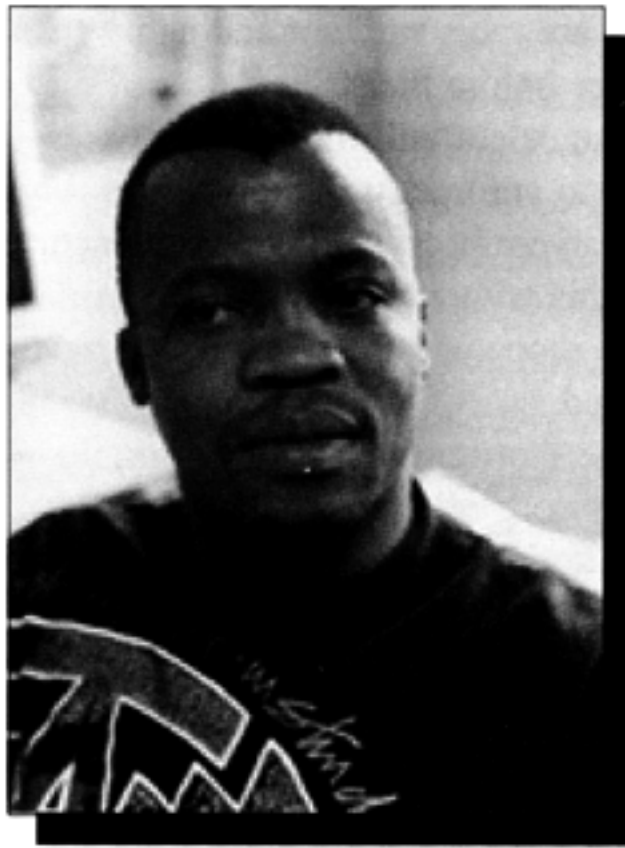


# Labour-intensive development

## *new questions for unions*



Last year COSATU, SANCO and construction employers signed a Framework Agreement governing labour-intensive projects. The aim was to provide jobs and community infrastructure at low cost. One such project is underway at Bloekomsbos in the Western Cape. ZOLILE MTSHELWANE investigated.

**B**loekomsbos squatter camp in Kraaifontein in the Western Cape is like any other shack settlement. A total of 448 households live in shelters made of wood, corrugated iron and bricks. There are no roads, running water, flush toilets or electricity. Unemployment is a major problem. Those who are lucky get seasonal work on nearby farms.

However, the plight of this community might improve, if the National Co-ordinating Committee for Labour Intensive Construction (NCLIC) has its way (see box on p 67). Or will it?

About 450 Bloekomsbos residents have been employed in a labour intensive construction project since January this year. The project's aim is to develop a piece of land across the road from the present settlement. The area has about 400 sites, and once the infrastructure has been set up, the community will move there. The R18-million project is guaranteed by the Cape Provincial Administration (CPA), which also bought the land and gave it to the community under surety.

The heavy machinery usually present at construction sites is conspicuous by its absence. The Bloekomsbos project keeps the use of machinery to a minimum. This is in keeping with the Framework Agreement, under whose auspices the project has been initiated. Most of the work is done manually under the supervision of skilled personnel from the

construction companies. This includes digging trenches, laying pipes and manufacturing bricks used in the construction of toilets and kerbs.

Labourers on the project were selected by the local community development forum and the community liaison officer appointed by residents. The development forum consists of representatives from organisations in the community. These include the local branches of the ANC, SANCO, the ANC Women's League and the Youth League.

The two main criteria for selecting labourers are that they are residents of the community, and have at least a standard six education. However, the latter criterion has not been followed strictly, as an estimated 60% of residents are illiterate. Had the education criterion been strictly enforced, most residents would have been disqualified from participating in the project and denied an opportunity to earn badly-needed cash. Contractors in the project raised concern about the level of illiteracy amongst the labourers.

As there are no other basic conditions of employment provided for in the Framework Agreement for such projects, there does not seem to be a check on the age and health of workers who participate in the project. There are reports, for example, of pregnant women – desperate for some income – being employed in the project. According to unconfirmed reports, one woman miscarried and an old man drafted his children to help him complete his tasks on a regular basis.

By the time the project ends in about November this year, nearly R2,5 million will have been ploughed into the community in the form of remuneration, according to Graham Power, managing director of Power Contractors, one of the companies involved in the project. When the residents move into the 400 sites at the end of November, it will be a far cry from their present settlement. There will be running water for each household, roads, storm water and drainage pipes, as well as flush toilets.

### **The Framework Agreement**

The Framework Agreement was signed on 22 June 1993. Parties to the agreement are COSATU, SANCO and the National Committee for Labour Intensive Construction (NCLIC).

#### **The main features of the agreement are:**

- The employment of people rather than machines;
- Community involvement in planning a project and its implementation;
- Improvement of services to the community;
- Training including managerial and administrative training, as well as general education like literacy and numeracy; and
- Task-based remuneration.

#### **The NCLIC is made up of the following:**

- The SA Institute of Civil Engineers
- The SA Federation of Civil Engineering Contractors
- The Institution of Municipal Engineers of SA
- The SA Association of Consulting Engineers, and
- The Southern Africa Road Federation.

But once the project is over, its workers will again struggle to make ends meet, as chances of getting employment elsewhere are not guaranteed. But, until then, the 450 labourers will have money to buy food for their families.

The project boasts a core team of supervisors who received three weeks training before work started in November last year. The rest of the labourers received about eight days training in digging trenches, laying pipes, building bricks for the toilets, manufacturing kerbs for the roads and so on. The workers were then divided into different teams with specific tasks. Power's contracts manager, Jacques du Preez, says ongoing on-site training is also given. The training is accredited by the

Western Cape Training Centre, which issues certificates to workers on completion of their training.

However, according to Power, training would not be transferrable within the industry. "These skills are only relevant within labour intensive construction projects," he said.

### **Conflict over payment**

While the project is putting money into workers' pockets, the form of payment has been a thorny issue. The Framework Agreement stipulates that payment on labour intensive construction projects should be task-based. According to du Preez, a particular target for each team is set every morning. This is done in a meeting between the workers, supervisors and the contracts manager before work starts in the morning.

Although the target is the equivalent of a day's work, du Preez said workers can leave work as soon as they have completed their task, or start another task. The completion of a task depends on factors such as how fast a worker does his/her work and the nature of the task.

When work started on the project in January, payment was fixed at R25 on the completion of a task. This was increased to R27,50 from June after residents besieged the construction site offices on 6 May. Their main demand was that they be paid for a number of public holidays. Although the companies involved in the project tried to explain that the Framework Agreement does not provide for this, the residents insisted that they must be paid, failing which they would withhold their labour power. Workers also demanded an increase in the task-based payment rate, to compensate for the fact that there were no other benefits like UIF and pension.

According to Basil Nefft of SANCO, the construction companies paid workers for public holidays – a total of R70 000. Then they moved out of Bloekomsbos and the project came to a standstill for about two weeks.

Nefft said SANCO then initiated negotiations with the companies to persuade them to return to the project. "But the companies wanted guarantees that there would be no more disruptions of the project," Nefft said. They also wanted refunds from workers for the money paid for public holidays in the form of deductions from their pay. In the end, Nefft said, the companies agreed that voting days would be fully paid for. Workers would therefore repay the company about R45 000 – about R100 each.

Power said they had learnt a lesson from the dispute. "We have realised that we need to put in place a conflict resolution mechanism at the start of any project similar to the Bloekomsbos one." He remained optimistic: "We think the positive factors in this project far outweigh the negatives," he said.

Du Preez also seeks to underplay the dispute: "This incident happened on a Friday afternoon when most of the labourers had had one too much," he said.

The community appointed Nefft as a monitor on the project to prevent any future dispute from escalating into a disruption of the project.

### **Community conflict**

All parties stress community involvement is vital to the successful completion of the project. Power said there was a three to four week consultation programme with the community in November last year.

The aim of this, according to Power, was to conduct a survey of skills available in the community and to inform the community on how the project would operate and to allow input from the community. Power believes that this project is useful: "The community will feel proud that they built the infrastructure for the township themselves."

Although the community has a development forum, there have been conflicts since before the project started. Nefft said these have taken different forms at different times. At one time the conflict was between the local branches of SANCO

and the ANC; at another time, it was between those employed in the project and those who are not. Then there was the conflict between the whole community and the contractors, like when the offices were besieged in May.

Neftt said there was even violent conflict between sections of the community over which organisation should be the main player in the project. "These conflicts were mainly caused by a misunderstanding about the project. However, the major cause of conflict in underprivileged communities is about resources, access thereto and the control of such resources," Neftt said. This violent conflict, according to sources, led to some people fleeing the settlement.

According to Neftt, despite having a development forum, the Bloekomsbos community still needs a lot of guidance in deepening its understanding of developmental issues. At present, the immediate benefits are seen as a priority and there is no global approach regarding the use of limited resources for development.

### Does the union have a role?

The role of the Construction and Allied Workers Union (CAWU) in the project is minimal, if any. According to Lulamile Mqikela, Western Cape secretary of CAWU, the project's workers are not members of his union. However, he said, workers from the project have approached the union with their grievances. "The most common of these grievances is the task-based remuneration which workers consider as too little and exploitative," he said.

Co-ordination between COSATU, its affiliates and SANCO in the Western Cape in implementing these projects in terms of the Framework Agreement seem to be shaky. Newton Adams, SANCO's Western Cape head of organising, acknowledged a lack of co-ordination between the civic movement and the unions. He blamed this on a lack of financial resources available to community-based organisations.

A major point of friction is the role of unions in developmental projects. CAWU general secretary Matthews Olifant, for example, said his union will organise workers in these labour-intensive construction projects, to fight against the casualisation of labour and the danger of undermining the security of employed workers.

However, Mqikela said CAWU has no intention of organising workers in labour-intensive projects in the Western Cape. Although Mqikela would not give reasons for this 'hands-off' attitude, sources said that some elements within SANCO in the region have 'warned' unionists to keep out of these local projects.

It has also been suggested that tensions between COSATU and SANCO in the Western Cape are very high, and communication between them is strained. The main reason for this, sources say, is a perception among COSATU activists that SANCO's region is determined to push through its projects, regardless of principled objections by COSATU on



issues like payment and conditions of employment.

### **Re-evaluating the farmworkers agreement**

While CAWU had two representatives in the COSATU delegation on the National Co-ordinating Committee on labour-intensive construction, it does not seem as though proper mandating and report backs happened between these representatives and different union structures.

Olifant said the two CAWU officials who were part of the COSATU delegation which negotiated the agreement did not carry the union's mandate. "They were representing COSATU, and they carried no mandate from our union. In fact, CAWU was not invited to be a signatory to the Framework Agreement," Olifant said. The two officials have since left CAWU – one is an MEC in the Western Cape and the other works in this MEC's office.

Mqikela said his union wants the Framework Agreement to be amended to include the payment of industry-stipulated minimum wage rates in these projects and the extension of basic conditions of employment.

Although Olifant believes the Framework Agreement is an honest attempt to address the developmental needs in underprivileged areas, he said CAWU has problems with aspects of it. "Before the Agreement was signed, CAWU informed COSATU of its objections to the task-based payment system," Olifant said. For him, it "encourages a return to an age of semi-slavery. But the biggest problem with this kind of payment is that it puts older workers at a disadvantage. For example, it is not possible that a 40-year-old man can complete a task as fast as a 25-year-old worker does. The question of checking that older people don't bring their children to help them complete a task also comes into play," Olifant said.

Olifant confirms that CAWU has established a sub-committee to re-evaluate the Framework Agreement. He argued that

his union's approach is that all unions in the construction industry should be involved when the Framework Agreement is due for review in October. He said CAWU and the Black Construction and Allied Workers Union (BCAWU) will be meeting with the Amalgamated Union of Building Trade Workers (AUBTW) to formulate a joint approach to the Framework Agreement, especially in relation to the task-based remuneration and other conditions of work. The building of new houses in the PWV province, for example, necessitates the involvement of unions in this process, he added.

### **No attempt to encourage entrepreneurs**

Power acknowledged that his company had made no attempt to identify and encourage people from the community who have the potential to become small contractors. When the project is finished, his company will move on to do other work elsewhere.

SANCO's Adams, however, believes that black entrepreneurs should be empowered, as they would usually do the same job as the big contractors, albeit with lower overhead costs. "We should use the expertise of these companies to build capacity in our communities," Adams said, adding that the skilled labour in underprivileged communities should be given resources to undertake developmental projects.

Adams said some companies were prepared to help build capacity in underprivileged communities and to help empower black entrepreneurs. However, there is a catch. Companies want a trade-off for their efforts, and this revolves around paying lower remuneration packages. This might heighten tensions between these companies, trade unions and SANCO, as all of them will want to pursue their own objectives to the fullest. The communities over whom these battles are being fought will be caught in the middle.

CAWU's Olifant did not want to be drawn on the question of empowering



emergent and prospective black contractors. "We are not champions of business, whether they be black or white," he said. "We don't want to confuse issues. We are champions of worker rights."

### **Development without jobs?**

The Bloekomsbos labourers, armed with certificates from the WCTC, will effectively be without jobs in December when the project comes to an end. Not only that, they will be glorified labourers who have installed infrastructure for their township, but stand a very slim chance of being employable within the civil engineering and construction industries, certificates and all.

The improvement of living conditions of the poorest of the poor is one of the aims of the RDP. The Bloekomsbos project, everyone agrees, is an attempt at implementing this goal. There is definite benefit for a community whose living conditions can best be described as shameful.

However, the concern about the lack of further employment for the community after

the completion of this project poses a big challenge for the local development forum. The developed area, after the community has moved in, will most probably still consist of informal structures. This is because the majority of residents of Bloekomsbos have no money to build proper houses, nor will they qualify for subsidies to buy building materials in terms of the new housing subsidy scheme.

The Bloekomsbos community, although it will still be poor after the completion of the project, will most certainly be enriched by its experience. One of these experiences is the manner in which communities can be divided by the inflow of developmental resources. This community will hopefully be more vigilant and better organised in future to deal more creatively with problems related to projects aimed at improving their lives. Another of these experiences is that a community should extract maximum advantage to its benefit out of development agencies, in the form of acquiring tangible and sustainable skills that will forever belong to the community. *R*