



# Discussion Paper BRIEFS

Food Consumption and Nutrition Division of the International Food Policy Research Institute

*Discussion Paper 121*

## **Targeting Poverty Through Community-Based Public Works Programs: A Cross-Disciplinary Assessment of Recent Experience in South Africa**

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Unemployment stands out among the persistent development problems that have beset South Africa since its transition to democracy. Official statistics indicate that 30 to 53 percent of South Africans are unemployed. Since 1992, a wide variety of institutions have called on the state to play a direct role in tackling this problem through labor-intensive public works programs. In 1993, a team from the National Economic Forum drew up plans for a National Public Works Programme that, along with similar public works programs, were to be targeted to the poor.

Attempts to target antipoverty projects to poor areas and poor people often fail due to an absence of poverty data, weak administrative capacity, and loss of political support from middle- and upper-income groups. Compared to many other developing countries, these are not strong considerations in South Africa. Poverty data are available, administrative capacity is relatively strong, and there was a strong political commitment to target resources.

### ***Purpose and Methodology***

Given these conditions, this paper examines poverty targeting of more than 100 public works projects undertaken in South Africa's Western Cape Province, but also takes into account a broader set of political economy considerations. Targeting in the context of high unemployment and backlogs in infrastructure, where need is greater than the resources available, means that choices are made as to who among the unemployed gets access to employment and which communities without certain physical assets get access to them. Targeting has thus involved highly contested debates over the processes and criteria for making decisions about relative need and entitlement. It also has involved institutions in the process of redefinition and democratisation, shaped by competing voices within government and civil society.

The study uses mixed-method research, both quantitative and qualitative, and economic and sociological perspectives. The economic approach focuses on performance, asking (1) how well the projects are targeted between and within districts, and (2) how well the projects

target the poorest people within communities. The sociological approach focuses on the processes of project location and worker selection, examining how and why projects were located as they were, how and why workers were selected as they were, and the implications of South African social and political configurations for the functioning of a self-targeting mechanism. Specifically, it focuses on how the historic and current roles of trade unions, community-based organizations, and the private sector in relation to the apartheid state and the new democratic state ultimately has shaped program objectives and outcomes, considering the poverty, gender, and democratic implications of community-controlled targeting processes.

### ***Conclusions and Analysis***

South Africa's public works programs have been among the most innovative in the world, with multiple objectives that include not only job creation, poverty reduction, and infrastructure development, but also simultaneously job training and community capacity building. This gives the programs a development potential that is commendable, but also involves some potential trade-offs.

Our province-wide analysis of seven public works programs confirmed the findings of other evaluations that there is little evidence of the targeting of public works to the poorest among the poor, whether within districts, municipalities, or communities. But this study goes beyond previous works by exploring the targeting issues at the between-district, within-district, and within-community levels.

Between districts, the 101 public works are not well-targeted in terms of poverty, unemployment, and infrastructure. Some districts with very high

poverty and unemployment have no labor-intensive public works projects and some with low poverty rates contain four or more projects.

With the exception of training costs, a small component of public works expenditures, the district share of province-wide public works expenditures was uncorrelated with district poverty, unemployment, or infrastruc-

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ture shares. When we disaggregated projects by program, we found that some projects did well in allocating labor and training costs in proportion to poverty, unemployment, and infrastructure need shares, while others did less well.

If the goal is to encourage the allocation of public works resources to districts that are the highest priority in terms of poverty, unemployment, and poor infrastructure, departments responsible for allocating resources need to create and use poverty, infrastructure, and unemployment maps at the district level (using existing data); and strengthen cross-program communication about the need to target resources between districts.

It is understandable within the institutional and political context of South Africa that a high priority was placed on meeting the programs' multiple objectives—including the criteria of job training and community participation—with everyone seen as needing infrastructure and jobs. However, lessons learned from this first wave point to the need to consider these criteria and relative need and poverty, so that better-off areas do not get multiple projects, and poorer communities get few or none.

In terms of targeting projects to the poorest of the poor within districts, 78 percent of all projects set wages below this market wage. In South Africa, the historical role of labor unions and their voice in government has meant that setting wage rates below the market wage has been more controversial than in many other countries. Some unions have accepted the principle, as long as there is monitoring of the process, and the infrastructure constructed benefits the people working on the project. However, when (higher) wages for comparable work in the formal sector are easily observed by the project workers, it is still a challenge to recruit unemployed workers at below market wage. On the other hand, community-based-organization-led projects tended to be able to set a lower wage in relation to local market wages.

In most of the projects studied, worker selection was mainly handled by community members. The processes were generally need-based in that poverty and unemployment were necessary criteria for eligibility, although those chosen might not be those most in need. Equality of opportunity was often a high priority, so a random system was used. Community members also saw it as equitable to give some jobs to people who had given their time to promoting community development.

There are several advantages to allowing communities to handle or participate in selecting workers: (1) although their perspectives may not have statistical precision, local people often know who in their communities are very poor and who might be suffering a crisis or have the least income earning potential in their households; (2) they may take into account other considerations that reflect community priorities; (3) if community members are excluded from hiring decisions and are dissatisfied with the outcomes, they can disrupt the projects; and (4) there is an educational process that takes place as community members struggle with tough decisions about allocation of scarce resources that have alternative uses, and learn how to manage a decisionmaking forum.

Nevertheless, the potential for a conflict between community participation and other valuable program objectives should not be overlooked. Nowhere is this more evident than in the issue of targeting women. Our case studies and project-level dataset revealed historical biases against employing women in construction work, biases that can be overcome through strong and effectively implemented government directives, which, in turn, help to overcome these biases by showing that women can do the work.

**Keywords: public works, targeting, poverty, South Africa**

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