

## **Budget Vote on Public Works**

**UCDP : Hon IS Mfundisi**

**Tuesday, May 7, 2012**

**OAC, 16:45**

Chairperson,

South Africa aims at creating job opportunities through infrastructural development and that makes the Department of Public Works key not only to maintenance and creation of infrastructure, but their role is directly linked to what many South Africans aspire to. When we look at different departments and what is needed in each of those in order to optimally serve South Africans, infrastructural development always comes up.

We are aware that the Minister is fighting against the tide in respect of the Department being fraught with corruption and to his credit he has come out clearly that he has his hands full and is wielding his broom to rid the department of all fortune seekers both within and outside the department. Good luck Mr Minister. It is an embarrassment to the extreme, though it is no surprise that this key department received a disclaimer of opinion from the Auditor General.

The South African economy is unable to deliver employment for a growing number of would-be workers, especially among the unskilled. There is a need for state intervention to address this failure, and public works have been identified in the national policy discourse as a central policy response, to address both the problem of unemployment, and also a range of social development and economic objectives.

With the data currently available it is not possible to show that the anticipated broader benefits of public works programmes in terms of increased livelihoods, reduced poverty, the creation of sustainable employment, community

empowerment, local multipliers, or growth as outlined in the policy rhetoric, have been achieved. It is only possible to assess performance in terms of the scale of employment created. By this criterion, success has been limited. The scale of employment creation performance has been limited, due to the scale of budgetary allocations, and institutional constraints, relating to programme conceptualisation and design, and project management capacity, in both the public and private sectors. The multiplicity of programme objectives has also contributed to a lack of focus which has reduced the amount of employment generated.

Despite claims that employment is rising, there is undeniable evidence that South African unemployment and poverty are very high by international standards. The unemployment rate using a broad definition is sitting at 41% while poverty is somewhere between 40% to 45%. Different strategies have been used in tackling these problems, with recent focus on Public Works Expanded Programmes. While public works programmes are a valid component of a social protection policy, an expanded public works programme sui generis is unlikely to have a significant impact on the problems of poverty and labour market access, or their associate, growth, unless the proportion of government expenditure allocated to the programme is substantially increased, and the associated institutional constraints are addressed.

In his state of the nation address the President raised three issues namely, poverty, joblessness and inequality. The Public Works Department fits in in this instance. Employ engineers full time, have armies of men and women working permanently for the department even in menial jobs. They will in the process develop pensions as government employees. Pay equal salaries for the same jobs and quality. Rid the department of tenderpreneurs. Public Works has to rise to the occasion and provide jobs.