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Decent Work in Construction and The Role of Local Authorities The Case of Bulawayo City, Zimbabwe.



July 2006

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In partnership between the University of Geneva (UNIGE) and the International Labour Office (ILO), with funding from the Geneva International Academic Network (GIAN)

July 2006

Summary

The role of local authorities in promoting decent work is little understood and has been absent from both policy and practice (GIAN, 2005). The purpose of this interdisciplinary study was to identify and describe the existing and potential roles of Bulawayo City in fostering decent work in the construction sector, urban development and related services through policy making, strategic planning and project activities. The study outcomes will contribute to the shared knowledge among local authorities and other stakeholders at the local and international levels.

Bulawayo is Zimbabwe's second largest urban settlement with a 2002 population close to 7 00 000 i.e. 6% of the national population or 20% of the urban population (CSO, 2002:21), a budget of Z\$619 million in 1993/94 (Ndubiwa and Hamilton, 1994), Z\$2.5 billion in 2000 and Z\$797 billion in 2005¹. The research team collected national and local level secondary data on decent work variables with a view to compile decent work indicators to help compare Bulawayo City against national and global conditions. Such data was sought from the Central Statistical Office (CSO), the National Social Security Authority (NSSA), employer and worker organisations, construction firms, research institutions and Bulawayo City itself. Key informants in all these institutions were interviewed using a semi-structured questionnaire and grey literature related to decent work was identified and collected where feasible.

While Zimbabwe is not 'statistics poor', statistics collected from the institutions cited above are not in formats suitable to answer descent work questions. The political-economic crisis in the country and in particular the government's frosty relations with the UK, the EU the USA and the white Commonwealth (GoZ, 2005: 25c), have compounded conditions of insecurity for most institutions and individuals; making even the release to outsiders of routine administrative information for research purposes a sensitive affair. Increasingly, key informants were not prepared to release information unless there was a direct financial benefit to themselves or their organisations. It is in this context of economic crisis and tense relations that some in the west have expressed doubts regarding the accuracy of employment, economic and population statistics; alleging that these are manipulated to suit the ruling party. Further, high population movements and the 'informalization' of the economy since mid 1990s have left significant socio-economic activities outside the data frameworks of institutions such as the CSO and NSSA. Thus lack of informal sector data is the main limitation of this study.

The above obstacles not withstanding, the study compiled reasonable information with detailed data on the social security, social dialogue, health and safety and Bulawayo City's efforts at strategic planning and local economic development. The term 'decent work' was neither known nor used by a majority of the key informants in this study. In general, while the statutory provisions for decent work promotion are sound, in practice the economic crisis has compromised efforts to create and stabilise employment, has poisoned the climate of social dialogue, eroded the value of pensions and benefits and heightened the risks of accidents at work. Except in its areas of direct jurisdiction, Bulawayo City has not played significant roles in promoting social dialogue and social security - issues that are the domain of national authorities. But it has been exemplary in its strategic planning efforts, partnerships, promotion of equality and indigenisation, employment creation, training and education.

Employment conditions in Bulawayo are characterised by an acute economic climate that has led to decreasing numbers of jobs since the 1990s in many sectors including the construction sector. The informal sector which had created many jobs during this period is struggling to survive and was disrupted by the 2005 government operation to clear informal enterprises and settlements.

¹ 1979/180 budget was, Z\$228 597 850.00; 1995/96 = Z\$774 613 710.00; 2000 = Z\$ 2 484 483 640.00; 2002 =Z\$ 7 345 246 190.00; 2005 = Z\$796 883 278 000.00; 2006 =Z\$3 997 664 571 000.00

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This study was completed with the support of many people in Zimbabwe and beyond. In particular the key informants mentioned in the report spared their time to be available for discussions and to provide information for little personal or institutional gain. The long term benefits to Zimbabwe local government and labour that may arise from this work are dedicated to these people. We value their support. In some instances, key informants requested that their details or views not be published. This has been respected as much as is possible.

The Bulawayo component of the field work and data collection was done jointly with Dr Michael Ndubiwa who organised the key informant interviews and logistical support. We had a valuable experience that will influence the way we work for years to come. We also acknowledge with thanks the office space and intellectual support provided by C. W.E. Matumbike of Matumbike and Partners, Harare.

This document is produced in the spirit of shared learning and we would like to thank ILO and UNIGE for affording Zimbabweans the chance to remain engaged in processes of international policy making at such a critical time in the nation's history. Shortfalls in the report are not deliberate and remain those of the author.

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List of Terms and Abbreviations							
AIIPA	Access to Information and Protection of Privacy Act [CAP 10: 27]						
CADC	No. 5/2002. Harare: Government Printer						
CABS	Central Africa Building Society						
CBA	Collective Bargaining Agreement						
CIFOZ	Construction Industry Federation of Zimbabwe						
Chimurenga	Revolution or national uprising. Term used to describe uprising of Africans against colonial intrusion in the 1890s (<i>First Chimurenga</i>) and armed struggle for national independence in the 1970s (<i>Second Chimurenga</i>) the ongoing land reform, struggle for economic						
	independence and sovereignty (Third Chimurenga)						
CSO	Central Statistical Office						
EIAs	Environmental Impact Assessments						
EPZ	Export processing Zone						
GDP	Gross Domestic Product						
GoZ	Government of Zimbabwe						
Hlalani Khule	Also called ' <i>Garikai</i> ' the ongoing housing program following Operation Restore Order.						
HDI	Human Development Index						
ICDS	Inter Census Demographic Survey (s)						
ILO	International Labour Organisation						
IM-LFS	Indicator Monitoring Labour Force Survey (s)						
Incidence Rate:	Is the number of injuries per 1000 insured labour force						
Injiva	A status term used to describe those Zimbabweans working abroad especially in South Africa - supposedly 'rich'						
Insured Labour Forc	ce: Is the populations at risk of being injured or contracting an occupational disease. Ideally it should include all working persons. For Zimbabwe, the insured populations is taken as that insured under the National pension Scheme.						
LED	Local Economic Development						
MDC	Movement for Democratic Change – Opposition Political Party.						
NAC	National Aids Council						
NEC							
NEPAD	National Employment Council						
	New Partnership for Africa National Pension Scheme						
NPS							
NSSA	National Social Security Authority						
	is defined as an injury resulting from an accident during the course of employment						
Operation Murambats	<i>svina.</i> 'Tsvina or 'Swina' is dirt and Murambatsvina/Murambaswina means he or she who is tidy and does not want dirt. Operation						
	Murambastvina or Restore Order was government's label for the 2005 program to relocate and reorganise urban informal sector activities.						
POSA	Public Order and Security Act [CAP 11:17] No. 1/2002. Harare:						
CADC	Government Printer.						
SADC	Southern Africa Development Community						
S.I.	Statutory Instrument						
Stand	A term used in Zimbabwe to refer to any undeveloped piece of land or plot reserved for development (industrial, commercial, housing, services etc) irrespective of whether it is serviced, surveyed or not.						
TNF	Tripartite Negotiating Forum						

WCIF	Workers' Compensation Scheme operated by Ministry of Public Service and Social Welfare.
ZANU (PF)	Zimbabwe African National Union (Patriotic Front).
ZAPU	Zimbabwe African People's Union
ZBCA	Zimbabwe Building and Construction Association
ZCATWU	Zimbabwe Construction and Allied Trades Workers Union
ZCTU	Zimbabwe Congress of Trade Unions
ZOHSC	Zimbabwe Occupational Health and Safety Council
ZUCWU	Zimbabwe Urban Councils Workers' Union
Ministry of Public S	ervice and Social Welfare, it operated the Workers' Compensation
	Scheme (WCIF)

Chapter 1:

Introduction: Research Objectives, Study Context and Methodology

1.1 Decent Work: Concept, Its Origins, Purpose and Challenges.

One of the main challenges of those institutions and associations that share the common goal of promoting decent work is to define and apply policies and programmes that are understandable and easy to interpret by employers and employees (Anker et al., 2003 et al.). Indicators of decent work are partly designed to achieve this goal. Following the 1999 ILO launch of the decent work concept, energies have been spent in efforts to develop concrete and reliable measurements or indicators of decent work. The concept is complex, multidisciplinary and its application is still evolving, thus making it difficult to find measurements that are effective at all levels; the global versus the local, developed versus developing countries, national versus regional or enterprise and individual levels (Bonnet, et al.). Some measures have been aggregate while others are comprehensive and detailed such as explored by Anker et al (2003). But while comprehensive measures are the most desirable, they create problems of data sources and data availability when compared to the aggregate measures.

Probably the most serious challenge to the decent work concept is to do with how it is or can be translated in relation to human development and development studies in general. In other words, the concept needs to be attractive and usable by a wide range of development practitioners beyond the ILO and labour movements. This broadening is crucial in countries like Zimbabwe where key stakeholders perceive that the ILO's local presence as a development partner is absent or has shrunk in recent years (see also Chipika, 2005). Fields (2003: 260) argues that in 'creating more and better jobs for all, now and the future', the decent work agenda has at its core the means of achieving development. Further, that economic growth does not come at the expense of decent work or vice versa means that the decent work agenda's welfare benefits have income benefits. These are the traditional and current concerns of development that make is possible to link decent work with development policy broadly.

In this regard, a connection that needs to be communicated better is the decent work concept's links with the 'rights approach to development' (Nyamu-Musembi and Cornwall, 2004), development as freedom (Sen, 1999); to poverty alleviation and global initiatives such as the Millennium Development Goals; to continental frameworks such as the New Partnership for Africa (NEPAD), the Commission for Africa (CFA)² and national level policies; for example in Zimbabwe the indigenisation program and '*Third Chimurenga*' - controversial though they maybe. Concepts such as 'rights' are highly contested not only in developing countries such as Zimbabwe but even in developed European countries such as the UK where the idea of human rights is increasingly under attach (Dworkin, 2006) from government and leading politicians when it comes to individual rights and community rights versus national security and sovereignty principles. However, it is only when the decent work concept is adopted in these wider development and poverty debates that its full value and benefits will be appreciated; a thing not happening yet.

This study addresses a further challenge facing the decent work agenda, i.e. that of the constituents involved in its promotion. While governments, workers and employers (ILO,

² See The Commission for Africa On-Line at: <u>http://www.commissionforafrica.org</u>

1999: 1) are crucial, the role of other local level actors such as civil society and local authorities can also make a significant difference (ILO, 1999: 1). In Zimbabwe, local authorities in particular supervise implementation of development work at the local level and have wide ranging powers delegated by central government that enable them to initiate and influence job creation through local economic development (LED) and sustainable development in general. A local authority focus will thus enrich the decent work debate if integrated with the cross national and cross sector studies and comparisons.

1.2 **Study Aims and Objectives**

The aim of this study is (was) to extend the debate on how to translate the meaning of the decent work concept and its application at the local level. In particular it seeks to explore the current and potential role of Bulawayo City, as a local authority in Zimbabwe, in promoting decent work in its area of jurisdiction. The study uses a comprehensive view of decent work that incorporates a wide range of measurements and indicators. The study's two objectives were are (were):

- a) To identify and collect relevant information at the local and national economy level to be used for the compilation of aggregate decent work indicators in general and regarding the specific case of the construction and urban development sector.
- b) To identify and describe the current and potential role of Bulawayo City in promoting decent work in the construction and urban development sector.

The first study objective is clearly linked to the measurement and comparison debates while the second explores issues of developmental impacts and linkages. Combined, both objectives extend the attempts to link the decent work concept to development at global and local levels. In comparative terms, through looking at policies implemented by Bulawayo City Council, the study also moves the discussion towards analysis of the 'institutional' determinants of success or failure in achieving decent work. To date this discussion has revolved mainly around aggregate and economic factors such as correlation of determinants with GDP and HDI.

A major exercise in the study was the collection and analysis of data and information about employment conditions in relation to the construction sector at the national and local levels. The next section will describe the main sources of such data and information and the methods used to collect it.

1.3 Data Sources, Study Design and Methodology

The definition of decent work indicators used for this study is that of comprehensive measures or variables similar to that of Anker et al. (2003). This includes unemployment rates, wage rates, safety at work, hours of work, legislation on the working conditions, public social security coverage rate, social protection, old age pension and social dialogue. These were to be established at the national level and the Bulawayo city level for both the formal and informal sector of the economy. Information for these variables or their surrogate measures is scattered in a range of national (government), employer and employee organisations.

A major source of statistical information in Zimbabwe is the Central Statistical Office (CSO) whose responsibility it is to collect and publish national economy statistics including monthly bulletins such as the cost of living indices/consumer price index. The CSO conducts periodic surveys on specific socio-economic themes such as health, agriculture, labour force; conducts a national census every ten years and publish reports that are available to the public

at a price. In the process the CSO generates and compiles huge data bases from which only a small proportion of the information is published. Thus in theory, these data bases can be interrogated to extract information and statistics on request from users. The security issues and sensitivities regarding research are not limited to the government institutions but are also prevalent in the civic and private sectors (for private sector, see also Intermarket Research 2004: 4). In addition to the reports in stock, the CSO was able to respond to written requests for statistics from the data bases. However, the process is slow given manpower shortages at CSO as well as lack of expertise to deal with old data bases previously managed by bureaucrats who have since left the department. Any material from the data base inquiry has to be checked by senior officers (for errors and security) before release, thus also causing further delays in the process. As detailed in the results sections, the CSO was the source for the bulk of statistics on wages, working hours, and unemployment.

A second key source of statistical information is the National Social Security Authority (NSSA) that collects public social security, health and safety and pensions data. NSSA was set up in 1994 meaning that the information available on these variables covers just about a ten year period only. Ordinarily, selected NSSA statistics are passed on to the CSO for inclusion in CSO reports. Information is also published in NSSA annual reports and internal magazines such as 'On Guard'. However, only a selected set of information is published in this way and only to highlight issues of interest to the organisation at the given point in time. They are not sources of time series or comparative data. As with CSO, the administrative databases can be interrogated to extract specific sets of statistics. For this study, this was possible following clearance with the General Manager³ and discussions with heads of departments. Only information considered 'safe' was released for the study - ordinarily, this information is not for public use.

All statutes are sold to the public by the government printer in Harare and Bulawayo although some documents can be out of print in which case one has to depend on libraries such as at the University of Zimbabwe. A range of other institutions have sectoral data and written requests were sent to employer and employee organisations in both Harare and Bulawayo.

In addition to the statistics and grey literature, semi-structured, in-depth, face to face interviews were conducted with key informants at CSO, NSSA, ZCTU, Bulawayo City Council, National Employment Council (NEC) in Bulawayo, and other employer and employee organisations as listed in Appendix II. In Bulawayo the interviewees included a number of directors in construction firms from the larger organisations - the Construction Industry Federation of Zimbabwe (CIFOZ) as well as from the smaller organisation of indigenous firms, the Zimbabwe Building and Construction Association (ZBCA). This was necessary to get a better appreciation of the nature of the construction industry in the current economic environment of a shrinking economy, continued dualism and the demands for indigenisation that are linked to decent work concerns for equality and equity.

Interviews were also held at the construction site level with informal sector builders to establish conditions in the sector and with operators at best practice sites – mainly the Kelvin North Industrial Incubator Shells and with directors of construction firms involved in the implementation of the Bulawayo City's innovative strategies in urban development and decent work.

³ A letter of request had to be submitted followed by a meeting with the AGM

Further discussions with professionals were held to validate information and ideas on one hand and a workshop is planned in the coming year to help mainstream the idea of decent work. Unless greater discussion of the concept takes place, then the development impacts of decent work will be minimal. Research centres such as the University of Zimbabwe, Labour and Economic Development Research Institute of Zimbabwe (LEDRIZ), ILO Subregional Office for Southern Africa (ILO/SAMAT) and Training and Research Support Centre (TARSC) were also included in the search for grey literature and discussions. Although data collection and clarification has been a continuous process in the study, the bulk of the interview activities were carried out in April 2006. The interviews were supplemented by e-mail discussions, requests for further information and clarification throughout the research period.

1.4 **Structure of the report**

The dynamics of and decent work conditions in the construction sector have to be understood within the context of Zimbabwe's turbulent political economy going back beyond the past five years of 'crisis' (see ZCTU, 2005b; Intermarket Research, 2004; CB Richard Ellis, 2006). This terrain of contradictory development and turbulence is described the next in Chapter 2. The chapter also highlights conditions of distress prevailing in the construction sector including the 'scourge' of hyper-inflation, key actors including the Chinese, an outline of the place of urban local authorities in Zimbabwe and the position Bulawayo has in the national economy. This is followed by a thematic presentation and analysis of information on local economic development policies and programs in the 1990s. Details on the status of the construction activities and the place of the informal sector are also described. Key actors in promotion of equality and indigenisation in the construction are also presented. This is a key element of decent work.

In Chapter 3, an attempt is made to present statistics and information on decent work indicators. This is in some respects a statistical summary of the decent work situation prevailing in the country since the 1990s. Given the need to relate national conditions to the local ones, some illustrations in this chapter are taken from outside Bulawayo, the detailed case study city. Details of the link between local authority policies in urban development and construction and their likely impacts on the decent work agenda in the construction sector are presented. This includes elements of the limited 'best practice' identified at the local level. Workers' rights, social dialogue and dispute resolution are also outlined. This highlights the legal and political climate within which decent work has to be pursued at all levels. Bulawayo City appears to have little input in this sector of decent work outside the area of its legislated jurisdiction.

Among the conclusions, the study notes that the most intractable obstacle against achieving decent work is the economy. The political will to achieve decent work at national level is there but has fluctuated over the years while in Bulawayo city, there appears to be some consistency in the commitment to promote conditions amenable to decent work. The language of decent work is unfamiliar at the local level; with most key informants unaware of what the concept is all about. This points to the need for programs to disseminate the decent work concept and efforts to mainstream it into local authority everyday activities.

Chapter 2: The Setting: Zimbabwe's Turbulent Political Economy

2.1 **The National Context**

2.1.1 Change and Continuity: Beyond the Colonial Inheritance

Although at independence in 1980, Zimbabwe adopted a socialist policy outlook, it fundamentally remained a capitalist economy (GoZ, 1982). It achieved world acclaim in smallholder food production (Rukuni and Eicher, 1994; Eicher, 2003; Gabre-Madhin, and Haggblade, 2004), education and health (Raftopolous, 2004), infrastructure and decent work provision for the previously marginalized majority Black (LEDRIZ, 2005) Africans. It was applauded globally for its 'national reconciliation policy' adopted in 1980, its role in brokering peace in Mozambique, SADC leadership, and its leading role to end apartheid in Namibia and South Africa. Zimbabwe was influential globally, for example in UN peace keeping missions in the 1980s and early 1990s – as for example in Somalia, Liberia and the Balkans. However, contradictions characterised the economy; a factor compounded by the continued inequitable land distribution, obsolete industrial equipment and production methods that could not compete in emerging global markets (Bond and Manyanya, 2002).

In an attempt to reverse the economic decline that set in from the mid 1980s, a reform program, The Economic Structural Adjustment Program (ESAP) was adopted in 1991 (see Bond and Manyanya, 2002) with a view to open up the economy, reduce government expenditure, remove tariffs etc. However, while the service sectors and tourism experienced positive growth, increased productivity did not materialise especially in the manufacturing sector (Zaaijer, 1998). Instead a rapid decline in income and consumption inequalities set in leading to political ferment by the mid 1990s. At this point, President Robert Mugabe and the ruling ZANU (PF) party abandoned any remaining aspects of ESAP market economics promoted by IMF and the World Bank, in favour of pragmatic dictates. In particular, a combative approach associated with, revolutionary language became the norm and a land distribution programme, 'the *Third Chimurenga*' was fast tracked to the policy forefront from 1995 onwards on the back of the 1993/94 Rukuni Land Tenure Commission report.

Attempts at dialogue with donors, labour movements, employers and the intelligentsia initiated to rescue the situation between 1997 and 1998 collapsed. By the time of the February 2000 referendum for a new national constitution, (that was rejected by 54.7% of the electorate), the political atmosphere was completely changed and poisoned. The Movement for Democratic Change (MDC) a trade unions and commercial farmer anchored political party de-campaigned the draft constitution and came close to defeating the ruling ZANU (PF) at the 2000 Parliamentary elections; in which the MDC got 57 seats against 62 for the ruling party. Charges of alleged vote rigging, violence, voter intimidation and human rights abuses generally were made by the MDC, international human rights groups, the EU, Australia and USA. On this basis, since 2001 the EU, Australia and the USA have consolidated the isolation of Zimbabwe (Patel, 2006); imposing targeted sanctions, blocking (e.g. from IMF, Inter American Development Bank, African loans to the country Development Bank, Inter American Corporation and the World Bank) and freezing all bilateral aid save in extreme humanitarian situations. It has become increasingly difficult for Zimbabwean firms to do business in the USA and EU and vice versa⁴.

⁴ USA economic sanctions on Zimbabwe are spelt out *inter alia* in section 4 (c) of the Zimbabwe Democracy and Economic Recovery Act (2001). Lack of transparency in how these countries compile their 'smart sanctions' lists was highlighted by Australia's 2005 list that included dead people, incorrect details and

Of late rocketing inflation has and a sharp decline in GDP have emerged as key economic challenges. A rapid rise in inflation since 2000 and misaligned exchange rates make it difficult to calculate accurate US\$ GDP figures from nominal values of GDP in Zimbabwe dollars (EIU, June 2005: 27). Therefore, while GDP has risen sharply in nominal terms, the reality is the opposite in real terms (Intermarket Research, 2004; CB Richard Ellis, 2006). After political tensions, commodity shortages, foreign currency, food, fuel and electricity shortages, inflation of over 1000% by end of April 2006, has been acknowledged as one big economic challenge the country now faces.

2.1.2 Third *Chimurenga* and the Look East Foreign and Economic Policy

Patel argues that there is an organic link between Zimbabwe's armed struggle for independence (the *Second Chimurenga*) and the way Zimbabwe has fiercely guarded its sovereignty, even at great cost in recent days (Patel and Chan, 2006). After surviving military and economic destabilisation by apartheid South Africa plus sanctions threats from the UK and USA in the 1980s (Patel and Chan 2006: 176-177) Zimbabwe finds itself against real economic threats from the later. Since 1997, it has recast defence of its sovereignty against these threats in the language of "*The Third Chimurenga*" in which a domestic fast track land reform is a key component that has brought about economic destabilisation in the short term.

The fast track land reform program basically converted former foreign currency earning white owned commercial farms into 'nationalised', peasants system production enterprises⁵. Agriculture, the backbone of the economy was decimated. Combined with the political upheavals and economic isolation, the *Third Chimurenga* has been followed by rapid economic decline, further political instability, impoverishment, escalating out migration, collapse of social services especially health, education and transport. The human development gains from the first decade of independence have been wiped out (LEDRIZ, 2005). The economic decline has had negative feedback on any attempts to revive the agricultural sector. Combined with the impacts of HIV/AIDS in the economy, industrial and agricultural productivity have continued to fall. Other problems surface continuously; fuel shortages, food shortages (e.g. bread, sugar, cooking oil), electricity, transport, and foreign and even local currency shortages.

The response of ZANU (PF) has seen a return to the 'political old guard' (and mistrust of the 'young Turks' within the party); to a militarised and uncompromising 'sledge hammer' approach to domestic politics and economic management, a vitriolic anti-imperialist stance at the global level and a 'go it alone' and a 'Look East Policy' aimed at 'dispersal of dependence' (Patel, 2006: 176). The Look East Policy is characterised by opening up and extending economic, military and diplomatic relations with countries in the East particularly Malaysia and China – among countries that supported Zimbabwe's struggle for independence prior to 1980. China-Zimbabwe relations have helped to keep key sectors afloat; Air Zimbabwe, The Air Force of Zimbabwe, ZUPCO the national bus company, mining and construction of national projects such as Harare Norton Motorway and building materials

individuals not associated with the government – 53 were subsequently removed from the list of 127 following protests.

⁵ The case of Kondozi Estate is illuminating. From an enterprise employing thousands of workers and daily exports of horticultural produce to South Africa and Europe's giant supermarkets, the estate was seized and handed over to the Agricultural and Rural Development Authority (Arda) in 2004. It is now derelict with portions used to grow maize under "*Operation Maguta*" a Zimbabwe National Army led food security project.

production⁶. But this has not been able to reverse economic decline in the short term. For the economy to stabilise and recover, the Chinese investments may need to be complemented by a comprehensive return of western resources in the mining and industrial sectors. Capital flight, characterised by ordinary Zimbabweans taking out their savings elsewhere as well as a negative image of the country held by many in the western world needs to be reversed.

2.1.3 Employment and the Construction Sector: the macro context

According to the Economist Intelligence Unit (2003: 23), the proportion of the population formally employed in the economy as a whole dropped from 18% in 1965 to under 10% in 2000. Implicitly, the rest of the population is employed in the informal and peasant sectors (LEDRIZ, 2005). Secondly, employment since 1980 has shifted markedly away from manufacturing to employment in services, education, health and financial services. Agriculture is reported as employing 26% of the formal labour force compared to 15% in the manufacturing sector (EIU, 2003: 23).

In terms of share of GDP, the construction sector witnessed a boom in the 1970s and general decline in the 1980s and 1990s with share of GDP falling from 5%, in the 1970s to 2.5% in the 1990s and 2% in 2001 (EIU, 2003: 30). However, some short growth periods have been experienced such as the one in 1996–1998. The relatively small contribution of construction to the formal economy is also seen in terms of employment. Just over 80 000 (eighty thousand) or 5% of the total formal employment was in the construction sector in 1998. Employment in the construction sector fell from about one hundred thousand workers in 1990, to 90 500 in 1993; 71 500 in 1995; 78 500 in 1997; 53 800 in 2000 and further down to 39 000 by 2003 (CSO, 1998, 2003). Major construction employers include contractors such as International Holdings, Costain, John Sisk and Sons and Gulliver Consolidated. There is a plethora of informal contractors many operating as sole agents.

The construction sector has been hard hit by the economic problems leading to high constructions costs (Table 1). The rapid rise in costs can be appreciated if ones looks at the cost index (last column in Table 1) or the detailed price indices for civil engineering and building materials (Table 2).

Table 1: Construction (Building) Cost Increases, 1995-2004 (Z\$/m²)										
Standard Standard Standard Arithmetic Index:										
Year	House	Factory	Office Block	Mean	1995=100					
1995	2,300	1,300	2,500	2,033	100					
1996	2,650	1,675	3,000	2,442	120					
1997	3,530	2,270	4,720	3,507	172					
1998	4,950	3,190	6,620	4,920	242					
1999	8,915	5,760	12,040	8,905	438					
2000	17,025	10,978	17,275	15,093	742					
Mid-2001	29,200	18,000	30,950	26,050	1,281					
Mid-2002	56,000	34,000	59,350	49,783	2,448					
Mid-2003	800,000	550,000	750,000	700,000	34,426					
Feb 2004	1,750,000	1,200,000	1,650,000	1,533,333	75,410					
Source: Roberts	Source: Robertson Economic Information Services, Harare, Zimbabwe.									

Prices escalations were a futile attempt by firms to reverse serious liquidity problems. But the cycle of rises and reduced demand led reduced production closures.

⁶ See for example "Chinese get ready to cash in on Zimbabwe Building Boom" Financial Gazette, Harare. 20th January, 2005.

	Table 2: Civil Engineering and Building Materials price Index (1990 = 100)										
	Water	Cement	River Sand	Crushed	Bricks	Diesel	Structural	Plant	Reinforcing	Concrete	Bitumen
	Stops			Stone			Steel		Steel	Pipes	
1990	100	100	100	100	100	100	100	100	100	100	100
1991	106.4	218.4	177.0	147.2	128.0	135.8	160.9	158.7	182.5	149.2	100
1992	147.0	303.2	177.8	184.9	157.7	205.0	303.1	227.5	300.0	207.7	100
1993	190.6	366.5	183.2	262.6	178.6	250.8	350.9	266.5	366.4	288.3	100
1994	191.2	420.8	194.7	297.3	197.9	321.8	428.1	374.4	458.0	288.3	100
1995	246.8	427.9	230.4	329.0	246.1	381.8	519.1	417.4	550.0	302.7	100
1996	249.6	590.4	255.8	404.0	341.4	471.7	632.0	486.2	647.4	325.5	101.1
1997	249.6	903.2	295.2	550.5	457.1	609.6	803.7	565.3	772.4	326.7	137.5
1998	249.6	1123.8	337.8	691.4	513.8	875.2	1220.6	1199.5	1143.7	386.4	154.4
1999	245.6	2005.2	626.8	1117.7	837.2	1641.9	1966.3	1894.1	2001.3	610.7	237.2
2000	374.0	2760.7	1461.9	1986.0	1572.3	4065.4	2574.8	2207.2	2396.9	923.4	253.1
2001	801.2	4648.3	2226.9	3559.1	2406.6	8479.4	4376.4	5763.7	4130.3	2152.2	719.9
2002	3718.3	8777.6	3802.4	10185.5	5453.2	10516.4	11806.1	12290.6	17503.3	4792.3	2269.9
2003	21072.5	80641.0	55722.9	85707.8	47092.6	59496.6	116509.4	107120.0	153451.6	22920.2	8330.6
2004	76920.4	536741.4	253414.5	448508.2	224081.4	506020.8	470732.0	347373.5	490032.2	147093.0	26625.4
2005											
Jan	95910.3	723520.4	875812.2	1495370.7	356785.7	590053.5	759950.1	429149.5	1014495.4	328415.6	40302.7
2006											
Jan	2601941.3	9736518.0	13628709.7	20682921.8	5301340.3	3294795.2	8864052.2	7490543.4	15361100.3	7308986.9	1048353.3

For example cement production; a key component in the construction sector has been paralysed by closures or reduced capacity to the main cement producing plants⁷. Problems arise due to fuel shortages or lack of spare parts that have affected production of coal and the capacity of the National Railways of Zimbabwe (NRZ) to transport coal to cement plants. Thus, one after the other in 2003, Sino-Zimbabwe Plant, Portland Cement, *Unicem* and Circle Cement reduced or closed operations and production of cement for long periods⁸. The cement shortages soon after 2000 hit the construction sector that had been booming a few years before although some media reports were projecting a recovery from 2005 onward⁹.

The backward and forward linkages in the economy create a domino effect that has been experienced not only in the construction sector but also throughout other sectors of the economy. The fertiliser production industry for example has been equally affected, with subsequent fertiliser shortages affecting agricultural productivity even in seasons of plentiful rain such as 2005 - 2006. With construction costs rising as displayed in Tables 1 and 2, both institutional and individual clients have found it more and more difficult to construct new buildings or to put up infrastructure. This is the environment within which local authorities have to initiate local economic development an promote decent work.

2.1.4 Local Government in Zimbabwe: Changing Centre Local Relations

Local Authorities in Zimbabwe operate largely to implement powers delegated to them by the central government Ministry of Local Government and Housing¹⁰. For the administration of urban areas, this is done in line with The Urban Councils Act [214] and as planning authorities, the local authorities operate in line with the Regional Town and Country Planning Act [Chap. 29: 12] and its all allied statutes. The Urban Councils Act [214] provides for the establishment of urban local authorities whose categories range from the smallest Area Boards, through the Local Boards, Town Councils, Municipal Councils to the largest category of City Councils. Local authorities can raise revenues and provide services in areas of their jurisdiction.

As with the national economy, government's priority soon after independence was democratisation and de-racialization: to create unified or unitary local authorities in both rural and urban areas with public sector investment largely targeted at the formerly neglected rural communal lands - home to 70% of the national population. Rural Local Authorities have fewer resources and autonomy compared to the urban local authorities. In both cases, local authorities are run by an executive made of professional bureaucrats (responsible for health, planning, housing, finance, works and transport etc) on one hand and a political council made up of members elected by residents of the area. The large cities or metropolitan areas also have an Executive Mayor elected by residents in the area.

⁷ See for example "Construction industry appeals for support: Little activity taking place countrywide – Established companies settling for small jobs" Business Herald, Harare, 27 January 2000; "10 000 likely to lose their jobs in construction" Business Herald, Harare, 11 January 2001;

⁸ See for example "Closures impact on construction industry" The Daily News, Harare, 14th February 2003.

⁹ See for example "Chinese get ready to cash in on Zimbabwe Building Boom" Financial Gazette, Harare. 20th January, 2005.

¹⁰ Since independence in 1980, this ministry has taken different titles such as "Local Government, Rural and Urban development" and "Public Construction and Local Government"

Mutizwa-Mangiza (1991) concluded that, unlike in large parts of Africa, the status of the administration of urban local authorities in Zimbabwe in general was sound and that of Bulawayo was encouraging and exemplary. Urban local authorities had a relatively large degree of autonomy in financial and organisational terms. Bulawayo in particular has earned a reputation as a well managed city nationally and internationally (Hamilton and Ndubiwa, 1994; Zaaijer, 1998).

While local urban local authorities can raise revenue and provide services in their areas of jurisdiction, there are other institutional entities that operate as local authorities in the same areas; for example parastatals such as The Zimbabwe Republic Police (ZRP), The Zimbabwe National Water Authority (Zinwa) and the power utility the Zimbabwe Electricity Supply Authority (ZESA) which in 1986 took over from City Councils the supply and administration of electricity Elsewhere institutions like mining companies and other parastatals can operate in some instances as local authorities. Issues of social security within a local authority area like Bulawayo for example are administered by NSSA and Bulawayo city has little input in its management.

Key institutional changes since the mid 1990s have seen central government putting more controls in how the urban local authorities can implement the Urban Councils Act. In particular, the introduction of the Executive Mayor since the late 1990s has meant that decisions that previously would be made by consensus by council on the advice of technical heads of departments can now be overridden by the Executive Mayor in liaison with the Minister¹¹. The resultant tensions have led to the phenomenon of "Commissions" appointed by the Minister of local government to run the affairs of council in place of the elected councillors and the mayor. While this has been the case Mutare, Chitungwiza, Norton and especially in Harare, the capital, Bulawayo City has been able to 'survive' this unpleasant scourge (see Zaaijer, 1998 and Sachikonye, 2006)¹².

The ruling party ZANU (PF) has consistently lost the urban vote in national and urban local elections since 2000 leading to highly contested political environment. In a bid to exert greater management control over the two metropolitan areas of Harare and Bulawayo, the government introduced the office of a resident Minister in charge of the area. What this means is that the Mayor is no longer the highest local government politician in the area but the resident Minister. In addition while reporting to the Minister of Local Government and Housing, the council and the Mayor have to also report to the Resident Minister.

Thus, above the category of City Council, we now have a 'Metropolitan Authority' appointed by the executive and not elected by the people. Basically therefore, the degree of autonomy that exited in the 1980s (Mutizwa- Mangiza, 1991) has now been significantly eroded. Through the Commission appointed by the Minister to run affairs of Harare since the late 1990s (and in Chitugwiza¹³ although not in Bulawayo) and the resident Minister, there is generally more of centralisation than decentralisation of power in urban administration. For Bulawayo, the potential tensions and conflicts arising from this arrangement have been avoided partly because of the city's long distance away from national political power struggles as well as the culture of administration that prioritises service to the people over

¹¹ At times the Minister has overridden decisions of the Executive Mayor.

¹² The instability and uncertainty in Harare's governance is illustrated by continuous conflicts at the top (see "Chideya defies Makwavarara", The Herald, 27 June, 2006, Harare). Head of departments are continuously hired and fired. Top management is currently - acting Chamber secretary, acting Human Resources Manager, acting Director of Housing and Community Services, acting Director of Waste Management, acting Director of Finance, acting Director of Works and acting Director of Health Services

¹³ Elections are due in 2006 in Chitungwiza to elect a Mayor and Councillors and bring an end to the appointed Commission.

politics (Interview with Mayor of Bulawayo, April 2006). The Bulawayo City Council has had the reputation and general mandate of local units of governance to work broadly within the policies of the government in power.

2.2 **The Local Context**

2.2.1 Bulawayo, The City of Kings: Context, Economy and Local Economic Development

The city of Bulawayo's modern history is traced to the 1890s when it was transformed from the Ndebele settlement of grass thatched huts to the regional city it is today (Hamilton and Ndubiwa, 1994). It is located in a dry agro-ecological region whose hinterland covers Zimbabwe's Midlands, Matabeleland South and Matabeleland North provinces as well as large parts of Botswana, South Africa and Zambia. Wildlife and mineral wealth are key natural endowments in this hinterland. There have been major finds in methane gas in the Lupane and Hwange areas (Bulawayo City 2000: 7). It was the industrial capital of Zimbabwe in the early years before Harare took over in the 1970s. It remains the headquarters of the Railways of Zimbabwe (the second largest employer after government) with railway links to Botswana, South Africa, Mozambique and Zambia leading to Democratic Republic of Congo and Angola. The Joshua Muqabuko Nkomo International Airport provides links to tourist destinations such as the Victoria Falls and Hwange National Park as well as regional resorts in Namibia, Botswana and South Africa.

At its industrial peak and before the advent of Economic Structural Adjustment Programs of the early 1990s, Bulawayo had a diverse industrial base and comprehensive engineering industry that included textiles¹⁴, radio manufacturing (the largest in Africa at its peak) tyre factory, hides and meat processing. It has a range of training facilities and services for the railways, mining industry and is home to The National Free Library, the large Mpilo Central Hospitals, a stadium that can host international games and the premier National University of Science and Technology (partly still under construction since opening in 1991). Bulawayo is home to The Zimbabwe International Trade Fair (laid out on twenty five hectares) through which the country can showcase its industries to the world. Bulawayo is not only a cultural centre in terms of the Ndebele traditions but nationally and regionally in terms of the labour and nationalist movements whose formative years were in Bulawayo. Its hinterland (in places like the Matopo Hills, the Gwaai cathment, the Shangani area and Khami Ruins) is a depository of Zimbabwe's history of violence, struggle and pride.

Administratively, it rose from a Sanitary Board in 1894, a Municipal Council in 1879 and to City status in 1943 (Hamilton and Ndubiwa, 1994). The areas around Bulawayo are administered by five rural local authorities (Bulawayo City, 2000) including Umguza and Umzingwane as well as the Department of National Parks and Wildlife Management that administers the wildlife areas. The provision of water to the city has been a perennial problem from as early as the 1980s and the drought of 1991/1992 was a real threat to the sustainability of the city. The Government and the City have an ongoing programme to construct the Gwaai-Shangani Dam, some 350km to the north of the city from which water will be conveyed by pipelines. A long-term solution to the water problems in the form of a pipeline from the Zambezi river has remained a theoretical proposition not only because of the huge cost, and alleged local politics involved but also the regional geo-political and environmental concerns that need to be resolved. Associated with the water problems is the

¹⁴ Bulawayo was a citadel of textile industry with 5 of the 8 largest manufacturers such as Merspin, Cotton Printers, Merlin and Security Mills (Zaaijer, 1998: 23).

issue of sewers that are now overloaded; for which new works are planned or underway (Bulawayo City 2000: 9).

Further threats to Bulawayo's sustainability are the national economic conditions described elsewhere in this report as well as the HIV and AIDS epidemic (Bulawayo City, 2000) that has put a strain on household and enterprise economies. Thus the revenue base of the Bulawayo City is under threat. In addition, the harsh economic climate has seen default in payments of rates not only by households and firms but also by central government departments – with council owed up to Z\$450 million at 2000 (Bulawayo City, 2000: 12)¹⁵. The bulk of council's recurrent expenditure (about 61%) goes to the salary bill.

According to CSO census figures, while the city's population is growing, the rate of growth has declined from 5.9% in the 1970s, to 4.5% between 1982 and 1992; to between 3,1.% and 2.4% over the 1992 – 1997 period and around 2% in the post 2000 period. This is in large part due to reduced economic conditions and lower rural-to urban migration. Instead, those not migrating to seek income opportunities in Harare have looked to Botswana and South Africa especially in the post 1982 period. HIV and AIDS as well as general decline in fertility rates have also contributed to this decline in growth rates. Consequently, Bulawayo City's projection of 1,011 037 (for 2000); 1,184 637 (for 2005) and 1,562 905 (for 2015) have turned out to be higher than the census returns e.g. the census results of 2002 giving a total population of just about 700 000 (CSO, 2002).

The preceding sections have provided a panoramic view of local authorities in Zimbabwe and how Bulawayo operates in a challenging economic climate. The institutional and political challenges facing the city (such as water) were also signposted. Zaaijer (1998:1) captured concerns that while Bulawayo's conservatism and excessive pre-occupation with 'rules' is behind the status of a best managed city, such an administrative character may stifle innovations. The sections that follow will demonstrate that contrary to such fears, Bulawayo has achieved strategic innovations in the urban development sector; successes with direct positive impacts on construction activity and employment creation.

Critical to issues of local economic development in Bulawayo is the question of droughts and water crisis as well as the ESAP policy of the 1990s. ESAP introduced institutional reforms and economic restructuring (Bond and Manyanya, 2002) that led to a decline in industrial output from 32% in 1979 to 25% in 1995 (Zaaijer, 1999: 23). In particular the opening up of the economy led to inflows of cheaper goods from global markets forcing local companies to either close or lay off workers (see also Intermarket Research, 2004: 14-15 and 28). Kev informants are always quick to mention the 1000 workers retrenched at Merlin in 1995 and that over 10000 workers lost their jobs in the 1990s alone. CSO (2004: 31) figures confirm this indicating a decline in formal sector jobs from 153.2 thousand in 1989 to 134.5 thousand in 2002 – close to twenty thousand jobs lost in the city over a twelve year period. Most of these workers went to seek work in South Africa or went back to the rural areas. Those who stayed in Bulawayo found themselves in the informal sector. By the mid 1990s up to 40% of the working age population was in the informal sector. Activities in this sector followed the national pattern of shifts from manufacturing to services, retailing and trade (see also Kanyenze et al. 2003).

¹⁵ One US\$ = Z\$55.0660 at 2000.

2.2.2 Local Economic Development: The Role of Bulawayo and Best Practice in Land Banking and City Strategy

This section pursues the question of key actors, policies and programs involved in local economic development (LED), employment creation and responses to decent work challenges. In particular it considers the role of Bulawayo City in strategic planning and the development process around which significant construction activity takes place. It shows how partnerships between the city and the private sector are central to the success witnessed in the city. As already noted, Bulawayo has been championed nationally and internationally for its unique physical and social outlook (Mutizwa-Mangiza, 1991; Ndubiwa and Hamilton, 1994; Zaijer, 1998); a well planned and managed city driven by a deep seated City Hall historical culture geared to serve the people irrespective of political or social orientation (Town Clerk and Mayor, 2006). While the attractive and harmonious environment are easy to notice, less noticeable are the strategic decisions made by the city's leaders. A number of these qualify to be deemed best practices.

In 1982, Bulawayo City was Zimbabwe's first post independence city to produce a city master plan in accordance with the Regional Town and Country Planning Act [1976]. This served as a framework for the city's infrastructure development, housing delivery and service provision. It enabled the city to accommodate the huge influx of rural to urban migrants following relaxation and abolition in 1980 of prohibitive colonial structures that had restricted movement and urban citizenship of the African population. In another demonstration of its commitment to planned development, Bulawayo City was the first to initiate (in 1998) revisions to its Master Plan culminating in the 2000 to 20015 Master Plan adopted in 2000 in accordance with section 20 of the Regional Town and Country Planning Act [1996 revised edition]. Unique in the revision process and the outcomes thereof, was a conscious integration of physical and infrastructure strategic thinking on the one hand with organisational strategy, resources mobilisation, budgeting, strategic socio-economic planning and stakeholder involvement on the other. Urban agriculture is now an integral part of local economic development planning for the city.

Simply put, with its 2000 – 20015 Master Plan, Bulawayo City took the lead (in Zimbabwe) in translating city master planning from a purely land use-physical planning endeavour to a broader, responsive and dynamic strategic planning that makes the plan a corporate management tool. As with the 1982 plan, the new plan aims to ensure sufficient land for commercial, industrial, residential and institutional development; to enhance the investment climate and stimulate local economic development, to act as a framework for employment creation, social, recreational and cultural activities. Given this strategic planning, Bulawayo City's management is always ten years ahead of events. For example, at any time, the city has planned and serviced land to accommodate thousands of new dwellings. In the past five years when resources for bulk infrastructure development have been hard to get, the city has adopted infill development strategies.

To summarise, Bulawayo was the first in Zimbabwe to produce a Master Plan, the first to revise its master plan and the first to produce a strategic Plan and a Corporate Strategy. At any one time, in the 1990s, Bulawayo had a stock of up to 30, 000 planned and serviced stands for residential development. Currently, even in the tough economic environment, Bulawayo has serviced land for low income residential development, for example: one thousand stands in Pumula South; ten thousand stands in Cowdray Park and seven thousand in Emganwini. According to the City Planner, surveys that used to be two years ahead of

time are now close to three years ahead of time¹⁶. This has been achieved through use of joint private sector and local authority survey teams. It is expected that new land for up to 43000 residential stands will be available by the end of 2006 in the area between the Joshua Mqabuko Nkomo Airport and Trenance. The main barrier to be overcome, and one dogging Bulawayo over the years, is the provision of off-site infrastructure especially water and sewerage.

The City Master Plan 2000 - 2015 sets aside land for the establishment of major water treatment works to the north of the city to process and manage water once government investments in the planned Gwaai-Shangani pipeline materialise (Bulawayo City, 2000: 114 - 115).

Box 1: Indicators of Bulawayo City Success in Delivery of Low Income Housing

- Between financial year 1989/1990 and financial year 1993/1994, 32, 750 low income dwelling units were constructed in the city to accommodate over 200, 000 people at an average occupancy rate of six persons per dwelling (Bulawayo City, 1995)
- For the five years to 2005, a total of 25, 000 houses were constructed to house more than 120, 000 people (City Planner, Interview April 2006.

2.2.3 **Partnerships for Local Economic Development**

Bulawayo City's success in implementing its strategic plans has been achieved through a combination of delivery models that enable partnerships among stakeholders. In the mid 1990s, Bulawayo signed partnership agreements with construction investors from Malaysia. Promoted by central government, this saw the creation of Zimbabwe–Malaysia Holdings (ZIMAL Holdings) to produce bricks and construct up to 15 000 housing units in Cowdray Park. The progress on this is given in Appendix IIIa. Bulawayo was thus a direct beneficiary of government's look east policy long before the post 2000 economic crisis.

Other partnerships have included employers providing employer assisted accommodation (such as the Zimbabwe National Army in the past or CABS Building Society's ongoing project in Pumula South; international development donors such as USAID and the World Bank (especially in the 1980s and 1990s); Building Brigades, Self-Help; private sector financiers and construction companies (both large and small) and the government.

A recent example to cite is the partnership in housing development that saw private companies, the city and individual households constructing agreed numbers of units with financial support from the Reserve Bank of Zimbabwe (RBZ). Traditionally the RBZ does not participate in such projects. However, in the tough economic environment where local authorities do not have enough resources for development projects combined with the bank's need to promote inflows of Diaspora foreign currency, Bulawayo City was successful in attracting this one off support from the RBZ bank amounted to Z\$8.3billion used to service 119 stands in Parklands east and 245 stands in Mahatshula. These have been allocated to home seekers on the waiting list for development and house construction in progress. The

¹⁶ Interview with City Planner, April 2006.

funds also supported servicing of another 101 units at Emganwinini II Millennium Housing Scheme where construction is complete¹⁷.

To underline, the strategic planning and management framework provided by Bulawayo City has enhanced an investment climate that has seen consistent development even against national and global economic constraints. The construction of housing and related urban development activities has generated direct and indirect employment. Although no figures of employment generated are available as a result, it is clear that even where the local authority itself is not involved in construction, for example using its housing brigades and cooperatives of the 1980s, the availability of serviced land has enabled many private sector and informal operators to create employment in the city.

The informal sector

2.2.4 Bulawayo City Incentives to Promote Investment, Employment Creation and Development

As part of its long term strategy from the early 1990s, Bulawayo City put in place a package of incentives with objectives to (a) promote investment by indigenous Black Africans and facilitate their greater involvement commerce and industry where they had been excluded for decades (b) to attract new sustainable industry and in commerce and (c) consolidate the operations of existing investors. Incentives covered access to land, tax rebates and holidays, special tariffs for water and service charges, guaranteed project approval times, waiver of plan approval fees, speedy allocation of housing land to workers associated with the investing companies.

It is crucial to emphasise that this package of incentives was not a '*bambazonke*'¹⁸. There was a clear set of criteria to discriminate in favour of preferred and deserved investors and developers; criteria based on number of people to be employed, size in dollar terms of the investment, new technology to be introduced, participation of local or indigenous persons, export orientation of the industry and pioneers. The way the incentives would work is described in Appendix IIIb. The incentives could be provided in different combinations and the table structure made it feasible for different sections of the local authority to review their set of inputs to the package of incentives.

To capture how the table would work, one has to choose and pick a developer (first column on the left) then move across the row to check existing incentives available to the investor. For example, Local/Indigenous persons (row **o**) have the lease option available (column **3**) as well as professional services and incubation support. In the event that the Local/indigenous investor happens to be an employer of say 200 people, then he/she would be able to purchase land from the Bulawayo city at a price 80% of the original (intersection of row **b** and column **2**). Assuming further that she/he had an investment worth between 5-10 million dollars, then a two year tax holiday would apply as well as guaranteed approval times of 90 days for the project application, 30 days for the plan application and plan fees at 60% of the original price, plus availability of electricity connections to the development site.

The incentives on application and plan approval times are significant to note given that, as revealed in the 1990s, Zimbabwe had some of the highest turn around times for the land use planning, surveys and building plan approval, an overall time of 40 months (forty)

¹⁷ Based on field observations and key informant interview (city officials), April 2006.

¹⁸ A SiNdebele term meaning he/she who grabs everything. In this, the package of incentives was designed not to be 'for everyone and everything' but strategically targeted.

compared to a Sub –Sahara average of about 23 months (twenty three) and global average of about 12 (twelve) (GoZ/USAID 1994:). Ordinarily, its processing would take 3.75 months (about for months) for Bulawayo compared to a much higher length of 5.75 months (about six months0 for Harare. Clearly with such delays, and in the absence of special package and preferential treatment, the cost of doing business and investing in cities of Zimbabwe is very prohibitive. Thus, it is this package of incentives that has led to sustained housing and urban development in Bulawayo even in lean years.

2.2.5 Status of the Construction and Urban Development Sector in Bulawayo

The vibrancy of the construction sector is considered a good indicator of the 'health status' of a nation or city's economy¹⁹. Using the values of building plans approved over time, in Harare and Bulawayo, it is clear that since 1989/1990, the construction sector has seen a gradual decline although there have been periodic booms especially in the one in the mid to late 1990s. While nominal values of both plans approved and actual work done have seen a dramatic growth, in real terms (adjusting for inflation) the decline is significant (compare Figure 1 and Figure 2.



Computations based on construction data (CSO, 2001), show that the values of work done at 1999/2000 (excluding repairs and alterations) was 6% of similar work done at 1989/1990 for Harare and 11% for Bulawayo respectively. The cost of building materials has risen to levels that make building uneconomic as a business and unaffordable for many households. This is associated with reduced supply of materials; both local ones and imported components for example to do with power supply.

¹⁹ Interview with E. G. Zerf, Managing Director of Belmont Construction, Bulawayo.



There are also a number of further trends and changes in the status of construction in Zimbabwe that can be exemplified by the Bulawayo scenario, viz:

- a) A switch from new construction projects towards repairs, alterations and maintenance. Construction in Bulawayo CBD dried up end of the 1990s and only small repairs and alterations are visible (see Plate 1). Large public sector projects like the National University of Science and Technology are also affected by non availability of materials and high costs and buildings have remained incomplete for years.
- b) The decline in the economy and shrinking of construction has resulted in the exodus of construction firms and highly qualified bricklayers, artisans, carpenters etc to other countries in the region notably Mozambique, South Africa and Botswana. According to key informants this has led to shortages of such skills, leaving the few around to demand high fees for their work. Individuals have moved out of formal construction sector work into the informal while some companies have closed shop, scaled down or diversify into other activities.
- c) Figure 4.3 shows the decline in residential construction activity since 1997. This is the sector with capacity to employ many people especially those in the informal category. The 1990s boom in low cost housing has subsided due to the reduction in public sector funding but remains an area of activity in Bulawayo's western suburbs. Combined with repairs and alterations, new development is stimulated by resources from the Diaspora; for Bulawayo, the bulk of these are resident and working in South Africa and popularly referred to as '*Injiva*'.



- d) *Injiva* construction activities are concentrated in the housing sector, largely to accommodate family members, to rent out and as investment for income during retirement. The Reserve Bank of Zimbabwe has initiated a *Homelink* project designed to help those in the Diaspora to build or buy houses although not every '*njiva*' uses this facility. Crucially, *injiva* house construction (anecdotal evidence gives this at levels of two in every five houses under construction) supports a vibrant informal sector construction economy. Builders and artisans in the informal sector have good skills most of which were acquired in formal industry within and outside the construction sector. A detailed assessment of the nature of the informal construction sector and its broader economic linkages would be a valuable exercise in the future.
- e) The ongoing Government housing programme *Hlalani Kuhle* has also brought a boost to the construction sector in Bulawayo. This is the housing programme initiated to house those whose shelters were destroyed in 2005 by Government's *Operation Murambaswina*. In Bulawayo as elsewhere, the Zimbabwe National Army is a lead agent in the construction of Hlalani Kuhle houses although Bulawayo City equipment and workers are also involved. Unfortunately, sensitivities surrounding this programme made it impossible to interview representatives of agencies or workers involved in the construction work; the team was barred from entering the construction sites.
- f) The is some private sector construction activity such as CABS Building Society funded construction of houses in Pumula South. The largest project with private sector involvement however is the Cowdray Park development linked to Bulawayo's long term strategic plans (Bulawayo, 2000) to construct thousand of middle and low income houses.



Plate 1: Informal sector builders putting up a masonry wall. One of the many *Injiva* driven activities in Pumula South. © Mbiba, April 2006.

2.2.6 Local Economic Development in Bulawayo Summary of Characteristics, Actors and Employers

Key features of the city's economy can be described as decline in investment, loss of employment over the 1990s decade. Population continues to grow although the envisages growth has not been realised largely due to HIV and AIDS as well as out-migration to the regions, to Botswana, South Africa as well as Europe and USA. In this context, the role of the informal sector has risen. But the policy in this is contradictory. While SI instrument of 1994 gave local authorities a framework to promote informal activities, it appears some individual operators took it a licence to operate without permission. Through operation Murambastsina of 2005, central government dealt a severe reversal of informal activities. The local authority is again not in a position to set policies but only to respond.

Zaaijer (1998: 47) correctly observed Local economic development is not a statutory responsibility of local authorities in Zimbabwe in terms of the Urban Councils Act. However, poverty concerns have force politicians and the local authority executives to seek ways of employment creation in the city. Poverty Alleviation Action Plans to mitigate the impacts of ESAP would only be successful if coupled with a rise in local economic investment. Council created in 1995 an Economic Development Office to act as the one stop centre on issues of investment and to be the link with the newly set National Investment Centre. However, the role of this office and that of the non-statutory Development Forum remains marginal to the core business of Bulawayo City. Bulawayo has also engaged in city marketing – using the Zimbabwe International Trade Fair to promote itself in the SADC. The best outcomes of Bulawayo's economic development programs appear to be confined to the strategic policy making in the land use sector and incentives offered to investors generally.

The section of equality and indigenisation in the construction sector also shows that as in other areas, Bulawayo City is not centrally involved in most issues to do with decent work.

The key players are central government that sets policy, agencies in the private sector and representatives of both employers and employees. The next chapter takes a closer look at specific aspects of decent work and provides statistical indicators that can help compare Bulawayo against other cities.

Chapter 3:

Overview of Decent Work Indicators: Characteristics, Evidence, Obstacles, Potentials The National and Bulawayo City Level

3.1 Introduction

The main aim of the empirical component of the study was to collect and analyse data and information about employment conditions specifically in relation to decent work at the national and local levels specially in the construction sector and urban development related activities. In the last two chapters, this report presents details of these objectives and outlines key political economy conditions of crisis, economic decline and tension within which the decent work study data were collected and should be understood.

This chapter presents the results of the statistical compilation of key indicators ; in particular indicators regarding the four components of decent work: employment, social security, workers' rights and social dialogue. The form is are largely on the formal sector although some respondents have argued that formal sector figures equate to the informal since from the mid 1990s, the whole economy has been informalised. Where possible, the role of key agents in promoting decent work, and notably the contribution of the city of Bulawayo, will be highlighted.

However, the main objective of this chapter is to provide comparative indicators. Rather than simply presenting the information and the analysis later, the approach in this chapter and the report generally is to offer some analysis and possible conclusions soon after each set of primary data is presented.

3.2 **Employment dimension**

3.2.1. Unemployment rate

The unemployment rate is calculated by measuring the proportion of the working age population that was unable to find work in the given period for the population of age 15 years and above and the trends for the country are summarised in Table 3. Both the national, local level and construction sector level unemployment rates are low although the local level shows a significant increase in unemployment conditions from 2000 to 2005. The remainder of this section will explain why these figures are much lower than those reported by the media and Non-Government Organisations (NGOs).

In 1999/2000, of those in the working age group, 230, 463 were unemployed nationally and 40, 837 were unemployed at the Bulawayo city level. The Census Report (2002) shows regional variations in unemployment rates with Bulawayo recording the highest level of unemployment at 25.29% followed by Harare at 18.12%. These regional variations in unemployment are described in Figure 4. and show that unemployment rate in Bulawayo is clearly the highest in the country. Focusing on Bulawayo as a case study thus addresses a real problem in practice.

The unemployment rates are based on current employment and not usual employment. Current employment relates to what the survey respondents were doing in the 7 days prior to the day of the survey while usual employment relates to the last 12 months prior the day of the survey. The current employment figures may be affected by temporary jobs and seasonal working depending on when in the year the survey is conducted. CSO (2004: 13) notes that 1992 recorded the highest unemployment rate at 22% possibly due to the fact that the 1991/92 drought affected agriculture, forestry and fishing industry. In addition the unemployment definition used was the broad definition, and the long reference period of 12 months as opposed to the restricted 7 days (see Chapter 4).

Table 3: Unemployment Indicators ²⁰ (%)						
×	1990	2000	2005*			
Unemployment rate in all sectors at national	11	6 (9)	11.58			
level						
Unemployment rate in all sectors at city level,						
Bulawayo	16	17	25.29			
Unemployment rate in the construction sector at						
national level	16	17	25.29			
Unemployment rate in the construction sector at						
the city level, Bulawayo	16	17	25.29			
Sources: 2000 figures are taken from the 1999 In	ndicator Mon	itoring Lab	our Force			
survey; those for 1990 are from the 1994 Inc	licator Moni	toring Lab	our Force			
Survey and Labour Statistics (CSO, 2004) and those for 2005 are from the 2004/5						
Indicator Monitoring Labour Force survey. * Figures for 2005 are taken as those for						
the 2002 census.						



If communal farm workers and own account workers are considered as employed, the level of unemployment is very low (6.9% at the national level). This contrasts sharply with the 80% unemployment figures used particularly in media circles and by NGOs (see for example Rory Carroll, The Guardian, 2006: 21; TUC, 2006: 1, Sachikonye, 2006)

Figures for the construction sector at both the national and city levels are taken as similar to the urban unemployment rates generally. Strictly speaking, the figures for those seeking work

²⁰ Figures for the national level assume that communal farm workers and those in the informal sector are all employed. The figure in brackets is the current unemployment rate assuming the communal farm workers are excluded.

in the construction sector are not available given the lack of a records system for those seeking work. Employment agencies are close to non-existent and people rely on word of mouth (social capital) as well as physical job search in the industrial areas. The lack of formal sector jobs also means that many unemployed are dissuaded from seeking employment. According to both the 1994 and 1999 Indicator Monitoring Labour Force Surveys, at least 75% of those seeking work asked friends and relatives and less than 1% made use of employment agencies. These patterns of job search are summarised in Figure 5 in which the use of social capital (ask friends and relatives) is extremely dominant compared to use of institutions (employment agencies).



That word of mouth is the main source of employment information was confirmed during field interviews. Tzircalle Brothers referred to how they subcontract some of their bricklaying, roofing, fitting and carpentry work to former employees who are now working either as sole agents or small informal contractors.

When jobs become available, no advertisements are posted. Instead, the message is sent out through a vast network of contacts established since the 1970s. Similarly, informal builders in Cowdray and Pumula South pointed to networks of friends, family and former clients (in Bulawayo, Botswana and South Africa) as sources of information on new jobs (see Chapter 2 on '*injiva*'). The implications of this are that it would be inappropriate and inaccurate to attempt making estimates of statistical indicators of 'volumes of work, shift work, bonded work and so on'. What can be said is that the volume of available work has declined since the 1996-1998 period following buoyant years since the 1980s. Construction firms and tradesmen have relocated to neighbouring countries, moved to other businesses, or closed down completely. When jobs become available, those remaining tradesman are able to charge very high prices even in the informal sector.

3.2.2 Low Wage Rates and Earnings

before report went to print.

The low wage rate is measured by the number of employed persons earning less than half the median wage at the appropriate level for the given year or period. Table 4. shows that general about one third of the working population earns below half the median income. This method of presenting low wage rates is at variance with standard practice in Zimbabwe where the CSO uses average earnings that appear to be based on the arithmetic mean. In this sense, the presentation in Table 5 aims to give the pattern of average earnings at the national level; a pattern that applies to all sectors of the economy and at all spatial levels.

Table 4: Low Wage Rate Indicator (%)				
	1990	2000	2005	
Low wage rate in all sectors at the national level	<25*	25	>30*	
Low wage rate in all sectors at city level,				
Bulawayo	<30*	30*	>30*	
Low wage rate in the construction sector at				
national level	<33*	33	>33*	
Low wage rate in the construction sector at the				
city level, Bulawayo	<33*	33	>33*	
Sources: 2000 figures are taken from the 1999 Indicator Monitoring Labour Force				
survey. * These are estimates – accurate figures from the CSO could not be available				

Table 5:	Average Earnings /Person/Month and Exchange Rate, 1990 – 2001	
for	the National Economy	

		Average Earnings/Person/Month				
Year	Z\$ Per Unit of US\$	Z\$	US\$			
1990	.3793	586.64	1546.64			
1991	5.0511	683.71	135.36			
1992	5.4815	779.90	142.28			
1993	6.9350	891.65	128.57			
1994	8.3871	1046.98	124.83			
1995	9.3109	1266.17	135.99			
1996	10.8389	1685.18	155.47			
1997	18.6081	2387.73	128.32			
1998	37.3692	3224.81	86.30			
1999	38.1388	4649.84	121.92			
2000	55.0660	8.409.59	152.72			
2001	55.0357	-	-			
2002	55.0357	-	-			
2003	826.4462	-	-			
2004	30 000.00?	-	-			
2005	50 000.00?	-	-			
2006 (April)	99 201.58 ²¹	-	-			
Source: CSO (2004: 74-74) Labour Statistics. Harare Central Statistical Office.						

²¹ From The Sunday Mail Business page B2, April 23 – 29, 2006, Harare.

Table 5 also shows that before the advent of economic structural adjustment programme (ESAP) in 1991, average earnings were very high in real terms but have never improved since the rapid decline in the early 1990s²². This decline was associated with liberalisation of the economy which included removal of wage controls (see Bond and Manyanya, 2002). Until the early 1990s, the difference between real wages and nominal wages was small but has widened significantly since the mid 1990s. As depicted in Figure 6, the real wages have shrunk rapidly especially in the last decase.



Wages on their own are no longer enough. As discussed elsewhere, there are other inflation busting packages that have significant positive impact on the welfare of workers – for example provision of transport and meals at the work place. The negotiation of wages is done through the NEC - a process in which Bulawayo City has no role except when it comes to negotiating with those workers it employs (see Chapter 2 for further discussion on process).

3.2.3 Hours of work

For this study hours of work are calculated by measuring the proportion of wage earners working more than 45 hours a week at each given period. Forty five hours is the cut off point used by the Central Statistical Office in the labour force surveys. This is in line with section 18 (2) of the S.I. 244 of 1999 (The Collective Bargaining Agreement) of the Construction industry which stipulates that subject to exemptions, ordinary hours of work for all employees shall not exceed 44 hours per week (GoZ, 1999). Table 6 is based on adjustments of CSO data to present the proportion of workers working more than 45 hours a week with the assumption that the national figures apply to the construction sector. The most accurate data on this was compiled for the 1999 survey which revealed that 44% of the working age population worked over 45 hours per week while 38% worked more than 48 hours per

²² The exchange rate of the Z\$ per U\$ had remained over the 1980s decade; as low as 0.6093 in 1985, to 0.5147 in 1988 before rising sharply after 1991. While the nominal wages have increased, the real wage has declined rapidly especially in the post 2001 period.

week²³. Although hours of work for women in the wage sector were recorded at 35.3% compared to men at 51.7%, women's hours of work are much higher when domestic work and informal sector work is considered.

Table 6: Hours of work				
×	1990	2000	2005	
Hours of work -in all sectors at the national level	40*	44 (38)	50*	
Hours of work in all sectors at city level,				
Bulawayo	40*	44*	50*	
Hours of work in the construction sector at				
national level.	40*	44*	50*	
Hours of work in the construction sector at the				
city level, Bulawayo	40*	44*	50*	
* Estimates for this study				
Sources: CSO (2000) 1999 Indicator Monitoring Labour Force Survey. Harare:				
Central Statistical office.				

With the collapse of the formal employment sector and the rapid growth of informal or self employment, several changes have taken place regarding hours of work. Employers and employees have agreed to reduce the number of working hours or work longer hours without overtime pay (or with no pay at all) as ways to maintain operations and avoid closing down firms. Thus, in some cases hours of work have gone down while in others these have gone up. The CSO (2000: 80) reports that up to 95% of workers preferred to work an extra two hours without being paid overtime in order to keep their jobs. On the basis of hours worked in the formal sector and extra informal work in the evening and weekends, we could assume that over fifty percent of workers nor work more than fifty hours across all industries.

The cost of going to work or of keeping operations going has increased since 2000 forcing many construction companies to stop operating and sending employees into the informal sector or self employment in which they are likely to work longer hours than usual. The figures in Table 6 are estimates based on the assumption that since 2000 workers have to work longer hours to maintain or get the minimum wage they used to get in the past.

Box 2: More than Hours of Work

At its peak and even as recent as 2002/2003, Belmont Construction (Pvt.) Ltd. would employ between five hundred and six hundred workers at a time. With punitive interest rates and inflation after 2003, like many other firms, Belmont could not afford to continue operating. It has retained only a skeletal staff, stopped construction work and moved into equipment hire. To support its few workers, it provides one meal a day on site as well as transport if not working at sites central to the city of Bulawayo (Interview with Edmund Zerf, Director of Belmont Construction, m11/04/2006).

²³ The 38% figure for wage earners working more than 48 hours per week was provided by the CSO during the survey for this study and is not available in the Labour Force Survey Reports that use 45 hours as the cut off point.
3.2.4 Health and Safety at Work

3.2.4.1 Data sources and frameworks for health and safety

The major source of data on health and safety at work is compiled by the National Social Security Authority (NSSA) based largely on submissions from employers, employer organisations, field inspections and new claims reported for workers' compensation made under the Workers' Compensation Scheme in terms of Statutory Instrument 68 of 1990. The NSSA statistics pertain to injuries and fatalities that occur in a particular year (for preventive purposes) although year of occurrence suffers from being hard to define in the case of occupational diseases (NSSA, 2000: 5). The Central Statistical Office (CSO) also depends on the NSSA statistics for its own publications. The records give details on reported occupational injuries by sector and region with an emphasis on the type of injury.

Neither NSSA nor CSO have an interest to collect data on hours of work lost to the economy due to occupational injuries or death. NSSA only came into existence in 1994 and started collecting comprehensive statistics from 1995; hence for Zimbabwe a comprehensive picture on safety at work can only be gleaned for the past decade or so. Key indicators from the data collection include total injuries per year, incidence rate and frequency rate calculated per thousand insured labour force. Table 7 provides a summary of hours lost to the economy due to occupational injuries providing a conservative estimate and a high estimate. There is need to explain how these figures were arrived at and why the pattern of improving conditions depicted in the table may actually be the opposite of what happens in the economy. The input needed for this are figures on reported injuries, total numbers of insured labour force and the incidence rate as provided in Appendix IV. The figures on occupational injuries were used together with the number of insured labour force to compute the incidence rate i.e. the number of occupational injuries per thousand workers. The incidence rate was multiplied by 3 (the minimum number of days away from work for which an injury qualifies to be in the records) to give a low estimate of the days lost to the economy.

Table 7: Health and Safety at Work							
``	1996	2000	2005				
Days lost due to injury in the workplace per 1000	53.3	28.7	14.3				
wage earners in all sectors at the national level	(266.7)	(143.4)	(71.3)				
Days lost due to injury in the workplace per 1000							
wage earners in all sectors at city level, Bulawayo	6.7	47.5	25.1				
	(33.6)	(237.6)	(125.6)				
Days lost due to injury in the workplace per 1000							
wage earners in the construction sector at national	57.3	26.0	9.6				
level	(286.3)	(129.9)	(47.8)				
Days lost due to injury in the workplace per 1000							
wage earners in the construction sector at the city	111.0	66.8	23.1				
level, Bulawayo	(554.8)	(334.2)	(115.5)				
Sources: Compiled from NSSA figures April 2006	and CSO	Indicator N	Ionitoring				
Labour Force Survey and Labour Statistics (1994,	1999). Fig	gures in br	ackets are				
based on the assumption that actual accidents rates	s are five ti	mes highe	r than the				
reported (supporting tables in Appendix IV).							

NSSA figures for the 1995 – 1998 period show that since the mid 1990s, there has been a worsening record of occupational injuries in the workplace. Occupational injuries in the workplace are records where the injured worker is away from work for at least three days. Any injury that does not result in absence from work or results in less than three days away

from work is not recorded for purposes of NSSA monitoring. This means that many other injuries in the workplace never get recorded. NSSA (2000: 6) states that reported occupational injuries underestimate the extent of the problem due to the fact that:

- Occupational injuries to the self-employed are excluded given that most workers in the informal sector are not covered under workers compensation scheme.
- Cases occurring away from the workplace or on a journey to and from work are not included.

NSSA also runs the Bulawayo Rehabilitation Centre for workers injured in the workplace. Workers are on average detained for 45.5 days at the Bulawayo rehabilitation Centre. Clearly such workers are those with serious injuries and are not the majority. According to key informants, there is underreporting of injuries at work and that the true figure could be as much as five times the reported figure. Key informants also alleged that with the foreign currency shortages in the economy since 2000, sourcing spare parts and equipment has become a serious problem forcing companies to recycle old components and taking other risky measures that compromise safety in the work place.

3.2.4.2. Recent legal changes on health and safety at work

As provided in the Factories and Works Act (1976), employers are legally bound to provide NSSA officers access to companies and workplaces and to forward to NSSA records of occupational injuries. NSSA officers are empowered to issue prohibition orders on any offending employers or on sites where standards are not met.

In contrast, although worker representatives at the shop-floor level as well as ZCTU health and safety officers can inspect sites and make records of occupational injuries or diseases, they cannot issue prohibition orders and can only make recommendations to both employers and NSSA – these recommendations can be ignored²⁴. Notes are exchanged among stakeholders through the Zimbabwe Occupational Health and Safety Council (ZOHSC) a tripartite forum (workers, employers and government) where statistics and issues are debated.

Box 3: Statistics on insured labour force

NSSA advices that, until recently, insured labour force data were obtained from the Workers Compensation Insurance Fund (WCIF). Insured Labour force data from this source have been inconsistent and inaccurate. Since the population covered by the National Pension Scheme (NPS) is ideally the same as that covered by the WCIF, NSSA uses the NPS data on insured labour force which appear to be more consistent than the WCIF data. Due to the use of NPS insured labour force, there has been an increase in the insured labour force by sector and hence the incidence rates calculated based on this denominator tend to be lower compared to those of previous years. Therefore when any comparisons of rates are done, this fact should be borne in mind (NSSA, 2000: 4).

3.2.4.3 Occupational injuries in building and construction

While the *basic metal products, mining and quarrying sector, agriculture and forestry* have the highest reported occupational injuries, *building and construction* is one of the top five sectors with high occupational accidents relative to the number of workers. It has to be emphasised that there is no recording of workplace injury and disease

²⁴ Interview with Mr Banda, ZCTU Health and Safety Officer

statistics in the peasant sector and the informal sector. Only a focused time series study can shed light on incidence rates and hours lost to the economy in these sectors of the economy. The magnitude of occupational injuries in Zimbabwe remains hugely under reported.

3.3. Social Security Dimension

3.3.1 **Public social security coverage**

If only the formally employed persons of the working age population are considered, then there is 100% insurance against risks of injury at work, unemployment, sick leave etc. This is the basis of figures in Table 8. However, we consider that only 15% of the working age population is in formal employment, then the social security coverage at the national level will be 15%. There is no quantitative information to incorporate coverage of the informal sector.

Table 8: Public Social Security Coverage Rate							
×	1990	2000	2005				
Social security coverage rate in all sectors at the	-						
national level		15	15				
Social security coverage rate in all sectors at city							
level, Bulawayo	-	100*	100*				
Social security coverage rate in the construction							
sector at national level	-	100*	100*				
Social security coverage rate in the construction	-						
sector at the city level, Bulawayo		100*	100*				
* On paper if the only formal sector workers are considered							
Source: Computed from data provided by Na	tional Social	l Security	Authority				
(NSSA) 2006 and the Census 2002 National Report.							

But for a fuller social security picture for the country, further elaboration is needed. Until 1994, Zimbabwe did not have a comprehensive public social security scheme. Under the Ministry of Public Service and Social Welfare, it operated the Workers' Compensation Scheme (WCIF) whose current format is described in Appendix V. In 1994, government set up The National Social Security Authority NSSA to administer the WCIF as well as set up and run other forms of social security. From 1994, these were largely the National Pension Scheme or the Pension and Other Benefits Scheme (NPS) as detailed in Appendix V. Both the WCIF and the NPS cover all workers except those in the civil service, security services, domestic workers, informal sector workers and peasant farmers. The economic decline since 2000 has delayed the setting up of new schemes to cover domestic workers, informal sector workers and peasant farmers.

Since colonial days, there has been an assumption that the majority Black African workers and peasant farmers will have rural communal land rights as their main form of social security hence the notion of labour rights, urban citizenship and land has been highly intertwined. But as argued elsewhere, for many urban workers communal land rights are not about production but other cultural and religious needs (Mbiba, 1999). Productive agricultural land, or the inputs to make it productive, are in short supply or beyond the reach of most poor workers. In addition a significant urban population now has no desire to access rural land rights whose notion the state maintains as a framework for social sanction and control (Mbiba, 2001). Not withstanding the above, we have to recognise the existence of communal land rights and other forms of traditional social security or social safety nets (GoZ, 2005c: 21) used by a majority of Black Zimbabweans. These include access to land rights in the rural areas, family networks and community support. The government has tried to re-invigorate some of these through the '*Zunde Ramambo*' – a food security scheme managed by traditional chiefs. While these may not be directly available to urban poor, we have to underline that African society in Zimbabwe is very mobile with family members switching between urban and rural residence as part of survival and accumulation strategies. The land question (both rural and urban) is integrated into this complex web of relations.

Beyond the NPS and WCIF, there are private and occupational insurance and pensions schemes at industrial and sector level; for example Mining Industry, Railways, Electricity, Local Government. The NSSA National Pensions Scheme (NPS) was designed to be a basic scheme to be complimented with individual savings, personal insurances and company level occupational pensions schemes²⁵. From inception in 1994, the insurable earnings under the NPS was set at a ceiling of \$Z4000.000 (four thousand Zimbabwe dollars) and remained at that level until 2001 (NSSA Annual Report, 2001: 7) when it was raised to Z\$7000.00 (seven thousand and a 50% increase in all monthly benefits²⁶. Clearly with hyperinflation in the country since late 1990s, the value of this benefit has been severely eroded even with the subsequent reviews that raised the monthly payments to Z\$252 000.00 by 2006 (The Herald, Wednesday 3 May 2006). Further reviews are anticipated. (Author: please give the amounts in US\$)

Both the NPS and the WCIF are dependant on the co-operation of employers who must register with NSSA, collect contributions and forward these to NSSA every month. Non-compliance by employers and collection of contributions has remained a problem faced by NSSA since inception in 1994. Problems range from companies that do not register, some that register but default in making contributions, and other worse cases where employers deduct contributions from employees but fail to remit them. Zimbabwe has no single employer data base and this compounds monitoring problems for NSSA (NSSA, 2001). In 2001, amendments were made to the NSSA Act to give NSSA inspectors the power to enter and search premises, inspect records and returns of employers and more powers to enforce collections and contributions.

In spatial terms, the NSSA offices are concentrated in the main urban centres and those in remote and rural regions have to travel long distances if they have to submit claims or make inquiries at NSSA offices. This spatial dimension expands the numbers of workers who do not have adequate access to national social security.

The moneys collected by NSSA are not to be disbursed as benefits in the short term but to be invested as well. For years workers and labour unions have demanded that some of this be invested in provision of urban housing for the workers but NSSA has been slow to implement a comprehensive housing programme. However, the bulk of inflows to NSSA are channelled to investments such as equities, prescribed markets, money market and real estate (NSSA, 2001: 27). In turn, return from investments bring in the bulk of inflows to NSSA with employees making almost an equal contribution.

²⁵ A point emphasised in interview with NSSA General Manager, Harare

²⁶ At 2001 annual inflation was 112% and 913.6% in April 2006.

3.3.2 Old Age Pensions: Provisions and Coverage

Old age pension coverage rate is calculated by measuring the proportion of people age 65 or more without pension coverage at the given dates and sectors respectively. Figures for the population of 65 years and above can be obtained from the national census reports while the pension coverage can be obtained from NSSA. However, the enumeration framework for NSSA does not correspond to the one used by the census office for practical reasons leaving us with no credible data on pension coverage. In the 2002 census for example, the number of those 65 years and above was recorded as 3.55% (215, 842) for the nation as a whole and 2.54% (17, 196) for Bulawayo region i.e. 2.5% of Bulawayo's population was of 65 years old and above.

However when it comes to the NSSA figures on pensions, for those of 65 years and above, the national total figure was computed at 183,184 and 26,933 for Bulawayo. The figure for those receiving pensions in Bulawayo is greater than the recorded census figure for those in Bulawayo²⁷. This does not mean that everyone of 65 years and above in Bulawayo has a pension. The discrepancy arises from the fact that NSSA keeps on its books all those whose pension addresses are in Bulawayo even if they may no longer be resident in Bulawayo. Many of these may have migrated back to the rural areas where the cost of living is lower but are still able to collect their pensions from banks or travel once in a while to Bulawayo to collect their pensions.

If only formal sector workers are considered, at the national level, only about 15% of those 65 years and above are not covered by an old age pension. This is too low, because it underestimates the size of those not covered largely due to the fact that the NSSA figures will include a large proportion of pensioners (often White Zimbabweans) still on its records but are living outside Zimbabwe especially in South Africa, Australia, New Zealand and the United Kingdom. This scenario indicates that with the existing statistics, it may be very misleading to attempt a computation of pension coverage disaggregated by region and by sector. A further point is that NSSA pension statistics do not cover the civil service and state security personnel (army, police, prisons, air force). The Director of State pensions responsible for these statistics would not release any aspect of these statistics 'for security reasons'. All civil servants are covered by a public sector pension²⁸.

3.4. Workers' Rights Dimension

3.4.1. Situation of workers' rights and the legal framework

Through the pro-worker 1985 Labour Relations Act (No. 16), an improvement to the 1984 Employment Act, rights were conferred on workers in areas of job security and freedom of association for African workers in line with aspirations of the nationalist movement that had contributed significantly to the independence movement.²⁹ This pro-worker statute came on the back of hundreds of labour protests and strikes between 1980 and 1985 because of high worker expectations soon after independence. While it provided for improved worker rights in an attempt to meet ILO standards, its main weakness was the failure to harmonise labour

Author: Information about this interview should also be in Appendix II

²⁷ This is a clear sign that it would be erroneous to attempt computations pension coverage based simply on these census and NSSA figures

²⁸ Interview with Mr Mkandhla, Director of State pensions. Tel 00 263 4 252 372.

²⁹ For the history, activists like the late Benjamin Burombo and Joshua Nkomo (late Deputy President of Zimbabwe) are mentioned as obvious examples of how the labour movement was at the core of independence struggles.

relations laws; it left out civil servants generally. It also excluded for example senior local authority workers whose conditions of work would be governed by the Urban Councils Act.

The second phase of challenges came around the late 1980s and early 1990s with the introduction of Economic Structural Adjustment Programme (ESAP). Even before the program was formally pronounced, stagnation had set in as the government grappled with economic problems and sought dialogue with national and global capital. The latter argued that the 1985 Act was too worker friendly, rigid and a dis-incentive to investors (e.g. regarding minimum wages and price controls). The private sector also argued that the law did not allow business/employers to hire and fire workers and that it gave government too much room to interfere in industrial employer-worker relations.

With ESAP in 1991, government basically gave in to private sector demands and came up with the 1992 Labour Relations Amendment Act (No. 17). As the passage of the act became imminent, confrontation between government and workers intensified with historical protests marches in July 1992 in Harare. This marked the divorce between the labour movement and the government in post colonial Zimbabwe. Then Minister of Labour John Nkomo responded to the protests by retorting that the workers and ZCTU were not government or a political party, but if they wanted to be one, they were free to do so. Implicitly, Minister Nkomo was inviting ZCTU to form a political party³⁰ - an invitation repeated by president Mugabe a few years later. These sets of socio-legal changes set the context for detailed discussions in the remainder of this chapter.

3.4.2. Wage inequality between genders

By the late 1980s, Zimbabwe women had made strong progress in many fields especially education and health care (USAID, 1994: i). However, women have not fared well in the economy and remain under represented in formal employment and access to land. Commercial and industrial opportunities remain beyond the reach of the majority of women. In a detailed study of 18,800 low income households participating in GoZ housing program funded by USAID (USAID, 1994) it was shown that only 6% (six) of the beneficiary households were female headed even though up to 20% (twenty) of urban households were female headed in the 1980s. While the legal instruments have been changed to enhance women advancement, many gender barriers associated with Zimbabwe's patriarchal society remain. Women face harassment and logistical problems when they seek to assert their rights.

Traditionally, women are responsible for significant aspects of the house construction process. They also make up to 70% of those working in the informal sector generally. However, when it comes to construction in urban areas, the technical nature of the process and the gender barriers make it difficult for women to participate. For example, during house construction, women are faced with delays in obtaining building materials from providers especially during times of shortage when materials are very expensive. Where women have to travel long distances or queue to get materials they have problems with child care and other domestic responsibilities and are subject to sexual harassment under these conditions (USAID, 1994: iv).

In summary, the majority of women remained outside the formal employment sector and their presence in cities was restricted by colonial apartheid laws until independence in 1980.

³⁰ See Munhumeso vs Minister of Labour, Zimbabwe Law Reports.

Unfortunately, the perception of against women arising from this colonial era remain and hence the limited progress even when the laws are against discrimination on the basis of sex, race, religion. Table 9 is based on the 1999 labour force survey and shows 45.4% of women had not done work compared to 23.1% of men. This refers to paid work and is misleading given that women do a lot of domestic and community work that is neither recorded nor remunerated directly. In rural areas remuneration for their agricultural work is usually recorded under the name of the male spouses. According to CSO (2004), employment rates at 1982 were 71.4 for men compared to 42.9 for women, changing to 60.6 and 36.7 in 1992 and 73.0 and 62. 0 for 1999 respectively³¹. Table 9 also shows that nationally, more women earn low incomes compared to men with 29% of women in the lowest income category of under \$Z500 compared to 19.1% for men. At the top end, 17.7% of men earned incomes in the highest bracket of Z\$3000 and above compared to 7.7% for women. Published labour statistics for 1990 -1995 are not available to allow presentation of trends. But the 1999 labour force survey does give a picture of the gender inequalities in the construction sector where the work patterns are similar to those at the national level.

	Women	Men
No work done (national level)	45.4%	23.1%
Work done (national level)	54.6%	76.9%
Income bracket $\leq Z$ \$500	29.0%	19.1%
Earning \geq Z\$3000	7.7%	17.7%
Construction Sector		
No work done	43.3%	11.9%
Work done	56.7%	88.1%
Income bracket $\leq Z$ \$500	15.6%	18.7%
Earning \geq Z\$3000	12.1%	17.7%
Median wage Z\$ (national economy)	250 (250)*	620 (1999)*
Median wage Z\$ construction sector	250 (874)*	1249 (1249)*

 Table 9: Earnings Inequalities Between Men and Women of Working Age

* The figure in brackets is the median earnings computed for those who had done work only i.e. excluding the 'no work done' category

Source: Figures modified from CSO (2000) 1999 Indicator Monitoring Labour Force Survey. Harare: CSO pages 77 – 79.

However, in the construction sector, the income gap between men and women is narrower than is the case at the national level. We assume that the construction sector figures are similar to those for the city level where no published figures are provided in the labour force surveys. Based on the median incomes for 1999/2000, at the national level men earned as much as 8 times more than women. In the construction sector men earned about one and half times more than women. The bulk of low paid workers (mainly women and children) are in the agricultural sector such than if this is factored out of the national figures, the gap between the national median wage for women and men will be closer to that for the construction sector. In summary, although The Labour Relations Act 5(1) protects employees against

³¹ Employment rate is the number of employed persons aged 15 years and above divided by the total population in that age group multiplied by hundred.

discrimination on grounds of race, sex, tribe, place of origin, and political opinion, Table 9 shows that in practice inequalities persit.

3.4.3. Wage inequality between workers' place of birth

Places of birth for workers range from rural areas or other cities within the country as well as places outside the country. CSO (2004) states that economically active immigrants (from outside Zimbabwe) declined from a peak of 1 826 in 1985 to 1087 in 1990, 647 in 2000 and 394 in 2002. Between 1990 and 2000 the highest numbers of male immigrants were architects and engineers while the highest for females were teachers. These CSO figures do not cover illegal immigrants most of whom would find work in the agriculture and informal sectors. Although the labour forces surveys and the censuses give figures on foreign born residents, there are no published statistics on income differences between worker's places of birth. However, considering that the incomes in agriculture sector are lower than in the rest of the economy, it is tempting to assume that workers in the construction sector in Bulawayo earn more than the incomes in their rural places of birth. This may not be the case however if we were to give a monetary value to all the rural work and associated benefits.

3.4.4. Child labour

Prior to the 1999 Indicator Monitoring Labour Force Survey, information on child labour was scant (CSO, 2004: 56). Regarding child labour, children are defined as those under fifteen years of age (CSO, 2001: 45)³² although for working children data, the labour statistics CSO (2004) defines children as those of 5-17 years of age. Children do participate in active work especially in the agricultural, forestry and fishing sectors (87% of all working children at 1999), service sectors (10% of all working children for 1999).

The CSO (2004: 56) indicates that at 1992, 3% of the 1 457 000 children aged 10-14 years were employed largely as unpaid family workers and as employees. The proportion working in the construction sector is negligible at about 1.7% of all working children in 1999 (CSO, 2004: 59). For the whole economy at 1999, CSO (2000:51) reported that 8% of the 4 226 693 children aged 5-17 years were employed with the majority as unpaid family workers (5%). These figures on child labour illustrate once again the inconsistency in definitions and frameworks used in official documents, in this case figures for children switch from 10-14 years, to 5-17 years and 5-14 years.

3.5. Social Dialogue Dimension

3.5.1 Gains and losses on social dialogue

In terms of the Labour Relations Act (1996) all workers have the right to belong to a union, to form and to participate in workers committees, This section gives specific attention to conditions of social dialogue and the legislative changes that have taken place since the 1980s. Crucially, Bulawayo City has played a marginal role in this area largely due to the legal and institutional framework that defines relations in this area of decent work. It is central government, employers, unions and the National Employment Councils (NEC) that are central to deliberations on this issue where contradictions remain. Although the legal framework and conditions on paper have improved significantly since the 1980s, in practice some of these gains in the Labour sphere are compromised by recent economic decline and the overriding security laws.

 $^{^{32}\,}$ The CSO (2004) defines this as 5-17 years.

Key informants were unanimous that indeed and on paper, the legal and statutory provisions for workers' rights and social dialogue have improved immensely over the last decade and are better than was the case before. However, in practice, there are gapping inadequacies (and often reversals) in areas relating to civil servants, the informal sector, contract or casual labourers (who make up to 95% of workers in some firms in the construction sector), domestic servants and women. The key constraint is the declining economy since 1997. This has heightened political tensions in the country leading to an atmosphere of a 'state of emergency' where, in the 'interests of state security' the government has introduced measures that reverse gains regarding social dialogue and workers rights. Key informants cited the implementation of POSA and AIIPA were cited as the most damaging even though on paper these statutes may appear beneficial to the nation.

At independence in 1980, the country had to transform from the inherited dual legal system to a unitary one; doing away with racially inspired labour laws such as The Masters and Servants Act under which African workers were not considered as employees. Key informants reflected with nostalgia on the early days in the 1980s when the ruling ZANU (PF) and its key members such as then Minister of Labour, Kumbirai Kangai, with his philosophy of 'One industry one Union', championed the cause of workers including the harmonisation of fragmented unions into a formidable Zimbabwe Congress of Trade Unions (ZCTU).

A Bulawayo based trade unionist considers that the 1992 Amendment Act caused splintering of workers' activities, increased or created bureaucracy, disempowered trade unions and was a marked return to labour colonialism- 'return to Master and Servants' through the back door³³. Through S.I. of 1992 cited as the Retrenchment Regulations (replacing S.I. 4040 of 1990) and in pursuance of the ESAP policy, firms could now retrench workers more easily (the dreaded *chigumura*)³⁴ compared to the situation soon after 1985. The right to strike was curtailed making it illegal for workers to go on strike without permission; and workers are of the view that permission is impossible to get. Further, to promote exports through the setting up of export promotion zones (EPZ), the EPZ Act (Chap. 56) exclusively and explicitly prohibited the application of the Labour Act in these zones. Bulawayo has one such zone which however remains undeveloped.

The massive deregulation of the economy leading to closures of companies (e.g. Cone Textiles, National Blankets in Bulawayo) and massive layoffs/retrenchments impoverished workers and reduced their bargaining power at the shop-floor level. There was a rise of contract working. At the national economy level, the budget deficit as well as both foreign and domestic debt increased Both government and the workers found themselves under pressure and while the government relaxed laws for the employers, it toughened laws for the workers who were left with little room for manoeuvre. Strikes and public demonstrations became the order of the day including the landmark countrywide strike by civil servants in August 1996 and City Hall demonstrations in Bulawayo in 1997. Workers staged a series of job stayaways from 1997-2000; activities that paralysed industry and effectively reasserted the labour movement as a critical player in affairs of the national political economy at a time when civil organisations and other traditional allies of the ruling party (such as the War Veterans and students) were also challenging ZANU (PF) legitimacy and hegemony.

³³ Key Informant Bulawayo

³⁴ Chigumura – literally translated is vicious displacement, was the term used by Africans to describe forced retrenchments in industry in colonial days.

In line with ILO provisions, the Zimbabwe Government introduced Tripartite Negotiating in 1998 to bring together government, labour and employers in a bid to create a harmonious economic environment in the country. Workers are represented by the Zimbabwe Congress of Trade Unions (ZCTU) although the political climate has seen efforts to put up a competitor union. At industry level, and in line with the Labour Relations Act, workers as represented by their Zimbabwe Construction and Allied Trades Workers Union (ZCATWU) and employers, have to set up and register with government, a National Economic Council and agree a Collective Bargaining Agreement that is also lodged with the government. It is through the NEC and the CBA process that employers and employees agree wages and working conditions. Employers are represented by members from the larger firms in the Construction Industry Federation of Zimbabwe and those from Zimbabwe Building and Construction Association (ZBCA). All have regional offices in Bulawayo.

3.5.2. Union and membership density

According to figures from the Zimbabwe Congress of Trade Unions (ZCTU) Information Department, total union membership was about 200 000 in 1990, declined to 141 560 in 1995, then rose to 165 012 in 2000 and 228 430 in 2005³⁵. The recent rise in membership is also reflected in the construction sector where national membership rose from 3000 in 1998 to 3700 in 2000 and 4800 in 20005 while that at the Bulawayo city level role from 500 to 750 and 1200 respectively³⁶. Union membership figures and CSO figures on employed workers were used to compute union coverage and density indicators given in Table 10. However these should be considered as very conservative. First, the original figures on union membership only cover returns from unions affiliated to the ZCTU and based on paid up membership³⁷. This membership tends to be very high in an election year when unionists mobilise potential voters compared to other years when there are no elections. Second, the original figures on total employees by industry sector at national level include civil servants who are not affiliated to the ZCTU. If civil servants could be excluded from the employee totals, then the overall union density would be far much higher.

Table 10: Union coverage and density					
	1988	1992	1995	2000	2005
Union density all sectors at the national level	14	16	16	13	26
Union density all sectors at city level, Bulawayo*	14	16	16	13	26
Union density in the construction sector at national level	26	28	49	7**	12**
Union density in the construction sector at the city level, Bulawayo*.	26	28	49	7	12

Source: Union figures used up to 1995 were from Schiphost F. B. (2001), the remainder were provided by Union representatives. Employee numbers were extracted from the CSO (2004) Labour Statistics. N.B. Union numbers include only those affiliated to the national Zimbabwe Congress of Trade Unions and leaves out many who may not be affiliated at the time of recording. *Without union or employee figures for Bulawayo, it is assumed density for all sectors is that for the national level and density for construction at city level is same as that at national level. ** Based on figures supplied by ZCATWU, Bulawayo

³⁵ E -mail dispatch of 8th August 2006 from E:mail: <u>info@zctu.co.zw</u>.

³⁶ Figures provided by Zimbabwe Construction and Allied Trades workers Union, Bulawayo

³⁷ ZCTU has 35 affiliates. These were about 33 in 1995

Schipost (2001: 229) asserts that with the exception of the mining industry, trade unions in Zimbabwe are geographically organised and do not have a structural presence at the shop floor level. The capacity of the unions to organise and for collective job action has been restricted both before and after independence although the from 1985, the Labour Relations Act incorporated the right to strike save for those sectors considered 'essential services'. Union membership appears to have been dented during the mid 1990s when many workers lost jobs due to retrenchments as part of the economic structural adjustment policy³⁸.

3.5.3. Collective bargaining

While continuous collective bargaining process seems to be going well, agreements are not always easy to achieve and workers go on strike. But there are limits to how much workers can use this collective action to express dissatisfaction. Without permission from government and the Police and where action is deemed to be a political or security threat, the strikes or demonstrations will be prohibited, often forcefully. When agreement failed during 2004 negotiations between council and its workers, council workers resolved to demonstrate at City Hall, Bulawayo. Declared unlawful by the police, the demonstration was forcefully disbanded with reported injuries and deaths as a result (ZUCWU, 2006: 3). Labour Unions allege that AIPPA and POSA make it possible to restrict social dialogue activities that would ordinarily be permissible under the Labour Relations Act.

At the regional level, the construction workers union in Bulawayo is bound by the agreements reached at national level through both the TNF and CBA process. It is worth noting that when government raised fuel prices unilaterally in 2003, labour (ZCTU) felt government was not treating it with respect as a social partner and the national TNF collapsed; the dialogue resumed early 2005. Other areas of national governance where labour would like a greater say include the National AIDS Council (NAC) and NSSA given the contribution that workers make to these organisations. Unhappy with the management of NSSA, labour withdrew its representative on the NSSA board and the situation remains unchanged two years later.

Both the NEC for the Construction Sector as well as the workers union in Bulawayo are poorly equipped and the technical expertise overstretched leaving no room for strategic work. Both offices did not see any need or space for the local authority in promoting conditions of work and argued, as did the local authority, that conditions are set nationally and the only issues at the local level are about implementation. An area of concern for both the NEC and the local authority is to do with employment of unregistered contractors. Contractors may be registered as legitimate companies and with the NEC but not with the contractor/employer organisations ZBCA and CIFOZ that set and monitor professional standards among their members. Ideally, the local authority should give contracts only to those members registered with both NEC and ZBCA or CIFOZ – this appears not to happen all the time.

While the NEC is supposed to police and has authority to charge unregistered builders and contractors, its ability to do so is limited by manpower. Field interviews with brick layers revealed that informal builders previously registered with the NEC have defaulted but can still get construction jobs. The NEC has no resources to inspect sites while contractors have devised ways of avoiding detection.

³⁸ Fourteen thousand (14 000) workers lost their jobs in 1993 alone (CSO, 2004: 26).

3.5.4. Workers' rights and social dialogue in the New Millennium in Zimbabwe

The government's response to worker agitation in the 1990s included passing and use of the 1998 S.I. 368 (Anti Stay-Away Regulations); The Labour Relations Amendment No. 17 of 2002; Amendment 7 of 2003 and Criminal Penalties Amendment Act of 2001. The latter criminalised labour misconducts. For example possibilities for prosecution for those calling for a strike (section 104 and section 107) and enabling employers to array workers before a court of law and to demand (from workers) compensation for loss of production as a result of strike action even for lawful strike action. Other key operational legislation on working conditions include the S.I. 244 of 1999 as supported by the Labour Act 28: 01, No. 17 of 2002 and No. 7 of 2005. Section 3 of Act No. 7 of 2005 brings together both the public and private sectors as well as those working in the Export Processing Zones who were previously excluded from this act. Salaries and other conditions are negotiated through a continuous process as per the Collective Bargaining Agreements in the industry.

However, Mucheche (2005b: 3) explains that even with the 2005 amendments, workers in the armed forces, prisons and police remain excluded. He argues that civil servants are deprived of full rights to collective bargaining, right to strike and access to proper and efficient dispute resolution mechanisms. Civil servants can still be unfairly transferred without notice or consultation leading to separation of spouses; a separation that increases the risks of HIV/AIDS among heterosexual couples in Zimbabwe. Yet, as confirmed by the supreme Court, civil servants have a right to be consulted before transfer³⁹.

Workers in the construction sector; through the Construction and Allied Trades Workers Union and the ZCTU consider that their continued struggles emerging from the 1990s have led in 2003 to some positive changes in the legal provisions for workers countrywide especially in the context of the Labour Relations Amendment Act No. 17 of 2002. According to ZCATWU and ZCTU, these positive changes include:

- **Protection against unfair dismissal** every worker has a right not to be unfairly dismissed.
- **Right to strike** strikes are allowed in non essential services and picketing is now allowed.
- **Trade union superiority over workers' Committees** where a registered trade union represents the interests of not less that half of the employees at the workplace where a workers' committee is to be established, every member of the workers committee shall be a member of the trade union concerned.
- Empowerment of Workers Council i.e. the managerial prerogative is diluted through employee participation in decision making. A workers' council is entitled to be consulted by the employer about proposals relating, for example to restructuring of the workplace due to technological change and work methods; product development plans, job grading and training and education schemes affecting employees; partial or total plant closures and mergers and transfers of ownership; the implementation of an employment code of conduct; the criteria for merit increases of payment or discretionary bonuses; the retrenchment of employees whether voluntary or compulsory.

³⁹ See Taylor vs Ministry of Higher Education and Anor, 1996 (2) Zimbabwe Law Reports 772 (S).

- **Casual Work and Contract Work** there is new employment security for contract workers. A contract of employment that does not specify its duration or date of termination, other than a contract for casual work or seasonal work or the performance of some specific service, shall be deemed to be a contract without limit of time. Provided that a casual worker shall be deemed to have become an employee on a contract of employment without limit of time on the day that his/her period of engagement with a particular employer exceeds a total of six weeks in four consecutive months.
- Sick leave has been extended from one month to 6 months of which 3 months is on full pay and the other 3 months on half pay before the contract of employment can be terminated.
- **Vacation leave** paid vacation leave has been extended from an average of 18 days to 30 days every year of service. Thus, since the 1990s, leave days have changed from 1,5 days a month to an average of 1,66 days a month.
- **Maternity leave** is granted for 90 days on full pay (up from 45 days). The other conditions remain the same.
- Notice of termination of contract of employment to be given by either is now three months in the case of a contract without limit of time (permanent) or a contract for a period exceeding two years; two months in the case of a contract for a period exceeding one year but less than two years; one month in the case of a contract for a period exceeding six months but less than one year; two weeks in the case of a contract for a contract for a period exceeding of six months or less or in the case of a casual work or seasonal work.
- Special Leave on full pay is given to an employee for the following reasons;
 - On the instructions of a medical practitioner because of contact with an infectious disease
 - When required to attend court in Zimbabwe as a witness
 - When required to attend a meeting as a delegate or office bearer of a registered trade union representing employees within the undertaking or industry in which the employee is employed
 - When detained for questioning by the police
 - On the death of a spouse, parent, child or legal dependant
 - On any justifiable compassionate ground
 - This special leave is limited to 12 days in a calendar year.
- **Prohibition of discrimination** upon gender, sex, HIV/AIDS status and disability is now prohibited.

However, as noted by several commentators, while positive, the legal provisions in these amendments fall short of the needs of some categories of workers and face several obstacles.

The biggest enemy is inflation (ZUCWU, Bulawayo, 2006). Since 2000, legal provisions and employers have made efforts to cushion their workers through extra support for burial or funeral grants, soap for washing uniforms or overalls, travel allowances or transport to

construction sites/central collection points in the city, and the provision of meals at work as reported by key informants and respondents in Bulawayo⁴⁰.

Workers remain concerned with deterioration in health and safety at work as the economy finds it difficult to mobilise foreign currency and to purchase needed spare parts. Observations of building in both Harare and Bulawayo, show that on average only between one quarter and one fifth of the elevators/lifts will be working on any given day. Some of the lifts in older building require total replacement and it costs the equivalent of between 18 and 21 billion dollars to purchase one lift plus another 21 million per month to service the lift⁴¹.

Construction sector workers have further and specific social security concerns regarding the 65 years age at which benefits can be realised. Yet, according to key informants, construction workers hardly survive beyond 45 years⁴². And under current conditions, by the time any of them get to 65, the pension benefits will be '' insignificant. According to the ZCATU, while the average week for construction workers is 44 hours, they would need to have it reduced to 42 hours but working this out in relation to guards and casual workers remains problematic. When workers are injured, workers allege that there appears to be unfair practices in the determination of the degree of injury and hence compensation due to workers, job insecurity for injured workers and for casual workers. Respondents suggested that professional assessment by doctors representing the workers should also be taken into account in addition to those made by NSSA appointed doctors. While the rehabilitation centre in Bulawayo is a good facility, it may be useful to have more such facilities - at least another centre, perhaps in the capital city Harare.

The construction sector remains a 'no go area' for women both as workers and as employers with only about twelve women currently members of CIFOZ/ZBCA. While maternity conditions have improved with the Labour Relations Amendments (2003), further changes are needed or need to be enforced such as worksuits for women instead of overalls; separate toilets (together with all allied facilities) even if there is one women at the construction site. The greatest scourge is sexual harassment in the workplace for women in the construction industry; the definition of harassment needs definition in the context of construction in order to protect women⁴³. In this area, women would welcome support from others and the sharing of global experiences regarding ways of improving both regulations and management practice. Discrimination on the basis of pregnancy remains in the sector and despite the general legislative improvements on maternity and sick leave, Zimbabwe remains behind its neighbour South Africa in this area (Mucheche, 2005a).

 ⁴⁰ During a visit to Belmont Construction, workers were having late tea with bread provided by the employer.
 ⁴¹ Estimates in Z\$ as at April 2006 provided by Mrs A. N. Kwangwama, Head of Department, Rural and Urban

Planning. University of Zimbabwe.

⁴² Views from both employers and workers in Bulawayo

⁴³ F. Mugabe

Chapter 4:

Decent Work in Bulawayo: Synthesis and Recommendations

4.1 **Decent work and development in Zimbabwe**

As described in Chapters 2 and 3, the prevailing socio-economic context of Zimbabwe poses serious challenges to promotion of decent work. The economy declined by 32% during the 1999-2005 period (ZCTU, 2005b: 1) and business confidence has declined continuously as well (Intermarket Research 2004: 36-40). Over the past six years, Zimbabwe is the only SADC country where investment has fallen to extremely low levels and both growth and employment creation have been negative (Intermarket Research 2004; ILO, 2005: 6; CB Richard Ellis, 2006). In this context, the goal of economic recovery and employment creation becomes the highest priority relative to other decent work goals; whether the jobs created are decent or not becomes a secondary issue. This is why workers offer to work extra hours without pay – simply to keep their jobs.

The last chapters demonstrated that while an empirical outline of the decent work indicators in Zimbabwe can be compiled, the bulk of the statistics will be estimates that only provide trends of changes in conditions of workers. Chapter 3 revealed potential tensions in the data depending on purpose, on how it is collected and by what institutions. Whether data is collected from national institutions, employer organisations, trade unions or enterprises and individual workers has a strong bearing on the 'accuracy' and validity of the information.

Although the decent work concept has a recent history, its demands for improvement in the conditions of work are not new and resonate well with struggles of workers in Zimbabwe from colonial days to the present. However, few in Zimbabwe, expressed familiarity with the term 'decent work' and even worker representative in the construction sector expressed ignorance about it. Thus the challenge of decent work is not only conceptual but is also about measurement and, as indicated above in regard to Zimbabwe, it extends to the question of how to find the right institutions that can facilitate dissemination and implementation of the agenda at the local level and locating this in national context/priorities.

The ongoing ILO/SAMAT program to promote decent work has crystallized around the recently launched Zimbabwe Decent Work Country Program 2006-2007 (ZDWCP) that has been largely a national affair in which local authorities like Bulawayo have had little or no involvement; decent work is not a pertinent operational concept and ILO is not visible at the local level. The broad consultations for the ZDWCP involved tripartite partners - government, Employers Federation of Zimbabwe (EMCOZ) and ZCTU. In this national program the objective was to integrate decent work into the country's development plans with Zimbabwe selecting to prioritise Millennium Development Goal 1 on poverty reduction, Millennium Development Goal 3 on social protection and reduction of the impact of HIV and AIDS at the workplace and Millennium Development Goal 6, on upholding and strengthening social dialogue and tripartite consultation.

For the decent work concept to succeed and be more pertinent at the local level, it is imperative that the ILO (in Zimbabwe) broadens its work beyond 'traditional stakeholders' and expand to work with more micro-level partners as well. It is important to note the macronature of the ZDWP and hence the need to translate it to local level actions. Priority area on HIV and AIDS at the workplace appears to be a key activity area of labour unions for a long time now and can be linked with job creation around the informal sector to provide a package that responds to the country and Bulawayo's needs.

Recommendation 1: We recommend that work to reduce HIV and AIDS at the workplace not only be strengthened but also be broadened and be used as a launch pad to consider other aspects of decent work especially gender, occupational accidents and post accident care⁴⁴. To be more visible, the ILO should take a multi-pronged approach at the local level; working with NECs, with local authority unions and the local authority strategic teams and then collectively with all of them together. Secondly, the priority on dialogue can be used to continue debates on broader issues of employment creation and poverty alleviation where Bulawayo City is already well positioned to be receptive considering its work in the urban agriculture sector and the best practice in industrial incubators.

The purpose of the study was to collect information and compile it to provide a picture of conditions on decent work in Zimbabwe broadly and in particular to Bulawayo City and the construction sector. Taken narrowly, the construction sector's contribution to employment and to national income is very low, 5% and below and respondents often queried why the study focused on this sector. However, if taken broadly to consider backward and forward linkages with related activities, then the contribution of construction is huge.

The study also had to identify current and potential roles played by Bulawayo City in promoting decent work. This chapter revisits these key questions and picks on some of the key conclusions noted in the preceding chapters regarding conditions of decent work, best practices and then cite a few recommendations that could be taken up by local authorities (and ILO) to promote decent work.

4.2 Methodological and Conceptual Considerations

The research objectives and methodology made assumptions about data and information availability. In Zimbabwe while information may be available, it is not always compatible with the format for compiling decent work stipulated for this research. Attempts to use some of the information would lead to misleading conclusions. The measurement of employment and unemployment rates may be a good theme to illustrate this point and help clarify some of the prevailing differences in the unemployment figures reported on Zimbabwe. Common to all the censuses and labour surveys is an attempt to capture the population structure of the country as depicted in Figure 7 for 1999/2000.

This disaggregates the population to expose the different categories and highlight the labour dimensions. However, unlike in the 1999 Indicator Monitoring Labour Force Surveys (CSO, 2000: 45), the 2002 census (CSO 2002: 83) does not display dis-aggregation to show communal farmers component (peasants) within the economically active population. Ideally, the economically active population should be split to reveal the unemployed, the communal area farmers (peasant) commercial farm workers, the rest of formal employment, informal sector employment and the unemployed.

The inclusion or exclusion of peasants and the informal sector has also varied, with most international organisations and NGOs putting these in the unemployed category. As we saw in Chapter 3, there is no consistency in the methods used for data collection over time and

⁴⁴ Interviews with Moyo, ZUCWU and ZCATWU.

across institutions. Even within the CSO, there are variations. The 1997 Inter-Census Demographic Survey (ICDS) analysed activities for the 10-14 year age group while the national census of 1992 did not. We also noted that the CSO definition of children switches from 10-14 years, 5-17 years to 5-14 years old.



In national census 1992, the broad definition of unemployment was used yet all other census and surveys before and after have used the strict definition. In the strict definition, unemployed persons are those of age 15 years and above who, during the period of reference, were without work and actively seeking employment. The indicators of actively 'seeking employment' used in surveys do not capture the social capital based methods utilised by most unemployed people. In the broad definition, the difference is that the criteria of 'actively looking for work' is excluded. Using the strict definition, as in the majority of cases by the Zimbabwe government, leads to statistically low levels of unemployment. The reference period has also been used selectively between 7 days and 12 days with the 1982 census and all the IM-LFS using 7 days while the 1992 and 2002 census as well as the 1987 and 1997 ICDS have sued 12 months. Thus figures for employment and unemployment rates vary depending on whether the strict or broad definition has been used, whether long or short reference point is used and how the peasants and the informal sector are treated in the definition of the employed.

Importantly as well is the fact that the environment of political tensions and economic crisis has made data sharing and research a very sensitive issue. Individuals and institutions feel so insecure that they are not prepared to release even what should be routine administrative and public information (e.g. NSSA office in Bulawayo). These prevailing perceptions make data collection more difficult and research less plausible.

A major methodological feature of the work is that statistics collected for different purposes and at different institutional levels either do not add up or tell only part of the story. It would be more fruitful if data collection for this decent work framework could be repeated in subsequent years and mainstreamed into the work of key institutions such as CSO, NSSA, NECs and ZCTU.

Recommendation 2: We recommend that the ILO should strengthen its dialogue with CSO and NSSA regarding data collection, and format of analysis. This dialogue should target the

periodic surveys done especially by the CSO with a view to incorporate decent work data frameworks into the design of the data collection and analysis.

There has to be an obvious benefit to all these organisations before they can adopt some of the given frameworks or indicators. NSSA for example is best placed and has shown willingness to improve its data compilation exercises and in particular to add the element of hours lost to the economy due to workplace accidents and injuries. Secondly, there has to be some pressure from constituencies like the labour movements and NECs for such mainstreaming to gain ground. As part of the national decent work program, strengthening of NECs as the partnership platforms for all stakeholders in promoting decent work would be needed in the short to medium term.

Statistically, the empirical level or unit of data collection is important; whether the research uses data from individual workers and their unions at shop floor level; whether data comes from regional and national representative organisations or whether it comes from national authorities and departments such as CSO and NSSA. This study attempted to get data from all sources although its clear that a comprehensive shop floor level study for the construction sector is needed.

4.3 **Best Practices and the Role of Local Authorities**

4.3.1 Equality and the indigenisation policy in construction and urban development

At independence in 1980, the construction industry was dominated and controlled by members of CIFOZ (The Construction Industry Federation of Zimbabwe) whose purpose was to serve and preserve the interests of large White dominated construction firms. The indigenous Blacks were excluded from this club not only through racial structures but also as a result of skewed access to technology, financial resources and expertise. The new majority government was keen to reverse this disadvantage economy wide but it took time to bring change to the construction sector. Around 1985, a group of indigenous contractors came together to form ZBCA (Zimbabwe Building Contractors Association) an association that grew to be the largest single representative of indigenous small and medium size contractors whose 2006 membership was estimated at about 500 (interview with Sibanda, former ZBCA President, 2006)⁴⁵. It lobbied the government to implement affirmative actions in support of marginalised Blacks in the construction sector.

Although many groups campaigned for deeper and clearer policy on indigenisation and affirmative economy wide, in the construction sector the breakthrough only came in the early 1990s, at the instigation of the World Bank. In its work in Zimbabwe, the World Bank realised the unsustainable nature of inequalities in the construction sector and urged the government to address the marginalisation of indigenous agents. The explicit outcome of this was Government of Zimbabwe Treasury Circular Number 2 of 1993. That the policy instrument on construction came from The Ministry of Finance and not that of Construction further illustrates the hand of the World Bank in the change (Sibanda, 2004). The incentives offered by Bulawayo City as described in the section on urban development should be considered also in light of this indigenisation question.

Treasury Circular Number 2 of 1993 made it mandatory for all members of CIFOZ to subcontract between 7.5% and 15% of the contract value of projects to indigenous members of the ZBCA; that all government and parastatal projects award at least 10% of the project

⁴⁵ Five years earlier, The Business Herald put the figure at 120 (one hundred and twenty) only. See "Building Materials Up 56pc, says CSO" The Business Herald, Harare. 26th April 2001.

work to ZBCA members and that all tenders to a value of three million Zimbabwe dollars be awarded to ZBCA members only (GoZ, 1993). It was envisaged that the policy would be reviewed with the involvement of both CIFOZ and ZBCA and mindful of the capacity within ZBCA to absorb all such work. Towards the end of the 1990s, further indigenisation policies were initiated in the economy as outlined for example in 1998 policy framework for indigenisation in the Zimbabwe economy⁴⁶. For purposes of the 1993 and subsequent affirmative action policies in the construction sector, an Indigenous Building Contractor was considered as one properly registered with and approved as such by both ZBCA and the Ministry of Public Construction and National Housing.

It is within this context that local authorities have implemented programmes to support local indigenous contractors. Without affirmative action, indigenous contractors were left to bid for the hard to do and remote contracts that CIFOZ members would not be interested in⁴⁷. While not all ZBCA members have made progress, a review of G.G. Hardware and Construction (Pvt) Ltd. clearly showed a slow diversification from small and public sector projects in the 1980s and early 1990s to larger as well as private sector jobs in the late 1990s and after 2000. With greater experience and resources bases G. G. Hardware moved from small projects of between 15 to 30 dwelling units in Bulwayo's high density suburbs around 1991 -1993 to bigger and private sector projects of up to 200 housing units each such as the Mimosa Mining Company Phases 1 and Two projects in 2002 (G.G. Hardware and Construction, 2006).

Over the years CIFOZ and ZBCA have operated in competition including in debates on the definition of 'indigenous Zimbabwean contractor'. Within the changing political and economic environment, there seems now to be agreement that the two bodies should merge into one and that within this single organisation there will be greater ability to withstand pressures from globalisation. The experience of the past two decades will be used to maintain regulations that allow smaller and formerly marginalised groups to get reasonable construction projects. While all key informants were of the view that the merger is imminent, there was no clarity as to how mechanisms to achieve inclusion would be enforced. This is an issue worth monitoring.

4.3.2 Managing centre local relations

We concur with Mutizwa-Mangiza (1991) that the fortunes of a local authority (and that of Bulawayo City in particular) depend precariously on the fate of the economy (local and national) and the political economy relations the authority has with central government. The relationship with local residents and business can also be added to this. The study has shown that, comparatively, Bulawayo City retains its high degree of political and administrative autonomy; it has earned high respect from central government and works well in partnership with business, workers and residents⁴⁸. Bulawayo City leaders expressed confidence that despite the prevailing economic challenges and acrimonious party politics, Bulawayo's autonomy *vis* a *vis* central government would endure although Sachikonye (2006:16) considers otherwise. However, the economy has come up as one of the most difficult challenges facing Bulawayo. Dimensions of this problem often beyond the control of the city authorities. It is this context that has shaped Bulawayo's best practices of the past and calls for new approaches for the future.

⁴⁶ The fast track land reform of 2000 and beyond is often referred to as a broader form of indigenisation of the economy.

⁴⁷ Interview with ZBCA member, Bulawayo, April 2006.

⁴⁸ Confirmed by both officials and representatives of Municipal workers

In Chapter 3, the study presented a series of indicators and conditions regarding the four components of decent work followed by detailed discussions of legal changes and the frameworks for social dialogue. Among the conclusions noted is that generally, while there have been improvements in legal provisions for decent work compared to previous decades, the practical experiences are not as positive for workers in government, for casual workers and for women. The role of Bulawayo City in most areas of decent work is marginal largely due to the institutional division of labour as prescribed by law. But a range of best practices have been noted especially in areas of strategic planning and urban development that all directly and indirectly create a climate conducive to improvements in decent work. We revisits some of the best practices.

4.3.3 **Realistic strategic planning and citizen participation**

Bulawayo City has used the existing planning legislation to implement planning processes that involve and respond to community and business needs. The strategic plans have provided certainty for investors and residents alike. The Master Planning process and outcomes in the early 1980s as well as the recent ones at the turn of the millennium have shown Bulawayo City to be a leader among other local authorities in the country. Not only has it followed laid regulations, it has been innovative enough to accommodate a range of informal sector activities such as tuckshops, phone shops, and urban agriculture. Bulawayo is a dry environment compared to other areas to the north east of the country. Yet while other local authorities have continued with prohibitive measures against urban agriculture, Bulawayo has recognised the activity, and has since 2000, put in place a promotion programme that tackles poverty as well as environment challenges in a way that is compatible with long term strategic needs of the city. The Netherlands based RUAF Foundation and SNV are key international partners in this endeavour.

The Master Planning process has utilised local experts in contrast to cities elsewhere in Africa that still depend on international consultants. Public consultation was central to the strategic planning and continues in the local planning process making use of the 'Citizens Charter' with organisations such as Bulawayo United Residents Association, Bulawayo Public Transport Association, Bulawayo Affirmative Action group, Churches, NGOs, Zimbabwe National Chamber of Commerce, and the Government of Zimbabwe. Similar consultations also take place annually at various stages of the budget cycle. While the process does not equate to full citizen empowerment, it does indicate that Bulawayo values contributions of those stakeholders in its administrative area and seeks to work in partnership with all of them.

Recommendation 3: We recommend that the dialogue between Bulawayo City and the tripartite partners should continue to seek solutions to the water problems and to encourage business investments that exploit Bulawayo's hinterland and proximity to markets in South Africa.

4.3.4 The role of Bulawayo city in promoting skills development, small and medium enterprise and employment creation – Kelvin North

Chapter 3 showed that since the 1980s, Bulawayo City forged partnerships with the private sector, government and donors (e.g. World Bank, USAID) to implement infrastructure and urban development programs. Key to this partnership has been transparency in that Bulawayo City has put up clear indicators and incentives that enable all stakeholders to take part. These incentives as described in Chapter 3 were utilised to promote the indigenisation

program although the gender dimension appears missing and would need to be promoted more explicitly in years ahead.

As part of the indigenisation program and to create employment, Bulawayo City has promoted explicit training programs and incubator schemes. Bulawayo's Kelvin North incubator project is probably the most innovative and still vibrant enterprise promotion exercise. The council built factory shells that are allocated to beneficiaries on five year leases. It was hoped that beneficiaries would start small industrial production activities and at the end of the five year period should have grown bigger and able to move to new 'open market' premises. The shells would be advertised and new tenants brought in at the end of the five year period. At the time of survey in March –April 2006, almost all of the shells at Kelvin North were occupied and although carpentry enterprises were the most dominant, metal work (producing door and window frames, for example), battery recycling and textiles were also some of the vibrant enterprises.

While key informants viewed Kelvin North as a successful project, Bulawayo City Officials conceded that there is need for a thorough review of the program to identify the origins and destinations of the beneficiaries. Without a detailed survey and analysis of the administrative records, it was not possible to tell whether and what proportion of the Kelvin beneficiaries were from the school leavers training program compared to those retrenched from formal industry. At the same time, the policy objective that beneficiaries 'grow' out of the incubators appears not to be met. Monitoring and enforcing of the five year leases has been minimal with allegations of misuse made by key informants at the site.

Of the 46 incubator shells at Kelvin North 1, about 46% were operating under sub-letting arrangements where the operator had no lease with the local authority while 85% of the registered leases had expired in 2004. In the case of Kelvin North Phase 2 leases to 15 of the 16 incubators had expired in 2005 and seven of the operators were running under sub-letting arrangements. Certainly there is significant activity taking place at these project sites but whether these remain within the expectations of council needs to be reviewed in detail as part of council policy evaluation exercises.

Recommendation 4: As noted, with the current economic climate and the fact that the incubators shells have operated for a long time, there is need for a comprehensive evaluation to see if the original policy objectives need to be revisited; a point that senior administrators conceded and promised to look into if resources to do so can be made available in the short term. The ILO could contribute financially to this detailed evaluation

4.3.5 **Bulawayo city and promotion of cooperatives**

The formation and operation of cooperatives is currently guided by the Cooperatives Societies act [1990 as revised] under a Register of Co-operatives in the Ministry of National Affairs, Employment Creation and Cooperatives. It is within this framework that the Kelvin North Training Centre was initiated around 1992-1993. At their peak, there were up to twelve building cooperatives with a total membership of 120 and many more labourers employed on a casual basis. With the ongoing economic hardships, only one cooperative remains in 2006. They build houses running into hundreds but officials are not able to provide an exact figure for this. There were also three cooperatives dealing in metal work (whose peak membership was 60) but only two remain in 2006. Other co-operatives initiated for crafts, agriculture, arts and drama have also found it difficult to remain in business since the economic difficulties of the post 2000 era.

4.3.6 **Obstacles and potentials for decent work promotion in Bulawayo City**

Decent work promotion has never been a direct policy arena for the Bulawayo City Council largely due to the way its responsibilities are defined in the statutes. However, all its activities in service delivery and translation of government policy into local programs can be deemed to be indirectly relevant to decent work as well as in its relations with its own employees.

A key area of potential is in employment creation or setting the conditions that enable investment. While the city has done a lot to provide infrastructure, land and incentives to invest, its city marketing strategy does not seem to have taken a vigorous regional approach in order to capture the potentials offered by existing transport infrastructure, population flows and the potentials arising from proximity to Botswana and South Africa. It also has to begin to make the best use of the National University of Science and Technology.

Obstacles to decent work in the area of employment creation include the negative image of Bulawayo as a 'thirsty' and laid back city as witnessed especially during the drought and water crisis of in 1991/1992. But there is a global awareness regarding the need to deal with climatic change and the future of 'desert cities'. Bulawayo needs to be put in this bracket of cities and support mobilised to deal with its water problems. It suffers from the negative impacts of the ESAP that led to de-investment in manufacturing.

Centre local relations are also key. While direct interference by government is not at levels similar to cities like Harare and Mutare, Bulawayo suffers from contradictions of being perceived as a perennial home of the ruling party's political opponents; first as home to ZAPU until 1987 and to MDC since 1999. The 'neglect' of central government in making timely investments in the water capacity for the city are often cast in these political contradictions (Zaaijer, 1998).

The potential to play a role in areas such as social dialogue, health and safety at work, equality and so on all depend on the room for manoeuvre provided in the legislation and centre local relations. In the future, the role of Bulawayo in these areas can only take a policy and regulatory role in partnership with employee and employer organisations.

4.4 **Opportunities for Future Local Authority Activities**

4.4.1 Mainstreaming gender, women's rights at work, health and safety in the construction sector

Current health and safety work of the labour movement and workers has rightly focused on HIV/AIDS with a view to use the workplace as a source of information on the epidemic and to disseminate best practice among workers regarding protection and dealing with those affected. The theme is also very central to the recently unveiled Decent Work Country Program. The program has scope for further improvements at the local level.

Recommendation 5: First, the ZDWP priority are 2 could be the most appropriate framework to mainstream the sexual and labour rights of women in the work place. Using the same platforms, specific gender issues affecting women in the construction sector can be given a more central role with a view to change behaviours of men as well as management practices. In particular, clarity on definitions of harassment, based on women's experiences in the construction sector, would need to be more explicit together with the penalties against violations. This is not an issue for the construction sector alone but for the entire Zimbabwe

labour force although those in the construction sector could benefit from experiences of counterparts in other parts of the world.

Key informants in Bulawayo and the literature show that there have been improvements in the legal provisions that benefit women in areas such as maternity leave etc., but in practice both workers and officials at the local level are not well conversant with how this applies and often have to refer to the Ministry for clarifications. A key aspect of the gender work is to evaluate the extent to which the new legal provisions are understood and implemented and use that as a process to build confidence in the use of the new legal provisions among all those involved.

A second point is that occupational health and accidents at work remain a key issue that needs to be addressed particularly the underreporting phenomenon both in the formal and informal sector. The existing systems are overstretched but could be effective with more local level inter-institutional dialogue and harmonisation of systems. The proposed decent work audit would provide a construction project based framework to revisit issues of health at work and give the local authority an entry point to promote conditions of workers even if these are not its employees.

4.4.2 The Informal Sector: Opportunities in Bulawayo Beyond *Murambatsvina*

The need to promote the informal sector as a generator of employment was recognised as far back as the 1980s Growth With Equity policy document and the First National Transititional Development Plan (1982-85). Through S.I. 216 of 1994 enacted in terms of the Regional Town and Country Planning Act, government relaxed controls giving local authorities room to permit employment creation activities in residential areas. Activities such as tailoring, bookmaking, wood and stone carving, car repairs, carpentry, shoe repair and tin smithing are some of the activities that blossomed. In Bulawayo, this report has given best practice details in the provision of industrial incubators (e.g. Kelvin North). These complimented a broader 'Home Industries' policy promoted throughout the country in the late 1980s and 1990s in which city councils provided serviced land for commercial SME activities close to low income residential areas. The policy environment also led to informal activities even in the CBD areas especially following the ESAP years in the 1990s.

Chapter 2 pointed to the rapid growth of the informal sector since 1990 and noted the shifts from manufacturing to trading and services in both the formal and informal sectors. Kanyenze et al. (2003) further note that in the informal sector over the same period, women have been squeezed out of the manufacturing sectors to services and trading and secondly from larger operational units to smaller and smaller ones. However, in general, despite this growth in informal sector jobs and these internal changes, no detailed studies on decent work are available. TARSC (2003) flagged occupational health issues but these remain a key concern especially in the context of HIV and AIDS⁴⁹. Thus any future decent work initiatives in the informal sector have to grapple with gender and occupational health just as was noted with the economy in general.

In May to July 2005, the government launched Operation *Murambatsvina* (OM) that destroyed a significant stock of these informal enterprises and settlements throughout the country as a way to deal with perceived economic and environmental problems in urban areas (GoZ, 2005c). NGOs and the 'international community' condemned the policy and

⁴⁹ See "Informal Sector Exposed", The Herald, Harare, Friday, 30th June 2006

have continued to harp at the negative impacts on people's livelihoods⁵⁰ while debates on why the government launched such action remain (Sachikonye, 2006; Potts, 2006). Unfortunately the few detailed studies done on the impact of this policy have not included Bulawayo (see Sachikonye, 2006). But it appears as if the OM was a reversal of the government's S.I. of 1994. Rulings of the courts in Bulawayo regarding this policy have directed all the parties to move forward through dialogue and Bulawayo City is pursuing this vigorously.

However, following OM, there is an ongoing vigorous and visible countrywide reorganisation and re-location of small enterprises and informal sector activities. This offers new opportunities to support employment creation and decent work dialogue. There is need to create jobs through the informal sector as a good opportunity not only to evaluate the impacts of Operation Murabatsvina but also as a window through which the ILO can make itself visible at the local level in ways that address urgent economic national needs.

Recommendation 7: We recommend that in Bulawayo, the ILO encourage stakeholders to revisit the role of the informal sector making use of experiences from the home industries and industrial incubator programs. The dialogue on job creation would seek to move beyond Murambatsvina in ways that meet needs of the poor while upholding the standards expected by government into which the decent work standards can be mainstreamed.

We recommend that the ILO should support detailed research and documentation into the dynamics, employment and economic impacts of informal sector construction in Bulawayo including the role of Diaspora *'injiva'*. This is a feasible short term project that would act as a focal point for a broader policy and program formulation of the informal sector in Bulawayo post Murambatsvina. The project can have direct impact into the Reserve Bank of Zimbabwe's Homelink project.

In sharing of knowledge,/experiences on decent work and the informal sector should cascade to cities in Zimbabwe in the short term (1-2 years) and to cities in the SADC in the medium term (2-5 years) and others in Africa such as Nairobi (Kenya) and Accra (Ghana) where programs to reposition the role of the informal sector are also ongoing.

We recommend that for the above and to meet the broadening of decent work objective, ILO may consider putting a 'Desk Officer' operating at Bulawayo City level coordinating the inputs of government, national level organisations and those at the local level.

It was not possible during the course of the survey, to discuss contents of this report with all key informants and other stakeholders. Some of these requested that they be given copies of the report for use in their organisations. Consequently, in the short term, resources should be found not only to distribute the report but to also debate its contents with key stakeholders in Harare and Bulawayo as part of broadening the pertinence of decent work in the construction sector and beyond.

⁵⁰ See Zimbabwe Report at <u>http://unhabitat.org</u>.. See also A Study on the impact of "OPERATION

MURAMBATSVINA/RESTORE ORDER" in Zimbabwe, ActionAid International – Southern Africa Partnership Programme (SAPP-ZIMBABWE) in collaboration with Combined Harare Residents Association (CHRA) and Zimbabwe Peace Project (ZPP), August 2005; see also Zimbabwe Report at http://unhabitat.org.

4.4.3 **Future activities: Bulawayo's procurement dividend and the decent work audit** As a local authority, Bulawayo has expertise and experience in using environmental and financial audit schemes (Bulawayo, 2000). It also has demonstrated commitment to partnership with the private sector, government, workers and its residents. Donors have also worked with Bulawayo City in the past and even in the current climate of economic decline some international organisations have invested their resources to help with the city's urban poverty programme. Crucially, Bulawayo City is not only a large employer in the city; it is a consumer of resources and services, a purchaser and commissioner of huge building and construction related work. With its resources and all these attributes, Bulawayo City has the most potential impact to change people's welfare, to build stronger local economies and sustainable communities. Most crucially, it can and should use the above assets to respond to the challenge of decent work and in particular to help change attitudes and patterns of both worker and corporate behaviour among all those operating within its area of jurisdiction.

Recommendation 6: We recommend that using its procurement services and commissioning of construction works, Bulawayo City can put in place a decent work audit scheme that will act as a policy instrument to encourage and reward those organisations and institutions that strive to promote decent work. The indicators to go into the audit would be agreed in line with priorities of workers and the ZDWCP – progress on health and safety at the workplace, progress on reducing HIV and AIDS impacts at the workplace, gender and social dialogue - progress as assessed largely by the workers themselves.

There is synergy between what the local authority does, and the patterns of behaviour and welfare of people in the city. Within the climate of partnership that prevails between Bulawayo City and other actors, the decent work audit scheme would operate in tandem with the environmental management audits and EIAs. The key is that it is not Bulawayo City alone that will do the monitoring but all the stakeholders within the local partnership. The NECs, NSSA, employer and employee unions would be encouraged to incorporate these audits in their negotiating forums. As part of the tendering process, Bulawayo City would reward and award contracts to those making progress towards meeting decent work conditions for their workforce.

There are obstacles that would work against this recommendation in the current context. There is weak institutional capacity at the level of construction industry NEC and worker's organisation in Bulawayo. It is these and the constituents they represent that would benefit most from the scheme. Consequently, capacity building and investment in manpower in these institutions is needed as part of the broader programme of decent work and to ensure that the decent work audits make a difference in practice.

Employers are likely to view such a decent work audit another unnecessary burden considering the challenges of operating in a hyperinflationary environment such as that of Zimbabwe. It may be useful therefore to promote the scheme more forcefully only when the economy starts to recover. A further challenge is that of informal sector workers and employers who are outside the existing administrative regimes and would thus be difficult to bring under the influence of the audit scheme.

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Appendix I: Locational Maps



Map of Zimbabwe: Regional Location of Bulawayo City

Person	Institution	Dates
A. M. Takawira P.O. Box CY 1387 Harare	General Manager National Social Security Authority Selous Avenue/Sam Mujoma Street Harare	5 th April 2006
Benjamin Mtetwa P.O. Box CY 1387 Harare	Tel: 000263-4- 722047 Assistant General Manager, Chief, Research and Development Officer, Occupational health and Safety National Social Security Authority Selous Avenue/Sam Mujoma Street Harare Tel: 000263-4- 722047	3 rd – 5 th April 2006
Slyvester Chinyamutangira (and Joseph Masango, Statistician) P.O. Box CY 1387 Harare	Assistant General Manager, Benefits and Records National Social Security Authority Selous Avenue/Sam Mujoma Street Harare Tel: 000263-4- 722047	3 rd – 5 th April 2006
Mr Muru Demoisme Officer	National Social Security Authority	10 th April
Pensions Officer Mr Mkandhla	Bulawayo OfficeThe Director of State PensionsMukwati Building, HarareTel: 00263-4-252 372	5 th April
S. G.Mishi P.O. Box 1292 Harare	Director of Social Services Ministry of Public Service, Labour and Social Welfare Compensation House, Harare Tel: 00263-4-720-692	19 th April
Mr Nathan Banda	Health and Safety Officer Zimbabwe Congress of Trade Unions, HQ, Chester House, 3rd/Speke Avenue, Harare Tel: 00263-4- 794702	31 st March
Mr Mlamleli Sibanda Information Officer	Zimbabwe Congress of Trade Unions, HQ, Chester House, 3rd/Speke Avenue, Harare Tel: 00263-4- 794702	March and July 2006
Chiratidzo I. Mabuwa P.O. Box 210 Harare	National Professional and Programming Officer, Decent Work ILO, Sub Regional Office for Southern Africa, Harare Tel: 00263-4-369822	31 st March
Charles Gumbo P.O. Box 1291 Harare	General Secretary, Zimbabwe Construction and allied Trades Workers' Union St. Barbara House, Harare	20 th April

Appendix I1: List of Institutions and Key Informant Interviewees

Nick Mazarura	Deputy General Secretary	
P.O. Box 1291	Zimbabwe Construction and Allied	20 th April
Harare	Trades Workers's Union	Ĩ
	St Barbara House, Harare	
F. Mugabe	Administrative Secretary	
P.O. Box 1291	Zimbabwe Construction and Allied	20 th April
Harare	Trades Workers' Union, St. Barbara	_
	House, Harare	
Mr Munyika	Zimbabwe Construction and Allied	10 th April
	Trades Workers' Union, Bulawayo	
F. Z. Jele	Secretary	
P.O. Box 130	National Employment Council for	10 th April
Bulawayo	Engineering and Iron and steel Industry,	
	Matabeleland and Midlands regions,	
	Bulawayo	
J. Madzinga	Designated Agent	
P.O. Box 906	National Employment Council for the	10 th April
Bulawayo	Construction Industry of Zimbabwe	
	Bulawayo Office	
	Mimosa House, Bulawayo.	
Z. D. Shambare	Vice Chairman of Zimbabwe Congress	
P.O. Box RY 106	and Trade Unions, Western Region	4
Bulawayo	and	10 th April
	Secretary General	
	Zimbabwe Railways Artisans' Union	
	Bulawayo.	
	00263 -9-64952	
	Reliance Construction Pvt. Ltd.	
	Beverley Building	
	Bulawayo	
Obert J. Sibanda		, oth
Contractor	Former President	10 th April
P.O. Box 1292	Zimbabwe Building Contractors	
Bulawayo	Association (ZBCA)	
	also	
	Vice President	
	Zimbabwe National Chamber of	
	Commerce	
	Tel: 00263 – 9 889 655	
Mr M. D. Sandi	Managing Director	
Contractor	G.G. Hardware and Construction Pvt. Ltd	11 th A 12000
P.O. Box 36	Bulawayo	11 th April 2006
Luveve		
Bulawayo	Managing Dimestor	
Mr Edmund G. Zerf	Managing Director	
Contractor	Belmont Construction Pvt. Ltd	11 th Amil 2006
P.O. Box 8146	19 Falcon Street	11 th April 2006
Belmont	Belmont, Bulawayo	
Bulawayo	Director	
Mr George Tzircalle	Director	

Contractor	Tzircalle Brothers Pvt. Ltd	11 th April 2006
P.O. Box 3215	Has been on Four Occasions Chairman of	1
Bulawayo	Construction Industry Federation of	
•	Zimbabwe	
Mr Isaiah Magagula	Director of Housing and Community	
P.O. Box 2034	Services	12 th April 2006
Bulawayo	City of Bulawayo	
	Tel: 00263 9 75011	
	Fax: 00263 9 - 69701	
Mr J. J. Ndebele	Director of Planning	
P.O. Box 2034	City of Bulawayo	12 th April 2006
Bulawayo	Tel: 00263 9 75011	
	Fax: 00263 9 - 69701	
	The Town Clerk	
	City of Bulawayo	12 th April 2006
Mr Moffat Ndlovu	P.O. Box 591	
	Bulawayo Tel: 00263 9 75011	
	Fax: 00263 9 - 69701	
J. Ndabeni-Ncube	The Mayor	
P.O. Box 591	City of Bulawayo	12 th April 2006
Bulawayo.	Tel: 00263 9 75011	
	Fax: 00263 9 - 69701	
	Chairman	13 th April 2006
Mr Mathikithi Moyo	Zimbabwe Urban Councils Workers	
	Union, Bulawayo Branch	
Mr Lupahla	Builder, Pumula South	12 th April 2006
Dr Rene Loewenson	Training and Research Support Centre	
E-mail exchanges – March	P.O. Box CY 2720	
2006 and Research Support	Harare	28 March 2006
Centre.	Phone: 263-4-708835; 705108; 725194	
admin@tarsc.org		
Mr Nyasha Muchichwa	Labour and Economic Development	
LEDRIZ (research arm of	Research Institute of Zimbabwe	19 th April 2006
ZCTU. Still in the process	(LEDRIZ)	
of setting up) Construction House, Harare	(New offices, had no telephone at the time	
Construction House, Harare	of survey)	
	Institute of Development Studies	
Ona Kwanala Jirira	Institute of Development Studies	10 th April to July
Ona Kwanele Jirira	University of Zimbabwe	19 th April to July
Ona Kwanele Jirira and Prof. L. Sachikonye	University of Zimbabwe P.O. Box MP167	19 th April to July 2006
	University of Zimbabwe P.O. Box MP167 Mt. Pleasant	
	University of Zimbabwe P.O. Box MP167 Mt. Pleasant Tel: 00263 – 4- 303211	
and Prof. L. Sachikonye	University of Zimbabwe P.O. Box MP167 Mt. Pleasant Tel: 00263 – 4- 303211 Head of Department	2006
and Prof. L. Sachikonye Mrs Audrey N.	University of Zimbabwe P.O. Box MP167 Mt. Pleasant Tel: 00263 – 4- 303211 Head of Department Department of Rural and Urban Planning	
and Prof. L. Sachikonye	University of Zimbabwe P.O. Box MP167 Mt. Pleasant Tel: 00263 – 4- 303211 Head of Department Department of Rural and Urban Planning University of Zimbabwe	2006
and Prof. L. Sachikonye Mrs Audrey N.	University of Zimbabwe P.O. Box MP167 Mt. Pleasant Tel: 00263 – 4- 303211 Head of Department Department of Rural and Urban Planning	2006

P.O. Box CY 342 Causeway Zimbabwe	Tel: 00263-4- 706681	2006
Hativagone Mucheche mucheche@justice.com	Lawyer	$\frac{15^{\text{th}} - 22^{\text{nd}}}{\text{May}}$
John Robertson economic@ecoweb.co.zw	Economist	18 th March – 26 th March
Bandula Kothalawala <u>bKothalawala@TUC.org.uk</u> Jemma Freedman projects Officer <u>GFreedman@TUC.org.uk</u>	Trade Union Congress London Te: +44 (0) 207 1233.	February and July 2006.
Field Visits And interviews with operatives	 Pumula South Extension Kelvin North Industrial Incubator shells City Centre Markets Cowdray Park Nkulumane South 	9 th – 15 th April

	Developer	Status	Stands Allocated and	Year	Purchase/	Development Status	Development Status
	Developer	Status	Area of the city	Allocate d	Transactions	1999	2006
1	ZIGEU	Ind.	500 Cowdray Park 3	1995	¹ / ₄ payment made in 1993	No development yet. To commence development (1999) - signed agreement	Stands paid for in full. House construction about 90% complete. Roads, sewer, water about 60% complete
2	Ministry of Local Government and National Housing	GoZ	500 Cowdray Park 3	1996	No payment to date (1999)	MLGNH requested for a quotation of stand prices and servicing costs (Dec. 1998) No feed back to date	Stands fully paid up and building plans approved. 419 stands serviced and houses built. Working with Council to complete balance.
3	Project Management and Turnkey Project (PMTP)		5000 Cowdray Park 1 and portion of Cowdray Park Phase 2. 2000 Cowdray Park 3. Total 7079 stands	1996	Partial payment for Phase 2. No payment made for Phase 3.	Completed Phase 1. Currently working on portion of Phase2. No Progress on Phase 3.	Phase one fully paid up and building plans approved. 6079 stands fully developed and occupied. Balance of stands swapped with stands in Pumula South currently under development.
4	Zimbabwe Building Society (ZBS)	Ind.	2000 Stands - Cowdray Park 2.	1996	No payment made so far	Negotiating with contractors and finalising funding	Withdrew due to capacity problems and Council is reallocating the stands
5	Alpha Construction	Ind.	500 Phase 2 Cowdray Park.	1996		Presently constructing roads. However, development has started.	242 stands fully paid for, developed and occupied. 90 stands at various stages of development. 16 fully developed but not occupied. 152 stands not serviced nor developed. Taken to court for double allocation of stands and building across stand boundaries.
6	ZIMAL		10 000 Phase 3 to 4 Cowdray Park	1996	Paid ¹ / ₄ (deposit) of the purchase price and signed agreement.	Have submitted development programme and commenced development.	390 stands fully serviced but not developed. 223 stands fully developed allocated and occupied; 207 stands being developed; balance of stands now being developed by Council and Government under the 'Hlalani Kuhle' Housing development scheme.

Appendix IIIa: Inventory of Public Land Under Private Hands (Developers) in Bulawayo City in the 1990s - to 2006.

	Developer	Status	Stands Allocated and	Year	Purchase/	Development Status	Development Status			
			Area of the city	Allocated	Transactions	1999	2006			
7	ZIRUS	Ind.	2494 Pumula South	1997/8	No payment made so far	Developer still sourcing for funds and resources to develop.	Council has reposed all stands for lack of development. To be re-allocated			
8	Glenkara Belmont		1000 stands and 699 stands Pelandaba South	1997	No Payment Made	No progress. Land partially serviced with outfall sewer. Slow progress on land purchase negotiation for part of the land to be occupied by the scheme	Only 25% of purchase price paid. No agreement with council and no building plans have been approved			
9	NSSA	GoZ	Selborne Park Town Houses Sites A1	1998	No payment made	Unserviced land – no development to date	Council offer has been withdrawn due to lack of progress			
10	Hound Investments		Selborne Park Town Houses Sites A2	1993	No payment made	Unserviced no development to date	Council offer has been withdrawn due to lack of progress.			
11	Black Consult	Ind	Selborne Park Town Houses Site B	1997	No payment made	No development. No response to reminders	Council offer has been withdrawn due to lack of progress			
12	A.G. Georgiades		Selborne Park Town Houses Site C	1997	No payment made	No development. Asked for indefinite extension for payment and turned down.	Council offer has been withdrawn due to lack of progress			
13	Siyakha (Pvt) Ltd.	Ind	Selborne Park Town Houses Site C	1997	No payment made	No development. Have asked for six months extension to start project.	Council offer has been withdrawn due to lack of progress			
14	Siyakha (Pvt) Ltd.	Ind	Selborne Park Town Houses Site D	1997	No payment made	No development. Developer has requested six months extension to start project	Council offer has been withdrawn due to lack of progress			
15	Siyakha (Pvt) Ltd.	Ind	Selborne Park Town Houses Site E	1997	No payment made	No development. Developer has requested six months extension to start work	Council offer has been withdrawn due to lack of progress			
16	Project Management and Turnkey Projects		Selborne Park Town Houses Site F	1997	No payment made	No development. Working on building plans.	Council offer has been withdrawn due to lack of progress			
Land	Source: Data for up to 1999 was from the Bulawayo City (1999) Outstanding Development of Virgin Land Offered to Private Contractors for residential Development. Town Lands and Planning report dated 15 February 1999 to council on 3^{rd} March 1999. Data for 2000 – 2006 was obtained from key informant interviews and field observations in April 2006. Key: Ind = Indigenous contractor or developer; Non Ind = Non indigenous developer.									

		1 2		3	4	5	6	7	8		9	10	11	12	13
									Guara	nteed Projec	ct				
			Laı	nd Incentive	es			·····		roval Time			-,		-,
		Allocation	Price	Lease Option	Water	Free Land	Property Tax Holiday	Prof. Services	Application	Plan	Plan Fees	Incubation	Acco- mmodation	Electricity	Telecor
9	Employs ≤ 100 people	Anocation	Thee	Option	water	Lanu	Tax Honday	Scivices		1 1411	Tees		minodation		
1)	101-300 people												•		•
,	Tot 500 people		80%												
;	301-500 people						•••••••••••••••••••••••••••••••••••••••					<u>.</u>			•
	Sol Soo people		75%								-				
1	501-700 people					•	•					<u>.</u>		·	
-			70%												
e	701-900 people														
:	1 1		60%												
f	\geq 901 people														
		G	50%												
	e of Investment (Z\$														
mil	ion)														
	<u>≤</u> \$5						1Year		90 days	30 days	50%			Α	Α
h	5-10 million														
							2 Years		90 days	30 days	60%			A	Α
i	11 -30 million														
							2 Years		60 days	30 days	70%			A	Α
i	31-50 million														
							3 Years		60 days	30 days				A	Α
C.	51-70 million												А		
	71.100						3 Years		60 days	30 days				A	Α
l	71-100 million						4 37		60 1	20.1					
	> 100						4 Years		60 days	30 days			A	<u>A</u>	Α
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р	Export Oriented			А											
9	Pioneers			A											
		= Available								L	.!				

Appendix IIIb:	City Of Bulawayo:	Incentive Table (1990s)	

Appendix IV

Occupational Injuries in Building and Construction

Table 11: Reported occupational injuries in the building and construction sector					
×	1996	2000	2005		
Occupational Injuries in all sectors at the national level	20330	14507	8290		
Occupational Injuries in all sectors at city level,					
Bulawayo	447	3949	2391		
Occupational Injuries in the construction sector at					
national level	1578	926	366		
Occupational injuries in the construction sector at the					
city level, Bulawayo	414	353	135		
Source: National Social Security Authority (NSSA), April 2006.					

The figures in Table 8 can be used together with the number of insured labour force to compute the incidence rate i.e. the number of occupational injuries per thousand workers. Insured labour force is the number of workers registered with NSSA for purposes of social security. This is compulsory for all workers except peasant agricultural workers, domestic servants and those in the informal sector. So theoretically, all workers in the formal sector are insured workers. The NSSA figures do not include civil servants.

Table 12: Insured Labour Force and the Construction Sector					
×	1996	2000	2005		
Insured workers in all sectors at the national level	1143324	1517657	1744267		
Insured workers in all sectors at city level,	199335	249287	285545		
Bulawayo					
Insured workers in the construction sector at	82662	106954	114900		
national level					
Insured workers in the construction sector at the	11194	15845	17526		
city level, Bulawayo					
Source: National Social Security Authority (NSSA) Data April, 2006. (See also					
Annual Report, 2001: 109).					

Table 13: Incidence Rate: occupational injuries in the building and construction					
sector					
×	1996	2000	2005		
Incidence rate in all sectors at the national level	17.8	9.2	4.8		
Incidence rate in all sectors at city level,	2.2	15.8	8.4		
Bulawayo					
Incidence rate in the construction sector at	19.1	8.7	3.2		
national level					
Incidence rate in the construction sector at the city	37.0	22.3	7.7		
level, Bulawayo					
Source: Computed from National Social Security Authority (NSSA) data and					
Labour Survey Statistics, 2006.					

<u>Appendix V</u>: National Social Security Authority (NSSA) Benefits: The Accident Prevention And Worker' Compensation Scheme [STATUTORY INSTRUMENT 68 OF 1990]

The accident Prevention and Workers' Compensation scheme formerly know as the Department of Occupational health, Safety and Workers' Compensation is a worker insurance scheme under the National social security Authority. The scheme's main objectives are:

- a) Providing financial relief to workers and their families, when a worker is injured or killed in a work related accident or disease.
- b) Creating an awareness and promoting health and safety at all places of work
- c) Encouraging adoption of the health and safety legislation through factory and machinery inspection
- d) Providing rehabilitation services to disabled workers so as to reduce their disablement and return them to their former employment or otherwise prepare them for a useful and meaningful place in society.

Who contributes to the scheme? All employers except government and those employing domestic workers are required by law to contribute to the scheme. Employees do not contribute to the scheme. The employer is required to register at the nearest NSSA office and the minimum insurance premium is calculated using a risk factor depending on the type of industry the enterprise is deemed to fall in.

The scheme offers a number of varied long and short term benefits to employers and employees.

Once an accident has taken place, the employer must initially provide first aid to the worker when he/she is injured and then immediately transfer the worker to the nearest medical centre be it clinic or hospital the employer is then required to report the accident to the nearest NSSA Office after filling in the relevant details on the form WCIF 14 which he/she (employer) should always have at the work place. In cases of serious or fatal accidents, the employer should contact the nearest NSSA office and the Police within 24hours. All accidents must be reported within 14 days irrespective of whether the worker had completed treatment or not.

Scheme Short Term Benefits include the following:

- A. **Periodic payments to the employee** in respect of loss of earnings. This is a provision of compensatory income where this has bee lost or stopped by work related accidents. Guarantee of continual payment of normal monthly wages for the first 30 days following accident. The Authority will only pay a maximum claim of Z\$7,000.0 which is the current ceiling of maximum insurable earnings and a percentage thereof after the initial 30 days. The amount is refunded to the employer or employee.
- B. **Medical Costs** The payment of all medical fees including transport, drugs, hospital and provision of artificial appliances is catered for by NSSA.
- **C. Funeral Grant.** In the event that an insured worker loses his/her life as a result of work related accidents, this benefit currently pays out a maximum of Z\$3 000.00 towards funeral expenses.
- **D.** Lump Sum. Where a worker's injury results in permanent disablement, compensation will be paid to the worker as a lump sum if the disability is less than 30% or the worker's pension is less than Z\$245 per month. A children's allowance is included and

paid according the number of children; $12 \frac{1}{2} \%$ of the worker's pension for the first child and up to $32 \frac{1}{2} \%$ of the pension for five children. For the 6th or more children, payment will be at a rate of 1% of the worker's pension or that determined by the General Manager.

Scheme Long Term Benefits include the following:

- A. Worker's Pension. In instances where the worker's injury results in permanent disablement, compensation will be paid to the worker as a pension. If the disability is more than 30% the worker's pension is more than Z per month. For injured workers resident outside Zimbabwe, it is possible for them to receive payments of their pension in whatever country they will have relocated to. Children's allowance is paid from 12 ½% of worker's pension for the first child up to 32 ½% for five children. For the 6th or more children, payment will be at a rate of 1% of the worker's pension or that determined by the General Manager.
 - B. Widow/Widower Pension. If a maimed worker dies as a result of a work accident, the surviving spouse receives 2/3 of the deceased's pension. In the case of two wives, the proceeds will be shared equally between the two. The children will also receive their allowances according to a formula similar to A and B above.

If the surviving spouse remarries, they get a lump sum equivalent to 24 months pension.

Other Benefits of the Scheme

Rehabilitation Benefit. NSSA offers full rehabilitation facilities for injured workers at the fully equipped Worker's Compensation Rehabilitation Centre in Bulawayo. The injured workers go through comprehensive treatment and various forms of training to enable their speedy recovery and economic reintegration into society. There is a possibility of an advance against a pension up to a maximum of Z\$10 000.00, but that is only paid if the disabled worker has gone through rehabilitation and needs to purchase equipment for self employment.

Vocational training is a key and integral part of the rehabilitation process. The rehabilitees are offered vocational training in the following areas: carpentry, leatherwork, horticulture, poultry, steelwork and tailoring, to allow them to rejoin society as employable or self supporting members.

Constant Attendance Allowances

These are paid to nurse aides for the services of caring for paraplegic, quadriplegics and blind workers for the life of the pensioner.

Advantages of the Scheme to the Employer

- No added costs in the event of an insured worker getting injured, disabled or deceased. The Authority provides the income and allowances.
- Facilitation of prompt return to work of disabled workers through effective rehabilitation or where possible sustenance of employee.
- Reimbursement of any expenses incurred where employer provides facilities to assist a disabled worker's return to work.

- Advisory service on safe and healthy working conditions for employees and provides safety films and posters for free or at a nominal fee through safety promotion.
- A conducive working environment for the employees.
- All costs e.g. lost time accidents medical aid, medical appliances are catered for by the Authority.
- Authority provides adequate services for the treatment of injuries and diseases arising from and in the course of one's employment.
- Authority conducts independent investigations of accidents at the workplace and gives free advice or corrective measures and adoption of measures to improve the health and safety of employees.
- Authority disseminates information on health and safety issues on a quarterly basis in the On Guard Magazine including national occupational accident statistics.

<u>Appendix VI</u>: National Social Security Authority (NSSA) Benefits: Pension And Other Benefits Scheme [Statutory Instrument 68 Of 1990]

The Pensions and Other Benefits Scheme is based on a 50/50 contribution from the employers and employees resulting in the workers being entitled to a number of benefits after contribution for a minimum set period and having met the qualifying conditions of each of the benefits. It provides an important cushion for Zimbabwean citizens during invalidity, retirement or death of a breadwinner who was a member of the scheme. It is the noble duty of the employees and employers to ensure that contributions are paid to NSSA.

Who is the scheme for?

The scheme is for every working Zimbabwean above the age of 16 years and under the age of 65 who is in permanent employment, seasonal, contract or and temporary employment. This does not include civil servants , domestic workers and the informal sector who are expected to join at a latter stage. And because it is a national scheme, it is a compulsory requirement by law for all Zimbabwean workers who meet this criteria to become members and contribute towards it. Upon joining, every registered employer is issued with as social security registration number and every registered employee is issued with a social security number for life.

The Funding Arrangements

The Pensions and Other Benefits Scheme is financed from equal monthly contributions from the employee and the employer. It is and employer's obligation to ensure that these monies are deducted and paid to NSSA. Contributions should be made for each employee up to the current maximum insurable earnings of \$4000.00 (four thousand). The contribution rate for the Scheme is currently as follows:

- 3% by employee
- 3% by employer

The total 6% is to be paid to the nearest regional office on or before the 10th of each month.

Benefits Offered by the Scheme

There are four main types of benefits offered by these scheme, viz:

- Retirement benefit
- Invalidity Benefit
- Survivor's Benefit
- Funeral Grant

All these benefits are paid either as a one off grant or a pension paid on a monthly basis in arrears.