

Government Employment Creation Programmes

Budgeting for Job Creation in Social Welfare Services – Exploring EPWP Opportunities

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**BUDGETING FOR JOB CREATION IN
SOCIAL WELFARE SERVICES –
EXPLORING EPWP OPPORTUNITIES**

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Note: The views expressed in this paper are not necessarily those of the National Treasury or government as a whole

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"... the government must act to ensure that we reduce the number of people dependent on social welfare, increasing the numbers that rely for their livelihood on normal participation in economy. "

State of the Nation Address, 14 February 2003

1. Introduction

The topic of budgeting for social welfare services as indicated within this conference assumes that the budgeting for welfare services - in fact any public service - is not a contested terrain. The South African budget process is both a political and technical process. It is a political process because the national Cabinet, on considering a range of public financing and service delivery priorities, is responsible for budget policy decisions. These decisions are taken against the backdrop of both marginal and average public finance requests as a result of an elaborate policy and service delivery priority determination process that evolves from the Presidents' State of Nation Address to the final Budget Statement (announced during February of each year).

It is during these processes, that there is an interaction between the different spheres of government in the different social service sectors as well as the national and provincial treasuries where policy dialogue takes place to advise Cabinet on both marginal and average public funding requirements for a particular sector. It is here where the budget process becomes a technical activity. It's during this phase where policy options are explored in terms of its implications for all three spheres of government. It is also at this point where the collateral effect of a particular policy option is juxtaposed to other social and economic policies. This technical process is subordinate to the overall political process and decision-making by Cabinet. Differently put, this process informs the Cabinet processes by providing detailed analysis and recommendations to be considered. It is at both these levels, where a process of consensus policy making is determined, that influence both the fiscal policy stance and national budget of Government. It is the dynamic outcome of these processes that determines the appropriate responses to sectoral policy and service delivery priorities within the context of macroeconomic and fiscal policy.

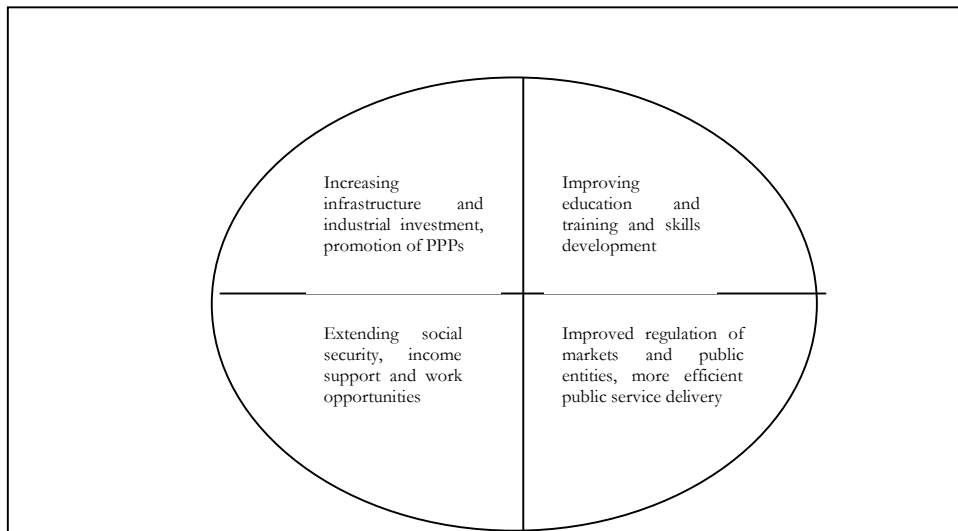
In any case, the 2004 Budget Review sets the fiscal policy trajectory, approved by Cabinet, the broad budget and the strategic spending priorities. As part of the technical process, social policy priorities are also considered and measured in terms of the macroeconomic framework. In the 2004 Budget Review, "government recognizes ...that a more appropriate balance needs to be struck between the quantum of social security spending and that of education and infrastructure development" and that "improved economic performance over the next ten year calls for sustained progress on several fronts":

- A rising share of investment and saving out of national income, to provide the infrastructure and industrial capital formation required for sustained output growth.

- Improvements in the quality of education and promotion of training opportunities, to ensure that skills development and productivity enhancement contribute to expanding participation in social and economic development.
- A poverty reduction strategy that includes promotion of work opportunities, creating sustainable communities and safe neighbourhoods and consolidation of the social security system
- Development of markets, support for emerging entrepreneurs, better governance and regulation of private and public sector institutions and rigorous monitoring and measuring of public service delivery”.¹

The diagram below highlights the interaction between the various key government budgetary priorities.

Figure 1 – Policy priorities for the decade ahead



¹ National Treasury (2004). *2004 Budget Review*. Government Printers, Cape Town, pp. 23-24.

2. Public financing of social welfare interventions

It has been argued elsewhere, that given the daunting policy and service delivery responsibilities on government, that originates from a plethora of social policies, that the rapid and exponential beneficiary and spending growth in the non-contributory social security system over the last 10 years has not only squeezed spending on other social services, but that it has also promoted welfarism.

Both the Reconstruction and Development Programme (RDP) and the Growth, Employment and Redistribution Policy, as key public policies, set the framework for economic growth, development and redistribution. Both of these broad strategic policies require a mix of public and privately provided goods and services to develop the capacity of the South African population in order to participate in economic and social activities. It is to this end that it can be argued that the non-contributory social security system have given the poor and vulnerable not only a safety net, but also opportunities to participate in the economy. There are however, grant administration system problems and ‘capacity shortfalls’, but government has succeeded in extending social assistance grants coverage without imposing undue fiscal risks, and it is clear that direct income support, through categorical transfers, has proved to be both an efficient way of reducing poverty and income vulnerability in addition to stimulating broad-based economic growth and development. Social assistance transfers have increased dramatically, to the point that roughly 9 million people, or about 20% of the population, receive some amount of direct subsidy. While these allocations partially address the needs of recipients and partially mitigate the income disparities, the continued expansion of such transfers, could threaten the hard-earned fiscal position while still offering little or no support to the economy's self-sustaining growth or jobs potential.

The social assistance transfers are means-tested to try and limit universal access and fraud, these include the tax-funded old age grants (2 102 000 beneficiaries in July 2005), disability grants (1 292 000) and child support grants (5 913 000). However, in spite of these transfers the poverty gap remains large and incomes of the poor remain very low which is bad for children, their health and their education. While evidence on the impact of the recently instituted child support grant is scanty, there is fairly solid evidence that the old age grant system (see studies by Ann Case and others) plays a major role in the accumulation of human capital through income support to families of poor children.

There seems little reason to argue that the child support grant does not have the same type of impact through supporting the nutrition, health and schooling of children. With HIV and Aids and continuing problems in quality of education, human capital will increasingly become a binding constraint on development and for supporting human capital accumulation as key priorities. Social grant expenditure seems set to slow in this year as the initial targets for the CSG are reached (poorest 50% or so of children up to their 13th birthdays) and disability spending growth slows down partly because of a ‘natural’ end to the recent acceleration (partly driven by low coverage in

certain areas and certain demographic groups in the past) and partly because of administrative measures to improve the integrity of the system. This will allow for even more rapid increases in real expenditure on other social capital services and on infrastructure, than in the past number of years. Social assistance transfers have kept hunger, malnutrition and death away from vulnerable people and households in an environment of very high unemployment.

Studies by Ann Case also proved that the conditional non-contributory social security system (old age grants) has enabled poor households to access social infrastructure (indirectly such as the ability to get to public health and schooling facilities) and in that way contributed to a better quality of life. These programmes have thus directly contributed to human development.

It is to this end, that alternative initiatives are necessary to encourage economic participation and job creation. Although the Expanded Public Works Programme (EPWP) is one of government's initiatives that endeavour to promote job creation directly. The programme will not adequately address the 27% official unemployment rate that plagues the South African economy. The move from Welfare to Workfare is an initiative that needs to be considered if the long-term unemployed are ever going to have access to some income through economic participation. Currently, social assistance targets the elderly (aged 60 and above for women and 65 and above for men) with comprehensive programmes targeting children. Finally, there are substantial transfers to people with disabilities. As a result, people between the ages of 18 to 60 or 65 for women and men, respectively can only access income through employment and job creation initiatives such as the EPWP. Coupled with high unemployment rates for this group of the population and nominal access to any social wage, the pressure builds up, as these individuals find ways to try and supplement their income. One way to address this issue is to introduce an Employment Guarantee System or an Unemployment Benefit Grant that is conditional on the individual either working or engaging in a learnership or training programme or alternatively participating in the EPWP.

The EPWP announced by the President, clearly has the great potential to increase opportunities for productive employment and self-employment among unemployed and low-income households through investment in Early Childhood Development (ECD), Home Community Health Care and skills development. When implemented the EPWP has the potential to not only expand social services through the public sector, but also to encourage private-owned initiatives. In this way, efforts of the social policy programme of the EPWP, could relate more closely to the employment market.

The EPWP is one of government's direct employment initiatives geared to provide short- to medium-term opportunities while addressing the skills needs necessary for enhancing government's service delivery. The primary aim of the EPWP programme is to redirect government budgets with the primary intention of creating short- to medium-term work opportunities that target primarily the unemployed and unskilled. The envisaged programme is aligned to government policies such as the White Paper on Social Welfare, stating that "innovative strategies will be designed for vulnerable individuals and families to increase their capacity to earn a living through employment

creation, skills development, access to credit and where possible through facilitating the transition from informal to formal employment.²² The EPWP comprises several key pillars. The first relates to utilizing government's infrastructure expenditure by promoting labour intensive construction methods. The second relates to public environmental programmes such as working for fire and the removal of alien vegetation programmes. A third pillar relates to the economic sector and promotes entrepreneurship through programmes such as the Venture Creation Learnerships. Finally, and more importantly, for this paper, is the social services sector, that targets Home Community-Based Care (HCBC), Community Care Workers (CCW) and Early Childhood Development (ECD).

The Social Sector Plan targets three key departments, namely the Departments of Health, Education and Social Development, with programmes, implementation and financial plans residing with the respective Ministers.

The Social Sector Plan envisages that NPOs and CBOs will support the delivery of the social sector programmes that are funded by government. Moreover, these programmes provide unemployed individuals and volunteers with a stipend, on-the-job experience as well as training for a period. This programme culminates in an NQF qualification and provides the individual with longer-term income earning opportunities. Individuals can even migrate from this programme to Venture Creation Learnerships that equip them with the necessary skills to run a small business, thus promoting entrepreneurship in addition to providing employment opportunities for others.

The following section of this paper highlights the two key areas where there are immediate training and work opportunities. These are: Home Community-Based Care (HCBC) and Early Childhood Development (ECD). Moreover, the paper will highlight the linkages between these two programmes and their related Sector Education and Training Authorities (SETAs), thus addressing the skills development component.

²² Department of Welfare (1997). White Paper for Social Welfare. Government Gazette Number 1866. Government Printers, page 17.

3. Defining EPWP

“The EPWP is an nation-wide programme to draw significant numbers of unemployed into productive work accompanied by training so that they increase their capacity to earn income. The existing programme under the Department of Public Works focused mainly on infrastructure and environmentally related work opportunities. The programme is now expanded to the social and economic sectors.”³

3.1 Objectives of EPWP

Opportunities for implementing the EPWP have been identified in the four key pillars mentioned earlier in this document. The programme aims to provide opportunities to unemployed, under-skilled and under-qualified persons by:

- Drawing significant numbers of unemployed persons into productive work that enables them to earn an income within the first 5 years of the programme.
- Providing education and training skills within the first 5 years of the programme.
- Ensuring that the experience gained can be translated either into setting up their own business/service or facilitating employment.
- Utilising public budgets to reduce and alleviate unemployment and therefore poverty.

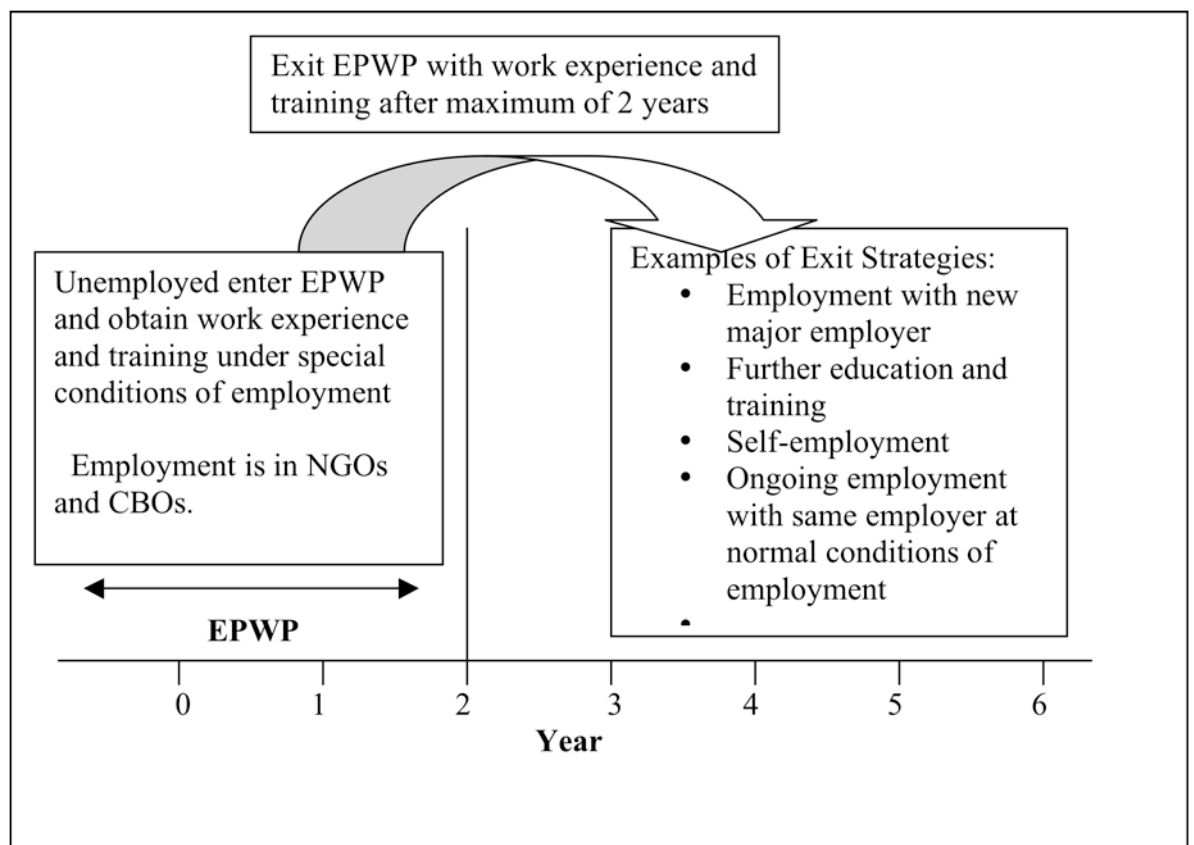
³ Department of Public Works (2004). “Expanded Public Works Programme: Social Sector Plan 2004/05 – 2008/9. Prepared by the Department of Social Development, the Department of Health and the Department of Education, page 7.

4. Defining the social sector

The social cluster comprises three departments, namely the Departments of Education, Health and Social Development. The work of these departments primarily relies on the efforts of volunteers and civil society organizations, which is ideally suited to the EPWP. In essence, the scope of the social sector is very broad, however, the social cluster has decided to narrow the scope and pilot two key areas, namely HCBC and ECD.

4.1 The social sector model

Figure 2 – The social sector model



4.2 Reforms in social welfare services to respond to the EPWP and vulnerability

Apart from increased spending on income transfers as a response to income vulnerability, reforms are taking place within the social welfare sector to increase capabilities of vulnerable groups and communities. Interventions over the last ten years have particularly focused: on treatment and prevention of substance abuse; care for the aged; crime prevention, rehabilitation and victim empowerment; service to the disabled and child and youth care protection. However, much of the growth in social welfare spending has been directed towards increases in the salaries of social workers in order to bring these salaries on par with remuneration for four years professional degrees. The social development sector is in the process of finalising a new social development service delivery model that will not only overhaul the social welfare sector, but also bring about policy certainty on social welfare delivery, financing and administration. The expectation is also that the new social welfare model will address the different levels of welfare services and care, distinguishing between preventative, curative and promotive services, as well as statutory and non-statutory services.

5. Early Childhood Development, Home and Community-Based Care and Community Health Workers

5.1 Early Childhood Development (ECD)

The development of children through ECD programmes is at the heart of human development and social capital investment strategies. Investment in ECD through a public works programme is not only about government providing public finance for this intervention, but also about the ability to unbundle exactly what is required to realise early childhood development. Currently, non-profit organisations and private-individuals provide ECD programmes. Given that access to these programmes are through the payment of user fees by parents or custodians of these children, access is only possible to those who could afford to pay for these services.

Although poor communities have had access to certain types of ECD programmes, quality of childcare and development has been compromised due to scarcity of qualified early childhood teachers, education and development programmes, and appropriate facilities. The EPWP, as a result intends to focus its interventions on the quality of early childhood development programmes inputs by establishing a learnership programme.

It is envisaged that the logical outcome of the learnership programme is that it will not only increase the pool of ECD practitioners, but also improve the quality of the inputs delivered by these practitioners. From a public finance and budgeting perspective, realising this policy decision requires an assessment of different cost inputs for early childhood development interventions.

5.1.1 ECD definition

Early Childhood Development is a term that applies to the processes by which children from birth to at least 9 years grow and thrive, physically, mentally, emotionally, spiritually, morally and socially.⁴ EPWP focus in this area relates to children aged 0 to six.

⁴ Cited, Department of Public Works (2004), page 11.

5.1.2 Overview of the ECD sector

There are approximately 6,5 million children between the ages of 0-6 years of age. Of these, 3,8 million live in extreme poverty, thus their development is an area of concern for government. If all these children were catered for through ECD sites, a total of 60 000 sites would be needed with an average of 5 practitioners/caregivers per site. A Nationwide Audit undertaken by the DoE together with the European Union, commissioned in 1999 and published in 2001, indicated that only 16% of 0-6 year olds were in ECD programmes in June 2000. Disaggregating this further implied that 21% were between the ages of 5-6, 15% were aged 3-5 and only 5% were aged 3. The audit found that 23% of caregivers had no training while the remaining 85% needing additional or further training. Finally, the only source of income for more than 50% of the caregivers came from parents who were paying less than R50 per month.

Moreover, the audit highlighted that a total of 23 482 sites exist, of which 60% are located in the urban areas. Moreover, 49% of the sites are community based, 34% are home based and 17% are school based. A mere 8 429 sites are registered with the Departments of Education and Social Development. Currently, there is no integration plan for implementing a comprehensive ECD programme since children aged 0-5 are the primary responsibility of the Department of Social Development (DoSD). Once children enter compulsory schooling, targeting Grade R (5-6 year olds), this becomes the responsibility of the Department of Education. Between 2001/02 and 2003/04, the Department of Education (DoE) provided a conditional grant to train 4 500 grade R teachers in impoverished areas. This grant has a sunset clause ending in the 2003/04 financial year. Moreover, the DoE provides limited subsidies through the conditional grant mechanism to the 4 500 targeted sites for capacity building. On the other hand, the DoSD provides subsidies to 4 612 sites that range between R4.20 to R6.00 per child in need per day. This disjuncture between the two departments is one of the major sources of the challenges faced by this sector.

Given the scope of the challenge at hand, the ECD EPWP programme aims to train 19 800 practitioners over 5 years, thus increasing capacity to generate income while improving the care and learning environment for children.

5.1.3 The ECD EPWP programme

The EPWP programme aims, from a public finance and social welfare services perspective, to increase the number of skilled people currently providing ECD services in order to improve the care and learning environment of children in addition to increasing the number of ECD sites, thus creating employment opportunities. The EPWP Programme aims to target 1 million children by 2010. This requires the:

- Registration of 20 000 ECD sites.
- Training of 40 000 Grade R teachers.
- 50 000 practitioners for the 3-4 year-olds.
- 67 000 practitioners for the 2-3 year-olds.

- Development and adoption of an inter-sectoral policy to provide for the coordination of ECD services.
- Increase in social development funding for food to sites caring for vulnerable children.
- Establishment of an ECD quality assurance body.

If the goals of the plan are to be achieved, it is necessary to recruit unemployed individuals, with special preference being given to the volunteers, although this is not a condition of employment. The expansion of the ECD employment initiative is a two-pronged strategy. Firstly, EPWP provides the foundation for the relevant and necessary training and capacity building of those employed and secondly, the DoSD will provide longer term funding for the posts in which EPWP participants will exit into. The table below highlights the ECD work opportunity targets.

Table 1 – ECD expansion targets (at DoSD)

	2005/06	2006/07	2007/08	2008/09	2009/10	Total
NQF 1	4 500	6 000	6 000	7 500	10 000	34 000
NQF 4	0	4 500	6 000	6 000	7 500	24 000
Long-term work opportunities	0	6 000	12 000	24 000	48 000	48 000
Total	4 500	16 500	24 000	27 500	65 500	106 000

5.1.4 Additional cost drivers and implications

An analysis of the ECD programme suggests the following cost implications, which are in addition to the costs identified in the rollout plans:

- The average cost of creating employment in the sector is approximately R23 520 for learnerships.
- The cost of an employment opportunity linked to a skills programme is R19 000 per person per year.
- Allowances for work opportunities linked to a skills programme are approximately R500 per person per month.
- Increased support to the ECD sector through the existing subsidy programme as envisioned in the short-term plan is estimated at R17,5 million.
- The estimated plan for the medium term costs R26,2 million with an additional R349 million being required in subsidies.
- It is estimated that the cost to set up each ECD site is approximately R50 652 with about 7000 sites necessary to support the programme.
- The long-term plan expansion is estimated at R36 million per annum.
- Other currently unknown, but market-related costs relate to leaning materials for both learnerships and for children within the proposed sites.

- Additional costs for the administration at local government level and for certain provincial departments (education, health and welfare) are necessary to facilitate the increase in the registration of the new sites.

5.2 Home and Community-based Care Programme

South Africa is rates as one the countries that has a high incidence of HIV/AIDS. In 1990, only 1% of women tested in antenatal clinics were infected however, by 2000 this figure had risen to 25%. The need for the HCBC programme is based on the premise that households that have limited access to the formal health care sector, suffer both economically and socially as a result of HIV and AIDS. Recommendations indicate that a minimum of 10 HCBC workers is required per site. These figures have been benchmarked by the Department of Health's norms and standards for care. Moreover, this would need to be increased further if the geographic and socio-economics status of beneficiaries is to be taken into account.⁵

5.2.1 HCBC definition

Home and Community-Based Care is defined as “the provision of comprehensive services including health and social services, by formal and informal caregivers in the home.”⁶ HCBC encourages participation and volunteerism, addresses the needs of people, promotes traditional community life in addition to strengthening the mutual aid opportunities as well as the social responsibilities by promoting, restoring and maintaining an individual's maximum comfort, function and health including care towards a dignified death.⁷ HCBC services include the following:

- Early identification of families in need, orphans and vulnerable children.
- Addressing the needs of child headed households.
- Linking families and caregivers with poverty alleviation programmes and services in the community.
- Patient care support related to HIV/Aids and chronic diseases.
- Information and education.
- Addressing discrimination against stigmatization and disclosures of chronic diseases.
- Family support including capacity building, family planning, burials in addition to support for children as well as social services advice.
- Income generating projects.

⁵ Cited, Department of Public Works (2004), page 9.

⁶ Cited, Department of Public Works (2004), page 8.

⁷ Cited, Department of Public Works (2004), page 8.

5.2.2 Overview of HCBC

A Rapid Assessment conducted by the National Population Unit in 2003 found that there are 892 HCBC sites of which 51% are run by Non-Profit Organizations and a further 36% by Community Based Organizations. Moreover, 356 of the sites receive some government funding. This funding accounts for 65% of the total funding to HCBC sites with a further 10% received from business and international donors. Government contributes amounts that range between R50 000 to R200 000 per site per annum (via conditional grants). Moreover, each site services in the region of 1 453 clients with total personnel in all sites totalling 31 565 individuals of which 19 616 are volunteers. 15 326 of the volunteers receive no allowance or remuneration. This is a fundamental problem and challenge for the sector.

It is however acknowledged that based on the geographic and socio-economic status of beneficiaries, additional care workers might be required. The EPWP project also indicates that there will be a need for 300 additional HCBC sites per annum to cope with increasing incidence of HIV and AIDS and other terminal illnesses. HCBC services are provided by the not-for-profit sector and as such has been recognised by government as an important social welfare service delivery system. This further requires 3000 care workers to be trained per annum. The EPWP therefore aims to put in place the foundations for the roll-out of the community health workers programme by initially equipping an estimated 35 000 of unemployed people through an incentive and skills based development. The Community Health Worker Programme (CHW) provides for the introduction of a CHW for every 250 households in a community, using the World Health Organisation standard. This result in the need for 35 000 CHWs targeted at an NQF level 4.

5.2.3 The HCBC and CHW programmes

The HCBC Programme aims to put in place the relevant foundations to roll out the Community Health Care (CHW) Programme by equipping unemployed individuals with the skills and experience to enter into CHW training programme for every 150 households. The reason for this stems from the fact that this programme is a more cost effective response for addressing HIV and AIDS related care when compared to the costs of hospital care. The pressures faced by the DoH to meet the target of placing 3 500 CHWs as per the EPWP HCBC/CHW programme, has resulted in two streams of participants. The first stream prioritizes individuals with special emphasis on volunteers who are already involved in this sector. This is done so as to encourage volunteerism in the HCBC/CHW sector and build on this societal resource, which is so critical for the success of this programme. EPWP will not replace volunteerism but coexist with this sector. The second stream targets matriculants who are interested in pursuing a career as a CHW. The placement of CHWs, especially in the presidential nodes, does not allow for the extensive time necessary to build foundation skills, hence the need to target qualified matriculants. The table below highlights the employment targets aimed to meet the demand through employment and training at NQF levels 1-4. From the table, it is evident that DoSD will focus on the lower NQF levels and DoH will focus on the higher levels, namely 3 and 4.

Table 2 – HCBC/CHW expansion targets

	2005/06	2006/07	2007/08	2008/09	2009/10	Total
DoSD						
NQF 1	4 260	5 910	6 665	6 665	6 665	30 165
NQF 3	4 260	4 260	4 260	4 260	4 260	21 300
NQF 4	1 045	1 045	2 000	2 000	2 000	8 090
<i>DoSD total</i>	<i>9 565</i>	<i>11 215</i>	<i>12 925</i>	<i>12 925</i>	<i>12 925</i>	<i>59 555</i>
DoH						
NQF 1	8 770	6 000	3 000	0	0	17 770
NQF 3	498	2 000	4 000	7 000	9 000	22 498
CHW	5 250	8 000	12 000	17 000	26 000	26 000
<i>DoH total</i>	<i>14 518</i>	<i>16 000</i>	<i>19 000</i>	<i>24 000</i>	<i>35 000</i>	<i>66 268</i>
Grand total	24 083	27 215	31 925	36 925	47 925	125 823

The HCBC/CHW programme will train and employ 26 000 individuals as CHWs by 2010, offering them long-term employment opportunities.

More concretely, the EPWP suggests an expansion plan consisting of three different parts: plan A, B, and C. According to Plan A – a number of 19 988 work opportunities are to be created which is based on an existing number of 5988 volunteers receiving a stipend from the social development sector. The volunteers will receive accredited training and an allowance for fulltime work. Plan B, targets an additional 90 252 individuals to expand the pool of volunteers and the rolling out of a bridging programme to the Community Health Workers programme in partnership with the Umsobomvu Youth Fund by further creating 17 400 learnerships. It is also envisaged within Plan B 4 284 workers will be placed on an 18-month contract at an average cost of R24 700 per work opportunity per annum. Plan C, targets 12 000 people by expanding the programme beyond the current sites with the establishment of 300 new sites per annum and 3000 work opportunities at the cost of R30 360 per post. Single work opportunities are estimated to cost R24 700 per annum for both Plans A and B. Clearly, the roll-out of the CHWs programme will require further auditing of the numbers, details highlighting the responsibilities of CHWs, parity on payment levels between the different sectors, the need to design job-descriptions in addition to the accreditation of programmes. Furthermore, the EPWP envisages that within the social development sector additional funding will be required for stipends to caregivers, capacity building and additional support to the non-profit sector.

5.3 Required conditions for the expansion of ECD and HCBC/CHW

For the planned expansions to be realized in ECD and HCBC/CHW programmes, both the funding and enabling institutional and training environments are essential. The following needs to be addressed to ensure success:

- Institutional arrangements relating to governance as well as the clarification of roles and responsibilities between departments;

- Communication with the relevant key stakeholders;
- Development of an effective and efficient management programme to ensure the effective delivery of services;
- Uniform remuneration rates across levels:
 - NQF levels 1 and 2: R500
 - NQF level 3: R750
 - NQF level 4: R1000;
- Programme expansion/capacity building framework requires that the capacity of the public and the non-profit sectors, so critical for service delivery, be developed and supported;
- Monitoring and evaluation mechanism is necessary to ensure the efficient use of resources, which also lays the foundation for the smooth scaling up of the programme in the long-run;
- Budgets and Funding Requirements: Funding projections are based on the assessment of the existing and potential capacity within national and provincial departments. As capacity increases so does the request for funding and the planned outputs for service delivery.

5.3.1 Gaps and opportunities

The following have been identified as gaps to both the ECD and HCBC programmes:

- Intergovernmental co-ordination.
- Under-qualified ECD practitioners.
- Limited accredited training service providers.
- Slow registration of sites.
- MTEF budget cycle and subsidies.
- Scaling up and additional human resources.
- Weak monitoring and evaluation frameworks.
- Longer-term employment opportunities and funding.
- SETAs' limited resources.
- Differential payment rates between departments.
- Synchronising norms and standards.
- Poor implementation plans.
- Lack of support for initiative at provincial or even national levels of government.

5.3.2 Moving beyond learnerships

It is expected that an increase pool of learnerships will raise the supply of practitioners and volunteers and CHWs in the ECD and HCBD programmes, respectively. This will then automatically lead to an expansion of ECD programmes for children who currently do not have access to this service – a desired policy outcome. However, both international and domestic experience suggest that the expansion of ECD and HIV and AIDS programmes and facilities, including securing employment post-learnership programmes, might not occur if additional resources are not provided to establish requisite facilities and programmes especially to poor communities. The EPWP implicitly recognises that both interventions can be achieved through a mobilisation of public, private and community resources. Such recognition privileges a partnership between different entities in the facilitation and creation of employment opportunities. The assumption is also that protection, care and development of vulnerable members of communities is the responsibility of the different social partners (public, private and the community itself).

5.4 Budgets and the request for funding

Regarding ECD, R2,7 billion is required to scale up the provision plan as highlighted in the integration plan. This has implications for personnel in both the Departments of Education and Social Development. Moreover, the budget regarding the DoSD subsidies associated with the increased take up has not been included in the costing of this plan. Finally, this initiative will result in 106 000 new work opportunities of which 48 000 will be long-term.

A total of R1,8 billion is required to enable the HCBC/CHW to recruit the required capacity to roll-out this programme. Currently, R159 million has been secured which will result in nearly 126 000 work opportunities of which 26 000 will be of a long-term nature. In other words, these work opportunities will be accommodated through funding and appointment of personnel by the DoH. Moreover, 100 000 of these opportunities are new opportunities where individuals will receive stipends.

Fundamentally, these funding requests exclude the training component based on the premise that the National Skills Fund and the relevant SETA will accommodate the funding for training. However, there are serious financial constraints in both the NSF and the SETAs, which has resulted in additional requests for funding from the fiscus. There are serious concerns regarding the allocation of voted funds in the NSF and the SETAs.

6 Conclusion

This paper traces the various key elements that drive the budgetary process in allocating funds to various programmes in government. Moreover, the budgetary process does not stand alone but relies entirely on the key priorities and interventions that inform the magnitude and direction of budgetary allocations. One of the key challenges that the South African government faces, relates to the high unemployment rate that plagues the South African economy, coupled with a well supported social assistance regime. To prevent further strain being placed on the fiscus regarding social assistance, it is necessary to create employment through programmes and initiatives like the EPWP. Given the low skills base in South Africa, the EPWP effectively incorporates employment creation with skills development and learnership programmes. More importantly, the Social Services pillar of the EPWP that incorporates ECD and HCBC/CHW programmes effectively address unemployment while simultaneously addressing the vast shortages to delivery services to the enquiring minds of our young children and those facing the challenges of terminal illnesses of HIV and Aids. Although there are significant institutional, implementation and scaling up challenges regarding the social services EPWP, great strides have been taken to address these issues and promote a programme that is both effective and efficient.