape and parts of the OFS; the Eastern Cape and parts of the OFS; Natal/KwaZulu; the Western Cape; Northern Transvaal and parts of Lebowa and Gazankulu, and the PWV area. No cyclical trend was discernable in any of the development regions, although the period used was too short and had been subject to too many unique influences to facilitate dependable deductions. The Eastern Cape and parts of the OFS had the highest level of unemployment for the period in question whereas the lowest levels were found in the Western Transvaal/Northern Cape and parts of

the OFS area. The Northern Transvaal and parts of Lebowa and Gazankulu as well as Natal/KwaZulu were the most volatile of the six regions as far as unemployment was concerned. While the unemployment rate in the PWV area is relatively low in comparison with most of the other areas, there is a trend of rising unemployment in this region. Finally the Western Cape shows a declining trend in Black unemployment from January 1983 to January 1985 (Figures 12a and 12b).

A breakdown of unemployment by age indicates that it predominantly occurs where workers are under the age of thirty. The percentage of Blacks and Coloureds younger than thirty considered unemployed by the CPS is approximately 60 and 65 per cent respectively. Young people as well as less skilled workers usually suffer the most during economic downturns.

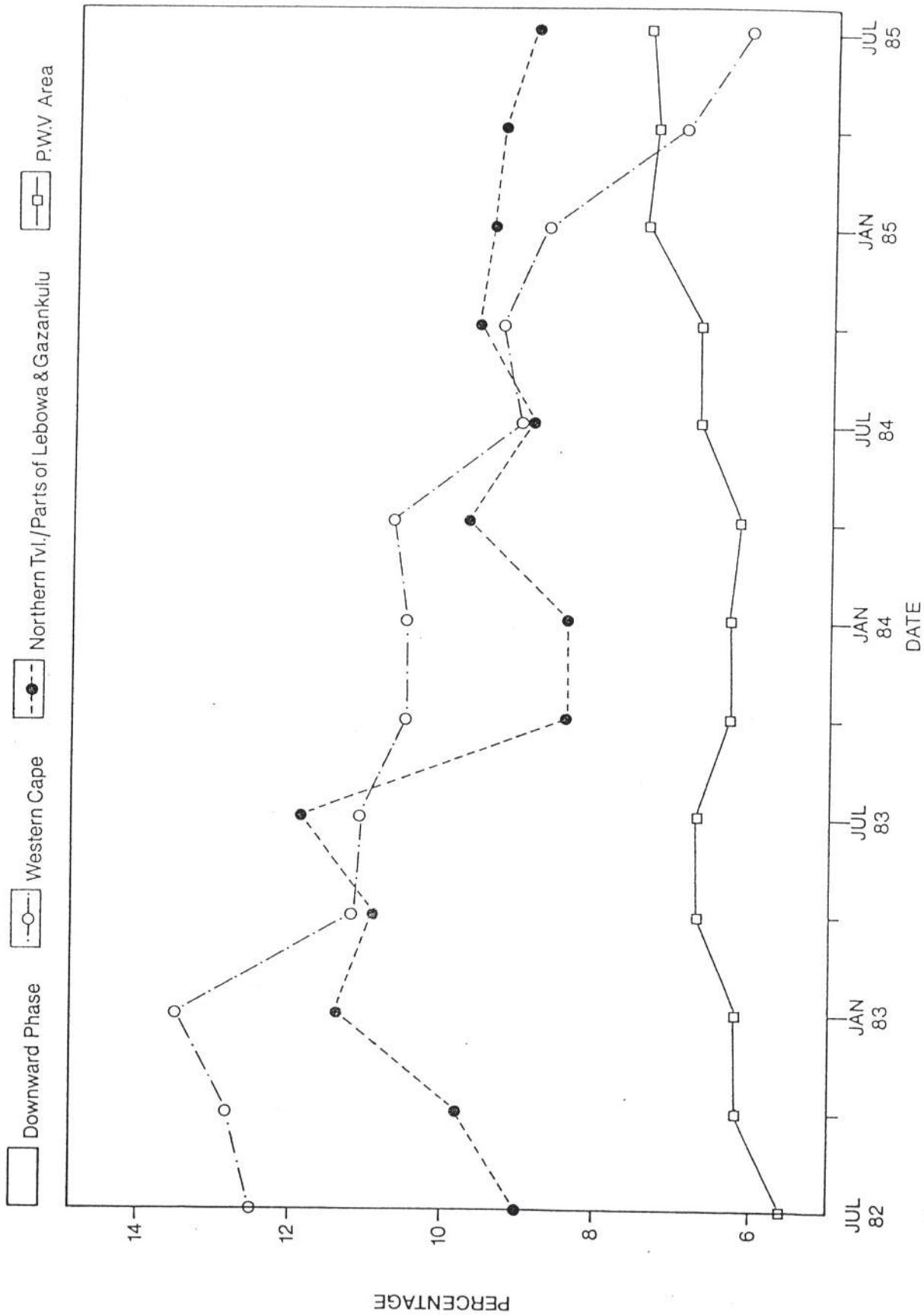
The evidence presented above shows that employment and unemployment for the three population groups studied would seem to be sensitive, in varying degrees, to the influence of the business cycle. While cyclical unemployment is a problem in the population groups studied, Black unemployment is more structurally prone than the others.' (pp 12-13)

Fig. 12 a BLACK UNEMPLOYMENT (CPS) AS A PERCENTAGE OF THE ECONOMICALLY ACTIVE POPULATION, NATIONAL DEVELOPMENT REGIONS



Source: Central Statistical Services

Fig. 12 b BLACK UNEMPLOYMENT (CPS) AS A PERCENTAGE OF THE ECONOMICALLY ACTIVE POPULATION, NATIONAL DEVELOPMENT REGIONS



Source : Central Statistical Services

3. DESCRIPTION OF THE SPECIAL EMPLOYMENT CREATION PROGRAMMES (SECP)

3.1 The initial programmes

In an attempt to soften the negative effects of the downturn in the domestic economic activities on especially the unemployed, the South African Government decided during 1983 to adopt various measures such as :

- an improvement in the unemployment insurance benefits and procedures
- the training of unemployed persons in order to improve their employment potential
- drought relief
- assistance to viable small business enterprises to keep them solvent during the prevailing crisis, and to maintain existing job opportunities and to create new ones, where possible
- special employment creation.

It must be pointed out that these measures were not all organized within a single programme. Drought relief and special employment creation were, however, combined and received a vote of R27,5 million during the 1983/84 and 1984/85 financial years. The idea was to address the unemployment situation at its origin, namely in rural areas, and to apply the principles contained in the White Paper on a strategy for the creation of employment opportunities in the Republic of South Africa.

The White Paper on a strategy for the creation of employment opportunities in the Republic of South Africa (Republic of South Africa (1): 2) clearly distinguishes between structural and cyclical unemployment. Structural unemployment should be addressed through economic growth and the improvement of the employment-creating ability of the economy. The economic growth strategy should include measures such as import replacement, export promotion, appropriate sector policies, the pursuit of market-related wages, prices, and interest rates and exchange

rates, the education and training and efficient utilization of the country's work-force, lessening of the tax burden, and the curtailment of government spending. To improve the employment-creating ability of the economy, continuous attention should be given to the correction of measures that might cause market distortions, the promotion of the small business sector, optimal regional development, and the education, training and efficient utilization of the country's available manpower.

The problem of cyclical unemployment should be tackled through measures such as :

- the use of the Unemployment Insurance Fund
- the negotiation of agreements between employers and employees on shortened working hours or on training programmes, or to introduce job sharing, rather than to retrench some workers
- the rechanneling of government funds to applications that maintain or create more jobs, such as low-cost housing, rural development, home industries, and the construction and maintenance of infrastructure such as roads, smaller dams, schools and State buildings. (Republic of South Africa (i): 14, 15, 16).

Some of the important principles on which the employment creation strategy is based, are that :

- the private sector should play the predominant role in this regard, with the Government supplementing and promoting this role
- the measures used for the two main types of unemployment should not be mixed, although the cyclical or short-term action should be seen in the context of the structural or long-term approach
- due regard should be taken of the distribution of unemployment among the various geographical regions and among the various states in Southern Africa
- the unemployment problem should be dealt with through close co-operation between all the states in Southern Africa (White Paper on a strategy for the creation of employment

opportunities, Republic of South Africa (i): 2, 3).

The said White Paper (pp 16-18) stated emphatically or by implication that when special government expenditure programmes are used to combat unemployment, the following conditions should be satisfied :

- Special attention should be given to the start-up time of projects.
- The possibility of rescheduling priorities in favour of more labour-intensive projects within the budgetary limits set by stabilization considerations should be pursued.
- Care should be taken to avoid undertaking projects on the grounds of employment creation in the short term that do not have inherent economic merits and which will not in the long term be viable without government support.
- Such projects should be in line with the needs identified by the local communities themselves.
- As much use as possible should be made of local raw materials, labour and enterprises.
- The necessary funds, and administrative and management capabilities, and other resources should be available for the successful completion of the projects.
- Existing bodies should be used for the implementation of projects.
- Work seekers who are subsidized by the State in one way or another should not displace workers already in employment.
- Provision should be made for the winding down and termination of projects.

The SECP for 1983/84 and 1984/85 concentrated on labour-intensive projects such as water conservation, soil conservation, weed eradication, and maintenance of basic infrastructure. A committee, known as the Interdepartmental Action Committee re Employment Creation, was established under the chairmanship of the Central Economic Advisory Services to manage the programme on behalf of the Government. Each participating Department was, however, responsible for the administration and detailed planning of projects. The guidelines for assessing project applications

were the following :

- (a) Provision must be made to end projects or to incorporate them in the normal long term programmes of departments.
- (b) Provision of employment must be restricted to persons not eligible for unemployment benefits and those whose benefits have been exhausted, and workers must not be recruited in competition with other sectors.
- (c) Arrangements must be made for the employment of persons on these projects, separate from the permanent work force.
- (d) More than 50 per cent of the total funds allocated to a project must be for the wages of the unemployed persons.
- (e) The State would pay a maximum amount of R2,50 per work day for each unemployed person employed on these special projects.
- (f) Preference must be given to the breadwinner of each destitute family.
- (g) Unemployed persons should be employed as near as possible to their places of residence.

3.2 The R100 million programme

Since the South African economy again entered a downward cyclical phase during 1985, the South African Government decided that the special employment creation and drought relief programmes should be continued and expanded to include the urban areas as well. The Government therefore allocated a sum of R100 million in its 1985/86 budget for this purpose, while another R30 million was made available for assistance to the small businessman. Because of the inclusion of the urban areas, the type of project eligible for assistance then included training, self-help housing, and the upgrading of residential areas. It was also decided to allow for

regional differences in needs. In this connection the Eastern Cape was given priority.

The conditions applicable to the programmes also had to be revised :

- The maximum cash wage, or allowance, per work day remained at R2,50 for rural areas, but was increased to R4,00 for urban areas.
- A proviso was added that the wage rate should not exceed the rate justified by local circumstances and that it should in any case not exceed minimum wage rates applicable to an area.
- The allowance could under certain circumstances be regarded as a wage subsidy, ie employers could sometimes add to the allowance from own sources.
- The training of unemployed persons by the private sector could be subsidized. A maximum subsidy of R1,80 was set for persons younger than 18 years, and of R2,40 for persons older than 18 years.
- Only persons who complied with the normal work and residential conditions in respect of urban areas could be employed on projects in those areas. Commuters or contract workers who were normally employed in urban areas and who had become unemployed were included.

It was furthermore decided to launch a comprehensive publicity campaign for the programmes. The programmes eventually commenced in July/August 1985.

3.3 The R600 million programme

Because of the extraordinary circumstances prevailing in Southern Africa at the time, as explained in section 2.3 above, as well as

the apparent success of the R100 million programmes, the South African Minister of Finance announced on 20 September 1985 that a further R500 million, to be raised from a surcharge on imports, would be allocated for special programmes to create employment and provide relief, which brought the total amount for this purpose during the 1985/86 financial year to R600 million.

The type of assistance included under the R600 million programmes now also included the provision of food packages to the hungry, support to small business, strengthening of the Unemployment Insurance Fund, labour-intensive projects by the private sector, and various other minor projects.

The overall responsibility for the allocation of the R600 million was now assigned to the South African Minister of Manpower. In the wake of this decision and as a result of the wider scope of the assistance provided, it was also decided to terminate the Interdepartmental Action Committee re Employment Creation and to form a new Interdepartmental Committee under the chairmanship of the Director-General of Manpower (see Annexure III).

In the revised set of conditions issued it was stressed that :

- projects which had been budgeted for could not be financed from the special funds
- persons had to be registered with the Divisional Inspectors of Manpower, or the (former) Development Boards (or Magistrates in remote regions), as unemployed before they could be considered for the programmes
- in respect of private sector projects preference would be given to projects involving more than twenty unemployed persons, with a duration of more than two months and which could be completed before the end of March 1986 or shortly thereafter
- those private sector projects serving community needs should

be given preference

- projects which could elicit negative publicity, eg 'luxury' projects such as golf courses, would receive low priority
- the State would finance to a maximum of R4,00 per work day of each unemployed person in urban areas for the material, equipment, food, transport, supervision or general administration required to employ such a person, and to a maximum of R3,00 in rural areas
- the maximum allowance (or cash wage) for an unemployed person in rural areas was raised to R3,00 per work day and that for urban areas remained at R4,00.

The allocation of the R600 million changed continually depending on the progress of the various projects and subprogrammes, but the allocation as announced by the Minister of Manpower on 7 October 1985 was provisionally as shown in Table 4.

It is known that, after this date, the funds allocated to the training of unemployed persons and small-business development were increased, while the various Administrations for Own Affairs also received funds. The allocation for other projects by the private sector was accordingly reduced. These changes therefore only entailed a reallocation of funds and not the injection of additional funds.

The responsible institutions were required to report progress monthly to the Work Creation Committee on the following basis :

- description of project and areas
- number of persons employed on a specific date
- number of work days worked from beginning of project to date
- total amount expended from beginning of project to date (divided into wages and other expenses).

Table 4 : Initial allocation of funds

	R million
Public works programme	
TBVC countries (via Department of Foreign Affairs)	25
Self-governing national states (via Department of Development Aid)	33
Local authorities (via Provincial Administrations)	60
Self-help housing and infrastructure in Black urban areas (Department of Constitutional Development and Planning)	70
Other projects in Black urban areas (Department of Constitutional Development and Planning)	60
Various other minor projects	<u>32</u>
Subtotal	280
Labour-intensive projects by the private sector (via Department of Manpower)	75
Projects to support the small-business sector	
(a) Small Business Development Corporation	75
(b) Development Bank	25
Training of unemployed persons (Department of Manpower)	50
Provision of relief (food, etc)	20
Additional support for the Unemployment Insurance Fund	<u>75</u>
TOTAL	600

It should be reiterated that the R600 million programme was designed to end on 31 March 1986. Subsequently funds were provided for its continuation during 1986/87, and new guidelines were issued for this period. This report, however, only deals with SECPs before the 1986/87 financial year.

4. PROGRAMME OBJECTIVES, INSTRUMENTS AND TARGET GROUPS

4.1 Introduction

Government has the responsibility of pursuing policies that are in the national interest. National programmes and their constituent subprogrammes and projects should, therefore, be formulated and evaluated in such a way as to single out for implementation those that contribute most to the ultimate objectives of the country. It follows that a methodology for comparing and evaluating alternative programmes/projects in terms of their contributions to these objectives is required (United Nations, 1972, p 1).

In a search for such a methodology an increasing number of economists are challenging the validity of a strictly economic efficiency approach. The IDB-UNIDO symposium on the use of socio-economic criteria in project evaluation, held in 1973, dealt primarily with this point of controversy, the issue of single versus multiple objectives in project evaluation. The conclusion was reached that national policy decisions had political and social, as well as economic consequences. Therefore, it is desirable as well as inevitable that criteria other than those of economics alone be taken into account in determining public choices (Schwarz & Berney, 1977, p 3).

In deciding on the criteria against which the effectiveness of the programme, as defined in subsection 1.2.1 above, should be evaluated, the evaluation team took the following facts into consideration :

- The SECP was initiated and sponsored by the RSA government.
- It was **mainly** directed towards achieving RSA objectives and thus to addressing the perceived needs in the RSA itself (More than 92 per cent of the funds were spent within the borders of the RSA).
- The main reason for including the TBVC countries in the programme was to tackle the unemployment problem, which was an important element of the programme, at its origin.

The team concluded, therefore, that the programme's effectiveness should mainly be viewed from an RSA perspective and therefore against the norms and standards currently contained in the constitution of the RSA, which are *inter alia*, the following :

- 'To uphold Christian values and civilized norms, with recognition and protection of freedom of faith and worship,
 - To safeguard the integrity and freedom of our country,
 - To uphold the independence of the judiciary and the equality of all under the law,
 - To secure the maintenance of law and order,
 - To further the contentment and the spiritual and material welfare of all,
 - To respect and to protect the human dignity, life, liberty and property of all in our midst,
 - To respect, to further and to protect the self-determination of population groups and peoples,
 - To further private initiative and effective competition;'
- (Constitution of the Republic of South Africa, ?? : ??)

Emanating from constitutions, there is a continuous flow of more or less interdependent policies. These policies and their concomitant national programmes and activities are formulated in order to deal with the real situation existing in a country. It has become standard practice for governments to state their policies explicitly in so-called White Papers. Therefore, it stands to reason that in evaluating the effectiveness of a particular programme, cognizance should be taken of the objectives and guidelines contained in White Papers.

It should, however, be noted that many policies and objectives are not formally stated by governments, 'either because they have never been sufficiently crystallized, or because their explicit statement is tactically undesirable' (Dror, 1968: 34). These implicit policies and objectives should justifiably also be taken into account during evaluation, but to accommodate all implicit

and explicit policies and objectives within the scope of this study would not be feasible. Only those reflected in various White Papers and similarly authoritative official sources having a direct bearing on the SECP, have, therefore, been taken into consideration, namely :

- White Paper on a strategy for the creation of employment opportunities in the Republic of South Africa.
- White Paper on agricultural policy of the Republic of South Africa.
- White Paper on industrial development strategy in the Republic of South Africa.
- White Paper on urbanization.
- White Paper on the provision of education in the Republic of South Africa.
- Various economic development programmes for the Republic of South Africa.
- The White Paper and information newsletter on regional development.
- Hansard (among others, statements by the State President and Budget speeches).
- Multilateral co-operation in Southern Africa (Multilateral Development Council of Ministers).
- Estimate of the expenditure to be defrayed from State revenue account during the financial year ending 31 March 1986.

It should also be noted that the real situation in a country may, intermittently, deviate to a greater or lesser extent from what can be considered to be the situation for which White Papers have been formulated. During such times priorities in respect of norms and standards and development objectives may have to be rearranged. Such a rearrangement may, for example, result in other objectives taking precedence over economic ones. It may, for instance, happen that the real situation could change to such an extent for a short period of time, eg during cataclysmic upheavals, that short-term considerations may supersede the guidelines contained in White Papers unless the latter

specifically provide for such upheavals.

As was pointed out in previous paragraphs, the unemployment problem in South Africa has both a structural and a cyclical dimension. The White Paper on a strategy for the creation of employment opportunities in the Republic of South Africa (p 2) points out that **appropriate** measures are needed for each, adding that the short-term action should still be seen in the context of the long-term approach. In section 2.3 it was, however, noted that an unparalleled confluence of negative events exerted themselves on the South African economy during recent years bringing in their wake something 'more than a normal'² cyclical wave in the business cycle. Because random factors tend 'to stand in a class by themselves' it would seem reasonable to expect that such factors also require their '**own appropriate measures**'.

In the latter regard it is, therefore, of some importance to note a few features of business cycles. Many writers (Keynes, 1936; Haberler, 1946; Estey, 1956; Hansen, 1951; Pigou, 1929) on business cycle theory draw attention to the fact that many businessmen, financiers, and other economic decision makers tend to have an inadequate awareness of the business cycle phenomenon. During cyclical upswings, for example, they are inclined to act as if boom conditions, with all the accompanying stresses and strains, have come to stay, and during cyclical downswings as if

² Estey (1956, pp 4, 6 and 7), described such fluctuations as : 'miscellaneous random fluctuations', distinguishing them from 'business cycles' because their causes differ from those of trends, cycles and seasonal fluctuations in that they are, generally, relatively non-calculable, not easily foreseen or guarded against and not easily removed. The result is the production of fluctuations in business cycles, often considerable in amplitude, that are not explainable by trend, cycle or seasonal variation. Miscellaneous random fluctuations are therefore identified as 'irregular, uncyclical variations of activity due to the incessant interference of all sorts of causes affecting business. They are accidental, nonrecurring or nonrhythmic changes. They are in the nature of random factors interfering with the ordinary course of business, standing in a class by themselves.'

recessionary conditions have become more or less permanent. There is, therefore, a tendency for optimism and pessimism to feed on themselves and governments are then obliged to adopt counter-cyclical policies.

Cognizance must therefore be taken of the fact that the decidedly negative impact of a rapid flow of random factors on the psychological climate (level of confidence) in the South African economy created extraordinary conditions. Ordinary cyclical fluctuations in business activity usually tend only to affect the unemployed and those employed in marginal jobs. During the period under review, however, not only the latter categories were affected, but also the ranks of the 'regularly' employed. Concomitant with a resultant need to supplement the Unemployment Insurance Fund, the Government also had to create confidence in the economy and to alleviate the hardship of the target group, namely the unemployed. The cataclysmic upheaval had to be addressed with special measures, among others the SECP which was thus announced as 'a special, temporary, auxiliary, emergency measure.'

4.2 Overriding objectives

It is not the task of project evaluation *per se* to define and quantify objectives. These should be defined and quantified clearly and unambiguously at the policy and programme level to enable evaluators to use them as criteria for judging the effectiveness and efficiency of a programme. Unfortunately, as explained in the previous paragraph, this ideal situation seldom presents itself because of factors such as the reluctance of policy makers to pin themselves down to specific targets, the multiplicity of objectives, the improper understanding and state of theories linking objectives, and the interchangeability of ends and means in social policy. Unfortunately, this was also to some extent the case in this instance. What is to follow, therefore, should be regarded as an attempt by the evaluators to identify, define and systematize the hierarchy of objectives applicable to the SECP. In this attempt the evaluators combined

the two recognized methods of identifying objectives, namely the deductive and inductive methods (OECD, 1978 : 28, 29). The deductive method involves the derivation of general objectives from theory. The inductive method tries to derive objectives from the observation and analysis of actual development processes (OECD, 1978 : 29). In combining the two methods the inductive approach predominated. In this context it should be reiterated that in applying the inductive method one cannot rely on explicit information only; one should also consider implicit information. The sources of such information are, and were :

- the declared policy of the Government (eg White Papers)
- announcements by policy makers
- official documents on the programme
- interpretations by people associated with the programme
- actual activities.

One of the difficulties in using the inductive method and therefore the above sources of information is, however, that the different sources may reflect different and sometimes conflicting perceptions of what a programme is supposed to and can achieve. Thus the evaluators were faced with the problem, for instance, that different people associated with the SECP had different objectives in mind. This is not so surprising bearing in mind that it is to be expected that the objectives of policymakers will differ, for instance, from those of programme managers and programme participants (OECD, 1978 : 138). In such instances the standard evaluation procedure is **to evaluate the programme the way it is seen and understood by the user of the evaluation results and not the way it should or could have been understood** (OECD, 1978 : 138).

Another difficulty experienced in using the inductive method was already referred to in section 4.1 above, namely that **force majeure** may cause a rearrangement of priorities and objectives including those of the user of the evaluation results. Evaluators should take note of such changes in the identification of objectives.

Reflecting on the overriding objective of the SECP, the team took

the following information, derived from the methods referred to above, into account :

A. In terms of the norms and standards contained in the Constitution of the RSA, quoted in section 4.1 above, the following two would seem to be the most relevant to the objectives of the SECP :

- to secure the maintenance of law and order
- to further the contentment and the spiritual and material welfare of all.

B. The above norms and standards certainly express the aspirations of the RSA policy makers about a desired end state, but their level of generality is too great to enable evaluation to proceed without further specification of specific, concrete indicators of what is meant by them. In cost-benefit evaluation it is usually assumed that all these norms and standards can be expressed in a few ultimate development objectives. According to Brand (1984) they are the following in the case of South Africa :

- as high as possible a real per capita income
- as high as possible a level of employment
- as stable as possible a general level of prices
- an acceptable distribution of personal income
- an acceptable regional distribution of economic activity
- an adequate supply of public goods and services
- defense against threats from abroad to the South African economy
- economic co-operation between the countries of Southern Africa.

No doubt keeping the South African circumstances in mind, Brand went on to state that the priorities of the objectives have moved in favour of the last five as far as the short term is concerned, although all the objectives are equally important in the long term.

In terms of the above interpretation of the RSA development objectives, it would seem that the most relevant guidelines to the formulation of the overriding objective of the SECP closely correlate with the five short-term priorities identified by Brand.

- C. According to the White Paper on a strategy for the creation of employment opportunities the overriding objective of the SECP could be stated as :
- to create additional employment opportunities in the short run.
- D. The State President of the RSA indicated in a press release of 8 May 1985 that 'the programme should be seen as an emergency measure to provide relief from the negative consequences of the prevailing high unemployment rates. It must, therefore, in no way be regarded as a permanent source of livelihood or as a 'job opportunity' in the normal sense of the word'. In terms of this statement the overriding objective of the SECP could possibly be formulated in terms of short-run relief.
- E. As was explained in previous paragraphs, the task environment of the South African Government changed drastically during recent years and especially during 1985/86. What emerged as a major obstacle to the fulfilment of the development objectives was a considerable unfavourable psychological climate. As this obstacle over time assumed almost crisis dimensions, the Government had no option but to act in no uncertain way to cope with the situation. The Minister of Finance announced in this regard on 20 September 1985 that '... a further R500 million would be allocated for special programmes to create employment and provide relief ...'. Commenting on this decision he subsequently stated in the House of Assembly that 'One cannot run a country as if one is dealing with a computer. A country changes from day to day. It is a dynamic, constantly changing organism' (Hansard, Monday 14 April

1986).

F. Because of the 'wider range of objectives' for the R500 million (which were not spelled out at the time) the government decided to transfer the overall responsibility for the allocation of the total amount for the 1985/86 financial year (ie R600 million) to the Minister of Manpower. In announcing the R600 million programme on 7 October 1985, the Minister of Manpower stated that the measures (programme) were meant to

- alleviate the short-term effects of unemployment
- provide relief.

He also announced that the existing Interdepartmental Committee for the Creation of Employment, chaired by the Central Economic Advisory Service, was to be replaced by a new Committee chaired by the Director-General of Manpower.

G. Commenting on the activities of the National Priorities Committee, the State President said on 21 April 1986 that the SECP expressed, *inter alia*, the decisions of the Cabinet with regard to the Committee's expenditure guidelines which were based on the country's needs in respect of economic and security goals, and the necessity of socio-economic reforms (Hansard, Monday 21 April 1986).

H. On this theme, Mr H H Schwarz stated in the House of Assembly that he saw the priorities for South Africa, and by inference also for the SECP, as follows: 'Firstly, the necessity to create confidence in our country, and the methods of achieving that confidence; secondly, the question of aiming for the greatest degree of employment which we can achieve for our people; thirdly, the quality of life of the underprivileged people in South Africa; and fourthly, ensuring stability in South Africa' (Hansard, Wednesday 16 April 1986). During the same debate the Minister of Law and Order said that the Police Force would have had an easier task if people were employed.

I. Reporting in the House of Representatives on the SECP, the Minister of Manpower stated that, when considering the R600 million programme, the government had four main concerns, namely:

- the severe increase in unemployment
- the situation of unrest in the country
- the hardship endured by the unemployed
- the unhappiness endured by the unemployed.

He regarded the latter two concerns as of greater importance than the former (Hansard, Friday 16 May 1986).

J. What follows is a broad outline of interpretations by people associated with the implementation of the SECP. Views are presented in the spirit of the first paragraph of subsection 1.2.1 on pages 21/22. It will be noted that certain comments more or less coincided but tended to have a different emphasis :

- Initially the SECP (the R100 million portion and its forerunners) adhered to the prescription of the aforementioned White Paper. However, new perceptions developed over time.
- Originally the programme had been intended for only one year but the recession dragged on and the programme had to be extended; in the process the structural problem became linked to the cyclical situation.
- The short term employment creation programmes were not intended to form part of the normal activities of the Government; these were emergency measures. However, over time, certain backlogs in respect of socio-economic services developed. As a result of this, there was a tendency to regard the short-term programmes as an escape from the discipline of the long-term structural development programmes, the priorities of which are subdivided into eighteen budget functions.

- It is a continuous function of Government to facilitate employment creation and economic growth based on free enterprise and to provide for the infrastructural requirements in the normal programmes of each government department. A specific instrument can only be used to achieve one objective. If something extra is done, then it is 'over and above', it does not replace anything else. The SECP, therefore, also had only one objective, namely to cushion 'the problem' over the short term. It was intended to reach the greatest number of people with a minimum amount of money, not to provide them with 'work opportunities', but to keep them productively occupied (food parcels did not keep people busy), to give those who could not be accommodated within the economy an income.
- Because of shifting attitudes, elements of the SECP were forced to be integrated with the structural programme. Pressure was brought to bear to increase the allowances (wages) and in the process, elements of the programme became part of 'a normal government programme'.
- The fact that it was required that the programme should be 'productive', did not imply that it should be part of the structural programmes. All that was intended was that the programme should not entail futile activities; it had to be constructive and had to concentrate on those activities/needs for which time and money were not normally available, eg noxious weed eradication.
- The Government became concerned about the plight of the unemployed, especially those who could not be assisted by means of the normal social security measures. The government, therefore, felt compelled to demonstrate its concern by means of a symbolic gesture, namely, by introducing the so-called short-term employment creation programmes.

- These programmes did not form part of any predetermined, clearly spelt-out plan. They were emergency measures and had initially been limited to government institutions; training also did not form part of the original programmes. When the R100 million allocation was made, the Department of Manpower requested that a certain amount be made available for training unemployed persons to acquire basic skills. Certain circles opposed this request because it was felt that it would be pointless to train people if they were not assured of subsequent employment.
- Initially, the Development Bank of Southern Africa and the Small Business Development Corporation were not involved in the SECP.
- The accent of the programme was on the individual in need and not so much on the activity in which he was engaged; the capital component of the allowances was kept low in order to accommodate the maximum number of individuals. The fact that the SECP in some respects succeeded in addressing the structural problem was incidental and should be regarded as a bonus. The programme was in addition to the normal programmes and it was intended to address the real situation existing at the time and to do it in a way that was different to the normal programmes.
- Long-term programmes are less visible and the impact, from a psychological point of view, tends to dissipate.
- The SECP had certain political objectives which were not development objectives, except for the fact that, geographically, the programme had to extend to as many places as possible. In the latter regard, the country was subdivided into four regions. The independent and self-governing national states were not directly consulted because it was intended that they should

implement exactly the same type of programme and therefore not apply the funds to existing structural programmes.

- The White Paper on a strategy for the creation of employment opportunities in the Republic of South Africa should be regarded as fundamental to the SECP. It constitutes Government's officially declared policy and should not be taken lightly.
- The special employment creation programmes were intended to address the short-term cyclical unemployment conditions. These were 'over and above' funds, intended for short-term actions. Separate channels were available for addressing the longer term structural issues. The SECP, however, comprised a mixture of short-term actions, provision of relief (food parcels), work creation activities and of actions addressing structural issues.

As was pointed out earlier, the observation of actual activities under a programme provides a further source of information for deriving objectives. A discussion of actual activities is, however, kept in abeyance for closer analysis in Chapter 5.

4.3 Synthesis of the various perceptions

As was indicated in subsection 1.2.1 it was agreed that, for evaluation purposes, the unit of observation would be the total programme (SECP). Sub-programmes and selected projects would therefore only be evaluated in terms of their relative contribution towards the efficiency and effectiveness of the total programme. This approach obviates the impractical task of trying to aim at a multiplicity of moving targets.

The evaluating team therefore endeavoured to formulate one overriding, most consistent objective for the SECP, that is, as shown in section 4.2, to find the greatest common denominator

among various possible alternatives. By so doing, the importance and relevance of these alternatives (derived objectives/parallel objectives) are not ignored and are, in fact, built into the greatest common denominator.

In this vein it should therefore be noted that the planning environment of the South African Government has changed drastically during recent years. What emerged as a major obstacle to the fulfilment of the development objectives was a considerable unfavourable psychological climate. As this obstacle over time assumed almost crisis dimensions, the Government had no option but to act in no uncertain way to cope with the situation. One of the means to do this was to provide **effective** and **immediate** relief to the population in need.

The implications of this conclusion bear some explanation. Although the SECP certainly started in 1983/84 with special employment creation as the overriding objective in view of the considerable cyclical unemployment in Southern Africa, this became a means to satisfy a higher order objective, ie to provide relief, in 1985/86. Stated differently, while the 1983/84 and 1984/85 SECP should be viewed solely in terms of the White Paper on employment creation, this was no longer the case for the 1985/86 SECP. Unfortunately this was not expressed in a change in the name of the programme, nor sufficiently clear in official statements. The latter tended to put relief as an addition or appendix to employment creation.

In the same way none of the other events leading to the introduction of the SECP in 1985/86 can individually be viewed as the sole **raison d'être**, or overriding objective, of the SECP : not the oil crises, inflation, the gold price, droughts, a poor export market, trade boycotts, political uncertainties, the debt situation, sluggish growth, or tight investment climate, nor the state of emergency and unrest. In particular it should be stressed that none of the usual structural constraints in the economy seem to fit this role. All these events and constraints certainly featured in the scenario before the Government, but not

one of them taken in isolation can be seen as the prime mover for the subsequent action of the Government. The psychological climate can, but this is too vague a concept for evaluation purposes. For this reason, as well as to narrow the field of the evaluation down to manageable dimensions, the provision of relief is taken as a proxy for this.

It should be borne in mind that the population in need, ie the target population for the SECP, was the unemployed. The overriding objective of the SECP can, therefore, be stated as follows :

'To provide temporary relief³ to the unemployed but to refrain from giving them handouts, and to deploy them as productively as possible.'

This objective is considered to be appropriate in view of the circumstances in Southern Africa during the financial year 1985/86, given the following assumptions, namely that the programme would adhere to the following principles:

- reduce unemployment in the short term
- ease the unrest situation at least temporarily
- have a negligible effect on the balance of payments
- stimulate business activity
- provide at least a meal a day to each destitute family
- demonstrate the Government to be a concerned Government, ie 'one that cares'
- not conflict with long-term objectives of the Government and would, therefore, have a neutral but preferably a supporting

3 The word 'relief' should be interpreted to include the widest meaning attached to it by authoritative dictionaries such as **the Oxford Dictionary**, Collins, **The Reader's Digest Great Encyclopaedic Dictionary**, etc, and therefore the use of it in this report is meant to include the following meanings:

- 'alleviation or deliverance from pain, distress, anxiety etc' (Oxford Dictionary)
- 'assistance given to the poor or to persons in special danger or need or difficulty' (Collins)
- 'redress of hardship or grievance' (Reader's Digest).

effect on such other objectives.

These assumptions will be examined in more detail in section 4.4. What remains is to question whether means other than the SECP could not have been more effective.

Because it can be argued that the SECP was treating symptoms⁴ rather than causes, many alternatives can be suggested that would improve on the SECP. These alternatives, for instance political reform, adoption of appropriate technology, and similar ones, would, however, be more long term and are indeed receiving some attention from the RSA Government. It is, therefore, the evaluation team's considered opinion that such alternatives, although analytically more attractive, have little effect on the short term problem, namely to provide temporary relief to the unemployed. One is reminded of the celebrated words of John Maynard Keynes in this instance when he cautioned that, 'This long run is a misleading guide to current affairs. In the long run we are all dead. Economists set themselves too easy, too useless a task if in tempestuous seasons they can only tell us that when the storm is long past the ocean is flat again' (Keynes, 1924 : 80).

4.4 Evaluation of the effectiveness of the SECP in terms of its overriding objective

In subsection 1.2.3 it was pointed out that the evaluation of the SECP would be based on a judgemental, qualitative approach and that the unit of observation would be the total programme. For this reason 'effectiveness' has been interpreted as meaning 'doing the right things'.

The analysis of the SECP led the assignment team to the

⁴ Barker & Krüger (1985 : 21 ff) note that cyclical unemployment in South Africa is often obscured by the larger structural unemployment problem. These authors also conclude that various factors inhibit the use of fiscal policy for anti-cyclical purposes, although some economists feel that monetary policy could be used to greater effect in this regard.

conclusion that the 1985/86 programme had been conceived as an emergency, temporary expenditure programme which had the provision of temporary relief to the unemployed as overriding objective. Thus, purely economic effectiveness considerations were superseded by socio-psycho-political considerations and an attempt to evaluate the SECP should therefore not be based on a purely economic evaluation.

In the latter regard the OECD (Imboden, 1978 : 11 and 12) states as follows :

'While there are many differences between activities whose primary objectives are socio-political and projects which primarily address economic goals, there are three basic differences that are important for project appraisal/evaluation :

(i) Agreement on expected results

While there is general agreement on economic goals, there exists a lack of agreement on what results social projects are expected to achieve.

(ii) Agreement on means to measure the results

While there is general agreement on how to measure economic results, there exist no generally agreed upon means of knowing whether the expected social results have actually occurred or not.

(iii) Knowledge about the relationships between inputs and outputs

The production function of, for example, coffee production is relatively well known : we know which combination of inputs at what cost will produce a given level of benefits. No such generally applicable production functions exist in the social fields.'

In a study by the International Labour Office (ILO) (Arlès,

1974 : 69) on emergency employment schemes a distinction was made between two types of emergency situations : 'On the one hand, there are situations calling for remedial action of extreme urgency, whether they are due to natural causes (such as floods or drought) or are man-made (problems of refugees, displaced populations, economic rehabilitation in countries affected by disturbances of various kinds). On the other hand, there are situations in which the degree of urgency is less acute : where there has been no sudden upsetting of the balance of the natural environment but where the conditions prevailing in some regions of a country or in some sectors of its economy or for some groups of its labour force nevertheless require the government to take rapid and direct action.'

A distinction was also drawn between, on the one hand, long-term policies having short-term, incidental employment effects and, on the other, schemes whose time horizon was short and in which the overriding objective was the creation of more jobs immediately.

The latter formed the subject matter of the ILO's research report and therefore closely correlated with the SECP objectives. It is therefore important to note the criteria that were applied by the ILO to evaluate the relevant emergency employment schemes, namely :

- the speed and effectiveness of job creation
- the extent, nature and importance of the other immediate effects
- the nature and importance of the long-term effects on economic and social development and, in particular, on the employment situation.

For the purpose of evaluating the effectiveness of the SECP, the assignment team established some further criteria (see p 70), namely :

- the extent to which the unrest situation was, at least temporarily, eased

- the extent to which the SECP assisted the establishment of new businesses and assisted existing businesses to survive
- the extent to which destitute persons were provided with at least a meal a day
- the extent to which Government was seen to be a concerned government
- the possible influence on the balance of payments
- the extent to which the SECP had a neutral, supporting or conflicting effect on other government objectives.

What, therefore, were the effects of the SECP in terms of the above criteria?

- During the existence of the SECP (as defined), ie up to 31 March 1986, a total of 297 867 persons were accommodated in temporary jobs, working a total of 26 475 157 man-days involving an allocation of R301,9 million SECP funds (and actual expenditure of R124,8 million at the time). If it is taken into consideration that the R500 million portion of the SECP was only announced on 7 October 1985 and that the succeeding period up to 31 March 1986 included two 'holiday-months' (December-January) the programme co-ordinators are to be commended for the speed at which jobs were created. See Table 5.
- The extent, nature and importance of other immediate effects are extremely difficult to assess, eg the effect of the SECP on aspirations. The assignment team certainly gained the impression that, in certain regions, hopes were raised that the SECP would be (and should be) perpetuated.
- If one considers the effects of the SECP in terms of its possible explicit or implicit derived objectives, namely (i) job creation (ii) redistribution of income for the benefit of the most underprivileged regions and population groups (iii) execution of 'productive' projects (iv) participation of the local population and their acquisition of skills (with a view to permanent employment),

TABLE 5 : DETAILS OF WORK CREATION ACTIVITIES IN THE UNEMPLOYED AS AT 31 MARCH 1986
PUBLIC WORKS PROGRAMMES (PWP)

Department/ Institution	Amount allocated R million	Amount spent R million			Progress as at 31/3/86		Remarks
		Wages	Other expenditures	Total	Persons in employment on 31/3/86	Total average man-days	
1. Development Aid	38,27	23,61	9,08	32,69	74 191	8 164 811	
2. Constitutional Development and Plan- ning - Self-help housing and upgrading of Black townships	128,53	9,09	5,09	14,18	41 488	2 176 757	
3. Local Authorities	59,5	17,81	9,49	27,30	47 877	3 737 398	
- Transvaal*	0,1	0,5	0,04	0,09	91	16 873	
- Transvaal	15,0	1,95	1,55	3,50	11 804	397 666	
- Natal*	0,25	0,26	0,02	0,28	784	100 714	
- Natal	10,00	0,71	0,48	1,19	8 895	222 239	
- Orange Free State*	0,05	0,03	-	0,03	64	10 255	
- Orange Free State	10,00	1,12	1,57	2,69	3 494	74 702	
- Cape Province*	0,08	0,04	0,01	0,05	23	9 864	
- Cape Province	15,00	9,40	4,56	13,96	13 861	1 837 785	
- Eastern Cape	6,2	3,55	1,05	4,60	6 551	891 631	
- RDACs	0,6	0,30	0,01	0,31	1 406	76 370	
- Durban	0,72	0,20	0,10	0,30	490	48 054	
- Pietermaritzburg	1,52	0,20	0,10	0,30	414	51 245	
4. Foreign Affairs	23,0	20,17	2,75	22,92	58 297	7 865 935	
5. Agriculture Economics and Marketing	3,1	2,82	0,32	2,94	5 851	734 578	
6. Administration: Own Affairs	32,4	6,50	4,82	11,32	41 334	1 940 763	
- House of Represen- tatives	20,0	2,03	0,97	3,00	12 883	471 369	
- House of Delegates	5,0	0,04	0,01	0,05	632	9 081	
- Parliament	7,4	4,43	3,84	8,27	27 819	1 460 313	The overspending financed from own funds
7. Environmental Affairs	7,8	1,08	0,79	1,87	4 034	376 139	
- Department	7,2	1,00	0,70	1,70	3 852	345 896	
- Parks Board	0,4	0,08	0,09	0,17	182	30 243	
8. Public Works and Land Affairs	5,0	0,23	2,82	3,05	518	39 229	
9. Manpower : Job creation	8,5	4,5	4,0	8,5	24 499	1 439 547	
TOTAL	301,9	85,61	39,16	124,77	297 887	28 475 157	

* In respect of Nature Conservation

random evidence, with some reservation, would seem to indicate that the SECP was also effective in this regard. Looking at the overall situation of people in need, it is difficult to assess the actual impact made by the SECP. On the one hand the SECP might have made only a marginal impact in addressing the adverse effects of the overall unemployment situation, per se. The above quoted figures might, on the other hand, understate the real impact of the SECP. Indirect employment and other spin-off effects are not accounted for and these figures do not indicate exactly the real number of beneficiaries from the employment created directly. Furthermore, for many SECP-workers, this programme represented the only possible short-term escape from the adverse effects of unemployment. The SECP also had income redistribution effects and enabled the unemployed to stay in their local regions and, simultaneously, in many instances, to acquire new skills. Thus a certain degree of regional distribution of economic activity took place. By and large, projects undertaken under the SECP, were found to be productive and some will have long-term beneficial effects.

- Random evidence (correspondence, newspaper articles, personal communications) indicated that the SECP had an easing effect on the unrest situation. In only very rare instances was the SECP itself made a target of unruly activities. However, instances were cited where certain political activist organizations actually co-operated with the SECP.
- Up to 31 March 1986 a total of 1 064 805 persons received assistance under the food relief sub-programme to the amount of R10,36 million. See Table 6.
- Throughout its duration the training sub-programme experienced a continuous oversupply of applicants and people went to great lengths to be included in the programme. Not only did this sub-programme succeed in keeping large numbers

TABLE 6 : DETAILS OF FOOD RELIEF TO DISTRESSED PERSONS AS AT 31 MARCH 1988

Department/Institution	Amount allocated R million	Amount spent R million	Number of persons who received assistance
Development Aid	5,00	3,75	388 744
National Health and Population Development	10,00 5,00*	4,81 -	591 081 -
Foreign Affairs	2,00	2,0	87 000
Total	22,00	10,36	1 064 805

* The R5 million into the R1 for R1 has been terminated with the approval of the Cabinet.

TABLE 7 : DETAILS INTO THE TRAINING OF THE UNEMPLOYED AS AT 31 MARCH 1988

Department/Institution	Amount Allocated R million	Amount contractually earmarked R million	Number of persons trained as at 31/3/88
Manpower	55,8	55,1	195 505
Development Boards	10,0	7,5*	51 940
Constitutional Development and Planning (Law enforcement officials in Black areas)	25,0	25,0	5 723
Total	90,8	87,6	253 168

* R2,5 million was contractually earmarked for spending before 30/6/88.

TABLE 8 : DETAILS OF ACTION PROGRAMMES OF DBSA AND SBDC

Department/Institution	Amount allocated R million	Amount approved R million	Expected number of employ- ment opportunities created/ maintained
DBSA and Departments of Development Aid and Foreign Affairs*	35,5	22,9	12 395
SBDC	75,0	28,6	15 423
Total	110,5	49,5	27 818

* DBSA received R25 million from SECP funds. However, certain needs were identified which were not within the framework of activities of DBSA. By agreement, the RSA government therefore made an additional R10,5 million available in the form of direct grants to finance the above-mentioned needs in the participating states (R3,0 million via Department of Foreign Affairs) and the self-governing states (R6,5 million via Department of Development Aid).

TABLE 9 : DETAILS OF ASSISTANCE TO UNEMPLOYMENT INSURANCE FUND

Department/Institution	Amount allocated R million	Amount spent R million
Manpower	75,0	75,0
Sub-total	75,0	75,0

TABLE 10 : GRAND TOTALS INTO TOTAL SECP (TABLES 5-9)

Total SECP	Amount allocated R million	Amount spent/ earmarked/ approved R million	Number of persons involved
Grand Total	800	347,23	PWP's 297 867 Food Relief 1 064 805 Trainees 253 168 Number of employment opportunities created/maintained 27 818 UIF unknown 1 643 658

(253 168 trainees up to 31 March 1986) of people productively occupied, but it also created goodwill among the unemployed persons. In the process, trainees learned 'life-skills' which also increased their employability as well as the ability of some to become self-employed. In a substantial number of instances people were, for the first time in their lives, exposed to work ethic and discipline and were therefore better equipped to enter the labour market. The training experience therefore assisted in alleviating the skills mismatch of the structurally unemployed. See Table 7.

It must also be mentioned that the majority of the trainees were Blacks and as unemployment among this population group poses the greatest problem in South Africa, this sub-programme addressed the most serious aspect of the unemployment problem. It is also noteworthy that the majority of unemployed persons who partook in the training programme were younger than 30 years. Those who found jobs after undergoing the training programme helped to ease the dependency burden on the economically active population. The training programme was most effective in those areas where future employers came forward to offer employment to quotas of successful trainees.

- Assistance to small business concerns not only helped existing businesses to survive but it also created new businesses and new employment opportunities. Many rural areas experienced what they termed 'mini-booms'. See Table 8.
- Correspondence received by the Department of Manpower and training institutions, press reports and interviews with employer organizations and participants in the SECP testified that the SECP was, generally, well received and that Government's initiative was viewed in a positive light. Negative comments mostly concerned the short duration and

size of the SECP. In the latter regard some quarters felt that the amount of money was too small to make a significant impact on the overall situation of people in need.

- The SECP had a negligible effect on the balance of payments as well as on inflation, due to the minimal import propensity of participants and the very low wage applicable.
- Table 9 reflects the available detail of assistance rendered to the Unemployment Insurance Fund.
- The criterion in respect of the extent to which the SECP had a neutral, supportive or conflicting effect on other government objectives requires some detailed discussion and will form the subject matter of section 4.5.

Some comments on the effectiveness of direct versus indirect measures should also be made. It is generally accepted in the evaluation literature that direct measures are more efficient with regard to a narrow set of goals and purposes than indirect measures, but usually less effective. Although efficiency will be discussed in the next chapter, the case for the efficiency of direct measures is stated here as the arguments have a bearing on their effectiveness :

- When it is necessary to provide at least a meal per day per destitute family, the wage needed to bring this about might be too high or the response of participants too uncertain. In such cases more direct measures, such as the distribution of food packages, may be more efficient because the cost to the society is less or the outcome more predictable.
- In general, where measures are needed for only a short period, as in this case, it may be desirable to allocate food to the destitute rather than to upset the general employment structure and decision-making process.

It should, however, be kept in mind that indirect measures are

the orthodox means of exerting government influence on individual decision-making. The immediate aim is to employ the unemployed, leaving the decision on how to spend wages to the individual. These measures therefore interfere less with the choices of individuals than do the more direct measures. They also require a less detailed analysis for their use and do not substitute government judgement of what is desirable for the action of individuals. These remarks have obviously less bearing on the unemployment fund than on food packages.

Another consideration that is of major importance in this regard is the accepted basic human needs of self-expression and self-esteem which are manifested in, *inter alia*, the freedom of choice and in the maintenance of a certain dignity. Throughout the world, and South Africa is no exception, it has been found that the food handouts violated the recipients' (and their dependants') dignity and self-esteem (see World Bank).

A final consideration is that the indirect measures are more appropriate to address more than one problem at a time. In this instance, the direct measures had much less relevance to unrest, unemployment, the current account on the balance of payments, and business activity than the indirect measures.

In conclusion it should be noted that the RSA Government did undertake other short term measures as well. These were aimed at specific aspects of the ruling circumstances; for example the declaration of an emergency situation in selected magisterial districts was aimed specifically at the unrest situation. An analysis of the effectiveness of these measures *vis-à-vis* the SECP would take the evaluation too far. The evaluation team would, however, like to suggest that although the SECP was a more indirect measure to relieve for example the unrest situation, it was even in such cases a valuable complementary measure, while addressing other problems such as unemployment and its consequences more directly. It is from such a perspective, ie as part and parcel of a combination of measures, that the SECP was found to be generally effective in terms of those criteria which

could be directly related to its overriding objective albeit on the basis of subjective evidence. The extent to which the SECP could have a neutral, supportive or conflicting effect on other government objectives will, however, be discussed in the final chapter.

5. EVALUATION OF THE EFFICIENCY OF THE SECP

5.1 Introduction

As was mentioned in subsection 1.2.1 the scope, content and depth of the investigation would be limited to qualitative aspects of the SECP. In the analysis that follows, the focus will therefore be on the planning and implementation phases of the programme and its constituent parts. For these reasons it was decided to define 'efficiency' as 'doing things right' and therefore not to attempt to quantify the ratio of actual outputs of the SECP to actual inputs but rather to follow a qualitative, judgemental approach.

In section 4.4 it was pointed out that the overriding objective of the SECP caused socio-psycho-political considerations to take precedence over purely economic considerations. In this regard Barker (1986: 169 and 170) therefore states (referring to the PWP) that 'The primary objective of this programme was not to show an "economic return". The main goal was rather that employment be created through projects that served the public or community interest in some or other way.'

In view of this fact, the efficiency of the SECP must therefore be evaluated in terms of socio-psycho-political considerations. In this regard the reader is again reminded of the important differences that exist between an economic efficiency evaluation and a socio-psycho-political efficiency evaluation (see pp 71-72).

Taking due regard of the fact that the SECP was conceived as an emergency, temporary programme, it is to be expected that certain real or perceived imperfections would have become apparent during the various stages of the programme. However, learning experiences gained during the various phases of the SECP with respect to both its efficiencies and its deficiencies can provide useful guidelines for the implementation of similar future programmes. Particular attention will therefore be devoted to

the strengths (positive aspects) and weaknesses (negative aspects) of the SECP. Sub-programmes and selected projects are evaluated in terms of their relative contributions towards the efficiency of the total programme and to the extent to which they differ from the general pattern or from the overall programme.

5.2 Programme design and programme planning evaluation

In order to evaluate the efficiency of the SECP in terms of the aspects mentioned in section 5.1, it will be necessary to trace and describe its chronological evolvement during the various phases of its duration. This section will therefore deal with the conceptualization of the SECP in terms of its design and the overall planning process. Implementation will be discussed in section 5.3.

In brief, the chronological evolvement was as follows (also see Chapter 3).

The R100 million portion of the SECP was announced by the Minister of Finance in his 1985/86 budget speech (Hansard, 18 March 1986 : 2997) as follows :

'For 1985-86, R100 million will be set aside for the continuation and extension of short-term work creation and relief programmes in those regions and areas experiencing severe unemployment. In launching these programmes the public bodies involved will take due note of regional differences and regional development strategies.'

In turn, the R500 million portion was announced by the Minister of Manpower in a press release on 7 October 1985 (see Annexure II). In this announcement the Director-General : Manpower was delegated to guide a new Interdepartmental Action Committee in the allocation of the consolidated R600 million according to needs. The constituent members of this Action Committee can be obtained from the lists of departments/institutions appearing in Tables 5-9. These departments/institutions, in turn, decentral-

lized the actual implementation of the SECP to divisions/institutions under their respective jurisdictions or to institutions with activities which are closely related to their own.

The first meeting of the new Action Committee was held on 27 September 1985 and guidelines were subsequently circulated by DMP to the co-ordinators in terms of which the participation of public and private sector organizations in the SECP was prescribed. In terms of these guidelines, the co-ordinators invited prospective participating organizations to submit applications for the funding of proposed projects (see Annexures IV-VIII).

5.2.1 The efficiency of the planning process

Conceptually, an evaluation of the efficiency of the planning process could consist of an analysis of answers to, among others, the following types of question in respect of various levels of decision making:

- How did the programme get started? Was a formal or informal needs assessment conducted, and if so, what were the results?
- What was the starting point for the needs assessment and who determined the needs?
- How were the needs of participants identified? Through a survey to identify participants with particular problems? What were the results?
- By what method was the amount of money allocated to the programme determined for budget purposes?
- What were the possible alternative goals, activities and programmes?
- What were the feasibility and cost-effectiveness of each

alternative?

- What specific needs guided the conceptualization of the direction of the programme, and what priorities were determined?
- Were the opinions of staff, communities, or participants solicited and what were these opinions? etc.

The chronological description of the evolvement of the SECP shows that DMP was, at short notice, instructed to take charge of the programme. This factor, together with the short duration of the programme did not allow for the proper planning and co-ordination of constituent sub-programmes and projects. As will be discussed in greater detail in subsequent sections there also existed initial confusion with respect to the objectives (also see Chapter 4), institutional responsibilities and in the interpretation of the guidelines for the programme.

The fact that, at the (initial) termination date (31 March 1986) programme co-ordinators had only been able to absorb R347,23 million of the total allocation of R600 million testifies that the time-span of the SECP was too short. Furthermore, some of the projects which had been started during the time-span of the SECP could not be completed before the programme terminated. Others were kept in abeyance because it had been foreseen that the time allowed for their completion would be too short.

Programme co-ordinators were informed beforehand of the respective sizes of the amounts allocated to them. These somewhat arbitrary amounts were allocated in terms of the efficiency of institutions to allocate funds to projects. Ability to generate project proposals rather than prioritized needs assessment determined the allocation of funds because time did not allow for a proper needs assessment survey. Some of these aspects will be further illustrated in subsequent sections.

5.2.2 The efficiency of the design of the SECP

It has repeatedly been stressed that the SECP had been designed as an emergency, temporary, programme which had to be implemented at short notice for a limited duration and which included an awkward (two holiday months) period of the year. As was noted in section 4.2 certain key considerations and guidelines had a profound influence on the actual design of the SECP, of which the following must be repeated :

- The SECP was not intended to form part of the normal activities of the government; it was an emergency measure.
- A specific instrument can only be used to achieve one objective. If something extra is done, then it is 'over and above', it does not replace anything else. The SECP, therefore, also had only one overriding objective, namely to cushion 'the problem' over the short term, ie to provide temporary relief to the unemployed. The underlying philosophy was that spin-offs must be regarded as bonuses.
- The SECP was intended to reach the greatest number of people with a minimum amount of money. The accent of the programme was therefore to be placed on the individual in need and not so much on the activity in which he was to be engaged; the capital component of the allowances was to be kept low in order to accommodate the maximum number of individuals.
- The SECP was not intended to provide 'work opportunities' nor to provide a permanent source of livelihood but to keep those people occupied who could not be accommodated within the economy and to provide them with an income ('at least a meal per day per destitute family').
- Although the programme was required to be productive, this did not imply that it should be part of the structural programmes.

- The programme was not to entail futile activities, it had to be constructive and had to concentrate on those activities/needs for which time and money were not normally available, eg noxious weed eradication, soil conservation, the maintenance or repair of roads, etcetera.
- The Government was concerned about the plight of the unemployed, especially those who could not be assisted by means of normal social security measures. It therefore felt compelled to show its concern by means of a symbolic gesture. The SECP therefore did not form part of any predetermined, clearly spelt-out plan.
- Government specifically instructed that the programme should be designed to attract publicity, it should be visible and must demonstrate government's concern for the unemployed. It had to counter the prevailing negative psychological climate.
- The SECP had certain socio-psycho-political objectives and these were not development objectives, except that, geographically, the programme had to extend to as many places as possible.
- Long-term programmes are less visible and the impact, from a psychological point of view, tends to dissipate. The SECP was in addition to the normal programmes and it was intended to address the real situation existing at the time and to do it in a way different from the normal programmes.
- Having due regard to the above considerations/guidelines the efficiency of the design of the SECP may be evaluated against the background of answers to the following random questions :
 - What was the programme designed to accomplish?
 - What goals and behavioural objectives were set?
 - How was the programme to be administered?

- What were the specific results which the programme inputs were expected to produce (the kind, timing and magnitude)?
- How was the participation of target groups to be gained and co-ordinated?
- Has a programme plan been designed to direct implementation?
- How highly prescribed was programme implementation? How much was the programme to be allowed to vary from area to area, from region to region or from organization to organization?
- What provisions have been made for periodic review of the programme?

Given the guidelines that were handed to DMP, some of the above questions would seem to have the following answers :

- At the outset the short notice and short duration of the programme did not allow for the proper designing and co-ordination of constituent sub-programmes and projects.
- The SECP was intended to address short-term cyclical conditions. These were 'over and above' funds, intended for short-term actions. Separate channels were available for addressing the longer term structural issues. The SECP, however, comprised a mixture of short-term actions, provision of relief (food parcels), work creation activities and of actions addressing structural issues.
- In terms of the guidelines for participation in the SECP it had been stipulated that only registered unemployed persons not eligible for unemployment benefits and those whose benefits had been exhausted could be accommodated. In the process, structurally unemployed persons also became involved in the programme and there is a near certainty that when the funding of the short-term projects was terminated the jobs also ceased to exist. Thus the design of the programme was such that it created rising expectations in

respect of its permanency, which stood to be frustrated.

- The fact that the initial guidelines were later adjusted to accommodate the participation requirements of, for example, the SBDC and DBSA constituted a deviation from the SECP objective to provide immediate, temporary relief to the unemployed. These deviations can, however, serve as pointers with regard to the design of similar future programmes and will be discussed in subsequent sections and particularly in Chapter 6.
- Most of the organizations were not geared to initiate labour-intensive projects at short notice.
- In terms of the design of the SECP a number of 'conditions' were prescribed to the institutions in terms of which projects had to be selected. In the nature of the SECP, the linkage of projects to formal (longer term) goals was not one of them. The resultant lack of measurable ends made it almost impossible to evaluate the programme systematically. The information system of the SECP did not provide for a systematic recording of the outputs (and in some respects also the recording of inputs where employer organizations supplemented the SECP-funds) and thus also further served to restrict the evaluation to a qualitative approach. The total actual cost of implementing the SECP can, therefore, hardly be calculated.

In summary, however, in terms of socio-psycho-political efficiency considerations the design of the SECP must by and large be regarded as having served its purpose.

Because it would appear that the SECP (as well as its forerunners) is now tending to become repetitive, economic efficiency considerations will have to be taken into account in future programmes. A more structured approach to the planning and design of extended special expenditure programmes therefore becomes highly desirable.

In the latter regard, a systems approach to such programmes can serve as a useful point of departure. In terms of such a normative approach, the SECP was therefore a system which was designed to have certain inputs, which through a transformation process were intended to produce certain outputs. Rudimentally, the design of the SECP could therefore be depicted as follows :

Figure 13 : Rudimentary schematic design of the SECP

INPUTS	TRANSFORMATION PROCESS	OUTPUTS
eg		
Manpower	Strategic planning	Economically measurable results
Funds	Management planning and control	
Natural and capital resources	Operational control	
Entrepreneurship etc	(Responsibility for effectiveness and efficiency of the programme)	

In order to have economically measurable results, objectives should be clearly defined at the policy and programme levels. Project goals must be explicitly linked to overall programme objectives. To be able to judge the contribution of a project to a programme objective it will therefore be necessary to establish a hierarchy of goals. In this respect the following conventions can be followed :

- **Goals** are regarded as the expression of value systems and existing conditions at sector level, and indicate development directions for a sector.
- **Purposes** are operational goals that have to be achieved to fulfil sectoral goals.

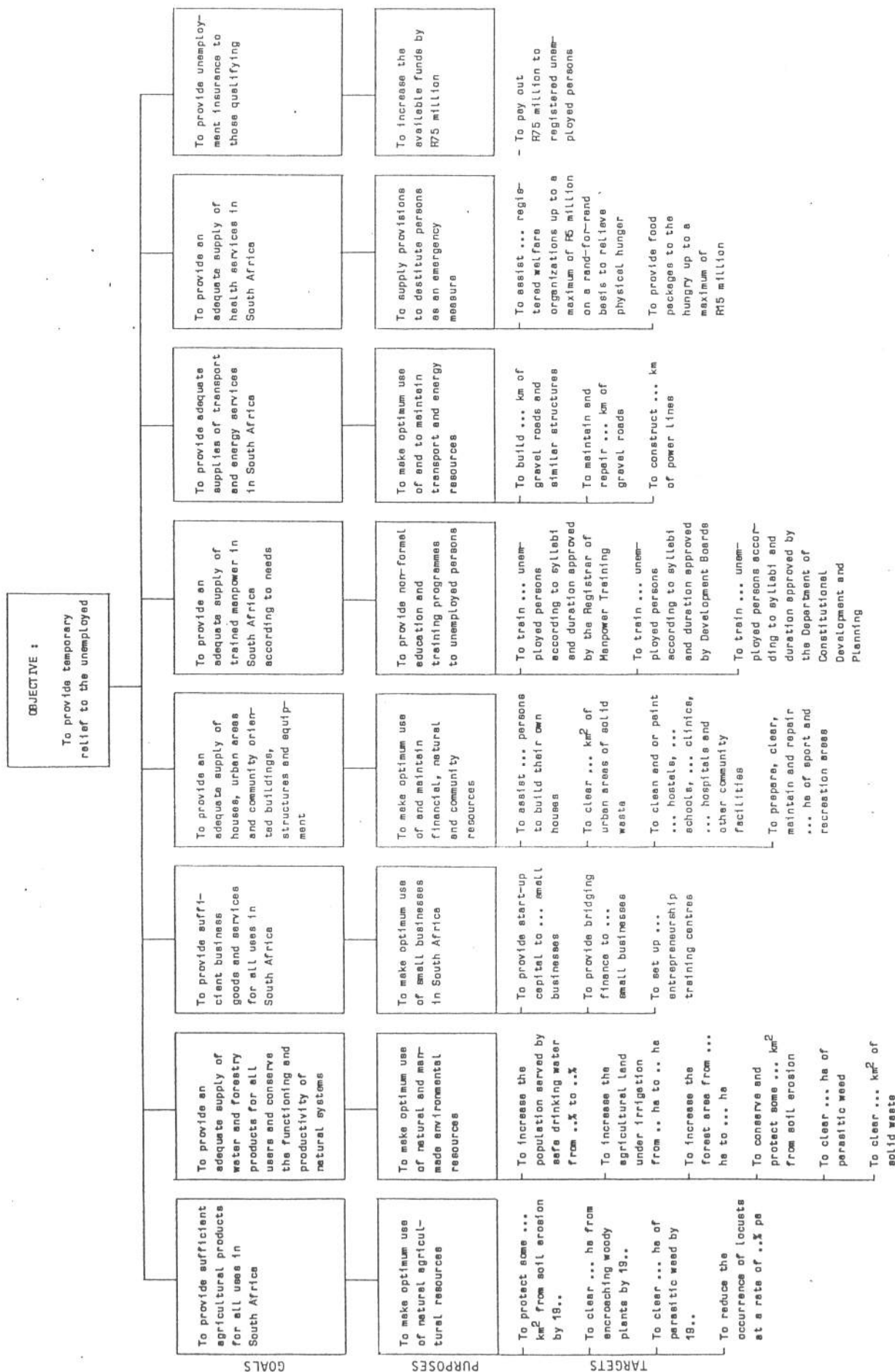
- **Targets** are specific quantified results that have to be met to achieve the purposes.
- **Outputs** are the physical products and services that have to be produced to fulfil the targets.
- **Inputs** are the factors of production that have to be provided to produce the output.

The above guidelines can facilitate better linkage between projects, sub-programmes and programmes, and among various national programmes. It will enhance greater sense of purpose and direction among and within programmes. As was pointed out in Chapter 4, national programmes and projects should be formulated and designed in such a way as to single out for implementation those that contribute most to the ultimate, overall objectives of the country and as explicitly stated in White Papers and similarly authoritative statements of national policy.

A further note must be added with regard to the composition of the SECP. In terms of a normative approach, an analysis of the constituent projects of the SECP shows that it would be analytically more convenient to reclassify the six sub-programmes of the SECP, namely the public works, private sector labour-intensive, small business, training, food relief, and unemployment insurance programmes, into eight. These would be agriculture, environmental affairs, industry and small business development, community development, education, training and culture, transport and energy, health services and unemployment insurance. Goals must be found for each of them and these will be derived from the relevant programme as well as from overall national objectives as reflected in White Papers, etc. Such an approach will result in the required linkages referred to above.

Schematically, a combined deductive and inductive approach to the analysis of the SECP could therefore result in a pro forma, reworked programme design as illustrated in Figure 14. It should

FIGURE 14 : REMODELED DESIGN FOR THE SECP



Outputs - The physical products that have to be produced to fulfill the targets.
Inputs - The various factors of production that have to be provided to produce the output.

be noted that all the sectoral goals are based on the White Papers and similarly authoritative official sources listed on page 60. It will also be noted that this design will facilitate adherence to the basic principles of the project cycle, namely proper identification, appraisal, planning, implementation, co-ordination, supervision and evaluation.

5.3 The efficiency of programme implementation

As in the case of the planning process and the programme design, a series of questions can be addressed in order to determine whether 'things were done right' during the implementation of the SECP. Such a checklist will, among others, include the following questions:

- Has the right target group been reached by the programme?
- Has the programme been properly stratified geographically?
- What was the reaction of participants?
- Were there any administrative, technical or other bottlenecks which hampered the implementation of the programme?
- Were the guidelines for the implementation of the programme sufficiently clear?
- Were there any secondary benefits (multiplier effects) which can be reported?
- In general, does the programme that has been implemented resemble the one that was intended? If not, what has happened?
- What externalities can be reported?
- How many workers/beneficiaries participated in the project?
- What measures have been taken to reabsorb workers into the economy?

As far as the deficiencies and efficiencies of the overall SECP are concerned, a judgemental, qualitative response to the above questions can be summarised as follows:

- Deficiencies (Negative features)

- Because of the short duration of the programme there was a lack of forward planning, which inhibited efficiency.
- In some instances the supervision and administration of projects proved to be difficult. This gave rise to low productivity, poor supervision and poor project management.
- With respect to the guidelines of the SECP there was considerable latitude in interpretation. While some participants were permitted to continue with the scheme past 31 March 1986, some were not, at considerable inconvenience.
- Instances of job displacement where the scheme was used to substitute SECP labour for regular staff were in evidence.
- In certain localized instances the wage rate was seen as inappropriate, being either inadequate or excessive.
- Given the urgency of the problem the requirement of registration as a prerequisite to taking people on, was, in some instances, cited as reason for withdrawing from or non-participation in the scheme.
- Initially, there was a lack of clarity in respect of the interpretation of the guidelines.
- Certain institutions overreacted in their application for funds and had to return part of their allocations to the 'central fund'. This proved that project identification had taken place in a rather haphazard fashion and that unscientific criteria for project formulation and selection had been applied.
- Inertia in certain regions led to disharmony with

respect to regional objectives.

- In certain areas and instances the non-payment of cash advances caused organizations to experience acute cash flow problems, with lags of up to six weeks from initial payment to being reimbursed by the Department of Manpower. For large participants this constituted a sizeable monetary loss by way of lost interest. However, in many instances a flexible and positive approach was adopted by offices of the Department of Manpower and weekly payments were permitted or cash advances provided.
- There was the odd complaint expressed about local offices. This generally took the form of personality clashes, or a feeling on the side of employers that the local office of the Department of Manpower was not fully aware of the principles and guidelines of the programme. In most instances, this problem was readily addressed where employers contacted the Department of Manpower's headquarters.
- In a few instances the lack of differentiation between male/female workers created problems at the work place. More generally, however, the lack of differentiation between unskilled and semi-skilled/skilled workers was held to be a shortcoming of the SECP. In quite a number of instances it was also felt that greater differentiation should have been allowed for the appointment and (higher) remuneration of supervisory staff.
- Efficiencies (Positive features)
 - The programme was designed to reach the maximum number of persons in as many places as possible. By enlisting the co-operation of various government departments, provincial administrations, development institutions,

the private sector and welfare organizations, the efficiency of the SECP in the above regard cannot be doubted. Some organizations were, however, better equipped to participate in the programme and to adhere to its guidelines (See section 5.6).

- Participating organizations and the target groups in the vast majority of instances expressed satisfaction with and appreciation for the SECP. 'The Department of Manpower was very helpful and co-operative' was the standard comment by 95 per cent of the participating organizations. Similarly, comments on Government's initiative to launch the SECP were generally favourable.
- Considerable latitude and flexibility was permitted by the Department of Manpower in accommodating local directions and initiatives, for example, in respect of the interpretation of the guidelines, the wage rate and in the timing of the payments to employees.
- On the BIFSA projects there was evidence of labour moving out of the relief scheme and onto the BIFSA's training programmes.
- Although the SECP possibly had not been intended to accommodate the seasonally unemployed, it can be mentioned that in areas of strong seasonal (un)employment, such as in Paarl (fruit packers) and Northern Transvaal (tobacco pickers), the scheme provided a stop-gap function to even out income fluctuations of the year. Farm labourers who normally only had work for 4-5 months per year could therefore supplement their annual earnings.
- Red tape and bureaucracy were minimal. Most participants were surprised at the approach of the Government, which was to simplify procedures and forms and to be as accommodating as possible with the minimum

constraints.

- There was evidence of the scheme being used as a 'transit camp' where employers could identify the best workers who would then be given permanent positions. This not only provided a built-in incentive system and thus enhanced productivity, but it also provided employers with a pool of probationary labourers without the risks and costs of hiring and retrenchment. In the case of employers such as AECI in Bethal, this was particularly important, as the minimum wage for a labourer is R500 per month.
- The scheme made possible the substitution of labour for capital. In several instances, employers indicated that they had made use of labour from the programmes as opposed to using, for example, bulldozers.
- In many instances, apart from the training sub-programme, there was a clear learning component where some workers had their first paid work experience ever. Not only did they have exposure to work discipline but they also acquired certain (rudimentary) skills. Workers also benefitted from being part of the workforce and in many instances employers indicated that they would be prepared to provide recommendations and references to good employees. This function of providing a reference can prove crucial in assisting relief employees in finding more permanent employment.
- The investigation of the SECP identified a clear need for the improvement of the statistical base in respect of unemployment in all areas.
- Some sub-programmes and their constituent projects will have lasting spin-off effects, eg the assistance to small businesses and the self-help housing scheme. The creation of revolving funds provided these schemes with

a mechanism of self-perpetuation.

- Some of the sub-programmes had a positive effect on socio-behavioural patterns and attitudes.

In summary, it must be reiterated that, the SECP was not intended to show a (direct) economic return. As will be illustrated in subsequent sections, most of the projects within the SECP were therefore designed to serve the public or community interest in some or other way. Therefore, in terms of socio-psycho-political efficiency considerations, the SECP must by and large be regarded as having been efficiently implemented. If the short notice and short duration of the SECP are taken into consideration the DMP is to be commended for the speed with which the programme was implemented and jobs created.

5.4 Some perspectives on the constituent sub-programmes

As was pointed out in section 5.2, it had been found analytically more convenient to expand the six sub-programmes of the SECP, namely the public works, private sector labour intensive, small business, training, food relief and unemployment insurance programmes, to eight. They are agriculture, environmental affairs, industrial and small business development, community development, education and training, transport and energy, health services (food relief) and unemployment insurance.

These sub-programmes were implemented by various organizations/institutions and it was not a requirement for participating institutions to link projects to formal goals. A number of 'conditions' were prescribed to the institutions (see section 2.5) in terms of which projects had to be selected. As was noted before, linkage to (long-term) goals had not been one of them. The resultant lack of measurable ends is therefore regarded as a shortcoming of the SECP, a shortcoming which made it almost impossible to evaluate the programme systematically. The objective of providing temporary relief to the unemployed was pursued by means of two general types of measures, namely

indirect measures and direct measures. The temporary employment and training of the unemployed are indirect measures, while the health (food relief) and unemployment measures are direct (see pp 81-82 and sub-section 5.4.7).

5.4.1 Agricultural projects

The most important public works agricultural programmes were soil conservation, the building of small dams, noxious weed eradication, afforestation and the planting of drought resistant crops. Weed eradication programmes were concentrated in those areas where the severest noxious weed problem occurred and were controlled by agricultural officers.

It is of special importance to note that all these projects were highly labour-intensive and mostly community-oriented. These benefits were not only appropriate to the problem of destitution but will undoubtedly have favourable effects on the carrying capacity and future crop yields of agricultural land, albeit in the longer term.

It should be noted, however, that SECP funds had been earmarked for 'over and above' projects, ie not for projects which formed part of existing long-term projects. Instances occurred, however, where SECP funds were applied to supplement the budgets of existing programmes. It should also be noted that some of these community-oriented agricultural projects might have given rise to certain long-term negative effects. Some of these projects were, by their very nature, activities which communities should normally undertake themselves and not expect to be paid for doing them. Although it is fully realized that, for example, the maintenance of the fences of communal grazing areas requires certain capital inputs, care must be taken that communities are not inculcated with the feeling that 'communal affairs' should be organized and financed by 'governments'.

5.4.2 Environmental projects

As far as environmental projects are concerned there was a noticeable difference between urban and rural areas. In rural areas labour was readily forthcoming, while in some urban areas a certain amount of work shyness was prevalent. In certain urban areas, political activists also prohibited people from participation in the SECP, as well as there being limited scope for short-term labour-intensive projects.

Money spent on the cleaning of streets, the clearing of overgrown areas, the upgrading of public buildings, etc, had a positive influence on socio-behavioural patterns in certain areas. Examples were quoted where people had started to take pride in matters affecting their environments. Among other visible reactions, whole communities started to help clean up street rubbish without even being paid to do so.

It should be mentioned that it also happened that people who had not previously been urbanized tended to flock to urban areas in order to participate in the SECP.

Many urban institutions felt that a wage of R4 per day was too low and that one could not expect really productive work in return. In some cases (eg Durban) workers were taken on for half-days and were paid the full R4 allowance and it was explained that 'otherwise no workers would make themselves available'. The Cities of Cape Town and Verwoerdburg, for example, paid the full R8 allowances and even supplemented this allowance from their own funds. In contrast to this, it should be noted that the R3 daily 'allowance' created labour displacement in certain rural areas, because it was higher than the going local wage rate.

Some institutions felt that the 50:50 ratio (labour:materials) was a constraining factor in the implementation of projects. They maintained that insufficient allowance was made for material purchases and projects could therefore not be undertaken although

labour was readily available.

5.4.3 Industrial and small business development

Under this heading the attention will only be focused on the participation of the Small Business Development Corporation (SBDC) and DBSA. When it is considered that the SECP had been announced as a temporary, short-term measure, it must be argued that the above-mentioned institutions were not suited to participate in this programme because, by virtue of their objectives, they have to concentrate on development over the longer term and therefore have to address the more fundamental long-term aspects of unemployment.

Both these institutions therefore negotiated special conditions in terms of which they were released from complying with some of the standard stipulations of the SECP.

The SBDC's participation in the SECP therefore made provision for the following special programmes:

(i) Entrepreneurship training and development	R10 million
(ii) Small Builders Bridging Fund	R10 million
(iii) Small Business Aid Fund	R30 million
(iv) Small Business Start-up Fund	<u>R25 million</u>
	<u>R75 million</u>

All these programmes contributed towards the RSA Government's broad aim of the development of entrepreneurship through the development of small businesses, the safeguarding of existing jobs as well as the creation of new ones. An important feature of some of the above programmes was that revolving funds were created and that such funds were not merely dissipated. Overall, more permanency was thus created.

In a similar vein DBSA decided to participate because it was felt that less developed areas in Southern Africa, if compared with more developed areas, had as yet not received corresponding

attention as far as small business development was concerned. It was therefore agreed with the Department of Manpower that the R25 million allocation to DBSA could form part of the RSA Government's five-year commitment to the DBSA Development Fund if DBSA could apply such funds within its national programme and policy framework and direct the funds to labour-intensive projects. It was further agreed that it would be unrealistic to expect such funds to be fully utilized within the remainder of the 1985/86 financial year. DBSA identified the following components for its small business development programme:

- a revolving fund to facilitate the funding of existing inherently sound small businesses experiencing difficulties as a result of the prevailing economic climate
- the financing of training programmes for small business people
- the financing of small businesses
- the financing of physical facilities for small business activities, small commercial activities and training facilities.

The first three components were not within the existing framework of activities of DBSA and due to an agreement reached between DBSA and the SA Government an additional R10,5 million was made available directly to the participating states to finance these components by way of grants. As the last two components were within the existing framework of DBSA activities, they could thus be funded directly from the Development Fund with appropriate terms and conditions. As the provision of physical facilities for training was regarded as part of normal DBSA functions, this would also be financed out of the R25 million allocated to DBSA.

5.4.4 Community development

Under this heading reference is made to projects related to self-help housing, area development and the provision of buildings and structures for schools, hospitals, clinics, administration and similar community-oriented needs.

Community councils were very positive in their reactions because they were, in some instances for the first time, seen to be doing something visible and tangible for their respective communities.

The self-help housing sub-programme not only fulfilled a very real and urgent need, but the way in which this scheme was implemented also created its own momentum because the scheme was based on a revolving fund approach and available funds were not merely dissipated. The scheme also provided many training opportunities and it had a stabilizing influence. It was so devised that a potential home-owner (whether working or not) would receive a 'loan' in the form of labour and material to build his house. The labour consisted of teams of unemployed persons whose allowance was paid by the local Development Board or local authority, and were under supervision of a more skilled person.

Most of these community-oriented projects made an effective contribution towards community development. Some projects, eg 'leaf-raking' and similar projects, did provide relief to the target groups but did not have much spin-off effects on other objectives and their impact was therefore limited and of short duration. In some instances necessary and urgent maintenance and upgrading and erection of community facilities could be undertaken in respect of which funds were not previously available. In the process existing capital assets were safeguarded and new assets created which will have long-term beneficial effects. In some quarters it was maintained that those community facilities which had been upgraded or erected by SECP-workers had become proud possessions of the community and these communities would not allow unruly elements to damage such

facilities during situations of unrest. As was pointed out in sub-section 5.4.1, one should not fail to stress, however, that payments to communities gave rise to expectations that the programme would be perpetuated and that the communities would be paid for activities which they should 'normally' undertake and finance themselves, such as the cleaning and maintenance of cemeteries.

Among communal projects which enhanced the self-reliance of communities, communal gardens deserve special mention either under the above heading or in sub-section 5.4.1. Not only did these communal gardens offer immediate (cash) relief to the individuals concerned but also afforded them the opportunity to learn the skills of gardening and, concomitantly to perceive the potential of becoming self-reliant. Some communities were in fact able to produce and market surpluses. Monies so obtained were in some cases used to erect community halls and other community facilities such as crèches. Monies were also reinvested in the expansion or replanting of gardens or used for the acquisition of implements.

5.4.5 Education and training

Despite the fact that the training projects were of short duration and thus in the nature of 'crash courses', the employability of a large number of people was increased. The Department of Manpower indicated that about 25-30 per cent of the participants had immediately been placed in permanent positions after training.

Throughout the training programme, there was a continuous oversupply of applicants and people went to great lengths to be included in the programme. Not only did this programme succeed in keeping large numbers of people productively occupied, but it also created a tremendous amount of goodwill among the unemployed persons. In the process, trainees gained self-confidence and 'life-skills' which also increased their employability as well as their ability to become self-employed.

In a substantial number of instances people were, for the first time in their lives, exposed to work ethic and discipline and were therefore better equipped to enter the labour market. The training experience therefore assisted in alleviating the skills mismatch of the structurally unemployed.

The majority of the trainees were Blacks and as unemployment among this population group poses the greatest problem in South Africa, this programme was aimed at the right target group. It is also noteworthy that the majority of unemployed persons partaking in the programme, were younger than 30 years. This helped to ease the dependency burden on the population.

Many letters of appreciation from trainees were received by the training institutions and the DMP. Certificates issued to successful trainees became proud possessions of the recipients and in some instance prospective employers also came to attach value to these certificates.

The programme was most effective in those areas where future employers came forward to offer employment to quotas of successful trainees.

A possible negative aspect of these training courses was that persons might have become disillusioned if, after completing the courses, they were still unable to find employment.

Some comments on the implementation of the training programme should be made. Out of the total R600 million SECP funds, R50 million was allocated for training purposes. Out of the latter amount, R10 million was allocated to Development Boards. The further distribution of these funds was placed under the control of a co-ordinator. Disbursement was made on a pro rata basis according to the relative sizes of labour forces under the jurisdiction of the respective Development Boards. The advantage of using these Boards was that they were approached by unemployed persons for assistance with placement. It was therefore not

necessary to undertake large and expensive advertising and promotional campaigns. Some Development Boards nevertheless, did not participate directly in the training programmes and reallocated their funds to private sector training institutions. For various reasons this approach cannot be faulted. The relevant Development Boards felt that they were not properly geared to partake in this programme and by redirecting funds to established private institutions which had the required skills and facilities, ensured the rational and economic use of funds.

It should also be noted that funds allocated for training purposes were disallowed for any other application. The Department of Manpower also did not do any training itself but contracted the private sector for the training of unemployed persons, with the proviso that the courses should be run on a non-profit basis. At 31 March 1986 more than 150 private sector training institutions were involved in this programme and some 253 168 trainees had completed special training courses at a total expenditure of R90,6 million.

Due to the fact that the SECP had been announced shortly before the festive season and school holidays, the training programme had a slow start. Initially private sector institutions had found it necessary to promote the programme through newspaper advertisements, pamphlets and posters but once the programme got going, demand snowballed.

The administration of the transport allowance payable to trainees caused some difficulty because this allowance had not been standardized. The training institutions also had difficulty in establishing whether a person was entitled to UIF benefits because some persons deliberately hid their UIF cards. Cross-checking among various institutions (including the respective Development Boards) posed a problem because it could not always be determined whether certain individuals were, in fact, abusing the system by consecutively enrolling for several courses. In Johannesburg, for example, a person could conceivably attend more than twenty different institutions and would then have received

an allowance for a period exceeding six months.

5.4.6 Transport and energy and other infrastructure programmes

An analysis of projects under this sub-programme reveals that urgently needed work could be undertaken which would have been left unattended if the special funds had not become available. In the instance of road maintenance, some roads had become almost completely impassable because of a combination of neglect and a lack of funds. Under the SECP, culverts, as well as low-water bridges and new roads have been built which enabled certain communities to maintain links with or to gain access to other areas (among others, the outside labour markets). The erection of power lines facilitated the improvement of productivity and the quality of life of whole communities. Other worthy projects which can be mentioned were the reticulation of piped water, the installation of water-borne sewage systems and the building of dams, which importantly not only made use of labour-intensive technology, but also utilized local materials.

5.4.7 Health services

Comments on the food relief sub-programme have already been made in section 4.4 (pp 81-82). It was felt that the distribution of food parcels can only be recommended under extreme emergency situations and provided that substitute relief programmes are implemented.

5.4.8 Summary

From the above analysis it is clear that the various sub-programmes had certain spin-off effects, some of which were measurable and others less measurable; some direct and others indirect. Some had only short-term effects whereas others had effects which would only materialize over the medium to long term, but which, by the same token, were also found to have a more lasting effect.

As a general concluding remark it can be stated that, except in very special emergency situations and where no other conceivable alternative is available (such as the feeding of hungry children and of those who cannot fend for themselves), indirect measures are to be preferred over direct measures.

5.5 Some regional perspectives

5.5.1 The Republic of South Africa

5.5.1.1 Natal

Several spokesmen in Natal felt that the SECP had served a good purpose but thought that too many departments had been involved in its implementation. This gave rise to a lack of co-ordination and tended to confuse Black persons. The thought was expressed that the Joint Management Committee System could have been used to a greater extent especially with regard to the determination of needs and priorities. The suggestion was made that area co-ordinators should in future be appointed. In the latter regard the Regional Advisory Committees could perform a useful service.

Local authorities in Natal received R9,7 million under the SECP. With certain exceptions, it appears that the smaller (rural) local authorities were better able to apply their SECP funds to meaningful projects. Not only did the funds help to stimulate local businesses but they also enabled local authorities to undertake much needed infrastructural projects. One cannot fail to observe, however, that the degree of initiative and enthusiasm of particular local authorities had had a major influence on the outcome of the SECP in their respective areas.

5.5.1.2 Transvaal

Local authorities in the Transvaal reacted rather slowly to the SECP. Some maintained that they had no unemployment in their areas, while others indicated that they got confused by the fact that they had received circular letters on the SECP from the

Transvaal Provincial Administration as well as from the United Municipal Executive of South Africa, but that they had been required to send application forms to 'Administration: Own Affairs'.

The initial poor reaction from local authorities in the Transvaal was further ascribed to the following reasons.

- Small authorities had the perception that all the funds would be taken up by the larger authorities.
- The smaller authorities interpreted the SECP to be inflexible and therefore did not participate because they had only small numbers of registered unemployed persons.

It should, however, also be mentioned that those smaller local authorities which did participate, did so very successfully. Typically, they have only limited funds and the SECP thus enabled them to implement projects which would normally have been beyond the scope of their budgets. The significance of the participation of small local authorities is self-evident when it is considered that they are in many instances one of the biggest employers in their specific areas.

Whereas the smaller authorities (in 'rural areas') were readily able to attract workers at R3,00 per day, the larger local authorities ('urban' areas) had some difficulty in finding workers who would work for R4,00 per day.

It should also be noted that local authorities in rural areas tended to pay their SECP workers R4,00 per day as against the R3,00 paid by other SECP employers in the same areas.

5.5.1.3 Cape Province

5.5.1.3.1 Western Cape

Some spokesmen in this area saw the problem 'as not in the field

of Black unemployment'. Neither was it seen as a problem of the 'unemployable' or an influx to the area following the abolition of the Coloured Labour Preference Laws. The problem as perceived by these spokesmen was in the Coloured community and particularly the skilled and semi-skilled who had been laid off in the textile, clothing, building and other industries.

These industries were declining and had been declining for some time. The problem was thus seen as fundamentally a structural one, requiring training and a redirection of existing skills.

Private sector SECP employers found that labour was not readily forthcoming and in several instances not prepared to work at the wage rate indicated in the guidelines. Most of the relief employees had been in employment previously, but had been retrenched. The skills base varied - mostly unskilled, although there were artisans on the scheme.

Generally there was little staff turnover, and continuity existed throughout the duration of the projects.

5.5.1.3.2 Eastern Cape

Unemployment is acute in this area. Many people are facing starvation and several employers had to feed their staff to get them into shape to work. Labour was always readily available for all the projects, with problems reported having been to keep other work-seekers out. With the bush clearing projects at the golf courses in Port Elizabeth and East London, employees slept on the golf courses for the duration of their work. They had no other home.

There was evidence of political agitators disrupting labour in the relief programme, for instance at Everite in East London.

5.5.1.4 Orange Free State (OFS)

The Provincial Administration of the OFS reported experiences

with the SECP similar to those mentioned by the Transvaal Provincial Administration. Apparently this Administration had initially not been properly informed about its involvement in the SECP and only became alerted to this fact when local authorities started to complain about the Administration's 'tardiness'. Enquiries by the Administration then revealed that the Department of Own Affairs had sent correspondence to its regional office in Kimberley which, in turn, addressed circular letters to only those OFS local authorities which fell under its jurisdiction. Only after the attendance by the Deputy Provincial Secretary of a meeting in Pretoria, was clarification of the matter gained. At that meeting it was determined that local authorities still remained the responsibility of the respective provincial administrations. However, after the initial bad start, no further serious problems were experienced.

Feedback received from Blacks who participated in the SECP was very positive and some indicated that the programme had served to ease the unrest situation.

As in other provinces, some areas in the OFS also had the experience that workers refused to participate in the scheme maintaining that the daily wages were too low. In some instances local authorities supplemented the prescribed wages from their own funds and this also applied in respect of the material allowances. Some towns had an oversupply of labourers because they could not identify a sufficient number of projects to accommodate all the work-seekers. Some town clerks maintained that their areas did not have an unemployment problem. In some of these cases, closer analysis revealed that the real situation was actually rather one of lack of local authority enthusiasm for the scheme.

5.5.2 The self-governing national states

5.5.2.1 KwaZulu

The Department of Agriculture was the recipient of about 75 per

cent of the total R8,2 million allocation to KwaZulu. It was maintained that, should the SECP not have been implemented, the Red Cross would have had to be called in to assist the famine-stricken individuals.

The R3,00 per day allowance was in some instances found to be higher than the ruling wages in specific areas. In such instances it was found necessary to make a downward adjustment in the daily allowance in order not to disturb local patterns.

In many instances females made up 90 per cent of the workers' corps. Workers who participated in the SECP had minimal prospects of finding other sources of income after completion of the programme.

The programme was launched in co-operation with tribal chiefs.

5.5.2.2 KaNgwane

Because of the unrest situation the assignment team had been advised not to visit this state. In the event, only two employers were visited. These employers indicated that they had been swamped by work-seekers. One company indicated that it would retain most of the SECP workers after completion of the scheme.

5.5.2.3 KwaNdebele

The assignment team had been advised not to visit this state due to the unrest situation.

5.5.2.4 Qwaqwa

This state could not receive the evaluation team during the field-work phase of the assignment.

5.5.2.5 Lebowa

This state applied the bulk of the SECP funds to agricultural projects, mostly to extend/expand existing projects. In one instance casual workers on a particular project who had been receiving R5,00 per day were retrenched, only to be reappointed at R3,00 per day to continue with the particular project. Females (young and old) predominated among the various projects. In a sense the SECP was regarded to be a continuation of the (previous) drought relief programmes.

5.5.2.6 Gazankulu

As in the case of most national states, Gazankulu applied its SECP funds to agricultural and community-oriented projects. It was maintained that this state experienced no unrest, that people 'were contented to get on with their jobs' and that they were thankful for the relief provided by the SECP.

5.5.3 Independent national states

The co-ordinating committees of the SECP in Transkei and Bophuthatswana supplied the assignment team with reports on the implementation of the programme in their respective countries. It was thought that readers of this report might find it useful to have access to the complete texts of these reports. By and large observations on features of the implementation of these programmes also apply, *mutatis mutandis*, to the Republics of Venda and Ciskei and the relevant reports are therefore attached as Annexures VI and VII.

5.5.3.1 The Republic of Transkei

In addition to the report (see Annexure IX) received from the Transkei Employment Creation Committee, the following observations may be made:

- It was generally felt that, during its duration, the SECP

made a material impact on socio-economic conditions in the Transkei. It was felt, however, that the SECP should have been included under the existing special employment action programme (SEAP) with which most people had already been familiar. This would have eliminated problems that cropped up and would have reduced the amount of administrative work.

- The wages were considered to be sufficient and workers actually felt that it was more important to work for a longer period under the SECP than to earn a higher wage over a shorter period.
- Supervision and inspection of projects in most cases presented a problem.
- The fact that materials and equipment had to be bought in the normal manner by the relevant state departments meant that delays in deliveries led to projects not being completed by the end of March 1985.
- It was quite apparent that tribal chiefs had a very large influence not only on the selection of projects, but also on the persons actually selected for employment. Friends and relatives received preferential treatment and it was therefore not necessarily the people who had the greatest need who had been selected.
- A very high percentage of the SECP workers were females.
- It was difficult to ensure that only one person per household was employed under the SECP. This also applied in other independent and self-governing national states.

5.5.3.2 The Republic of Bophuthatswana

The basic conceptual plan for the introduction of a special employment scheme in Bophuthatswana was based on the premise that it was the rural communities, representing 80 per cent of the

population, that had suffered the most during the previous three seasons of drought and therefore deserved maximum assistance and attention (see Annexure X).

The Bophuthatswana action committee therefore implemented the programme in such a way as:

- to bring the greatest relief to the greatest number
- to obtain substantial long-term benefits for village communities
- to improve measurably the overall quality of life at village level.

In order to realise these objectives the conscious decision was taken to work through and in co-operation with the traditional tribal authorities.

The employment of supervisors for the specific purpose of working at village level was seen as the best means of ensuring that the village population benefited directly and that the nature of the work undertaken would improve community life.

Drought relief Bophuthatswana from the beginning had two relief programmes controlled by working groups comprising departmental and parastatal representatives. Special employment schemes have been controlled by the human relief working group.

Well before the special employment scheme was introduced, the drought relief programme had established a nationwide system of depots and sub-depots for the distribution of food to the destitute and cattle feeds to farmers. Each depot manager was responsible to one of five district managers. It was relatively easy for the twenty-five supervisors to be placed, for day-to-day control, under the guidance of these district managers. Although basically very simple the organization has proved relatively efficient and effective.

As is shown in Annexure VIII, the major area of concern was the

administrative and security problems involved in the payment of 34 500 workers in geographically dispersed areas.

Bophuthatswana's action committee also felt that the Special Employment Action Programme had been very hurriedly launched with little time for in-depth planning. The knowledge that the programme was only a temporary measure did not encourage a long-term view. In consequence supervisors embarked on some schemes which hindsight suggests were given too high a priority.

Because the programme started late in 1985, this left insufficient time for some schemes to be completed by the end of the financial year when the scheme was halted. This was found to be most unsatisfactory.

This action committee therefore suggested that, if a continuation of the programme was contemplated, consideration should be given to an extension of at least two years. This would permit more careful planning and more thorough implementation.

The socio-economic impact of the SECP in Bophuthatswana has been described as 'enormous'. Parents have been able to afford to feed and clothe their families and pay for school fees. The general well-being of village populations has visibly improved. The mere fact that the work in which villagers were engaged was of immediate personal and community benefit appears to have given the scheme an impetus not expected.

Drought Relief has requested the Government of Bophuthatswana to make funds available so that the scheme may continue. It was hoped that the Government of the Republic of South Africa would be able to provide encouragement and additional financial assistance.

5.5.3.3 The Republic of Venda

In general, most of the observations in respect of the Transkei and Bophuthatswana also apply to Venda. Many useful

infrastructural projects were undertaken in this country, eg the erection of power lines, the maintenance and building of roads, bridges, culverts and community centres. All participants were hoping that the SECP would be continued after the end of the 1985/86 financial year.

5.5.3.4 The Republic of Ciskei

Experience with the SECP in the Ciskei was similar to those in the other independent national states. Among other community-oriented projects, mention could be made of a nursery schoolteacher training project. Towards the end of March 1986, some eighty-five of these teachers had been trained and were running nursery schools for pre-school children all over the Ciskei. Apart from the educational value of these schools, there were certain other spin-off effects. The mothers of these children were organized to establish communal vegetable gardens on the school premises or in the immediate vicinity of the schools. These gardens not only supplied food to the schools, but also produced surpluses which were sold to generate funds for the schools as well as other communal facilities.

At the request of the assignment leader a person attached to an organization which had a leading role in the implementation of the SECP in the Ciskei submitted certain written comments on the programme. This person wishes to remain anonymous.

In quoting extracts from the above-mentioned document, the assignment team fully realizes that the SECP had the provision of temporary relief as its overriding objective. However, similar comments were, in some instances, also made by other regionally and geographically dispersed sources. These comments are therefore, to a certain extent, a reflection of how the objectives of the programme had been interpreted in some quarters:

... re the Ciskei short-term employment programme, the following is my opinion (based on the assumption that the

programme was **not** a purely political mechanism to get money to poor people irrespective of the meaningfulness of the labour):

Several million rand has been ineffectively spent due to the short-term nature of this project. Thousands of people have monthly received their \pm R66,00 each for doing a fruitless job, which very few people would be proud of doing. These people have been hampered by the fact that several of these projects were not properly planned in advance and a proper budget allocated for the development of these projects. I feel that several people were employed just to use up the money - achieving nothing. The money might as well have been handed out to them on an ad hoc basis.

However, the picture is not all gloomy, and a lot of good has been done where the people who planned and implemented had the insight to develop small projects that would run on their own productively, should the CEAP be discontinued. This money was used in some cases to pay people receiving in-service training until they could generate their own self motivated income. Where this has happened, the human and community development cannot be disputed. But this could have happened to a far greater extent if the money was made available over a longer period of time for longer term permanent development of a job creation programme, ie employ fewer people initially but establish ongoing jobs by establishing small industries that could eventually support themselves and employ even more people.

I think it would be a tremendous shame to discontinue the funding altogether and should this happen it would have done more harm than good and create a tremendous feeling of distrust of the system. It is however imperative that projects should be properly planned and have the potential of stimulating and achieving longer term human and economical development. This will require a different formula for the wage/capital-and-overhead ratio. I suggest

a 50:50 ratio.

I also believe that private organizations have much to offer in planning, implementing and the ongoing development of projects. Organizations with a sound track record should be identified and involved in implementing the programme.

5.5.4 Summary

From a regional perspective, a few general observations can be made:

- The suggestion that future programmes should be co-ordinated on an area basis is strongly supported. The Joint Management Committee System and/or the Regional Advisory Committees (RACs) could perform a useful service in this regard.
- Advisory bodies, not necessarily only the RACs, often get frustrated because their advice and suggestions tend to get watered down and often fail to get the attention that they deserve. If they can be given some say in the utilization of special funds, this would give a greater sense of purpose to their activities and it might also facilitate better needs assessment and better identification and selection of projects and implementing organizations/institutions.
- 'Wages' presented a problem to the designers of the SECP. Accepting all the considerations which had to be included at the inception of the programme, it still seems that there was room for further differentiation apart from the urban-rural differentiation which had been decided upon.
- A six-month duration of a special expenditure programme is too short because it does not allow sufficient time for proper planning and implementation especially if it includes traditionally slack periods of the year.

5.6 Some perspectives on the participating institutions

In previous paragraphs passing reference was made to institutional involvement in the SECP. As was noted, some institutions were better equipped than others to promote the overriding objective and derived objectives of the SECP. It became clear that those institutions/organizations which had the operational implementation of development as part of their normal functions were able to implement SECP projects almost immediately because they had a readily available 'pool' of projects which could not be financed from existing budgets.

It was also noted that the degree of enthusiasm and drive of individual employer organizations had a profound influence on the degree to which they contributed towards the efficiency and effectiveness of the SECP.

The participation of certain institutions (SBDC, DBSA and the Eastern Cape Development Board) required that certain special conditions, in deviation from the original guidelines of the SECP, had to be negotiated (see section 5.4.3). With certain exceptions the efficiency of their contributions towards the short-term, overriding objective of the provision of immediate temporary relief was of a lower order than their contributions towards the possible longer term derived objectives of the SECP.

Especially during the early stages of the SECP there was a lack of co-ordination among the various organizations/ institutions. Although difficult to pin-point, the impression was sometimes gained that in certain areas too many organizations were involved in the implementation of the SECP, which led to confusion and uncoordinated actions.

From an evaluation point of view co-ordinating committees in each of the TBVC and self-governing national states were spoken to and it was therefore possible to gain an overall view of whole regions. (Subsections 5.5.3.1 and 5.5.3.2 serve as proof of this statement). This was not the case in RSA regions because several

organizations were operating in the same region and in these instances feedback on the performance of the SECP could not be obtained from a centralized source. There is, therefore, great merit in the suggestion (see subsection 5.5.1.1) that area/regional co-ordinators should in future be appointed both for the determination of needs and priorities and to co-ordinate information with respect to the performance of such programmes.

5.7 Summary

In summary, it can be reiterated that the primary objective of the SECP was not to show an 'economic return'. Most of the projects within the SECP were therefore designed to serve the public or community interest in some way. Therefore, in terms of socio-psycho-political efficiency considerations the SECP by and large must be regarded as having served its purpose. However, in view of the long-term structural unemployment problem, it is necessary that any similar future programmes should be in harmony with the underlying structural problem and should therefore, to a much greater extent, also observe economic efficiency considerations.

6. MAIN FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

6.1 Main findings

6.1.1 The unemployment problem

In Section 2.4 it was noted that the unemployment problem in Southern Africa should fundamentally be explained in long-term structural rather than in short-term cyclical terms, *inter alia* because :

- The annual increase in the creation of wage-earning employment was only 0,6 per cent in the period 1980-1985 as against an average population growth of 2,5 per cent. As the annual increase in employment lagged behind population growth during most years in the 1950-1985 period, it is clear that the percentage of the South African population in wage-earning employment definitely declined over the thirty-five-year period. In five of the nine sectors of production the total number of paid employees was lower in 1985 than in 1980. The relevant sectors of production are agriculture, manufacturing, construction trade and accommodation, and transport.
- Only 226 000 jobs have been created over the past five years. If the South African economy fails to improve on this performance, 81 per cent of the new entrants to the labour force will be jobless by the year 2000. If it fails to create more jobs than in the past fifteen years, 56,6 per cent of new entrants will be jobless. The real gross domestic product will have to increase annually by at least 4,5 per cent if the existing level of unemployment is to be reduced. To realize this growth rate substantial structural reforms are required.
- In Table 3 it was shown that during the years 1960-1982 the average annual unemployment rates in South Africa was 18,13 per cent. From 1977 to 1982 this annual rate exceeded 20

per cent with a 22,5 per cent high in 1982.

- The structural unemployment problem has been aggravated by the fact that the South African business cycle has been mostly in a downward phase since September 1981, with a concomitant rise in cyclical unemployment. Whereas not a single negative growth rate was realized in any year from 1950 to 1981, the South African economy has experienced negative growth rates in three of the four years since 1982. Something 'more than a normal' cyclical wave has set in in the business cycle, which is not explainable by trend, cycle or seasonal analysis.
- Ordinary cyclical fluctuations in business activity usually tend only to affect the unemployed and those employed in marginal jobs. During recent years, however, not only the latter categories were affected, but also the ranks of the 'regularly' employed.

6.1.2 Measures to combat the effects of unemployment

- The White Paper on a strategy for the creation of employment opportunities in the Republic of South Africa recognizes the interdependence between structural and cyclical unemployment, but indicates that appropriate measures are needed for structural and cyclical unemployment respectively. It also stipulates that short-term counter-cyclical actions should still be seen in the context of the long-term approach, ie short-term measures should not conflict with long-term objectives of the Government and should, therefore, have a neutral but preferably supportive effect on such other objectives.
- In the report it was noted, however, that cataclysmic upheavals such as those caused by the confluence of negative psycho-socio-economic developments which preceded the introduction of the SECP 'tend to stand in a class by themselves' and that it would seem reasonable to expect that

such noncalculable, unforeseen cycles also require their 'own appropriate measures'. A cataclysmic upheaval caused cyclical unemployment to reach extraordinary proportions and Government therefore had to create confidence in the economy and to alleviate the hardship of the target group, namely the unemployed.

6.1.3 The SECP

- In order to define the overriding objective of the SECP the above-mentioned considerations therefore had to be taken into consideration as well as the fact that one cannot deny that relief programmes are necessary during emergency situations. In view of its particular circumstances, South Africa has no well-developed social security system. The only safety net is the Unemployment Insurance Fund which can only provide limited benefits for a limited time for only certain members of society.
- Although the special expenditure programmes started in 1983/84 with special employment creation (and drought relief) as the overriding objective in view of the considerable cyclical unemployment in Southern Africa at the time, in 1985/86 this became a means to satisfy a higher order objective, ie to provide relief. Stated differently, while the 1983/84 and 1984/85 programmes should be viewed solely in terms of the White Paper on a strategy for the creation of employment opportunities in the Republic of South Africa, this was no longer the case for the 1985/86 SECP. **Unfortunately this was not expressed in a change in the name of the programme, nor sufficiently clearly articulated in official statements.** The latter tended to put relief as an addition or appendix to employment creation.
- The overriding objective of the SECP can, therefore, be stated as **'To provide temporary relief (as defined on page 91) to the unemployed but to refrain from giving them**

handouts, and to deploy them as productively as possible.'

- In the latter regard cognizance has to be taken of the White Paper's further prescriptions with regard to special government expenditure programmes aimed at the creation of employment opportunities, namely it cautions that such programmes 'could not be continued indefinitely and that the sudden termination of such programmes, with the simultaneous retrenchment of workers whom it might not be possible to accommodate elsewhere in the economy, could have serious consequences.'
- The SECP was conceived as a **special, auxiliary, emergency, temporary programme** and was not intended to show a (direct) economic return. Its effectiveness and efficiency therefore have to be evaluated in terms of socio-psycho-political considerations rather than in terms of purely economic considerations. Seen against this background, **the SECP must, by and large, be regarded as having served its purpose.** However, it would appear that in contrast to the original intention that the SECP and its forerunners would be temporary special expenditure programmes, announcements with respect to the continuation of these programmes now indicate that they are becoming repetitive. It should further be noted that during the implementation of the SECP some of its elements also started to address long-term issues with short-term measures in an unplanned, uncoordinated fashion. It is therefore imperative to consider how these supplementary programmes should in future be designed and implemented to achieve the necessary complementarity referred to above.

6.2 Conclusions and recommendations

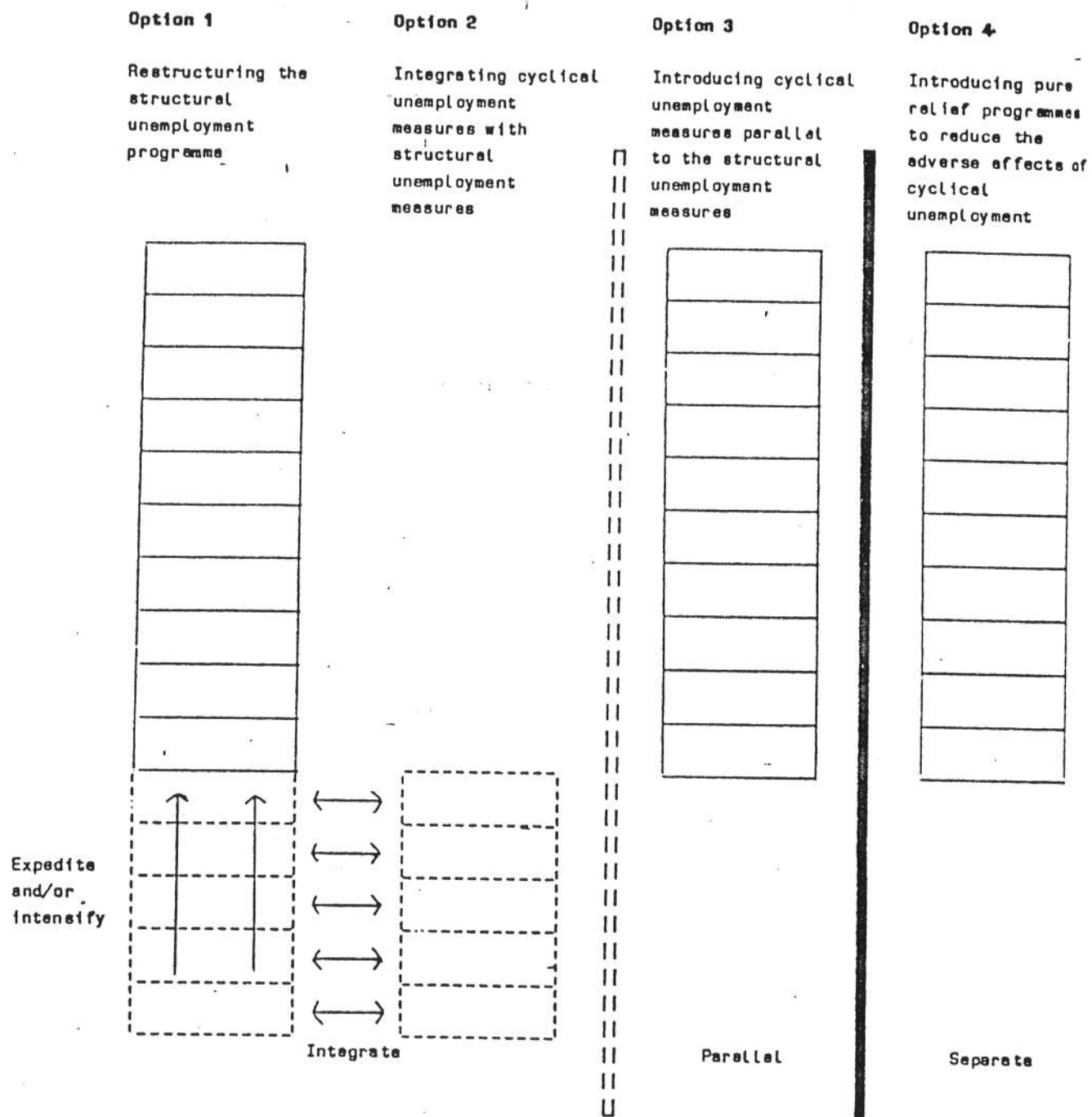
6.2.1 Options for dealing with the structural and cyclical unemployment problem and sporadic emergency situations.

- In analysing the dynamics of the SECP due regard must be

taken of the fact that the SECP was intended as an emergency programme and that, in the nature of things, real or perceived imperfections were to be expected during the various stages of the programme. The investigation was therefore intended to provide learning experiences with respect to the SECP's effectiveness as well as efficiencies and deficiencies as guidelines for the implementation of similar future programmes. In this chapter it is not the intention to repeat the findings and conclusions already contained in previous chapters of this report but rather to focus on certain broad principles.

- The SECP was intended to be a **short-term** programme, **auxiliary** to existing long-term structural and other short-term (cyclical) programmes. In the final analysis, however, the SECP included sub-programmes which not only addressed relief issues but also structural and other cyclical issues. Short-term measures have therefore also been applied to address long-term issues and institutions became involved which were not geared for short-term programmes. If one were to consider other available options, this could possibly be depicted in Figure 15.
- Figure 15 not only shows what happened in practice but also depicts certain available options that could have been followed during the implementation of the SECP and its forerunners.
- **Option 1** : If the Government were to concentrate on long-term issues only, the existing structural programmes could be reorganized so as to intensify or expedite certain of these programmes. By this is meant that certain projects that were budgeted for but which could not receive funds during a particular year could replace projects that did receive funds because of the higher priority awarded to employment considerations. At the same time the labour intensity of other projects in the structural programmes could be increased, which

Figure 15 : Design of the SECP in relation to other government programmes : various options



could change their priority rating and therefore also their funding level.

In isolation, however, such a course would not have been sufficiently effective in addressing cyclical problems and would have been almost completely ineffective as far as the provision of immediate relief was concerned.

- **Option 2 :** The second option was to integrate cyclical measures with structural unemployment measures by implementing as many as possible of the remainder of the projects submitted under the structural programmes but which could originally not be funded. Such a course has the obvious advantage of complementarity between short-term and long-term measures but would probably still not address immediate relief requirements.
- **Option 3 :** In this option cyclical unemployment measures are introduced parallel to the structural unemployment programmes. In this case the full implications and prescriptions of the White Paper on a strategy for the creation of employment opportunities in the Republic of South Africa should apply. However, this approach has the material disadvantage of being potentially (and in actual fact) in conflict with other existing programmes unless such a programme is very carefully designed and implemented in terms of the provisions of the White Paper. It could therefore be less effective than the second option in respect of its complementarity with other (long-term structural) programmes and possibly only marginally more effective in the provision of immediate relief.
- **Option 4 :** The introduction of pure relief programmes to reduce the adverse effects of cyclical unemployment would be effective in the provision of immediate relief, but then only for the duration of the programme. Such a programme will, at best, also only have a very marginal

spin-off effect on longer term economic considerations, especially if the programme consists of free handouts without the quid pro quo of productive deployment of the unemployed.

- In addition to the four individual options as discussed above, there was also the alternative to implement the SECP as a combination of the various options. This did in fact happen, with the consequences as discussed in the report. Based on this learning experience, certain guidelines can be offered for the future handling of similar situations.

6.2.2 Guidelines for the future

6.2.2.1 Structural unemployment

In respect of the structural problems experienced in the economy, it was pointed out above that the basic causes of the limited labour absorption capacity of the economy have to be addressed. The Economic Committee of the President's Council has been requested to investigate the acceleration of economic growth and the concomitant employment creating ability of the economy on the one hand, and the feasibility of the realization of direct and indirect advantages of such a policy for the community on the other. As this investigation entails an in-depth analysis of various possible alternatives, **our study refrains from making detailed proposals in respect of the composition of the structurally oriented measures that should be devised and implemented to address the structural problem of the economy.** The following aspects are, however, a few examples, with motivation, of what should be included in an economic policy.

- Since the 1970s there has been a continuing drift towards capital deepening, partly because of the relative costs of labour and capital during this period. This has encouraged the implementation of capital-intensive methods of production which have not led to the creation of a sufficient number of job opportunities.

It is therefore essential that the use of more labour-intensive methods of production be encouraged by, for example, changing the incentives to substitute capital for labour and by retaining the elements of option 1.

- During the aforementioned period there also appeared differential intensities of labour shortages by skill, vacancies according to skill required, and the skill composition of the supply - in short, a skills mismatch of the structurally unemployed became prevalent and social isolation increased.

The implementation of an educational and training policy that will provide the economy with a labour force suited to its needs is therefore required. In the process, appropriate vocational guidance and advice regarding employment possibilities should receive due attention.

- Throughout the period, there was also a consistent imbalance between population growth and economic growth which prescribes a serious need for an effective population policy.
- Small businesses and the informal sector should, because of their undoubted employment creation potential, receive continuous encouragement and the adoption of a policy to accelerate inward-directed industrialization, and by so doing to convert potential demand into effective demand, especially that which will emanate from increasing urbanization, should be considered.
- The need for creating sufficient employment opportunities should be regarded as only part of the solution. An aggravating factor is that almost 60 per cent of the unemployed are functionally either illiterate or semi-literate. This means that, even if the required jobs could be created, the majority of job-seekers would have to be

trained to fill them. Education and training programmes are therefore necessary, but the scale on which these will be needed makes it virtually impossible to meet these requirements through traditional educational and training methods. The training programmes initiated through the SECP should therefore be regarded as an important vehicle to increase the employability of the unemployed and should therefore be continued as part of the measures to address the long-term structural problem. Needless to say, this will also have immediate effects on the cyclical unemployment problem.

Should option 1 be adopted to address the structural unemployment problem, the following guidelines are recommended :

- Since the objective is to employ the employable, the target group for option 1 would be those members of society who are potentially and latently available for gainful permanent employment, irrespective of whether they are registered as unemployed or not. It is therefore recommended that **appropriate measures be designed and implemented to identify and select the right participants in respect of option 1.**
- **Wage rates should be compatible with existing long-term patterns of remuneration.**

6.2.2.2 Cyclical unemployment

Measures which have thus far been implemented to address the structural unemployment problem have been unable to contain the escalation of the problem. Therefore, until the existing long-term measures are able to make a significant impact on the long-term problem, supplementary interim measures need to be implemented to accommodate the unemployed. Such supplementary measures will, of necessity, have a bearing on both the structural as well as the cyclical aspects of the problem. Supplementary, short-term employment creation strategies must therefore be so designed and implemented as to be totally

integrated with the long-term structural measures. As was shown above, option 2 is therefore to be preferred over option 3.

It is therefore recommended that interim short-term programmes should adhere to certain fundamental principles :

- They must not conflict with other government objectives and should, at worst, have a neutral effect, but preferably a supportive effect, on such other (structural) objectives.
- The implementation of projects within such programmes must adhere to the basic principles of the project cycle, namely, they must be properly identified, appraised, planned, implemented, co-ordinated, supervised and evaluated (see Figures 13 and 14).

The former principles, *inter alia*, recognize that :

- Interim programmes should be so designed as to create transition devices for getting people into regular employment. Although there may be times when the State has to offer assistance to alleviate momentary distress (option 4), such measures must be accompanied by measures aimed at future improvement.
- Funds and other resources are too scarce to provide relief to all in need: priorities must therefore be set and participants must be carefully selected to include only the long-term employable. The success of programmes is to a large extent dependent on the efficiency and enthusiasm of the institutions and personnel involved.
- Projects should be so selected that, on their completion, a definite and measurable contribution has been made to the capital/infrastructural stock of Southern Africa. Carefully selected PWPs could serve this purpose.
- Projects should also be so selected that, after their

completion, they will preferably be self-sustaining or of such a nature that they can be accommodated by normal budgetary allocations.

- In view of the scarcity of funds and other resources, projects which become self-perpetuating by means of the creation of revolving funds (eg self-help housing and assistance to small businesses) are deserving of special attention.
- Adherence to the basic principles of the project cycle prescribes that the duration of programmes should be such that haphazard decision-making and the application of unscientific criteria for project formulation and selection are avoided. Programmes and their constituent projects should therefore be linked to formal long-term objectives and goals. This will result in measurable ends which can be systematically evaluated and, to a far greater extent, facilitate observance of economic efficiency considerations.
- The wage rate should be compatible with existing long-term patterns of remuneration.
- Projects under option 2 should be carefully co-ordinated with the projects already approved under the standard structural programme. It is therefore recommended that an institution au fait with the employment problem as well as the structural programme be appointed for this purpose.
- Certain proposals were received from various SECP co-ordinators. In respect of the TBVC and national states it was noted that special employment action programmes were being instituted or augmented in terms of which (mainly) respective government departments took on extra labour at low wages enabling them to intensify work programmes such as weed eradication, forestry maintenance, tertiary road maintenance, and general maintenance works. It was maintained that most of these schemes were not income

generating and at best provided temporary relief. It was further observed that supervision and administration of these programmes proved to be difficult and that the results in terms of longer term structural problems tended to be limited. **It was therefore recommended that such non-income generating programmes/projects should, as far as possible, be gradually phased out and supplemented or replaced by programmes which are in closer harmony with long-term objectives.** These programmes/projects will obviously require funding for between two and five, or even more, years. Hitherto funding was on an arbitrary, annual basis which left too many uncertainties and which thwarted proper project identification, planning and implementation. It was therefore **recommended that funding for (interim) programmes be made available for periods longer than had hitherto been the case, ie instead of arbitrary annual programmes they should become two- to five-year commitments.**

6.2.2.3 Relief programmes

As shown above, sporadic relief programmes (option 4) are sometimes necessary. Careful consideration needs to be given, however, to the considerations listed in the immediately preceding subsections, especially those that require various programmes to have a neutral but preferably supportive effect on other programmes. Relief programmes should therefore also be so designed and implemented that factor prices are not distorted and scarce resources are not misallocated.

In the report (pp 100-101, 129) it is noted that it is generally accepted that direct measures are more efficient with regard to a narrow set of goals and purposes than indirect measures, but usually less effective :

- When it is necessary to provide at least a meal per day per destitute family, the wage needed to bring this about might be too high or the response of participants too uncertain. In such cases more direct measures, such as the distribution

of food parcels, may be more efficient because the cost to society is less or the outcome more predictable.

- Therefore, in general, where measures are needed for only a short period, it may be desirable to allocate food to the destitute (especially those who can under no circumstances fend for themselves) rather than to upset the general employment structure and decision-making process.

However, indirect measures are the orthodox means of exerting government influence on individual decision making. The immediate aim of these measures is, for example, to employ the unemployed, leaving the decision on how to spend wages to the individual. Indirect measures therefore interfere less with the choices of individuals than do the more direct measures. They also require a less detailed analysis for their use and do not substitute government judgement of what is desirable for the action of individuals.

As far as hand-outs are concerned there is also the consideration of the basic human needs of self-expression and self-esteem which are manifested in, *inter alia*, the freedom of choice and in the maintenance of a certain dignity. International research as well as local evidence prove that food hand-outs violate the recipients' (and their dependents') dignity and self-esteem.

In order to make recommendations concerning the future implementation of similar relief programmes, several further aspects have to be taken into consideration :

- A basic characteristic of the special relief programmes is that they are only intended for the short term.
- The overriding objective is the provision of relief to a specific target group.
- In view of the short-term duration of such programmes it is not advisable nor generally necessary to create new

institutions to administer such programmes.

- In order to achieve the objective of providing relief, the nature of the need should be taken into consideration when deciding whether direct or indirect measures (as discussed above) should be applied (see subsections 4.4 and 5.4.7).
- Generally speaking, direct relief measures have little interaction with other government objectives and the outcome of such measures is more predictable than indirect relief measures. They may therefore be also more efficient because the cost to society is less.
- The fact that direct relief measures have less interaction with other objectives than indirect measures prescribes that a choice between these two approaches should be based on a careful analysis of the nature, extent and causes of the particular relief that is needed. If, for example, more than one problem is to be addressed at the same time (as was the case with the SECP), indirect measures would be more appropriate (effective) over the longer term than direct measures.
- When it is decided to use indirect measures either alone or in conjunction with direct measures, the possible effects of such indirect measures on other government objectives should be carefully evaluated.

Viewed against the background of the above considerations, it is necessary to recapitulate that the SECP applied direct as well as indirect measures to provide relief to the unemployed, namely initially the distribution of food parcels (direct measures) in conjunction with employment creation activities and strengthening of the UIF (both indirect measures). The underlying guiding principle of the first two measures was 'to provide a meal per day' to all in need of such support.

Strictly speaking, the UIF should be regarded as a measure to

counter the effects of the cyclical downswing of the business cycle. Stated otherwise, it is a contingency rather than an emergency measure; it is geared for 'normal' rather than 'cataclysmic' conditions. It is intended to safeguard the individual from the consequences of short-term unemployment. Because benefits receivable in terms of the UIF are also aimed at much more than merely 'a-meal-per-day', a discussion of the UIF in terms of 'relief programmes' would perhaps be irrelevant, except to point out that R75 million of the SECP funds were (correctly) used to strengthen the UIF in view of the fact that an 'abnormal' number of 'regularly employed' workers were retrenched during the cataclysmic downswing of the business cycle.

The third leg of the relief programme was the creation of special employment opportunities. If it is accepted that it was also the objective of this subprogramme to enable the affected target group to obtain 'a-meal-a-day', it is necessary to consider the policies and strategies that were followed to achieve this objective.

For purposes of this discussion, three guidelines of the SECP should be highlighted :

- Only registered unemployed persons and those who were not/no longer eligible for UIF assistance could participate in the SECP.
- Preference was given to the bread-winner, be it male or female.
- A differentiation was made between the allowances payable in rural and urban areas. This distinction was, **inter alia**, based on the generally accepted differences in cost and standard of living levels in the respective areas.

Seen against the above background, certain recommendations with motivation can therefore be made.

- Stratification of the target groups

Direct measures should only be applied under extreme emergency situations and be directed at target groups which cannot, temporarily, fend for themselves. Target groups which are over the long term or semi-permanently destitute (eg the disabled) should be accommodated by other (long-term) measures.

A more difficult aspect is the stratification of the target groups in those instances where the relief programmes (also) entail the provision of temporary work opportunities. It could be argued that temporary employment should only be available to the bread-winner of individual households. Experience with the SECP has, however, shown that this approach presented certain difficulties, especially in respect of Black households in rural areas.

Many households were dependent upon support from the bread-winners who worked in metropolitan areas and many households also supplemented these incomes with subsistence farming. Because of drought conditions and retrenchment of bread-winners, both sources of income fell away. Bread-winners who were used to higher incomes were invariably not prepared to work at SECP wages or simply did not return to their homes. For such affected households the SECP therefore offered the only short-term escape from destitution. The result was that the SECP workers' corps in Black rural areas were mostly female workers. It should also be pointed out that especially Black rural households on average consist of numbers well in excess of those elsewhere in Southern Africa. This implies that the norm of one 'bread-winner' per household, although equitable at face value, could not always serve to provide the intended relief. In any event, this norm was not always strictly applied. As was noted in the report a compounding problem in this respect was that, in the selection of workers, nepotism and other forms of

preferential treatment also entered into the picture and it was therefore not necessarily the people who had the greatest need who had been selected.

On the more positive side it can be noted that, in some areas, it was attempted to spread the available funds as widely as possible by rotating the selected projects among various tribal authorities. The latter approach offers certain pointers in respect of future guidelines, *inter alia* :

- Workers should be made fully aware that the programme will only be temporary and that they should not come to regard it as a more or less semi-permanent source of income.
- Benefits under the programme should therefore be rotated which would result in more destitute people being reached in the process.
- More people will be exposed to work ethics and discipline and the concomitant 'life skills'.
- If projects are properly selected (more) people will be enabled to acquire certain rudimentary skills which can have certain advantageous spin-off effects.

It is therefore recommended that

- future programmes stipulate that workers be rotated on a basis which correlates with the intended duration of the overall programme and by so doing ensure that the maximum number of people are assisted
- the elimination of nepotism and other forms of favouritism be impressed on programme co-ordinators and project managers

- formulae be devised to determine the average sizes of individual households in particular areas. On this basis it could be decided that, for example, one 'bread-winner' per every five members of a particular household will be allowed to participate in the relief programme for the stipulated rotary period. (This recommendation particularly applies to those instances where the composition of individual households can be obtained from centralized sources, for example tribal authorities.

These recommendations should, however, be read in conjunction with those pertaining to wages, which are given below.

- Wages

As in respect of the stratification of relief programmes, the determination of the nature and size of the actual relief to be provided is also very problematic especially in those instances where the relief programmes also entail the provision of temporary work opportunities. The SECP applied the following principles and guidelines.

- Too high a wage rate would mean that fewer persons could be accommodated and this would also lead to job displacement. Once the relief programme ended, the unemployment problem would be aggravated.
- The wage rate should also not be so high as to discourage participants from seeking permanent employment. Conversely, too low a wage could discourage unemployed persons to participate in the programme.
- An 'allowance' rather than a wage would be paid enabling the particular person and his/her immediate family to afford a 'meal a day'. In rural areas this allowance was set at a maximum of R3,00 per day and in

urban areas at a maximum of R4,00 per day.

In practice, depending on the institution involved, food was often also provided and a transport allowance paid in addition to the cash allowance. As was noted above, the norm of one worker per household, although equitable at face value, did not always necessarily provide the required relief. It would seem that, apart from regional differences, there would be merit in some further wage differentials, namely :

- in terms of the cost of a food package in a particular area
- in terms of the average sizes of individual households, insofar as it can be determined.

6.2.2.4 General

- Co-ordination of programmes

In order to ensure that future similar programmes will have a mutually supportive or, at worst, neutral effect on other programmes and in order to achieve the required co-ordination it is recommended that funds be so allocated as to ensure that respective specific needs are addressed with respective appropriate measures administered by respective appropriate institutions. Existing missions of institutions can serve as guidelines in respect of what the role of particular institutions should be in the implementation of such future programmes and constituent sub-programmes.

- Planning and implementation

- As was noted in the report, individual studies as well as those of non-governmental organizations point to a considerably larger unemployment problem than has thus far been reflected in official statistics and it is therefore recommended that every effort should be made to improve the existing official statistical base for

structural, cyclical and relief programme purposes. This would not only serve to improve national planning but also, through constant monitoring, serve as an early warning system in respect of trends in the overall employment situation.

- Coupled with the need for an early warning system the next (logical) **recommendation** would be that, in the **planning of national programmes, a series of ready-made contingency programmes/projects that can be implemented at short notice and which will harmonize with the long-term programmes, should become part and parcel of the annual national planning and budgeting cycle.**

- **Follow-up studies**

As was shown in the report, many of the projects had useful spin-off effects. From a learning experience point of view it is therefore **recommended that follow-up case history studies should be undertaken of a selection of both successful and unsuccessful SECP projects.**

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ANNEXURE I

(i) LETTER FROM DR P J VAN DER MERWE ADDRESSED
TO DR S S BRAND

(ii) LETTER FROM DR S S BRAND ADDRESSED TO DR F S BARKER

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Nature Inquiries

Dr F S Barker

Private Bag N117

PRETORIA

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Dr S S Brand
Chief Executive
Development Bank of Southern
Africa
P O Box 784433
SANDTON
2146

VERWYS IN ALLE KORRESPONDENSIE NA
IN ALL CORRESPONDENCE QUOTE

DGM 58

1986. 1. 13.

Dear Dr Brand


EVALUATION OF THE SPECIAL EMPLOYMENT PROGRAMME

1. Your letter FVV/ivr of 28 November 1985 has reference.
2. Subject to certain provisos, the proposals as set out in the documentation are acceptable. These provisos are briefly the following:
 - (a) The project is undertaken for and on behalf of the Department of Manpower and not the National Manpower Commission. References to the NMC should therefore be changed to the Department of Manpower.
 - (b) Regarding possible claims from the HSRC to be recovered from the Department, this can only be agreed to once there is more certainty regarding the amount involved.
 - (c) The project will be undertaken on a confidential basis for the Department. The Department will upon receipt of the report decide on whether a part or the whole of the report will be published. Confidential information will be made available to the Development Bank by the Department, and although a formal security classification of DBSA personnel involved will not be required, these persons must be trustworthy.
3. The Department will negotiate with the Departments of Foreign Affairs and of Development Aid, for the full participation and support of the various national states.
4. A full list of participating organisations will be supplied to the Development Bank, as well as suggestions on those organisations which should be included in the study.

2-/. .

5. We appreciate the Bank's willingness to undertake the project, and trust that the knowledge gained thereby will assist in the planning of future similar projects.

Kind regards



P J VAN DER MERWE
DIRECTOR GENERAL : MANPOWER

P.O. Box 184422
Sandton
Republic of South Africa
2146

Telephone:
(011) 445 0111

Telex:
4-22686 SA

West Street, Sandton
Transvaal

Telefax:
4-50057 = DBSA

Development Bank
of Southern Africa

Our ref: FVV/1vr

Your ref:

Date: 28/11/85

Dr F S Barker
Secretary : Action-Committee for
Employment Creation
Private Bag X316
PRETORIA
0001

Dear Dr Barker

EVALUATION OF THE EFFICIENCY AND EFFECTIVENESS OF THE SPECIAL EMPLOYMENT CREATION PROGRAMME

Further to your letter dated 3 September 1985 and subsequent discussions between you and staff members of DBSA, I have pleasure in submitting the attached project proposal for your consideration.

The following aspects pertaining to the assignment are recorded :

1. It was agreed that the RSA, self-governing national states, and the TBVC countries be involved in the assignment, and that you will negotiate the full participation and support of the relevant states and their relevant institutions. DBSA's formal involvement will only become effective after the former has been dealt with.
2. It is confirmed that DBSA will, as far as possible, conduct the investigation on its own but with appropriate assistance from the HSRC and that the assignment team will work under the general guidance of a control committee consisting of the following members :

Dr P J van der Merwe
Dr F S Barker
Mr G J Richter
Dr F J van Eeden

3. In the light of the multilateral nature of the assignment, DBSA is prepared to bear its own costs to conduct the investigation. However, possible claims on DBSA from HSRC in respect of the latter's contribution towards the investigation, will be negotiated with and recovered from NMC.

see DMK

4. It is envisaged that the field work of the investigation will be conducted during February and March 1986 and that a report on the investigation will be completed towards the end of May 1986.

5. It is further agreed that the assignment team will provide the Control Committee with regular feedback on the progress of the investigation and that the project design will have the necessary flexibility to allow for interim adjustments.

6. Confidentiality.

I trust that the above proposals are in agreement with your expectations and that we may look forward to a fruitful co-operation.

Kind regards
Yours sincerely


S S BRAND
CHIEF EXECUTIVE

ANNEXURE II

LIST OF INTERVIEWS CONDUCTED BY MEMBERS OF THE ASSIGNMENT TEAM

LISTS OF INTERVIEWS CONDUCTED BY MEMBERS OF THE ASSIGNMENT TEAM¹

List 1 (Combinations)

- 6 February 1986: Mr R M Dyman, Chief Director: Manpower Training, Department of Manpower, Pretoria, and co-ordinator of Manpower training projects. (FVV and HJAM)
- 7 February 1986: Mr K W du Toit, Department of Manpower, Pretoria and co-ordinator of work creation projects in the private sector.
Mr D Fulton, Department of Foreign Affairs, Pretoria, co-ordinator of projects in the TBVC countries. (FVV and HJAM)
- 10 February 1986: Mr D Thiart, Department of Manpower, Pretoria, co-ordinator of job creation projects.
Mr L K van Gass, Deputy Director-General, Department of Development Aid and Training, Pretoria.
Mr J L P Botha, Deputy Director, Department of Development Aid and Training, Pretoria, co-ordinator of projects in national states. (FVV, HJAM, and AJvZ)
- 11 February 1986: Mr J C Knoetze, Chairman, West-Rand Development Board, Johannesburg, co-ordinator training projects of Development Boards. (FVV, HJAM and JDS).
- 12 February 1986: Mr T Botha, Department of Environmental Affairs, Pretoria.
Mr W du P Heunis, Chief Executive, Keep South Africa Beautiful, Randburg.
Mr P van Heerden, Director: Local Government, Transvaal Provincial Administration, Pretoria, co-ordinator local government projects in Transvaal. (FVV and HJAM)
- 14 February 1986: Mr D J Poolman, Department of Finance, Pretoria. (FVV)
- 17 February 1986: Mr J A du Toit, House of Delegates, Cape Town.
Mr D Larsen, House of Representatives, Cape

¹ As was noted in sub-section 1.2.4 the combinations and number of team members per interview alternated.

Town. (FVV and HJAM)

- 18 February 1986: Mr P P A Carstens, Deputy Director: Local Government and Mr J L Pretorius, Assistant Director: Local Government, Cape Town and co-ordinator of local government projects in the Cape Province. (FVV and HJAM)
- 19 February 1986: Messrs Lawrence and Van Dyk, Western Cape Development Board, Cape Town. (FVV and HJAM)
- 20 February 1986: Mr W A van der Merwe, Director: Manpower Affairs, Department of Constitutional Development and Planning, Pretoria. (FVV and HJAM)
- 25 February 1986: Messrs P Marks, Landman and J M van Tonder, Orange Free State Development Board, Bloemfontein. (HJAM)
- 26 February 1986: Mr H Kriel, Regional Representative, Department of Constitutional Development, Bloemfontein. (HJAM and JDS)
Mr J M van Tonder, Orange Free State Development Board, Bloemfontein. (HJAM and JDS)
Mr W Weilbach, Director: Local government, Orange Free State Province, Bloemfontein. (HJAM)
- 4 March 1986: Messrs H Russel and R Burrows, Senior Research Officers, Leather Industry Research Institute, Port Elizabeth. (FVV and HJAM)
- 5 March 1986: Mr G Reynolds, Acting Regional Representative, Department of Constitutional Development, Port Elizabeth. (FVV, HJAM and JDS)
Mr L Koch, Chairman, Eastern Province Development Board. (FVV, HJAM and JDS)
- 6 March 1986: Mr W Fouche, Small Business Development Corporation, Port Elizabeth (FVV and HJAM)
Mr J H Coetzee, Town Clerk, Kwanobuhle. (FVV and HJAM)

List 2 (Combinations but mainly F V Viljoen)

- 21 February 1986: Dr W B Vosloo, Managing Director, Small Business Development Corporation and Mr Schwenke. (FVV and AAL)
- 13 March 1986: Attend meeting of Bophuthatswana SECP Coordinating Committee, Mafikeng. (FVV)
- 17 March 1986: Visit several projects in Moretele II district of Bophuthatswana in the company of Mr Colin Campion, Bophuthatswana SECP Co-

ordinating Committee Secretariat and several of his colleagues. (FVV)

18-21 March 1986: Attend meeting of Venda Employment Action Programme Committee as well as the following projects (FVV):

1. Department of Health and Welfare

- (i) Venda Nursing College
- (ii) Tshilidzini Hospital
- (iii) Siloam Hospital
- (iv) Donald Fraser Hospital
- (v) William Eadie Hospital
- (vi) Hayani (Herberg)
- (vii) Head Office (Environmental)

2. Department of Education

- (i) Mphephu Senior Secondary School
- (ii) Patrick Ramaano School
- (iii) Mavhoi Technical College
- (iv) Frank Ravele and Tswine
- (v) Dimani Agriculture High School
- (vi) Mukula Senior Secondary School

3. Department of Agriculture and Forestry

- (i) Rabali grazing camps and irrigation scheme
- (ii) Matsa grazing camps
- (iii) Mamuhoyi and Mandiwana irrigation scheme
- (iv) Forest Plantation
- (v) Fencing, clearing

4. Department of Public Works

- (i) Erection of power lines
- (ii) Water reticulation project
- (iii) Water-borne sewage system in township

24-27 March 1986: Visit several projects in Ciskei. (FVV)

16 May 1986: Dr P J van der Merwe, Director-General, Department of Manpower, Cape Town. (HJAM and AAL)

19 May 1986: Mr J S Dreyer, Economic Advisory Services. (FVV, HJAM and AAL)

List 3 (J D Smith)

11 February 1986: Mr J C Knoetze, Chairman, West Rand Development Board and co-ordinator of

training projects of Development Boards.

- 13 February 1986: Mr Steenhuisen, Head: Training, West Rand Development Board.
- 14 February 1986: Mr P Viljoen, Department of Manpower, Manpower Training.
- 18 February 1986: Randburg Training Centre (Mr K Viljoen and Mrs C Pieterse)
- 19 February 1986: New Canada Training Centre (Messrs E Horak, D Schoeman and D van der Merwe)
- 20 February 1986: Jubilee Training Centre (Mrs Kovecavich)
- 21 February 1986: Roodepoort Training Centre (Mr Weideman)
- 25 February 1986: Bloemfontein Training Centre (Messrs Olls and Botha)
Focus - Manpower (Mr Korff)
- 26 February 1986: Department of Constitutional Development and Planning, Bloemfontein (Mr Kriel)
Development Board Southern OFS
(Mr K van Tonder)
- 27 February 1986: Bloemfontein Training Centre
(Mr van Schalkwyk)
- 28 February 1986: Interstate Bus Lines (Messrs Wessels and Van Rensburg)
- 4 March 1986: Department Manpower, Port Elizabeth (Messrs Theunissen en Greyling)
Dorbyl Automotive Products (Mr Kemp)
- 5 March 1986: Regional Representative of Department of Constitutional Development and Planning, Port Elizabeth (Messrs G Reynolds, R Reynolds and Scholtz)
Eastern Cape Development Board (Messrs L Koch and E van Rooyen)
- 6 March 1986: Emthonjeni Training Centre, Port Elizabeth
(Messrs Kūsel and B D Botha)
- 18 March 1986: Development Board Natalia, Durban
(Mr Wessels)
Development Board Natalia, Richards Bay
(Mrs Van Niekerk)
- 19 March 1986: Computer Careers, Durban (Mr Sawyer)
Sight and Sound Education, Durban
(Miss Kim Stholtz)
- 20 March 1986: Natal Training Centre (Mr Kemp)

Basic Electronics, Omnitech Institute Natal
(Mr Parkin)
ML Sultan Technikon's School of Natal and
Catering Administration (Messrs Tanner and
Smith)

List 4a (A J van Zyl)

- 13 February 1986: Dr Jurgen Smith and Mr S van Zyl, private sector project, erection of sports facilities and cleaning of hostel, Randfontein.
- 17 February 1986: Bazil Read Ltd, labour-intensive road building project in Northern Transvaal.
Mr H Botha, Senior Manager Planning, HL&H Forest Co, Johannesburg - forestry projects at three divisional offices.
- 18 February 1986: Mr Don Kelly, personnel manager, AE&CI, Sasolburg; cleaning, maintenance and up-grading of hostel.
Miss De Schryver, Child Care Rust de Vaal, needleworking project in Coloured township.
- 19 February 1986: Farmers participating in the SECP:
Messrs Clifton and Beytel, Warmbaths. Brickmaking for housing of workers.
Mr Strapp, Nylstroom, Brickmaking and development of Christian resort.
Mr Thiar, Nylstroom, housing for farm-workers.
Mr Van der Westhuizen, Overvaal Resort. Bush cleaning, removal of noxious growth and cleaning of dams.
- 20 February 1986: Mr De Villiers, Rental Management, maintenance of gardens at various blocks of flats.
Mr Liebenberg, Chistmore, Grass cutting in and around Pretoria and clearing of security fence (largest project in Pretoria : 1300 workers).
Mr MacRobert, Get Ahead Ltd. Various projects in RSA mainly directed at informal sector.
- 21 February 1986: Mr Lombard, Personnel manager, NCP, Kempton-park - gardening project and general maintenance.
Mr Van der Merwe, Boskop Training Centre (fencing, building and debushing projects).
Farmer Van Niekerk, Potchefstroom - debushing and manufacturing of charcoal.

List 4b (F V Viljoen and A J van Zyl)

- 24 February 1986: Messrs Kühne and Proctor, Natal Provincial Administration. Discussion of overall local authorities' projects in Natal. Visit Sabantu river rechanneling project. Discussions with a journalist (Mr Mkize) attached to the Natal Witness who wrote several articles on the SECP.
- 25 February 1986: Mr Bailey, Department of Manpower Regional Office, Durban. Visit five training projects in Durban.
- 26 February 1986: Mr Van Zyl, Natalia Development Board. Mr Naidoo, Senior Manager, Business Development, Small Business Development Corporation, Durban. Visit Phoenix 'industrial motel' project. Mrs J Murray, Durban Corporation re debushing, grass-cutting and cleaning projects.
- 27 February 1986: Port Shepstone, Town Clerk. Harding local authority - 8 projects. Marburg local authority - 9 projects.

List 4c (A J van Zyl)

- 3 March 1986: Mr Botha, personnel manager, Witbank Municipality - cleaning projects. Mr Strydom, Town Clerk, Belfast - cleaning and forestry projects. Mr Meyer, Town Clerk, Dullstroom - cleaning and fish pond projects.
- 5 March 1986: Mr De Beer, Town Clerk, Lydenburg - cleaning projects. Mr Schutte, Personnel Manager, Tubatse Ferrochrome - brickmaking and cleaning of water canals. Mr Stewart Meikle, Regional Director, Sappi - forestry project.
- 6 March 1986: Mr Hubbard, Nooitgedacht Boerdery - brickmaking and housing. Mr Brown, Manager, KaNgwane Textile Ind - shirt making. Mr Grobbelaar, owner Cementcor - debushing. Mr van Wyk, HL&H Forest Co, regional office Nelspruit - forestry project.
- 7 March 1986: Mr Muller, Town Clerk, Nelspruit - cleaning projects. Mr Spruit, Elandshoek Timbers - forestry project. Mr Cohen, Town Clerk, Middelburg - cleaning

and upgrading projects.

- 12 March 1986: Mr Willepalsley, Personnel Manager, HL&H regional office Piet Retief (131 persons) Iswepe (83 persons) Lothair (188 persons).
Mr Cunningham, KwaZulu Department of Agriculture.
Mr Wijjil, Secretary, KwaZulu Department of the Interior.
Mr Stevens, KwaZulu Bureau of Natural Resources.
Mr Van Tonder, Secretary, KwaZulu Department of Finance.
- 13 March 1986: Mr Von Belkum, KwaZulu Department of Works.
Messrs Tshabalala and Kunene, KwaZulu Department of Education.
Mr Norris, KwaZulu Department of Forestry
Mr Mkize, KwaZulu Department of Health.
Mr Keating, Acting Regional Director, Eshowe.
Mr Le Roux, Regional Director, Pietermaritzburg and Mr Van Rooyen, Secretary for KwaZulu Department of Agriculture.
- 14 March 1986: Messrs Ngcobo and Nkala, Ladysmith Regional Office.

List 5 (J R Bloomfield)

- 13 February 1986: Dr J Smith, Westrand Hostel, Randfontein.
Lou Davis, BIFSA, Johannesburg.
- 14 February 1986: Mr A McMillan and Mr Dison, Basil Read, Johannesburg.
- 17 February 1986: Mr Hector Jade, Soweto Community Service, Soweto.
- 18 February 1986: Mr Carstens, BIFSA, Springs.
Mr Le Roux, Nigel Primary School, Nigel.
- 19 February 1986: Mr Taylor, Basil Read, Potgietersrus.
- 20 February 1986: Mr Van Zyl, farmer, Rustenburg.
Mr Young, farmer, Rustenburg.
- 21 February 1986: Mr Van der Merwe, farmer, Bronkhorstspuit.
Mr Botha, AECI, Bethal.
- 24 February 1986: Prof J Leenana, University of the Witwatersrand, Johannesburg.
- 25 February 1986: Mr Cauldwell, Urban Foundation, Johannesburg.
- 26 February 1986: Mr Muller, Swartklip Products (Armcor), Cape Town.

Mr Parker, BIFSA, Cape Town.

27 February 1986: Mr Strydom, Burquip, Cape Town.

28 February 1986: Mr Van Oornt, Belville Technikon, Cape Town.
Mr Standish, University of Cape Town, School
of Economics, Cape Town.
Mr Lombaard, Langeburg, Paarl.

1 March 1986: Mr Denys Hobson, farmer, Paarl.
Mr Moëlich, High School, Rawsonville.

2 March 1986: Mr Ben Cross, museum, Mossel Bay.

3 March 1986: Mr Strachan, Greystone Park, Oudtshoorn.
Mr Van Rensburg, H F Trust, George.

4 March 1986: Mr Herber, Kenley Farms, Stormsriver.

5 March 1986: Mr Venter, BIFSA, Port Elizabeth.

6 March 1986: Mr Cokayne, Humewood Golf Club, Port
Elizabeth.
Sister Bernadette, Chatty Womans Group, Port
Elizabeth.
Mrs Cooper, Agricultural Show, Port Elizabeth
Mr Christodoulou, Grand Hotel, Port Elizabeth

ANNEXURE III

PRESS ANNOUNCEMENT BY THE MINISTER OF MANPOWER,
MR P T C DU PLESSIS, MP, ON SPECIAL PROGRAMMES FOR CREATING
EMPLOYMENT

PRESS ANNOUNCEMENT BY THE MINISTER OF MANPOWER,
MR P T C DU PLESSIS, MP, ON SPECIAL PROGRAMMES FOR CREATING
EMPLOYMENT

EMBARGO : FOR RELEASE AT 15H00 ON MONDAY, 7 OCTOBER 1985

The Government is gravely concerned about the serious unemployment situation in South Africa and has for some time been devoting particular attention to this problem. Last year, for example, the Government clearly stated its broad policy outlines, objectives and principles in a White Paper on a Strategy for the Creation of Employment Opportunities in the Republic of South Africa, which was made available to all interested parties.

Among the major points of departure underlying the Strategy, two merit particular attention : firstly, it should be stressed that under the economic system pertaining in South Africa the provision of employment is primarily the task of entrepreneurs in the private sector and secondly, that economic growth remains the single most important method of creating opportunities for employment.

The Government, therefore, has committed itself to do all in its power to achieve the highest possible market-orientated economic growth rate compatible with other national objectives, and to eliminate measures which result in market distortion.

The Government is, however, acutely aware of the necessity of instituting measures to alleviate the short-term effects of unemployment. These measures include utilization of the Unemployment Insurance Fund and making Government funds available for short-term programmes to create employment and provide relief.

In regard to the latter, the Government allocated an amount of R27,5 million during the second half of 1983 for special short-term programmes to create employment opportunities. In the 1985/86 Budget, a sum of R100 million was allocated for the continuation and expansion of such programmes, whilst another R30 million was made available for assistance to the small businessman.

Considerable success has so far been achieved with the R100 million programme. Although the majority of the programmes could not be launched before July 1985, training has so far been provided to more than 12 000 unemployed while temporary employment has been provided to at least another 60 000 persons. Of the R100 million allocated for this programme, R25 million has been earmarked for the training of 130 000 persons, which will hopefully be accomplished before the end of March 1986.

Due to the encouraging success of the R100-million programme, the Minister of Finance announced on the 20th September 1985 that a

further R500 million would be allocated for special programmes to create employment and provide relief, which brings the total amount allocated for this purpose during the 1985/86 financial year to R600 million. The additional sum will be financed mainly by the surcharge on imports, which was also announced on 20th September of this year.

The Government has further decided that in my capacity as Minister of Manpower, I should accept overall responsibility for the allocation of the R600 million to the relevant authorities and should submit regular reports and keep the Government informed of progress in the implementation of the programme.

As in the case of the existing programme, the additional amount of R500 million should be regarded as a **special** and **temporary auxiliary** measure aimed at involving the greatest possible number of unemployed while taking care, as far as is practically possible, not to compete with permanent employment opportunities. Employment will therefore be provided on a **temporary basis** and persons will be paid in cash at the rate of R3 per day in rural areas and R4 per day in urban areas.

Provision of employment will be restricted to persons not eligible for unemployment benefits and those whose benefits have been exhausted, and workers will not be recruited in competition with other sectors. Wherever possible, employment will be provided to no more than one breadwinner per destitute family. Arrangements in regard to recruitment will be left in the hands of the relevant Departments or other organizations, including those in the private sector.

The programme provides for the employment of persons of all population groups and to this purpose, projects are currently being identified, also by the Administration for Own Affairs.

Although deliberations with the relevant bodies have not been finalized, funds have been allocated on the following very provisional basis :

	R million
Training of unemployed persons (Department of Manpower)	50
Special projects in TBVC countries (Department of Foreign Affairs)	25
Special projects in self-governing national states (Department of Development Aid)	33
Projects by local authorities (Administration of Own Affairs)	60
Projects by black urban areas (Department of Constitutional Development and Planning)	60
Self-help housing projects and infrastructure	

(Department of Constitutional Development and Planning)	70
Provision of relief (food etc) (Department of National Health and Population Development)	20
Assistance to small business concerns (Small Business Development Corporation)	75
Development projects (Development Bank)	25
Various minor projects (eg Departments of Agricultural Economics and Marketing and of Environmental Affairs, Provincial Administrations etc)	32
Additional support for the Unemployment Insurance Fund and projects initiated by the private sector	<u>150</u>
TOTAL	<u>600</u>

Individual projects will be approved on merit and re-allocation of the above amounts may, in time, prove necessary. Particulars of the specific programmes will be announced by the individual Departments concerned and other organizations in due course.

Most of the projects are similar to those launched during the Great Depression of the thirties, for example, combating soil erosion, weed eradication, bush eradication and the cleaning of canals, and the repair and maintenance of roads and small dams. In urban areas, projects could entail the cleaning of inhabited and uninhabited areas, up-grading, digging trenches for the provision of water and sanitation, and the development of community recreation areas, such as sports fields.

In regard to the training provided to unemployed persons in terms of the present programme, I wish to express my appreciation to the private sector for their support and appeal to them for continued support in expanding the programme and employing trained workers.

In regard to aid such as the provision of food, I call on private bodies to participate in the programmes by contributing on a rand-for-rand basis by enlisting public support.

Deliberations with major organizations in the private sector (including employer and employee organizations) will be held within the next few days to identify projects which may be launched at short notice to accommodate unemployed persons. In this regard, I again wish to call on the private sector for their support in combating this extremely difficult problem.

Part of the R600 million will be used to boost the Unemployment Insurance Fund. And once again, it will be necessary for the private sector, and employers in particular, to make a

ANNEXURES IV - VIII

GUIDELINES ISSUED BY THE DEPARTMENT OF MANPOWER IN CONNECTION WITH THE IMPLEMENTATION OF THE SECP

- IV GUIDELINES FOR THE INVOLVEMENT OF LOCAL AUTHORITIES IN SPECIAL WORK CREATION PROJECTS
- V GOEDKEURING (AKKREDITERING) VAN OPLEIDINGSINSTANSIES WAT AANSOEK DOEN OM WERKLOSE PERSONE OP TE LEI
- VI RIGLYNE VIR DIE BETROKKENHEID VAN DIE PRIVATE SEKTOR BY SPESIALE WERKSKEPPINGSPROJEKTE
- VII RIGLYNE VIR AANSOEKE OM FONDSE VIR SPESIALE WERKSKEPPINGS-AKSIES
- VIII APPLICATION TO TRAIN UNEMPLOYED PERSONS IN TERMS OF SECTION 36 OF THE MANPOWER TRAINING ACT, 1981 / AANSOEK OM WERKLOSE PERSONE INGEVOLGE ARTIKEL 36 VAN DIE WET OP MANNEKRAGOPLEIDING, 1981, OP TE LEI.

**GUIDELINES FOR THE INVOLVEMENT OF LOCAL AUTHORITIES
IN SPECIAL WORK CREATION PROJECTS**

1. Funds will be made available on a project basis, that is, for the financing of a specific project. Requests for funds must be done according to the attached format (Annexure A), and must be submitted to the Administration : Own Affairs concerned.
2. Programmes which have been budgeted for, may under no circumstances be financed from the special funds. Only additional projects which lead to the employment of unemployed persons, may be financed.
3. Only unemployed persons who are not entitled to unemployment benefits, or whose benefits are already exhausted, may be employed. The Department of Manpower may refer unemployed persons to respective employers, or employers may recruit unemployed persons themselves. In all cases, the involved persons must be registered with the Divisional Inspectors of Manpower, or the Development Boards (or magistrates in remote regions).
4. Only persons who comply with the normal work and residential conditions in respect of a specific areas, may be included in programmes for that area. This includes commuters or contract workers who are normally employed in that area and who became unemployed.
5. Arrangements must be made for the employment of persons on a temporary basis as casuals, separate from the permanent work force. This means that unemployment insurance contributions will not be payable. Contributions in terms of Act 29 of 1972 (Contributions in respect of Black Labour Act) will also not be payable. No general exemption of the Workmen's Compensation Act (or related legislation) and the Machinery and Occupational Safety Act can be given. In specific cases the Department of Manpower may grant exemption.
6. The State will pay a maximum amount of R8,00 per work day for each unemployed person for projects in towns and urban areas, of which at least R4,00 per day must be paid as an allowance to the unemployed person. The remaining amount (to a maximum of R4,00) will be used for the financing of material, equipment, food, transport, supervision or general administrative costs. The employer may supplement from own funds the allowance or other expenses. The corresponding amounts for rural areas are R6,00 and R3,00 per day.
7. Projects which may elicit negative publicity (for instance 'luxury' projects such as golf courses) will not receive

high preference.

8. Preference will be given to projects involving more than 20 unemployed persons, with a duration of more than 2 months and which can be completed before the end of March 1986 or shortly thereafter. Undertakings should therefore be geared to undertake projects on this scale.
9. Applications should be submitted before 1 November 1985. Available funds are limited and the provision of funds can by no means be guaranteed, regardless of the merit of the projects.
10. Progress must be reported monthly to the Work Creation Committee via the responsible Departments on the following basis :
 - description of project and area;
 - number of persons employed on a specific date;
 - number of man days worked from beginning of project to date;
 - total amount expended from beginning of project to date (Divided into wages and other expenses).

FORMAT OF APPLICATION : SPECIAL WORK CREATION PROGRAMME

- (a) Name and address of local authority
- (b) Name and telephone number of contact person
- (c) Name of project (a separate application form for each project)
- (d) Description of project
- (e) Town or urban area ☐ Rural area ☐
- (f) Name of area
- (g) Envisaged number of unemployed persons (minimum of 20)
- (h) Envisaged number of weeks (minimum of 8)
... x 5 days =
- (i) Wage rate (R3.00/day in rural areas and R4.00/day in towns and urban areas)
- (j) Total labour costs requested ($g \times h \times i$)
- (k) Other costs - please specify (An amount up to that of labour costs can be claimed.)
- (l) Total funds requested for the project
(A maximum of R8.00 in towns or urban areas and R6.00 in rural areas per worker per work day may be claimed).

Completed application forms should be sent to the Administration:
Own Affairs for the area for which the project is planned.

GOEDKEURING (AKKREDITERING) VAN OPLEIDINGSINSTANSIES WAT AANSOEK DOEN OM WERKLOSE PERSONE OP TE LEI

Opleidingsinstansies wat aansoek doen om werkloses op te lei, moet op die volgende let:

- Kriteria vir die goedkeuring van opleidingsinstansies wat aansoek doen om werklose persone op te lei
- Die prosedure wat in verband met die administrasie van die aansoek gevolg moet word.
- Aansoekvorm: Aansoek deur 'n opleidingsinstansie om werklose persone ingevolge artikel 36 van die Wet op Mannekragopleiding, 1981, op te lei.

KRITERIA VIR DIE GOEDKEURING VAN OPLEIDINGSINSTANSIES WAT AANSOEK DOEN OM WERKLOSE PERSONE OP TE LEI.

Die kriteria is soepel opgestel om 'n opleidingsinstansie voldoende bewege ruimte te laat om 'n eie stempel op sy opleidingsdienste af te druk. Die volgende sake is egter van besondere belang: Die doeleistings van die opleidingsinstansie moet suiwer opleidingsgefundeerd wees; die opleidingsprogramme moet op 'n wetenskaplike wyse ontwerp en doeltreffend uitgevoer word sodat die doelwitte waarna die instansie streef, verwesenlik word; en die instansie moet op so 'n wyse georganiseer wees en oor sodanige bekwaame personeel beskik dat die inrigting vertroue vir die toekoms inboesem.

Aangesien die opleiding van werkloses ooreenkomstig hierdie skema slegs 'n tydelike maatreël is, moet die aansoeker sover moontlik reeds oor die nodige infrastruktuur beskik en spaarkapasiteit vir die opleiding van werkloses kan aanwend, met ander woorde die aansoeker moet, indien die opleidingskema vanweë onvoorsiene omstandighede onverwags opgeskort moet word, met sy normale werksaamhede kan voortgaan.

1. Institusionele integriteit

1.1 Die opleidingsinstansie handhaaf eerlikheid en integriteit in sy verhouding met sy kliënte (opleidelinge en werkgewers).

In sy verhouding tot die Departement handhaaf die opleidingsinstansie eerlikheid en integriteit en voldoen aan die Departement se standaarde, beleid en riglyne.

2. Doelstellings

- 2.1 Die opleidingsinstansie laat hom lei deur duidelik gestelde doelstellings wat toepaslik is vir opleiding en ooreenstem met die Departement se standaarde.
- 2.2 Die doelstellings omlyn die besondere, eiesoortige aard en karakter van die opleidingsinstansie.

3. Bestuur en administrasie

- 3.1 Die bestuur/bestuursliggaam kies 'n hoofuitvoerende beampte, keur die doelstellings van die inrigting goed en onderneem die verskaffing van voldoende fondse. Die bestuur/bestuursliggaam is ook verantwoordelik vir 'n doeltreffende stelsel van inrigtingbeplanning om die gehalte van opleiding te verseker. Voorts onderskei die bestuur/bestuursliggaam tussen die rolle en verantwoordelikhede van verskillende persone en verseker die stabiliteit en kontinuïteit van die inrigting.
- 3.2 Die opleidingsinstansie beskik oor 'n doelmatige administratiewe infrastruktuur sodat die aanvaarde doelstellings daadwerklik gedien word.
- 3.3 Die rol en taak van die opleidingspersoneel in die inrigtingbestuur is wesenlik en duidelik omlyn.
- 3.4 Die kontrakteur moet op eie koste versekering uitneem om homself teen eise as gevolg van die besering van werklose persone tydens hul opleiding te vrywaar.

Opleidingsprogramme en -kursusse

- 4.1 Die vermoë om aanvaarbare standaarde te handhaaf in opleidingsprogramme en -kursusse is 'n voorvereiste vir goedkeuring om aan die opleidingskema van werkloses deel te neem.
- 4.2 Die opleidingsinstansie kan toepaslike opleidingsprogramme en -kursusse van 'n aanvaarbare standaard ontwerp of voorsien, 'n doelmatige opleidingsinfrastruktuur verskaf en doeltreffende opleidingsdienste lewer.

5. Opleidingspersoneel

- 5.1 Die opleidingspersoneel is uit hoofde van hul opleiding en bedryfservaring gekwalifiseer om op alle vlakke die diens te lewer wat die inrigting se doelstellinge vereis.

5.2 Voldoende opleidingspersoneel is beskikbaar om deur aanvaarbare opleiding-instrukteurverhoudings (ratio's) aanvaarbaar vir die Departement, doelreffiende opleiding in die verskillende kursusse te verskaf en verwante dienste aan opleidinge te lewer. Terselfdertyd is hulle voortdurend betrokke by kursusontwikkeling en/of -hersiening.

5.3 Die inrigting beskik oor 'n duidelike personeelontwikkelingsbeleid om te verseker dat die bekwaamheid van die personeel steeds verbeter.

6. Fisiese fasiliteite oor die algemeen

6.1 Die fisiese fasiliteite is effektief ontwerp en word op so 'n wyse bestuur dat die inrigting sy opleidingsfunksie doeltreffend kan uitvoer en sy doelstellings kan bereik.

6.2 Die rekenkundige rekords ten opsigte van die opleiding van werkloses moet duidelik onderskeibaar wees.

6.3 Die inrigting is sentraal geleë sodat opleidinge maklik deur middel van openbare vervoer die inrigting kan bereik. (Verblyffasiliteite word nie finansieel ondersteun nie.)

7. Klaslokale, werkwinkels, laboratoria en ander opleidingsruimtes.

7.1 Die inrigting beskik oor doelmatige klaslokale, werkwinkels, laboratoria en ander opleidingsruimtes, behoorlik toegerus met die vereiste opleidingstoerusting.

7.2 Die ventilasie, beligting, vloerbedekking, die veiligheidsaspekte ens. van die opleidingslokale en -ruimtes voldoen aan die vereistes van die toepaslike wetgewing.

8. Dienste aan opleidinge

8.1 Die inrigting kan doeltreffende opleidingsdienste aan die opleidinge lewer.

8.2 Die inrigting onderneem gereeld deeglike behoeftebepalings van huidige en toekomstige opleidingsbehoefte in sy voedingsgebied en die beskikbare opleidingsprogramme/-kursusse word voortdurend daarby aangepas.

- 8.3 Die inrigting moet na suksesvolle voltooiing van 'n kursus aan opleidelinge 'n sertifikaat uitreik waarop die aard, duur, resultaat en vaardigheidsvlak van die opleiding aangedui word.
- 8.4 Die inrigting beskik oor die infrastruktuur om opleidelinge sover moontlik toepaslik in betrekkings te plaas as geregistreeerde indiensplasinginstansies of in samewerking met die Departement van Mannekrag.
9. Finansiële hulpbronne
- 9.1 Die opleidingsinstansie beskik oor genoegsame finansiële bronne vir die bereiking en die bevordering van die opleidingsdoelstellings, waartoe die inrigting hom verbind het. Finansiële bronne ondersteun die inrigting se doelstellings en prioriteite, die gehalte van die opleidingsprogramme en die algemene stabiliteit van die inrigting.
- 9.2 Die inrigting beskik oor genoegsame fondse om die nodige oorbruggingsfinansiering te kan onderneem.
- 9.3 Die finansiële bestuur en organisasie, sowel as die stelsel van finansiële verslaggewing, verskaf 'n basis vir gesonde finansiële besluitneming.
10. Ander opleidingsinstansies in voedingsgebied.
- Waar daar meer as een opleidingsinstansie binne 'n bepaalde voedingsgebied bestaan, sal die toewysing van dienste aan individuele opleidingsinstansies uiteraard daardeur beïnvloed word.
11. Ondersoek deur die Departement van Mannekrag
- Die opleidingsinstansie stem toe dat beamptes van die Departement gereeld die inrigting(s) mag besoek om vas te stel of aan die kriteria uitvoering gegee word. Dit sluit in insae in die finansiële state en/of rekords in sover dit die opleiding van werkloses raak.

Let Wel:

KRITERIA VIR OPLEIDING VAN WERKLOSE GESTREMDES.

Genoemde kriteria kan ook aangepas word vir die opleiding van werklose gestremdes, volgens die aard en graad van gestremdheid.

0076F/wvn

RIGLYNE VIR DIE BETROKKENHEID VAN DIE PRIVATE SEKTOR BY SPESIALE WERKSKEPPINGSPROJEKTE

1. Fondse sal op 'n projekbasis beskikbaar gestel word, dit wil sê vir die finansiering van 'n spesifieke projek. Aansoek om fondse moet volgens die aangehegte formaat (Bylae A) gedoen word en by die Departement van Mannekrag ingedien word.
2. Projekte wat nie deel is van die normale, winsgewende aktiwiteite van die onderneming nie, en wat gemeenskapsbelang dien, sal voorkeur kry.
3. Alleenlik projekte wat lei tot die indiensneming van werklose persone sal gefinansier word. Slegs werklose persone wat nie geregtig is op werkloosheidvoordele nie, of waar die voordele reeds uitgeput is, mag in diens geneem word. Die werkgewer kan self werklose persone werf, of die Departement van Mannekrag kan werklose persone na die werkgewer verwys. In alle gevalle moet die betrokke persone by die Afdelingsinspekteurs van die Departement van Mannekrag of die Ontwikkelingsrade (of landdroste in verafgeleë gebiede) geregistreer word.
4. Slegs persone wat aan die normale werk- en verblyfvereistes voldoen ten opsigte van 'n bepaalde gebied, kan by programme in sodanige gebied ingesluit word. Dit sluit ook pendelaars en kontrakwerkers wat gewoonweg in daardie gebiede werk en wat werkloos geraak het, in.
5. Reëlings moet getref word dat persone op tydelike basis (as 'casuals') en afsonderlik van die permanente werkerskorps in diens geneem word. Dit beteken dat werkloosheidversekeringbydraes nie betaal sal word nie. Bydraes ingevolge Wet 29 van 1972 (Wet op Bydraes) word ook nie betaal nie. Geen algemene vrystelling van die Ongevallewet (of verwante wetgewing) en die Wet op Masjinerie en Beroepsveiligheid kan verleen word nie. In spesifieke gevalle kan die Departement van Mannekrag egter vrystelling verleen.
6. Die Staat sal 'n maksimum bedrag van R8,00 per werklose persoon per werksdag vir projekte in stede en dorpe bydra, waarvan minstens R4,00 per dag as 'n toelaag aan die werklose persoon betaal moet word. Die oorblywende bedrag (tot 'n maksimum van R4,00) sal gaan vir die finansiering van materiaal, toerusting, voedsel, vervoerkoste, toesighouding of algemene administratiewe onkoste. Die werkgewer kan die toelaag of ander onkoste uit eie sak aanvul. In landelike gebiede is die ooreenstemmende bedrae R6,00 en R3,00 per dag.
7. Eise sal op 'n maandbasis deur die Afdelingsinspekteurs hanteer word. Indien nodig, kan 'n voorskot ten opsigte van

maandelikse uitgawe ook toegestaan word.

8. Voorkeur sal verleen word aan projekte waar meer as 20 werklose persone betrokke is, wat langer as 2 maande sal duur en wat voor die einde van Maart 1986 of kort daarna ten einde loop. Instansies moet dus gerat wees om sodanige projekte te hanteer.

FORMAAT VAN AANSOEK : SPESIALE WERKSKEPPINGSPROGRAM

- (a) Naam en adres van instansie
- (b) Naam en telefoonnommer van skakelpersoon
- (c) Naam van projek ('n aparte aansoekvorm vir elke projek)
- (d) Beskrywing van projek
- (e) Stedelike of dorpsgebied ☐ Landelike gebied ☐
- (f) Naam van gebied
- (g) Beoogde getal werklose persone (minimum van 20)
- (h) Beoogde getal weke (minimum van 8)
... x 5 dae =
- (i) Loonkoers (R3,00 per dag in landelike gebiede en
R4,00 per dag in stede en dorpe)
- (j) Totale arbeidskoste geëis (g x h x i)
- (k) Ander koste - spesifiseer asseblief ('n Bedrag tot
gelykstaande aan arbeidskoste kan geëis word).
- (l) Totale fondse aangevra vir die betrokke projek
(Maksimum van R8,00 in stede en dorpe en R6,00
in landelike gebiede per werker per werksdag)

Ingevulde aansoekvorms moet gestuur word aan :

Afdeling Beroepsdienste
(Spesiale Werkskeppingsprogram)
Departement van Mannekrag
Privaatsak X117
0001 PRETORIA

DEPARTEMENT VAN MANNEKRAG - WERKSKEPPINGSKOMITEERIGLYNE VIR AANSOEKE OM FONDSE VIR SPESIALE WERKSKEPPINGSAKSIES**1. BELANGRIKE VOORWAARDES BY SPESIALE WERKSKEPPINGSPROGRAMME**

- 1.1 Die uitvoerende Departement is verantwoordelik vir die administrasie en detailbeplanning van projekte.
- 1.2 Die finansiering van projekte is tydelik van aard. Daar is geen waarborg dat die beskikbare fondse na die volgende finansiële jaar oorgedra sal kan word nie.
- 1.3 Programme waarvoor reeds begroot is, mag onder geen omstandighede met die spesiale fondse gefinansier word nie. Slegs addisionele projekte wat lei tot die indiensneming van werklose persone mag gefinansier word.
- 1.4 Slegs werklose persone wat nie geregtig is op werkloosheidsvoordele nie, of waar die voordele reeds uitgeput is, mag in diens geneem word.

Reëling moet getref word dat persone op tydelike basis (as 'casuals') en verkieslik afsonderlik van die permanente werkerskorps in diens geneem word. Dit beteken dat werkloosheidsversekeringsbydraes nie betaal sal word nie. Bydraes ingevolge Wet 29 van 1972 (Wet op Bydraes) word ook nie betaal nie. Geen algemene vrystelling van die Ongevallewet (of verwante wetgewing) en die Wet op Masjinerie en Beroepsveiligheid kan verleen word nie. In spesifieke gevalle kan die Departement van Mannekrag egter vrystelling verleen.

- 1.5 Loonuitgawes (ten opsigte van die persone ingevolge (2) in diens geneem) moet die grootste deel van die totale koste van die projek vorm. By meeste projekte vorm loonuitgawes 80 persent van die totale koste, hoewel 'n persentasie van tussen 50 en 80 persent ook aanvaar sal word. Materiaal, toerusting en ander uitgawes kan dus gefinansier word, maar slegs indien dit vanuit 'n werkskeppingsoogpunt absoluut noodsaaklik is.
- 1.6 Projekte wat negatiewe publisiteit kan uitlok (byvoorbeeld 'luukse' projekte soos golfbane) sal nie hoër voorkeur kry nie.
- 1.7 'n Maksimum kontanttoelaag van R3,00 per persoon per dag in landelike gebiede en R4,00 per dag in dorpe en stede is betaalbaar, maar met dien verstande dat dit in ieder geval nie hoër mag wees as die loonkoers wat in 'n bepaalde gebied deur plaaslike arbeidsmarktoestande geregverdig kan word nie. Dit mag ook in elk geval nie hoër wees as die

heersende minimumloon in die bepaalde gebied nie indien sodanige minimumloon laer as onderskeidelik R3,00 of R4,00 per dag is. Die Departement van Mannekrag het bepaal dat by die opleiding van werklose persone die toelaag in die geval van persone bo 18 jaar nie R2,40 te bowe mag gaan nie en die onder 18 jaar nie R1,80 te bowe mag gaan nie. Die verhoogde toelaag in landelike gebiede (dit was vantevore R2,50 per dag) tree op 4 November 1985 in werking en geld ook vir die bestaande R100 miljoen program.

1.8 Wat projekte in stedelike gebiede betref, sal slegs persone wat wettiglik in die betrokke gebied verkeer, geakkommodeer word. Dit sluit ook pendelaars en kontrakwerkers wat gewoonweg in daardie gebied werk en wat werkloos geraak het, in.

1.9 Daar moet maandeliks via die verantwoordelike Departement aan die Werkskeppingskomitee verslag gedoen word oor vordering en wel op die volgende basis :

- beskrywing van projek en die gebied;
- getal persone in diens op 'n spesifieke datum;
- getal mandae gewerk vanaf die begin van die projek tot op datum;
- totale bedrag bestee vanaf die begin van die projek tot op datum (verdeel in lone en ander uitgawes)

Verslagdoening moet besonderhede oor beide die bestaande R100 miljoen en die nuwe R500 miljoen programme insluit. Afsonderlike inligting ten opsigte van elk van die twee programme word nie vereis nie.

2. FORMAAT VAN AANSOEK

- (a) Naam van Instansie
- (b) Tipe projek ('n aparte vorm vir elke projek)
- (c) Naam van dorpsgebied of ander gebied
- (d) Beskrywing van projek
- (e) Arbeidskoste

(i) Beoogde getal nuwe (tydelike) werk-geleenthede

.....

(ii) Beoogde getal weke ... x 5 dae =

..... dae

(iii) Loonkoers (R3,00/R4,00 per dag)

.....

(iv) Totale arbeidskoste (i)x(ii)x(iii)
(mag nie minder as 50 persent van
(h) wees nie)

.....

- (f) Koste van toerusting en materiaal waarvoor
fondse aangevra word
.....
- (g) Ander koste (spesifiseer)
.....
- (h) Totale fondse aangevra vir die betrokke projek _____
- (i) Persentasie wat (e)(iv) en (h) vorm
.....
- (j) Uitgawes deur instansie self gedra
.....

3. Stuur voltooide vorms aan die verantwoordelike instansie of Departement, wat dit sal verwerk.

contribution. Employers are at present contributing less to the Fund than employees, with the employer's contributions amounting to 0,3 per cent of a worker's wage or salary, while employees themselves contribute 0,5 per cent. Not only would it be desirable to achieve parity in regard to contributions, but should it become necessary to boost the Fund, it would also be salutary if contributions were increased.

The responsibility of ensuring that the entire sum of R600 million is allocated according to need will rest with an Interdepartmental Committee for the creation of employment, chaired by the Director-General of Manpower, Dr Piet van der Merwe.

The Government trusts that the private sector will co-operate closely with official institutions to ensure that the unemployment problem will be alleviated in areas where the need is greatest.

ISSUED BY THE PUBLIC RELATIONS OFFICER OF THE MINISTER OF MANPOWER.

PRETORIA
7 OCTOBER 1985

Enquiry : Mr W M Pruis

Tel No : (012) 26-5005 (WORK)
(012) 77-7463 (HOME)

IN DUPLICATE
IN DUPLIKAAT

ANNEXURE VIII

DEPARTMENT OF MANPOWER
DEPARTEMENT VAN MANNEKRAG

APPLICATION TO TRAIN UNEMPLOYED PERSONS IN TERMS OF SECTION 36 OF
THE MANPOWER TRAINING ACT, 1981

AANSOEK OM WERKLOSE PERSONE INGEVOLGE ARTIKEL 36 VAN DIE WET OP
MANNEKRAGOPLEIDING, 1981, OP TE LEI

TRAINING INSTITUTIONS APPLYING TO TRAIN UNEMPLOYED PERSONS MUST
TAKE NOTE OF THE FOLLOWING:

OPLEIDINGSINSTANSIES WAT AANSOEK DOEN OM WERKLOSE PERSONE OP TE
LEI, MOET OP DIE VOLGENDE LET:

* CRITERIA FOR THE APPROVAL OF TRAINING INSTITUTIONS APPLYING
TO TRAIN UNEMPLOYED PERSONS (ANNEXURE A)

KRITERIA VIR DIE GOEDKEURING VAN OPLEIDINGSINSTANSIES WAT
AANSOEK DOEN OM WERKLOSE PERSONE OP TE LEI (BYLAE A)

* THE PROCEDURE TO BE FOLLOWED PERTAINING TO THE
ADMINISTRATION OF THE APPLICATION (ANNEXURE B)

DIE PROSEDURE WAT IN VERBAND MET DIE ADMINISTRASIE VAN DIE
AANSOEK GEVOLG MOET WORD (BYLAE B)

REGISTRATION NUMBER OF CENTRE:

REGISTRASIENOMMER VAN SENTRUM:

NAME OF GROUP TRAINING CENTRE / PRIVATE TRAINING CENTRE

NAAM VAN GROEPOPLEIDINGSENTRUM / PRIVATE OPLEIDINGSENTRUM

.....

POSTAL ADDRESS: STREET ADDRESS

POSADRES: STRAATADRES

.....

TELEPHONE NUMBER:

TELEFOONNOMMER:

STREET ADDRESS WHERE THE TRAINING WILL BE CONDUCTED:

STRAATADRES WAAR OPLEIDING AANGEBIED SAL WORD:

FROM WHAT DATE HAS THE CENTRE BEEN REGISTERED WITH THE DEPARTMENT?

SEDERT WATTER DATUM IS U SENTRUM BY DIE DEPARTEMENT GEREGISTREER?

LIST OF COURSES IN WHICH TRAINING CAN BE CONDUCTED:

LYS VAN KURSUSSE WAARIN OPLEIDING VERSKAF KAN WORD:

TITLE OF COURSE	DURATION IN DAYS	NUMBERS WHICH CAN BE TRAINED	MAXIMUM NUMBER PER COURSE	COURSE FEE
TITEL VAN KURSUS	DUUR IN DAE	GETALLE WAT OPGELEI KAN WORD	MAKSIMUM GETAL PER KURSUS	KURSUS- GELD

1. DO YOU HAVE THE NECESSARY INFRASTRUCTURE AVAILABLE FOR THE TRAINING OF UNEMPLOYED PERSONS, i.e:

BESKIK U OOR DIE NODIGE INFRASTRUKTUUR OM WERKLOSE PERSONE OP TE LEI, dws:

- (A) FINANCIAL RESOURCES TO PAY ALLOWANCES AND TRANSPORT COSTS OF THE UNEMPLOYED PERSONS DURING TRAINING?
FINANSIËLE VERMOË OM TOELAES EN VERVOERKOSTE VAN WERK-
LOSES TYDENS OPLEIDING TE BETAAL?
- (B) CLASSROOM AND TRAINING FACILITIES?
KLASKAMER- EN OPLEIDINGSGERIEWE?
- (C) TRAINING EQUIPMENT?
OPLEIDINGSTOERUSTING?
- (D) INSTRUCTORS?
INSTRUKTEURS?

2. HAVE YOU TRAINED UNEMPLOYED PERSONS IN THE PAST? YES/NO
HET U VOORHEEN WERKLOSES OPGELEI? JA/NEE

IF YES -

INDIEN JA -

- (A) HOW MANY DID YOU TRAIN?
HOEVEEL PERSONE IS OPGELEI?
- (B) HOW MANY WERE PLACED IN EMPLOYMENT?
HOEVEEL PERSONE IS WERKLIK IN DIENS GEPLAAS?
- (C) HOW MANY PERSONS, BY ESTIMATION, FOUND A LIVELIHOOD
AFTER TRAINING?
HOEVEEL PERSONE HET NA RAMING 'N HEENKOME NA OPLEIDING
GEVIND?

3. DOES YOUR ORGANISATION HAVE A REGISTERED PRIVATE PLACEMENT
OFFICE? YES/NO

BESKIK U ORGANISASIE OOR 'N GEREGISTREERDE PRIVATE INDIENS-
PLASINGSKANTOOR? JA/NEE

IF "NO", HOW DO YOU PLAN TO FIND EMPLOYMENT FOR THE
UNEMPLOYED PERSONS AFTER TRAINING?

INDIEN "NEE", HOE BEPLAN U OM OPGELEIDE WERKLOSES VAN 'N
HEENKOME TE VOORSIEN?

.....
.....
.....
.....
.....

4. MOTIVATION FOR THE ALLOCATION OF A CONTRACT TO TRAIN UNEMPLOYED PERSONS:

MOTIVERING VIR DIE VERKRYGING VAN 'N KONTRAK OM WERKLOSES OP TE LEI:

.....
.....
.....
.....
.....

I, (NAME OF AUTHORISED PERSON) CERTIFY THAT THE INFORMATION GIVEN ABOVE IS TRUE AND CORRECT IN ALL RESPECTS, AND THAT THE TRAINING INSTITUTION IN MY OPINION SATISFIES THE CRITERIA (**ANNEXURE A**)

..... (I.D. NO.)
SIGNATURE OF APPLICANT OR AUTHORISED PERSON, WHO HEREBY GUARANTEES THAT HE HAS BEEN DULY AUTHORISED TO SIGN THIS APPLICATION.

DATE:

EK, (NAAM VAN GEMAGTIGDE PERSOON) SERTIFISEER DAT DIE BOSTAANDE BESONDERHEDE IN ALLE OPSIGTE WAAR EN KORREK IS, EN DAT DIE OPLEIDINGSINSTANSIE VOLGENS MY MENING AAN DIE KRITERIA (**BYLAE A**) VOLDOEN.

..... (I.D. NO.)
HANDTEKENING VAN AANSOEKER OF GEVOLMAGTIGDE, WAT HIERMEE WAARBORG DAT HY BEHOORLIK DAARTOE GEMAGTIG IS OM HIERDIE AANSOEK TE ONDERTEKEN.

DATUM:

ANNEXURES IX AND X

REPORTS SUBMITTED BY THE SECRETARIATS OF

- THE TRANSKEI AND
- BOPHUTHATSWANA SECP CO-ORDINATING COMMITTEES.

REPORT SUBMITTED BY THE SECRETARIAT OF THE TRANSKEI SECP CO-ORDINATING COMMITTEE

- '1. In early October 1985 the Government of Transkei was informed by the Government of the RSA that an amount of up to R3,7 million could be made available to Transkei for short term employment and hunger relief projects. This funding was made available subject to the conditions that:
 - projects be scheduled to be terminated by the end of 1985/86 year;
 - employment should be at a wage rate of R2,67 per day with provision for supervisors at up to R6 per day (the basic wage subsequently was raised to R3 per day);
 - equipment and other overhead costs be kept in the region of 15 % of project costs;
 - employment be organized where possible on a daily taskwork basis.
2. Consultations were subsequently held with the Government Departments which indicated interest in participating in this programme and on 12 November 1985 the following Temporary Employment and Hunger Relief Programme was submitted to Treasury:
 - 2.1 Employment by municipalities and townships, to be administered by the Department of Local Government and Land Tenure: R1,3 million;
 - 2.2 Employment by the Agriculture Branch of the Department of Agriculture and Forestry: R0,631 million;

- 2.3 Employment by the Forestry Branch of the Department of Agriculture and Forestry: R0,371 million;
- 2.4 Employment by the Engineering Branch of the Department of Agriculture and Forestry: R0,396 million;
- 2.5 Employment by the Department of Posts and Telecommunications: R0,15 million;
- 2.6 Hunger Relief administered by the Department of Health: R0,234 million;
- 2.7 Hunger Relief administered by the Department of Welfare and Pensions: R0,5 million;

Treasury authority for this programme was obtained on 10 December 1985.

- 3. It was expected that 8 451 jobs would be created at R2,848 million through projects 2.1 to 2.5, that 20 000 infants would receive nutritional support through 2.6 and that 8 700 households would be assisted through 2.7.
- 4. Progress with these projects as of the end of February 1986 is described below. A schedule summarising estimated employment and expenditure on this programme is attached (see p ??).

EMPLOYMENT BY MUNICIPALITIES AND TOWNSHIPS

- 5. Through the offices of the Department of Local Government and Land Tenure, employment relief projects were established by the end of November 1985 in all 28 towns and 5 townships in Transkei. In view of the high priority attached to the upgrading of fencing by almost all municipalities, it was approved that the materials and

equipment allocated to small towns would be 30 % of projected labour costs.

6. Average daily employment since mid November has been 3 200, which is 88 % of the total allocation of 3 625 for this project. About half of those employed have been male.
7. Small towns appear to have had no difficulty in recruiting labour, indicating that substantial numbers of job-seekers come to district centres. Only Umtata has reported difficulty with recruitment, and the wage rate of R3 per day appears to be too low to secure male employment in Umtata. Monthly absenteeism and abscondment rates appear to have been below 5 % in most small towns.
8. Activities undertaken by municipalities and townships on this project include the following:
 - clearing of streets
 - road maintenance
 - clearing stormwater drains
 - clearing parks
 - cleaning Town Hall premises
 - cutting grass and maintenance of side-walks
 - fencing of commonages
 - general fence repairs
 - development of water-springs, and digging walls
 - excavation of refuse-pits
 - excavation of stormwater drainage furrows
 - donga and erosion control measures
 - planting trees in woodlots, plantations
 - thinning forests
 - planting ornamental trees in town
 - planting flowers and town gardening
 - repair to dipping tanks
 - eradication of noxious weeds
 - lining stormwater drains with stones and cement
 - installation of electric cables and poles

- clearing ground for further property development.

9. Towns which have shown particular initiative and have demonstrated effective management of labour include Bizana, Idutywa, Port St Johns, Mount Ayliff, Sterkspruit, Tabankulu and Umzinkulu. Minor administrative problems have been rectified in a number of instances through visits to all towns on at least two occasions by officials of the Department concerned and staff of the TEC Secretariat. It would appear that this project has provided much-needed employment opportunities and has also been a useful learning experience for town clerks and local authorities. It is evident that, with careful monitoring, and some administrative support, small towns have the capacity to employ unskilled labour usefully.
10. The provision of equipment has, where possible, been effected through Departmental orders, while orders for materials have typically been placed locally. In some instances, towns have shown commendable initiative in this regard eg, in contracting for the delivery of sand/gravel for road work and in hiring a grader. Delays in the supply of equipment hampered progress in December and January, however, in a number of towns. In some cases the programme is nearly ended and the equipment is still not received.
11. The Department of Local Government and Land Tenure has requested that this project be continued through 1986/87.

EMPLOYMENT BY THE AGRICULTURAL BRANCH OF DEPARTMENT OF AGRICULTURE AND FORESTRY

12. Three schemes for temporary employment by the Agricultural Branch were approved:
 - 55 labourers per district to do fence repair work, under the supervision of 100 extension assistants;

- 200 labourers and 20 foreman to eradicate noxious weeds in Lady Frere and Cofimvaba;
- 40 labourers to assist on dry land trial plots.

Provision for equipment and material requirements was made, with expenditure estimated at R81 380.

13. The programme commenced on 21 November 1985 and the average daily employment to 20 February 1986 was 1850, or 97 % of the approved allocation. Employment is predominantly male.
14. The Branch does not appear to have recruitment problems in rural areas. Projects have been supervised by extension staff and rangers and absenteeism appears to have been under 5 %.
15. Progress with envisaged activities is as follows:
 - Fence repair teams of 55 persons have been established in all districts. Reported extent of progress per district ranges from 0,85 km to 9 km per month, averaging perhaps 2 km per month, or 2 m per manday.
 - Extension assistants have been engaged in all districts, based at Departmental maize and sorghum schemes. Their duties include record keeping and assisting extension officers, and supervision of fence repairs.
 - The full quota of 220 persons has been engaged for eradication of noxious weeds in Cofimvaba and Cacadu. Progress has not been ascertained.
 - 40 labourers have been engaged to work on 6 Departmental trial plots. Work done includes planting and weeding.

16. Progress has been hampered due to delays in the delivery of equipment and materials, and the severe shortage of transport which the Branch experiences.
17. It should be noted that the Agricultural Branch has established a further 2 900 job opportunities on the maintenance of rural access roads, and a further 97 jobs on production at the Tsolo Agricultural College. These projects have been approved as ongoing TEC projects and are not funded from the short term relief funds.
18. The Department has requested that funding for these temporary schemes be continued into the 1986/87 financial year.

EMPLOYMENT BY THE FORESTRY BRANCH OF THE DEPARTMENT OF AGRICULTURE AND FORESTRY

19. A total allocation of 1 320 workers was made to the Forestry Branch of Agriculture and Forestry for employment in the 5 forestal regions and in the Departmental nature reserves. In addition, it was approved that 52 supervisors could be allocated to the Branch.
20. The project commenced in November 1985 and by December 744 workers had been engaged. The full quota was reached in January 1986, and average daily employment for the period November to February has been 1 050, or 80 % of the original allocation. About 40 % of those employed are males.
21. Absenteeism and abscondment do not appear to have been a problem and no difficulties with recruitment have been reported.

22. Progress with envisaged activities has been as follows:

- Some 700 workers have been engaged in general forest clearing, eradication of weeds and cleaning after forest fires. These activities are supervised in 30 areas and are under the control of regional forestry officers. An estimated 2 400 ha of forests and woodlots have been cleaned or cleared in the first three months of this project, at an average rate of 16 mandays per ha.
- Up to 200 workers are engaged in road construction and maintenance in Departmental plantations. Progress appears to have been satisfactory, with productivity rates of 1,5 m to 2,6 m per manday reported for road construction and 10 m to 20 m per manday for road maintenance, in areas for which information is available.
- Pitting proposed forest land and planting trees have been supervised in at least five areas. Productivity ranges from reported rates of 10 to 40 trees planted per manday. This project has contributed significantly to the Department's afforestation programme.
- Other activities which have been undertaken include clearing of stormwater drains, clearing of campsite areas in nature reserves, maintenance of Departmental fences, weaving of floormats for camping huts, felling trees and pruning plantations, and bridge construction.

23. The Forestry Branch has requested that funding for this employment be continued during the 1986/87 financial year.

EMPLOYMENT BY THE ENGINEERING BRANCH OF THE DEPARTMENT OF AGRICULTURE & FORESTRY

24. TEC funding for 2 projects of the Engineering Branch was approved: it was envisaged that 650 workers would be engaged in the erection of soil conservation gabion structures in the Umtata dam catchment area, and that 55 workers would be employed on 10 hand-built road construction projects. The total allocation was subsequently increased to 1 400.
25. These projects commenced in November 1985 and by January 1986, the full labour complement had been reached. Average daily employment since mid November has been 1 230, or 95 % of the original allocation.
26. A large proportion of those employed on the erection of gabion structures have been women and this project has reportedly been hampered by difficulties of supervision, worker attitudes and low productivity. It appears that the rate of R3 per day was not sufficient to attract effective and committed manpower in the Umtata district. The road construction projects, however, have proceeded satisfactorily.
27. The soil conservation project had as its objective the construction of 75 gabion structures with an average of 35 baskets per structure. Twenty teams have been working on this project. Excavation has been completed for 25 structures, and the erection of gabions is in progress. A total of 469 gabion baskets had been laid by the end of February. It is envisaged that these 26 structures will be completed. Productivity with excavation work has been lower than expected.
28. Ten road construction projects are in progress, varying in length from 3 to 5 km. Progress to the end of February typically extended to the scraping of topsoil to hard

material and the laying and levelling of selected subgrade, the compacting of the subgrade and the carting and laying of the subbase. Progress is estimated at 50 % of the total work done, indicating average productivity of 1 600 mandays per km of road construction.

29. The Engineering Services Branch has requested that the Umtata dam catchment area soil conservation project be terminated and that the roadworks projects be continued until completed.

EMPLOYMENT BY THE DEPARTMENT OF POSTS AND TELECOMMUNICATIONS

30. Following an October 1985 allocation of 400 workers to be engaged in local post offices and in Departmental cable-laying gangs, the Department of Posts and Telecommunications was authorised in December 1985 to increase temporary employment to a maximum of 700.
31. Indications are that the full allocation of 400 were engaged in November and December, and employment has presumably increased to 700 during January and February. Most of those employed have been female school-leavers. Post Offices have reported some turnover of staff as the school year has commenced and in view of the low wage offered.
32. While recruitment was initially done by the Department head office, supervision has been decentralized at local Post Offices. Considerable difficulties with reporting on activities and processing of claims has been experienced, owing partly to the co-ordinating role still played in Pretoria in managing Post Office accounts.
33. Temporary workers have assisted with the delivery and sorting of mail. It appears that assistance with cable-laying activities has not been undertaken.

34. The Department has requested authorization to continue with this employment through the 1986/87 financial year.

HUNGER RELIEF ADMINISTERED BY THE DEPARTMENT OF WELFARE AND PENSIONS

35. An amount of R500 000 has been made available to the Department of Welfare and Pensions to supplement the pauper relief programme of this Department.
36. In January 1986 a circular was distributed to Magistrates, Medical Superintendents and Social Workers, specifying the amounts allocated to each district and indicating the guidelines in terms of which food vouchers could be made available to indigent households. A maximum of R70 worth of food per month has been provided to any one household, taking into account family size and situation. Food vouchers have been issued for the following foodstuffs only: samp, beans, mealie-meal, flour, yeast, sugar, fat, salt, tea, ground coffee, powdered milk, baby feed and soup-powder.
37. While returns have not yet been submitted by the various district offices, it is reported that certain districts had exhausted their allocation by mid February and it is anticipated that the full amount will have been expended by 31 March.

HUNGER RELIEF ADMINISTERED BY THE DEPARTMENT OF HEALTH

38. It was approved that 12 000 kg Pronutro should be purchased for distribution to hospitals and clinics. This food supplement was to be used in conjunction with milk-powder previously donated by the RSA, with the intention that Pronutro should be available for infants and milk-powder to mothers.
39. The first delivery of 4 000 kg Pronutro was effected in

December, the second in January and the third was scheduled for February exhausting the funds allocated.

40. Distribution has been made to 26 hospitals throughout Transkei, with amounts based on the numbers of clinics serviced by each hospital. Reports from hospitals and clinics are awaited.'

TRANSKEI EMPLOYMENT CREATION PROGRAMME

TEMPORARY EMPLOYMENT AND HUNGER RELIEF - SUMMARY SCHEDULE

All figures are estimates based on most recent data

EMPLOYMENT

Project	Allocation	Average number of persons employed					21 Nov - 20 Mar
		Dec	Jan	Feb	Mar		
Towns	3 625	2 900	3 100	3 300	3 300		3 150
Agriculture	1 906	1 600	1 870	1 900	1 900		1 800
Forestry	1 372	740	1 100	1 250	1 300		1 100
Engineering	1 400	1 050	1 230	1 410	1 400		1 275
Post Offices	700	400	600	650	650		575
Total	9 003	6 690	7 900	8 450	8 500		7 900

EXPENDITURE (R'000s)

Project	Allocation	Labour				Non-Labour	Total
		Dec	Jan	Feb	Mar		
Towns	1 300	185	185	215	205	250	1 040
Agriculture	631	110	122	130	130	82	574
Forestry	371	50	71	85	89	15	310
Engineering	396	55	38	100	95	52	340
Post Offices	150	40	45	44	46	-	175
Welfare	500	-	-	-	-	500	500
Health	234	-	-	-	-	234	234
Total	3 582	440	461	574	565	1 133	3 173

REPORT SUBMITTED BY THE SECRETARIAT OF THE BOPHUTHATSWANA SECP
CO-ORDINATING COMMITTEE (ABRIDGED)

1.0 GENERAL

The Basic conceptual plan for the introduction of a Special Employment Scheme in Bophuthatswana was based on the premise that it was the rural communities, representing 80 % of the population, that had suffered the most during the past three seasons of drought and therefore deserved maximum assistance and attention.

2.0 KEY OBJECTIVES

- 2.1 To bring the greatest relief to the greatest number.
- 2.2 To obtain substantial long term benefits for village communities.
- 2.3 To improve measurably the overall quality of life at village level.

3.0 POLICIES

- 3.1 In order to realise these objectives the conscious decision was taken to work through and in cooperation with the traditional Tribal Authorities.
- 3.2 Whilst some employment opportunities were created by Government Departments the numbers never exceeded more than seventeen per cent of the total.
- 3.3 Obviously the jobs created by Departments would be indirectly of benefit to the community at large but of no immediate and direct benefit to a particular community.

- 3.4 The employment of Supervisors for the specific purpose of working at village level was seen as the best means of ensuring that the village populations benefitted directly and the nature of the work undertaken would improve community life.

4.0 ORGANIZATION

- 4.1 Drought Relief Bophuthatswana had, from the beginning, two relief programmes controlled by Working Groups comprised of Departmental and Parastatal representatives. Special Employment Schemes have been controlled by Working Group - Human Relief.
- 4.2 Well before the Special Employment Scheme was introduced Drought Relief had established a nationwide system of depots and sub-depots for the distribution of food to the destitute and cattle feeds to farmers.
- 4.3 Each depot manager was responsible to one of five District Managers. It was relatively easy for the twenty-five Supervisors to be placed, for day to day control, under the guidance of these District Managers.
- 4.4 Under the terms of the grant from Foreign Affairs RSA it was necessary to appoint a Co-ordinator responsible for all SEAP planning and administration. Again the Drought Relief organization lent itself admirably to such an arrangement. The Chief Co-ordinator Drought Relief took over these tasks and a member of staff was appointed to co-ordinate day-to-day management and exercise overall control.
- 4.5 Although basically very simple the organization has proved relatively efficient and effective.

5.0 ADMINISTRATION

- 5.1 The major area of concern was the payment of wages. At the

height of activity the Supervisors were employing 34 500 labourers in the field. There was no way to pay this large force other than by cash. This mammoth task posed both administrative and security problems.

- 5.2 Delays in having wage packets made up by an outside agency have been solved by establishing our own packaging team.
- 5.3 The large sums of cash involved are held in a strongroom designed for the purposes. Whilst the Supervisors pay-out in the company of a senior member of staff there is always the risk of armed robbery. Police or military guards are not always available to assist.
- 5.4 It has been a policy of Drought Relief - Bophuthatswana to maintain autonomy wherever possible. Accordingly a system of simple but practical documentation was introduced to ensure a loss of identity. No other documentation is acceptable. This applied to all schemes including SEAP.
- 5.5 Mobility is an essential for any organization operating in the rural areas of Bophuthatswana. All Supervisors are issued with short-wheelbase LDV's. This type of vehicle has proved suitable being able to negotiate most country roads and carry moderate payloads.
- 5.6 Whilst registered as Government Vehicles these trucks are always insured. This enables repairs to be carried-out quickly thus reducing down-time to a minimum. Servicing is carried out at commercial workshops again reducing down-time. SEAP has not been allowed to be adversely effected by lack of transport as have so many government projects.
- 5.7 Records of projects undertaken and completed are essential. Supervisors are issued with cameras and are required to keep visual evidence of all village schemes.
- 5.8 The amount spent on materials for village projects has been

modest by comparison with Departmental schemes. Generally villages have provided their own materials and tools. SEAP has therefore been able to meet nearly all requests for assistance with materials or tools.

- 5.9 All materials have been purchased locally where possible and always at the best price. Preference has been given to the local entrepreneur providing the difference does not exceed 5 %.

6.0 OBSERVATIONS

- 6.1 The time taken for Supervisors to submit the wage claims at the end of each month leaves much to be desired. It often takes up to four days to collect the documents from the villages and several more days to process the documents before the pay packets can be issued. No satisfactory solution has yet been found to this problem.
- 6.2 The Special Employment Action Programme was very hurriedly launched with little time for in depth planning. The knowledge that the programme was only a temporary measure did not encourage a long term view. In consequence Supervisors embarked on some schemes which hindsight suggests were given too high a priority.
- 6.3 Again the Programme started late in 1985 giving insufficient time for some schemes to be completed by the end of the financial year when the scheme was halted. This is most unsatisfactory.
- 6.4 If a continuation of the programme is contemplated consideration should be given to an extension of at least two years. This would permit more careful planning and more thorough implementation.

7.0 CONCLUSION

- 7.1 Although in operation for only eight months the Special Employment Action Programme has proved an outstanding success in Bophuthatswana.
- 7.2 Not one Chief or Headman has had anything but praise for the scheme and all have expressed regret that the scheme has had to come to an end.
- 7.3 The socio-economic impact has been enormous. Parents have been able to afford to feed and clothe their families and pay for school fees. The general well-being of village populations has visibly improved. The mere fact that the work in which villagers were engaged was of immediate personal and community benefit appears to have given the scheme an impetus not expected.
- 7.4 Calls for the daily rate of R3,00 to be increased rarely came from the rural population. As long as the work benefits the community at large the daily wage should be pegged at a low rate.
- 7.5 Although initially there was only one flat rate of R2,50 per day this was subsequently raised to R3,00 per day and a special category created to accommodate the project foreman at R4,60 per day. There is room for a third category - namely - the artisan. A more equitable arrangement appears to be:-

Foreman	R4,50
Artisan	R4,00
Labourer	R3,00

The rate of R4,60 per day for foreman has been dropped to R4,50 per day for ease of calculation and coinage.

- 7.6 Drought Relief has requested the Government of

Bophuthatswana to make available funds in order that the scheme may continue. It is hoped the Government of the Republic of South Africa will be able to provide encouragement and additional financial assistance.'

<ita>Annexures. SECP. Viljoen