

**DEVELOPING PATHWAYS OUT OF POVERTY:
THE ROLE OF LABOUR INTENSIVE ROAD CONSTRUCTION AND
MAINTENANCE METHODS IN THE POLITICAL ECONOMY OF A DEMOCRATIC
SOUTH AFRICA**

by

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ABSTRACT

South Africa is a country displaying sharp contrasts between wealth and poverty, privilege and under privilege. Despite the fact that, during apartheid, Government used a dedicated fuel levy to finance massive road infrastructure projects as part of a solution to white poverty and despite the fact that the ILO has successfully pioneered labour intensive methods in several developing countries, the potential for roads to place rural economies on a labour absorptive growth path has little intellectual currency in South Africa.

In South Africa, the use of labour intensive road construction and maintenance methods has been championed by the KwaZulu-Natal Department of Transport. Initiatives pioneered elsewhere in Africa, particularly Kenya (RARP and MRP) and Malawi (GRIMP), have been adapted to suit South Africa's needs. A priority need is to address issues of equity in the provision of road and transport infrastructure, in the construction and transport industry and in professional ranks. Programmes, which are essentially experimental, have been obliged to go to scale within very short timeframes and without having the institutional frameworks in place. The success of the programmes has been secured by moving community consultation and participation upstream in the development planning process.

Introduction

Prior to 1994, South Africa had been governed for several centuries by a White minority. Minority government in South Africa took its most racist form in 1948 when the Afrikaner dominated National Party was elected to government by the White minority. This formalised apartheid and introduced policies and programmes known as *separate development*. The net effect of separate development policies was that Black people were confined to live in homelands and townships that lacked the basic and rudimentary requirements for rural and urban development.

Separate development, as a government investment strategy, resulted in South Africa becoming a country dominated by sharp contrasts between the “haves” and the “have nots”. This is readily evident by our GINI co-efficient which measures relative inequalities within countries. South Africa's rating of 0,61 makes it the second worst performer in the world. In South Africa the poorest 40% of households (53% of the population) consume less than 10% of total consumption

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while the richest 5,8% of households consume more than 40%. Massive inequalities in wealth and opportunity are expressed spatially to the extent that one third of the rural magisterial districts of KwaZulu-Natal today experience a Human Development Index (HDI) the equivalent to or lower than the average HDI for Rwanda.

There is perhaps no sector in South Africa's social economy where the effects of racial discrimination are more prevalent than in the road construction and civil engineering industry. The reasons for this are threefold. In the first instance, White poverty was an increasing feature of South African society from the 1920s through to the 1960s. Massive State expenditure, particularly into road and rail infrastructure, was used to absorb "semi-fit", uncompetitive White labour on a large scale. So much so that today "South Africa has far and away the most highly developed road and rail network in Southern Africa, and for that matter in Africa." (S.S. Brand, 1991). State investments into road infrastructure were financed from 1935 to 1988 through a dedicated fuel levy which, at its peak, amounted to almost 2% of South Africa's gross domestic product. Job reservation in South Africa resulted in bloated and unproductive government bureaucracies which were not representative of the demographic profile of the country. Government bureaucracies, in 1994, were ill prepared to meet the challenges of democracy and the need to serve all the people of South Africa as citizens.

Secondly, such massive State expenditure on road infrastructure resulted in the building of considerable capacity, within South Africa, of the supply side of the construction industry, namely civil engineering consultancy professions and the associated construction and material supply industries. White domination of the supply sides of the road building and maintenance industry were secured through the introduction of a school curriculum, known as Bantu Education, into segregated Black schools that totally disregarded mathematics and science subjects. These were considered as essential to enter any engineering profession. The effects of Bantu Education on the racial composition of the engineering profession are still a strong feature of South African society today. This is well illustrated by the fact that, of the 100 university graduates in engineering in South Africa in 2000, 92% were White and only 3% were Black.

Thirdly, in 1948 the newly elected National Party government created a National Transport Commission and a National Road Scheme. This effectively shifted Government's focus from the provision of national priority roads to now include special roads motivated for by influential lobby groups, for example provincial governments, agricultural and mining sectors. This resulted in a well developed road network to serve urban communities, commercial agriculture and mining. On the other hand the absence of influential Black lobby groups resulted in an undeveloped road network, other than that motivated by industries to meet their Black commuter labour needs, to serve rural homelands and townships. Part of the apartheid legacy is the presence of powerful lobby groups who have a genuine capacity to represent the needs of their interest groups with a view to influencing Government policies and budgets. Conversely, Black communities are not at all well organised to either research or represent their needs in an authoritative way.

It is perhaps ironic that the first Carnegie Enquiry into Poverty in South Africa concerned itself with the problem of White poverty. The second Carnegie Enquiry into Poverty and Development in Southern Africa (1984) focussed on Black poverty but totally ignored the

success of the first Carnegie Enquiry in that, of the 250 papers presented, not a single paper dealt with the potential for investments into road infrastructure to create jobs and to alleviate poverty. Further, by far the brightest example of the Black entrepreneurial spirit in South Africa, under apartheid, was the growth of the minibus taxi industry which evolved spontaneously to meet the public transport needs of Black communities throughout South Africa. As an illegal industry it grew up in an unregulated environment, without any form of subsidisation. Despite this today the minibus taxi industry in South Africa has a turnover of R12 billion in fares per annum and spends approximately R10 billion on fuel, vehicle spares, insurance and other overheads. It comprises of some 20 000 owners, 120 000 vehicles and 200 000 employees. Clearly, the fact that roads and transport did not feature on the agenda of the second Carnegie Enquiry into Poverty is an indication that the transport sector in South Africa did not feature highly on the intellectual agenda of struggle research and academia.

South Africa's first democratic elections of 1994 secured a popular mandate to provide greater equity in the provision of services and heal the divisions created by the apartheid vision of separate development. While South Africa's second democratic elections secured an increased majority for the ANC government, they were also marked by a reduced voter turnout. Many have interpreted this as a clear message, from the populace, that Government's focus on reconciliation and nation building should not distract Government from delivering on issues of equity and basic needs.

South Africa is rated as a medium rich country despite the fact that the majority of our citizens are poor. While there can be little doubt that the greatest challenge we face, as a nation, is the eradication of poverty, uprooting poverty is expected to occur within the context of redistribution and economic growth.

2. THE ROLE OF ROADS IN POVERTY REDUCTION AND EMPOWERMENT PROGRAMMES IN RURAL KWAZULU-NATAL, SOUTH AFRICA

In KwaZulu-Natal the physical contrast between a developed and well maintained road network and an undeveloped hardly maintained road network mirrors the social contrast between rich and poor and between the former White Natal Provincial Administration and the former Black KwaZulu homeland. The severity of this contrast is captured by the fact that the newly appointed transport portfolio minister, in the democratically elected KwaZulu-Natal government of 1994, inherited a budget allocation of a mere R3 million to invest in roads for rural development. This was an allocation of less than 1% of the total transport budget to serve the majority of citizens of KwaZulu-Natal. At the same time the transport portfolio minister inherited a bureaucracy from the past apartheid government which was heavily biased towards servicing the affluent, predominantly White, community. Within the newly constituted KwaZulu-Natal Department of Transport this bureaucratic bias resulted in a tendency to use budgets to service the interurban and White commercial farming road network through the contracting of well established construction companies which were owned and managed by White people.

The struggle to reallocate transport budgets more appropriately and more fairly was a protracted one as the new political order met with strong resistance from its bureaucracy. So much so that the budget allocated to construct rural access roads totalled less than 5% of the overall transport budget in the first three years of democratic government. It is a truism in development literature that bureaucracies, the world over, tend to resist change. In South Africa bureaucratic resistance to change was undoubtedly influenced by a “negotiated revolution” which guaranteed old order bureaucracies (known in South African constitutional circles as “the sunset clause”).

To some extent bureaucratic resistance to new political dispensations was countered by the establishment of a participatory research programme, now known as CARNS, which effectively moved social analysis and community consultation upstream in project recognition and design as part of a roads needs assessment study. Through CARNS the KwaZulu-Natal Minister of Transport and a small sub-directorate, then known as Community Access Roads, embarked on an ambitious programme to assist rural communities to develop the organisational capacity to lobby Government more effectively. Rural Road Transport Forums (RRTFs), which are founded in civil society, were established in every district of KwaZulu-Natal. Training programmes were specifically designed to assist RRTF members to understand the vision of the Minister and democratic government for a new dispensation that would effectively end the physical, social and economic isolation of rural populations and proactively engage the Department in ensuring that a mutual vision becomes a social and economic reality. In short, Rural Road Transport Forum members were trained to become development activists and to support a transformation agenda, which was often unpleasantly conflictual, in an orderly manner.

The success of this strategy is well evidenced by the fact that the sub-directorate, Community Access Roads, has today become the Development Directorate that not only directly administers some 25% of the Department’s roads budget but also fills the role of client in the recently restructured KwaZulu-Natal Department of Transport. The restructuring of the Department is based on a client / customer / contractor relationship which effectively brings customer needs and customer satisfaction into sharper focus in the way the KwaZulu-Natal Department of Transport allocates its budgets and serves the public.

It is important to emphasise that the KwaZulu-Natal Department of Transport’s programmes to promote equity in the road network and public transport sectors are considered to be cutting edge programmes that have been successfully implemented, despite the fact that they have never been institutionalised with appropriate staffing levels. Programmes have been introduced successfully, even in remote communities, despite the fact that we have had no regional staff allocation to implement these programmes. They have worked because they have been championed by the communities who benefit from them and who know and appreciate their rights. Our vision is their vision. It has only been through the strong community support from previously disfranchised and splintered communities that we have been able to develop and deliver priority programmes despite the obvious bureaucratic constraints that stem from our constitutional “sunset clause”. It is only now that the KwaZulu-Natal Department of Transport is in the position to develop the institutional capacity to implement the programmes that are the subject of this paper.

The CARNS study also conducted a technical and cost review of road maintenance and construction systems used for local roads elsewhere in Africa. These included an understanding of the Lengthman system, labour based contracts, entry level plant and emerging contractor programmes. Initiatives pioneered elsewhere in Africa, particularly Kenya (RARP and MRP) and Malawi (GRIMP), to promote labour intensive road construction and maintenance methods have since been adapted to suit both rural KwaZulu-Natal's need for road access and to simultaneously uproot poverty and begin the process to normalise the construction industry. I will now report on our progress in introducing an emerging contractor support programme and on our introduction of the Zibambele road maintenance programme which has been specifically adapted from the Lengthman system.

2.1 Emerging Contractor Programme

The KwaZulu-Natal Department of Transport has established a regulatory framework to promote and support emerging contractors. The regulatory framework allows for targeted procurement procedures, which are in line with affirmative action policy to address the legacy of apartheid and gender discrimination.

Our emerging contractor programme is based on a Staged Advancement programme in which each advancement entails higher levels of risk to the contractor in business and plant management and the corresponding removal of support mechanisms by the Department. In Stage 1 contracts, contractors are required to only provide small hand tools and labour. The Department supplies the Stage 1 contractor with plant and materials. As contractors advance through stages so too does their responsibility to manage and supply all plant and materials. Contracts within the emerging contractor development programme are awarded against set, negotiated or competitive rates. Other support services to emerging contractors include a relaxation of sureties and performance bonds, assistance in the supply of plant and materials, on the job training in both technical and business management skills and organisational development inputs to form associations, joint ventures and other forms of co-operative business enterprise.

The growth of the emerging contractor programme has been nothing less than phenomenal. In the past few years it has grown from a zero base to 911 contracts with a contract value of more than R160 million in the 2000/2001 financial year. We have committed a dedicated budget of more than R1 billion in outsourced work, over the next three years, for the emerging contractor sector.

Despite this phenomenal growth the programme is still in an experimental stage of its development. This year the Department has committed funds to tackle persistent barriers that still compromise the performance of emerging contractors and restrict the normalisation of the road construction and maintenance industry. Emerging contractors continue to experience difficulties in accessing appropriate training, credit and affordable plant. Without access to these necessary conditions they will never emerge and compete effectively in an open market economy.

Emerging contractors are now being assisted to form associations within the same geographic boundaries as our 30 Rural Road Transport Forums. Not only will this increase their capacity to

more effectively lobby Government and other stakeholders, it will also streamline training inputs for emerging contractors. The Department has set aside a small budget to facilitate appropriate training programmes through newly formed associations but is committed to the view that up to 10% of the value of all contracts should be budgeted for training.

We are also in the advanced stage of piloting plant support schemes in a public / private sector partnership programme with a major plant manufacturer and financial institution. Plant support schemes will access emerging contractors to reliable plant at affordable rates on all KwaZulu-Natal Department of Transport contracts. In terms of the agreement the Department will absorb the risk of repayments on plant by way of guarantees to the financial institution involved. The manufacturer will guarantee maintenance of plant and will, together with the Department, manage plant depots to ensure appropriate support systems, including trained operators, to emerging contractors. The intention is to transfer ownership of plant depots to emerging contractor associations in the form of co-operative enterprises. This will considerably enhance the credit worthiness of the associations and assist them to secure appropriate discounts for members on plant and materials. The Department is further committed to play a facilitating role, which will allow well performing emerging contractors to access finance and plant on the basis of being awarded multi-year contracts. This initiative is designed to build the credit worthiness of individual emerging contractor enterprises.

Whereas emerging contractors have by and large been confined to working on lower order roads, the KwaZulu-Natal Department of Transport now intends financing several major road upgrading projects which will be designed in such a way that all road builders become involved in ensuring the success of the projects, working together co-operatively as a team to build a new face on the construction industry and KwaZulu-Natal. Contracts will be unbundled in such a way that the well established contractor enterprises, will team with emerging contractor enterprises to build the roads on independent contracts but as interdependent contractors. Further, that work which does not fall under the critical path of road construction, will also be independently contracted to Level 1 and Level 2 contractors under our Staged Advancement Emerging Contractor programme. Road project budgets will include a road beautification programme, which will accommodate rest stops with clean toilet facilities and landscaped indigenous gardens. These rest stops will be maintained and kept clean by Zibambele contractors. They will undoubtedly become a focal point to market handcrafts, garden produce and refreshments.

All large road construction projects, in the KwaZulu-Natal road network, are now being designed and implemented to ensure the effective participation of all stakeholders in what is a conscious effort to normalise the road construction industry on a project by project basis.

2.2 Zibambele

Zibambele, which means “doing it for ourselves”, is a form of routine road maintenance using labour intensive methods in which a family or household is contracted by the KwaZulu-Natal Department of Transport to maintain a specific length of road on a part time basis. Zibambele is the Zulu name given to our adaptation of the Lengthman Contract System, which was first developed in Kenya. In Kenya, as is the case elsewhere in Africa, the Lengthman Contract System has been introduced as a cost efficient means of maintaining the road network in deep

rural communities. Their employment of the Lengthman Contract System was a response to the difficulties Government experienced in maintaining remote rural roads with their own work teams. The KwaZulu-Natal Department of Transport has used the Lengthman Contract System to meet the social conditions of our rural population.

In rural KwaZulu-Natal there is a strong correlation between deep rooted poverty and women headed households. This is the result of centuries of under development, first through colonial rule and then through apartheid, which resulted in a massive drain of skilled labour from rural areas to industrial urban areas. For the most part the industrial labour market in South Africa favoured the employment of men and this has resulted in a situation where women far outnumber men in rural areas. In KwaZulu-Natal the number of women headed households has been dramatically increased through decades of civil conflicts which have seen thousands upon thousands of women widowed and children orphaned.

46% of all Black African children in South Africa live only with their mothers. Women headed households are counted among the poorest of the poor in South Africa as 37% of these households are found in the bottom income quintile (F.M. Orkin : 1997, 1998).

The Zibambele system specifically targets the long term unemployed in rural communities. In its initial phase the programme has focussed on those families that rural communities themselves identify as most destitute. It is a strongly gender affirmative programme in that, thus far, some 95% to 98% of all Zibambele contracts (6 000) have gone to women headed households. This, in itself, is a major breakthrough in rural development initiatives within KwaZulu-Natal. Although women are the majority gender in rural populations, rural society in KwaZulu-Natal is still strongly patriarchal. Indeed, if rural women have a voice it is often only through men and men usually are left in control of programmes designed to uplift women.

Zibambele has begun to remove barriers to women's social and economic empowerment in rural KwaZulu-Natal in that the programme transparently targets women headed households for contracts in a social environment where there are thousands upon thousands of jobless men, all of whom need meaningful work.

There is, then, much more to Zibambele than the labour intensive maintenance of roads. Zibambele can best be described as a social development programme through which our rural road network is maintained. It is an emancipation programme because women who share in the maintenance of a road are assisted to organise collectively around their poverty and solutions to their poverty. Routine road maintenance provides ongoing work opportunities that are sustainable. The fact that the work is ongoing provides a fertile environment in which to introduce training programmes that are designed to assist poor people in acquiring the life skills and organisational capacity that are essential if their children are to have a better future. The KwaZulu-Natal Department of Transport provides a packaged service to Zibambele households not only on labour intensive methods in road maintenance but also life skills training on how to organise collectively through credit unions and to assist them to invest savings in other productive activities.

Zimbabwe, then, is not only designed to stabilise poverty in the short term but to break poverty cycles in the medium to long term. Our intention is to assist Zimbabwe contractors to gear up their savings either through investments in Women Empowerment Investment portfolios or in small enterprise developments. We are concerned that the lack of diversity in rural economies contributes significantly to the marginality of rural households and their ability to recover from crises (drought, floods, cholera, HIV/AIDS). We realise, of course, that household survival strategies are restricted by the marginality of the rural economy even in good years. We anticipate that Zimbabwe small enterprise developments, together with the increase in plant through the emerging contractor programme, will contribute significantly to diversifying the rural economy and increasing the range of choices that people can make on how to deploy household labour.

Through Zimbabwe the KwaZulu-Natal Department of Transport has used its public assets, namely roads, to create meaningful and sustainable job opportunities for destitute families. Zimbabwe has put people to work who would normally be left out of any opportunity both because of their poverty and because of their gender. In the process the long-term prospects of the family are enhanced through improved access to credit, to nutrition, to schooling, to training and to support groups.

3. CONCLUSION

3.1 The Road to Wealth and Job Creation Initiative

It is only now, because of democracy, that we are beginning to understand the enormity of the apartheid legacy. The demand for even basic needs in South Africa is almost overwhelming and far outweighs the capacity of the State to provide.

It is not always easy to motivate appropriate budgets to meet the need for road infrastructure in a social and political environment where there is such an overwhelming need for social services such as health care, education and social welfare. Indeed, in South Africa, provincial governments are obliged to allocate 85% of their budgets towards education, health and welfare. This leaves only 15% of their budget for other portfolios. In KwaZulu-Natal these include the Premier's office, transport, agriculture, public works, traditional and local government affairs, housing, economic affairs and tourism, finance and safety and security.

It is universally recognised in South Africa that massive poverty can only be addressed with sustainable economic growth and job creation. However, since 1994 South Africa's economy has begun to recover but, despite growth, the formal sector continues to shed jobs at an alarming rate. Pressure on Government to intervene and support job creation programmes is increasing. The KwaZulu-Natal Department of Transport has positioned itself as a frontrunner in the role Government in job creation. We call this initiative The Road to Wealth and Job Creation.

The Road to Wealth and Job Creation Initiative documents how the upgrading and maintenance of much needed road infrastructure can be used to place the rural economy in South Africa on a labour absorptive economic growth path. The document recommends a wide range of work, business and professional opportunities that can be sustained through investments in road

infrastructure. Our emerging contractor and Zibambele programmes form part of The Road to Wealth and Job Creation Initiative.

The Road to Wealth and Job Creation Initiative was first tabled at the Job Summit in 1998. In its submission the KwaZulu-Natal Department of Transport linked the priority provision of roads to the undeveloped agricultural land and rural eco and cultural tourist potential of the province. This has had a significant impact in motivating other Government funds to grow and sustain the rural economy in South Africa. The Road to Wealth and Job Creation Initiative is regarded as a foundation document to the recently announced Integrated and Sustainable Rural Development Investment Strategy.

There can be little doubt that democratic government in South Africa is increasingly committed to the view that the provision of rural roads can play a critical role in addressing a wide range of legacies inherited from the past government. While the provision of road infrastructure is universally recognised as a necessary condition to achieve economic and social growth, it can be managed to secure a redistribution of wealth and opportunity.

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