

# 4

## Bulawayo

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### 4.1 Introduction

This chapter presents the case study of Bulawayo, Zimbabwe. It begins with an overview of the political context and an examination of economic development at both the national and local levels. Qualitative information, mainly derived from interviews with key actors from different institutions involved with the construction sector, has been analyzed. The fieldwork also examined efforts made by the local authority to promote employment in the construction sector and related services, and to assess how the city of Bulawayo has been able to apply the principles of decent work through examples of best practice.

## 4.2 National, regional and local context

### 4.2.1 The national context

Map of Zimbabwe: Regional Location of Bulawayo City



#### Change and continuity: beyond colonial heritage

Although at independence in 1980, Zimbabwe adopted a socialist policy outlook, it remained a fundamentally capitalist economy (GoZ, 1982). It has achieved world acclaim in smallholder food production (Eicher, 2003; Gabre-Madhin & Haggblade, 2004; Rukuni & Eicher, 1994), education and health (Raftopolous, 2004), infrastructure and decent work provision for the previously marginalized majority of black Zimbabweans (LEDRIZ, 2005). Zimbabwe was also applauded globally for its 'national reconciliation policy' adopted in 1980, its role in brokering peace in Mozambique, its SADC leadership and its leading role to end apartheid in Namibia and South Africa. Zimbabwe has been influential globally, for example in UN

peacekeeping missions in the 1980s and early 1990s in Somalia, Liberia and the Balkans. However, contradictions characterized the economy; a factor compounded by continued inequitable land distribution, obsolete industrial equipment and production methods that have not been able compete in emerging global markets (Bond & Manyanya, 2002).

In an attempt to reverse the economic decline that set in during the mid-1980s, a reform program, The Economic Structural Adjustment Program (ESAP), was adopted in 1991 (Bond & Manyanya, 2002) with a view to opening up the economy, reducing government expenditure and removing tariffs, etc. However, while the service and tourism sectors experienced positive growth, increased productivity did not materialize, notably in the manufacturing sector (Zaaijer, 1998). Instead a rapid increase 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 between 1997 and 1998 in an attempt to salvage the situation, collapsed. By the time of the February 2000 referendum for a new national constitution (which was rejected by 54.7% of the electorate), the political atmosphere was completely changed and had become poisoned. The Movement for Democratic Change (MDC), a trade union 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 in general were made by the MDC, international human rights groups, the EU, Australia and the USA. On this basis, since 2001 the EU, Australia and the USA have consolidated the isolation of Zimbabwe (Patel & Chan, 2006), imposing targeted sanctions, blocking loans to the country (e.g. from IMF, Inter-American Development Bank, African Development Bank, Inter-American Corporation and the World Bank) and freezing all bilateral aid, except in extreme humanitarian situations. It has become increasingly difficult for Zimbabwean firms to do business in the USA and EU, and vice versa.

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 which included people who were dead, incorrect details and individuals not associated with the Government; following protests, 53 were subsequently removed from the list of 127.

Of late, escalating inflation 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 GDP values in Zimbabwe dollars (EIU, June 2005: 27). Therefore, while GDP has risen sharply in nominal terms, the reality is the opposite in real terms (CB Richard Ellis, 2006; Intermarket Research, 2004). After political tension, commodity shortages, foreign currency and food, fuel and electricity shortages, an inflation rate of over 1000% by end of April 2006 and three million percent by mid-2008 this has been acknowledged as one of the biggest economic challenges the country now faces.

### **The Third Chimurenga and the 'Look East' foreign and economic policy**

Patel & Chan (2006: 176–177) argue that there is an organic link between Zimbabwe's armed struggle for independence (known as the Second Chimurenga) and the way Zimbabwe has fiercely guarded its sovereignty, even at great cost in recent times. Having survived military and economic destabilization by apartheid South Africa as well as sanctions threats from the UK and USA in the 1980s, Zimbabwe now finds itself facing real economic threats as a result of the latter. 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 which has brought about economic destabilization in the short term.

The fast-track land reform program basically converted what were formerly white-owned commercial farms which earned foreign currency into 'nationalized', production enterprises as part of the peasant system<sup>1</sup>. Agriculture, the backbone of the economy, was decimated. Combined with political upheavals and economic isolation, the Third Chimurenga has been followed by rapid economic decline, further political instability, impoverishment, unprecedented emigration and the collapse of social services, health, education and transport. The human development gains from the first decade of independence have been reversed (LEDRIZ, 2005). Economic decline has had a negative impact on any attempts to revive the agricultural sector. Combined with the impact of HIV/AIDS on the economy, both industrial and agricultural productivity have continued to fall. Other problems surface continuously; shortages of fuel, food (e.g. bread, sugar and cooking oil), electricity, transport, and foreign and even local currency.

The response of ZANU (PF) has seen a return to the 'old political guard' (and mistrust of the 'young Turks' within the party); a militarized and uncompromising 'sledge hammer' approach to domestic politics and economic management. This is a vitriolic anti-imperialist stance at the global level and a 'go-it-alone' attitude forming the backdrop for the 'look east

policy' aimed at the 'dispersal of dependence' (Patel & Chan, 2006: 176). The 'look east policy' is characterized by opening up and extending economic, military and diplomatic relations with countries in the East, particularly Malaysia and China, who supported Zimbabwe's struggle for independence prior to 1980. China–Zimbabwe relations have helped to keep key sectors afloat: Air Zimbabwe, the airforce of Zimbabwe, ZUPCO (the national bus company) along with mining, building materials production and the construction of national projects, such as the Harare Norton Motorway<sup>2</sup>. But this has not been able to reverse economic decline in the short term. For the economy to stabilize 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, characterized by ordinary Zimbabweans taking their savings elsewhere, as well as a negative image of the country held by many in the western world, needs to be reversed.

### **Employment and the construction sector**

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. It is therefore understood that the rest of the population is employed in the informal and peasant sectors (LEDRIZ, 2005). Second, employment since 1980 has made a marked shift away from manufacturing to sectors such as education, health and financial services. Agriculture is reported as employing 26% of the formal labour force, as 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 a 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, there have also been some short growth periods, such as the one between 1996 and 1998. The relatively small contribution of construction to the formal economy can also be seen in terms of employment. Just over 80,000, or 5%, of the total formal employment in 1998 was in the construction sector. This fell from about 100,000 workers in 1990 to 90,500 in 1993; 71,800 in 1995; 78,100 in 1997; 53,800 in 2000 and 39,300 by 2003 (CSO, 1998: 11; 2003: 11). Major construction employers include contractors such as International Holdings, Costain, John Sisk and Sons, and Gulliver Consolidated. There are many informal contractors, several operating as sole agents.

The construction sector has been hard hit by economic problems as these have led to high constructions costs (see Table 4.1). The rapid rise in costs can be observed in the cost index (last column in Table 4.1) or the detailed price indices for civil engineering and building materials (see Table 4.2). Prices escalations were a futile attempt for firms to reverse serious

**Table 4.1 Construction (building) cost increases, 1995–2004 (Z\$/m<sup>2</sup>)**

Year	Standard house	Standard factory	Standard office block	Arithmetic mean	Index: 1995 = 100
1995	2300	1300	2500	2033	100
1996	2650	1675	3000	2442	120
1997	3530	2270	4720	3507	172
1998	4950	3190	6620	4920	242
1999	8915	5760	12,040	8905	438
2000	17,025	10,978	17,275	15,093	742
Mid-2001	29,200	18,000	30,950	26,050	1281
Mid-2002	56,000	34,000	59,350	49,783	2448
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: Robertson Economic Information Services, Harare, Zimbabwe, 2006.

liquidity problems. However, the cycle of rises and reduced demand led to reduced production closures.

Cement production, a key component in the construction sector, has been paralyzed by closures or reduced capacity of the main cement plants<sup>3</sup>. Problems arise due to fuel shortages or lack of spare parts, affecting coal production and the capacity of the National Railways of Zimbabwe (NRZ) to transport coal to cement plants. Thus, in 2003, one after the other, the Sino-Zimbabwe Plant, Portland Cement, Unicem and Circle Cement reduced or closed operations for long periods<sup>4</sup>. The cement shortages soon after 2000 hit the construction sector, which had been booming a few years before. Some media reports projected a recovery after 2005<sup>5</sup>.

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

### Local government in Zimbabwe

Local authorities in Zimbabwe primarily implement powers given to them by the Ministry of Local Government and Housing. For the administration of urban areas, this is done in line with The Urban Councils Act [214] and the Regional Town and Country Planning Act [Chap. 29: 12] and all its allied statutes. The Urban Councils Act [214] provides for the establishment of urban local authorities, whose categories range from the smallest area

Table 4.2 Civil engineering and building materials price index (1990 = 100)

	Water stops	Cement	River sand	Crushed stone	Bricks	Diesel	Structural steel	Plant	Reinforcing steel	Concrete pipes	Bitumen
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

Source: Central Statistical Office (CSO) Civil Engineering Price Index, Harare, 10 March 2006.

boards, through the local boards, town councils and 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, the Government's priority soon after independence was democratization 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 less autonomy than urban local authorities. In both cases, local authorities are run by an executive consisting of bureaucrats (responsible for health, planning, housing, finance, works and transport, etc.) on the one hand and a political council made up of members elected by residents on the other. Large cities and metropolitan areas also have an executive mayor elected by residents from the area<sup>6</sup>.

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

While 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, such as parastatals like the Zimbabwe Republic Police (ZRP), the Zimbabwe National Water Authority (Zinwa)<sup>7</sup> and the Zimbabwe Electricity Supply Authority (ZESA), which in 1986 took over the supply and administration of electricity from city councils. Elsewhere, institutions like mining companies and other parastatals may operate as local authorities in some instances. Social security issues within a local authority area, like Bulawayo, for example, are administered by NSSA and in this case Bulawayo has little input into its management.

Key institutional changes since the mid-1990s have seen central government putting more controls on how the urban local authorities can implement the Urban Councils Act. In particular, the introduction of the executive mayor in the late 1990s had meant that decisions that would have previously been made by consensus of the council based on advice from the technical heads of departments could now be overridden by the executive mayor in liaison with the minister. The resulting tensions 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 mayor. The instability and uncertainty in Harare's governance is illustrated by continuous conflicts at the top; heads of departments are continuously hired and fired or hold posts in an acting capacity. For instance, top management in 2006 comprised of: 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. While this has been the case in Mutare, Chitungwiza, Norton and especially in Harare, the capital, Bulawayo has been able to 'survive' this unpleasant scourge (see Sachikonye, 2006; Zaaiker, 1998).

The ruling party ZANU (PF) has consistently lost the urban vote in national and urban local elections since 2000, leading to a 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 must also report to the resident minister.

Thus, above the category of city council, we now have a 'metropolitan authority' appointed by the central government, not elected by the people. This basically means that the degree of autonomy that existed in the 1980s (Mutizwa-Mangiza, 1991) has now been significantly eroded. Through the resident minister and the commission, appointed by the minister to run the affairs of Harare and Chitungwiza<sup>8</sup> since the late 1990s, there is generally more centralization than decentralization of power in urban administration. For Bulawayo, potential tensions and conflicts arising from this arrangement have been avoided, partly because of the city's distance from national political power struggles as well as the culture of the administration, which prioritizes service to the people over politics (interview with Mayor of Bulawayo, April 2006).

#### **4.2.2 Regional and local context**

##### **Bulawayo, the city of kings**

Bulawayo's modern history can be traced back to the 1890s when it was transformed from the Ndebele settlement of grass thatched huts to the regional city it is today (Hamilton & 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 resources 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 the Government) and boasts railway links to Botswana, South Africa, Mozambique and Zambia, leading to the Democratic Republic of Congo and Angola. The Joshua Muzabuko

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 the Economic Structural Adjustment Programs of the early 1990s, Bulawayo had a diverse industrial base and comprehensive engineering industry that included textiles<sup>9</sup>, radio manufacturing (the largest in Africa) a tyre factory, and hide and meat processing. It now has a range of training facilities and services for railways and the mining industry, and is home to the National Free Library, the large Mpilo Central Hospitals, a stadium able to host international games and the National University of Science and Technology (partly still under construction since opening in 1991). Bulawayo is also home to the Zimbabwe International Trade Fair (laid out over twenty-five hectares), through which the country can showcase its industries to the world. Bulawayo is a cultural centre, not only in terms of Ndebele traditions, but nationally and regionally in terms of the labour and nationalist movements whose formative years were there. Its hinterland (in places like the Matopo Hills, Gwaai catchment, Shangani area and Khami Ruins) bears witness to Zimbabwe's history of violence, struggle and pride.

Administratively, Bulawayo rose from a sanitary board in 1894 and municipal council in 1897 to a city in 1943 (Hamilton & Ndubiwa, 1994). The areas around Bulawayo are administered by five rural local authorities (Bulawayo City, 2000) including Umguza, Umzingwane and the Department of National Parks and Wildlife Management, which administers the wildlife areas. The provision of water to the city has been a constant 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 350 km to the north of the city, from which water will be conveyed by pipelines. A long-term solution to the city's water problems in the form of a pipeline from the Zambezi River has thus far remained a strictly theoretical proposition, due not only to the huge cost and alleged local politics involved, but also the regional geo-political and environmental concerns that need to be resolved. Associated with these water problems is the issue of sewers that are now overloaded; although new works are planned or under way (Bulawayo City, 2000: 9).

Further threats to Bulawayo's sustainability are the national economic conditions described elsewhere in this report, and the HIV/AIDS epidemic (Bulawayo City, 2000), which has put a strain on household and enterprise economies. Thus, the revenue base of Bulawayo 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 the council owed up to Z\$450 million in 2000 (Bulawayo City, 2000: 12)<sup>10</sup>. The bulk of the council's recurrent expenditure (about 61%) is spent on salaries.

According to the CSO census figures, while the city's population is growing, the rate of growth has slowed from 5.9% in the 1970s, to 4.5% between 1982 and 1992, to between 3.1% and 2.4% during the 1992–1997 period and around 2% in the post-2000 period. This is largely due to reduced economic opportunities and lower rural-to-urban migration. Instead, those not migrating to seek income opportunities in Harare have looked to Botswana and South Africa, especially after 1982. HIV/AIDS, as well as general decline in fertility rates, has also contributed to this decline in growth rates. Consequently, Bulawayo's projected population figures of 1,011,037 in 2000; 1,184,637 in 2005 and 1,562,905 in 2015 have turned out to be higher than the census returns, for example the census results of 2002 gave a total population of just 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) have also been signposted. Zaaier (1998: 1) captured concerns that while Bulawayo's conservatism and excessive preoccupation with 'rules' are the reasons behind its 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.

Key concerns in Bulawayo's local economic development are droughts and the water crisis, as well as the ESAP policy of the 1990s. ESAP introduced institutional reforms and economic restructuring (Bond & Manyanya, 2002) that led to a decline in industrial output from 32% in 1979 to 25% in 1995 (Zaaier, 1998: 23). In particular, the opening up of the economy led to inflows of cheaper goods from global markets, forcing local companies either to close or lay off workers (Intermarket Research, 2004: 14–15 and 28). Key informants are always quick to mention the 1000 workers retrenched at Merlin in 1995 and that over 10,000 workers lost their jobs in the 1990s alone. CSO (2004: 31) figures confirm that this indicated a decline in formal economy jobs from 153,200 in 1989 to 134,500 in 2002 – close to 20,000 jobs lost in the city over a twelve-year period. Most of these workers either sought work in South Africa or went back to the rural areas. Those who stayed in Bulawayo found themselves in the informal economy. By the mid-1990s, up to 40% of the working age population was in the informal economy. Activities in this sector followed the national pattern of shifts from manufacturing to services, retailing and trade (Kanyenze *et al.*, 2003).

### **Local economic development in Bulawayo**

This section pursues the question of key actors, policies and programs involved in local economic development, 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 (Hamilton & Ndubiwa, 1994; Mutizwa-Mangiza, 1991; Zaijer, 1998). It is 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. While the attractive and harmonious environment is easily noticed, less noticeable are the strategic decisions made by the city's leaders. A number of these qualify as best practices.

In 1982, Bulawayo 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 migrants following the abolition in 1980 of prohibitive colonial structures, which had restricted the movement and urban citizenship of the African population. In another demonstration of its commitment to planned development, Bulawayo was the first to initiate revisions to its master plan, culminating in the 2000 to 2015 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 its outcomes, was a conscious integration of spatial strategic thinking on the one hand, and organizational strategy, mobilization of resources, 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.

Bulawayo's 2000–2015 Master Plan took the lead (in Zimbabwe) in transforming city planning from a purely land-use, physical-planning endeavour into a broader, more responsive and dynamic strategic activity that turns the plan into a corporate management tool. As with the 1982 version, 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, and to act as a framework for employment creation and social, recreational and cultural activities. Bulawayo's management is in this way always ten years ahead of events. For example, at any time, the city has planned and serviced land to accommodate thousands of new dwellings. Over the past five years when resources for bulk infrastructure development have been hard to get, the city has adopted infill development strategies.

To summarize, Bulawayo was the first city in Zimbabwe to produce a master plan, the first to revise its master plan and the first to produce a strategic plan and corporate strategy. At any one time in the 1990s, the city had a stock of up to 30,000 planned and serviced stands for

**Box 4.1 Indicators of Bulawayo City's success in delivery of low-income housing**

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

residential development. Currently, despite the tough economic environment, Bulawayo has serviced land for low-income residential development, including 1000 stands in Pumula South, 10,000 in Cowdray Park and 7000 in Emganwini. According to the city planner, surveys that used to be two years ahead of time are now close to three years ahead. This has been achieved through use of joint private sector and local authority survey teams. It is expected that new land for up to 43,000 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, which has been a consistent one 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 when Government investments in the planned Gwaai-Shangani pipeline materialize (Bulawayo City, 2000: 114–115). See Box 4.1.

**Partnerships for local economic development**

Bulawayo'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 the 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 4.1 at the end of this chapter. Bulawayo was thus a direct beneficiary of the 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 is the housing development partnership that saw private companies, the city and individual households constructing an agreed numbers of units with financial support from the Reserve Bank of Zimbabwe (RBZ). Traditionally the RBZ does not participate in such projects. However, given the 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, the RBZ put forward Z\$8.3 billion 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. The funds also supported servicing of another 101 stands at Emganwinini II Millennium Housing Scheme, where construction is complete.

Bulawayo's strategic planning and management framework has enhanced a consistently developing investment climate, despite national and global economic constraints. The construction of housing and related urban development activities has generated both direct and indirect employment. Although no employment figures are available, it is clear that even where the local authority itself is not involved in construction, the availability of serviced land has enabled many private sector and informal operators to create employment in the city.

### **Bulawayo City incentives to promote investment and employment creation**

As part of its long-term strategy from the early 1990s, Bulawayo put in place a package of incentives to encourage indigenous black Zimbabweans to invest in commerce and industry – areas they had been excluded from for decades – to attract new sustainable industry and commerce and to 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, waivers of plan-approval fees and speedy allocation of housing land to workers associated with the investing companies.

It is crucial to emphasize that this package of incentives was not a *bam-bazonke* – siNdebele term meaning he/she who grabs everything. This package of incentives was designed not to be 'for everyone and everything' but was strategically targeted. There was a clear set of criteria to discriminate in favour of preferred investors and developers; criteria based on the number of people to be employed, size of the investment in terms of dollars, 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 4.2 at the end of this chapter. The incentives could be provided in different combinations

and the table structure makes it feasible for different sections of the local authority to review their set of inputs into the package. The table is organized as follows: one chooses a developer (first column on the left) then moves across the row to check existing incentives available to the investor. For example, local/indigenous persons (row o) have a 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 city at 80% of the original cost (intersection of row b and column 2). Assuming 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 and 30 days for the plan application, plan fees at 60% of the original price and availability of electricity connections to the development site.

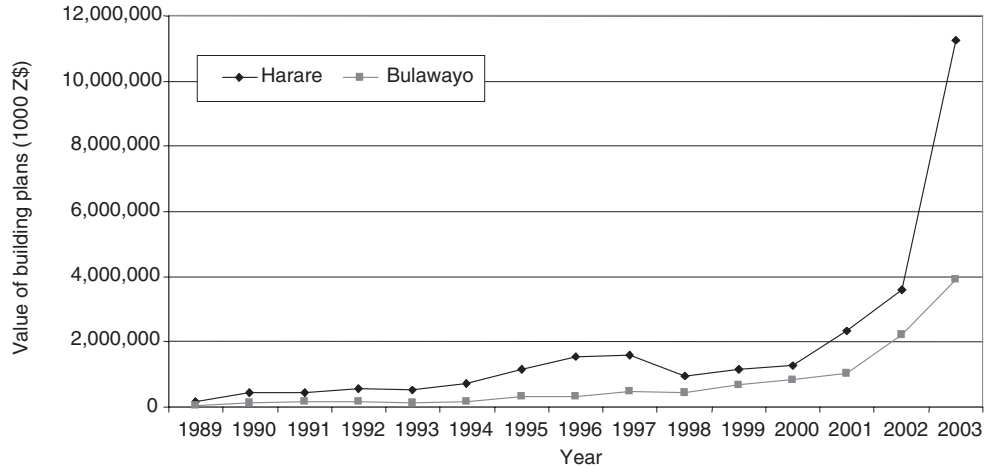
These time incentives are noteworthy given that Zimbabwe has had some of the slowest turn-around times for land-use planning, surveys and building plan approval; it has an overall time of forty months, compared to the sub-Sahara average of about twenty-three months and global average of about twelve (GoZ/USAID, 1994: 28). Ordinarily, processing of the building application alone would take 3.75 months for Bulawayo, compared to 5.75 months for Harare. Clearly, with such delays and in the absence of special package and preferential treatment, the cost of doing business with and investing in cities in Zimbabwe is prohibitive. Thus, it is this package of incentives that has led to sustained housing and urban development in Bulawayo, even in lean years.

### **The construction sector in Bulawayo**

The vibrancy of the construction sector is considered a good indicator of the 'health status' of a nation or city's economy. Using the values of building plans approved over time in Harare and Bulawayo, it is clear that the construction sector has seen a gradual decline since 1989/1990, although there have been periodic booms like that in the mid to late 1990s. While nominal values of plans approved and actual work done have seen dramatic growth, in real terms the decline is significant (compare Figure 4.1 against Figure 4.2).

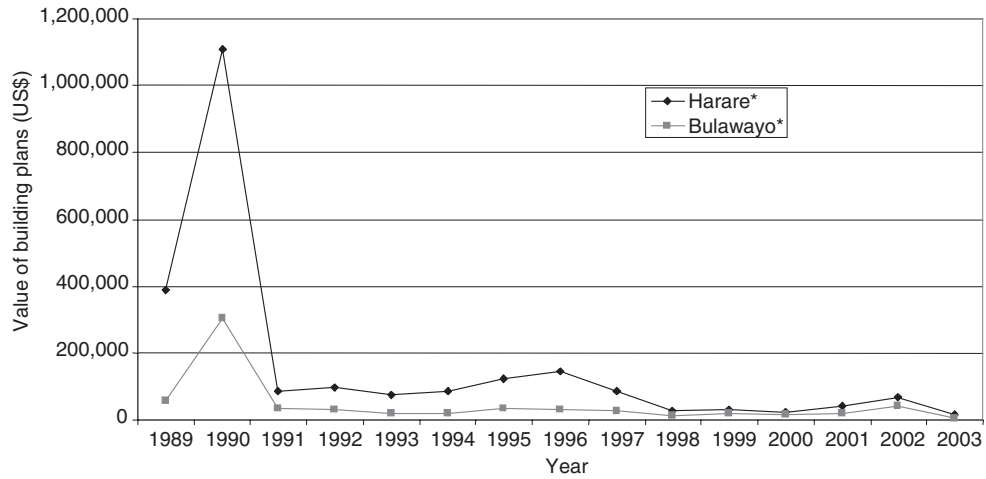
Computations based on construction data (CSO, 2001) show that the value of work done in 1999/2000 (excluding repairs and alterations) was 6% (Harare) and 11% (Bulawayo) of similar work done in 1989/1990. The cost of materials has risen to levels that make building unprofitable as a business and unaffordable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

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:



**Figure 4.1 Building plans approved in Harare and Bulawayo, values in thousands of Zimbabwe dollars (nominal values)**

Sources: Original data from *CSO Construction Bulletin 2001* (p. 19) and *Construction Bulletin 2003* (p. 41), Government of Zimbabwe, Harare.



**Figure 4.2 Building plans approved in Harare and Bulawayo, values in thousands of US\$**

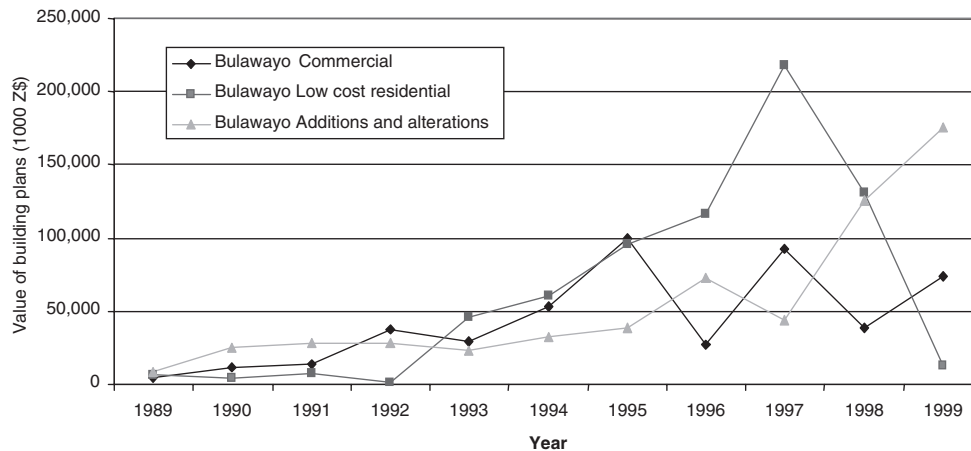
Sources: Original data from *CSO Construction Bulletin 2001* (p. 19) and *Construction Bulletin 2003* (p. 41), Government of Zimbabwe, Harare.





**Figure 4.3** Repair and alterations April 2006; formerly Downings Bakery building to be Bulawayo HQ for the mobile phone company ECONET Pvt (Ltd). Corner of Robert Mugabe and Leopold Takawira Avenue (facing north east). Photograph courtesy of B Mbiba.

- A switch from new construction projects towards repairs, alterations and maintenance. Construction in Bulawayo CBD dried up at the end of the 1990s and only small repairs and alterations are visible (Figure 4.3). Large public sector projects, like the National University of Science and Technology, are also affected by the unavailability of materials and high costs, leaving buildings unfinished for years.
- The decline in the economy and shrinking of construction have resulted in the exodus of construction firms and qualified bricklayers, artisans, carpenters and others to other countries in the region, notably Mozambique, South Africa and Botswana. According to key informants, this has led to shortages of such skills, allowing the few remaining to demand high fees for their work. Individuals have moved from the formal sector to the informal, while some companies have closed shop, scaled down or diversified into other activities.
- Figure 4.4 shows the decline in residential construction activity since 1997. This is the sector with the capacity to employ many people, particularly those in the informal category. The 1990s boom in low-cost



**Figure 4.4 Building plans approved in Bulawayo**

Source: Data from *CSO Construction Bulletin 2001* (p. 19, nominal values), Government of Zimbabwe, Harare.

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, especially those who live and work in South Africa and popularly referred to as *injiva*.

*Injiva* construction activities are concentrated in the housing sector, largely to accommodate family members, rent out or as an investment for income after retirement. The Reserve Bank of Zimbabwe has initiated a Homelink project designed to help those parts of the diaspora to build or buy houses, although not every *injiva* takes advantage of this possibility. *Injiva* house construction (reportedly two in every five houses under construction) supports a vibrant informal construction economy. Builders and artisans in the informal sector have good skills, most of which were acquired in the formal industry both in and outside the construction sector. A detailed assessment of the nature of the informal construction sector and its broader economic links would be a valuable exercise in the future.

The ongoing Government housing programme Hlalani Kuhle has also boosted the construction sector in Bulawayo. This is a housing programme initiated for those whose shelters were destroyed in 2005 by the 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 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; our team was barred from entering construction sites.

There is also some private sector construction activity, such as the construction of houses in Pumula South, which was funded by CABS Building Society. The largest project with private sector involvement, however, is the Cowdray Park development, which is in turn linked to Bulawayo's long-term strategic plans to construct thousands of middle and low-income houses.

### 4.3 Decent work indicators

This section presents the results of the statistical compilation of key indicators, in particular those regarding the four components of decent work: employment, social security, workers' rights and social dialogue. The focus is 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 'informalized'. 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 presenting the information and the analysis separately, the approach is to offer some analysis and possible conclusions immediately after each set of primary data is presented.

#### 4.3.1 Indicators of employment

##### Unemployment

The unemployment rate is calculated by measuring the proportion of the population aged 15 and above that was unable to find work in a given period. The trends for the country are summarized in Table 4.3. The construction sector unemployment rates are low at both the national and local levels, 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 organizations (NGOs).

In the 1999–2000 period, 230,463 of those in the working age group were unemployed throughout the country and 40,837 at the Bulawayo City level. The Census Report (2002) shows regional variations in unemployment rates, with Bulawayo recording the highest level at 25.29%, followed by Harare at 18.12%. These regional variations are described in Figure 4.5 and show that the unemployment rate in Bulawayo is clearly the highest

**Table 4.3 Unemployment indicators<sup>1</sup> (%)**

	1990	2000
Unemployment rate in all sectors at national level	11	9
Unemployment rate in all sectors at city level, Bulawayo	16	17

Sources: 2000 figures are taken from the 1999 Indicator Monitoring Labour Force Survey; those for 1990 are from the 1994 Indicator Monitoring Labour Force Survey and Labour Statistics (CSO).

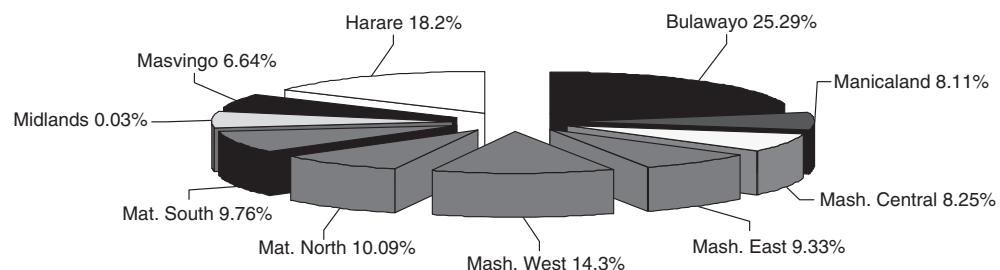
<sup>1</sup> Figures for the national level assume that communal farm workers and those in the informal economy are all employed.

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, not usual employment. Current employment refers to what the survey respondents were doing in the seven days prior to the day of the survey (restricted definition), while usual employment relates to the last 12 months prior to the day of the survey (broad definition). 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 1991–1992 drought affected agriculture, forestry and the fishing industry.

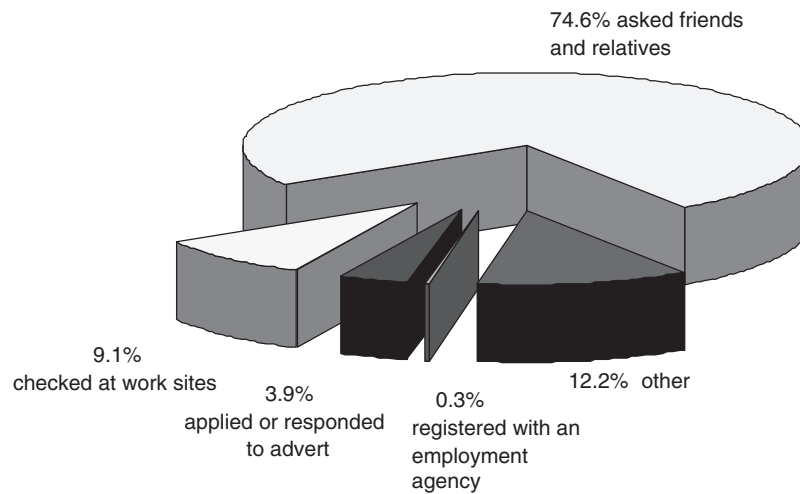
If communal farm workers and own account workers are considered as employed, the level of unemployment is very low (6.9% at the national level). This contrasts sharply with the 80% unemployment figures used particularly in media circles and by NGOs (see for example Rory Carroll, *The Guardian*, 2006: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

Figures for the construction sector at both the national and city levels are taken as similar to the urban unemployment rates generally. The figures for those seeking work in the construction sector are not available due to 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),



**Figure 4.5 Unemployment by province in Zimbabwe, 2002**

Source: *Census 2000 National Report* (CSO, 2002: 99), Government of Zimbabwe, Harare.



**Figure 4.6 Methods of job search for the unemployed in Zimbabwe**

Source: 1999 Indicator Monitoring Labour Force Survey (CSO, 2000: 82), Government of Zimbabwe, Harare.

as well as physical job searches 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 job search patterns are summarized in Figure 4.6 and were confirmed in field interviews. Tzircalle Brothers stated that they subcontract some of their bricklaying, roofing, fitting and carpentry work to former employees now working as either 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, which has been progressively established since the 1970s. Similarly, informal builders in Cowdray and Pumula South identified networks of friends, family and former clients (in Bulawayo, Botswana and South Africa) as sources of information on new jobs. The implications of this are that it would be inappropriate and inaccurate to attempt to estimate 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 1996–1998, 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, remaining tradesmen are able to charge very high prices, even in the informal economy.

### Low wages

The low wage rate is measured by the number of employed persons earning less than half the median wage for the given year or period. Table 4.4

**Table 4.4 Low wage rate indicator (%)**

	1990	2000
Low wage rate in all sectors at the national level	n/a	25

Source: 2000 figures are taken from the 1999 Indicator Monitoring Labour Force Survey (CSO).

shows that in 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 based on the arithmetic mean. Table 4.5 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.

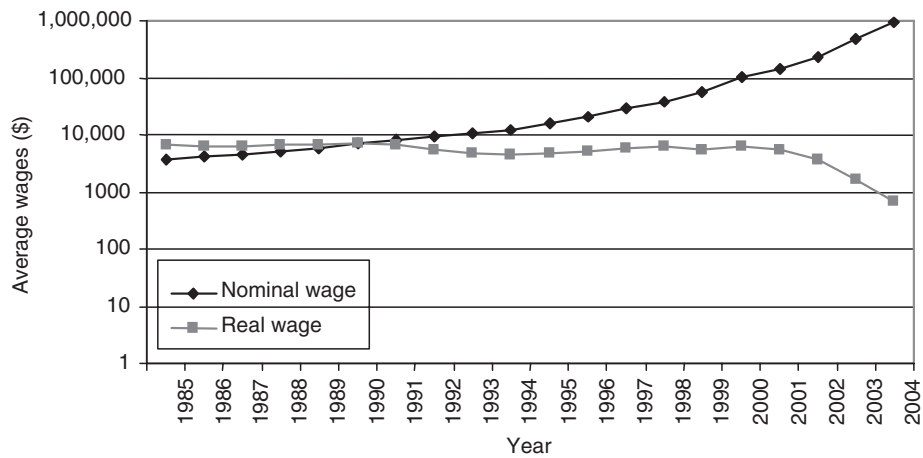
Table 4.5 also shows that before the advent of Economic Structural Adjustment Programme (ESAP) in 1991, average earnings were very high in real terms but have not improved since the rapid decline in the early 1990s. The exchange rate of the Z\$ to US\$ remained stable during the 1980s (as low as 0.6093 in 1985 and 0.5147 in 1988), before rising sharply after 1991. While nominal wages have increased, the real wage declined rapidly, especially after 2001. This decline was associated with the liberalization of the economy, which included removal of wage controls (see Bond & Manyanya, 2002). Until the early 1990s, the difference between real and nominal wages was small but this has increased significantly since the mid-1990s. As depicted in Figure 4.7, real wages have shrunk rapidly, particularly in the last decade.

Wages alone 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

**Table 4.5 Average earnings per person per month and exchange rate during 1990–2001 for the national economy**

Year	Z\$ per unit of US\$	Average earnings/person/month	
		Z\$	US\$
1990	0.3793	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	8409.59	152.72

Source: CSO (2004: 74) *Zimbabwe Labour Statistics*, Central Statistical Office, Harare.



**Figure 4.7 Nominal and real wages (1985–2004)**  
 Source: Provided by the Labour and Economic Development Research Institute (LEDRI), Harare, March 2006.

workplace. 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.

**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 labour force surveys. This is in line with section 18 (2) of the SI 244 of 1999 (Collective Bargaining Agreement) for 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 4.6 is based on adjustments of CSO data representing the proportion of workers doing 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 week<sup>11</sup>. 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 both domestic and informal economy work are considered.

**Table 4.6 Hours of work**

	1990	2000
Hours of work in all sectors at the national level	n/a	44

Source: CSO (2000) 1999 Indicator Monitoring Labour Force Survey.

#### **Box 4.2 More than hours of work**

At its peak and even as recently as 2002/2003, Belmont Construction (Pvt) Ltd employed between 500 and 600 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 for employees not working at central sites.

Interview with Edmund Zerf, Director of Belmont Construction, 11 April 2006.

With the collapse of the formal employment economy and the rapid growth of informal or self-employment, several changes have taken place. 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) in order to maintain operations and avoid closing down firms. Thus, in some cases hours of work have decreased while in others they have increased. 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 done in the evening and at weekends, it can be assumed that over 50% of workers now work more than 50 hours a week across all industries.

The cost of going to work or keeping operations going has increased since 2000. This has forced many construction companies to stop operating and has sent employees into the informal economy or self-employment, where they are likely to work longer hours than usual. The figures in Table 4.6 are estimates based on the assumption that since 2000, workers have had to work longer hours to maintain their minimum wage. See also Box 4.2.

#### **Health and safety at work**

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



**Table 4.7 Health and safety at work**

	1996	2000
Days lost due to injury in the workplace per 1000 wage earners in all sectors at the national level	53.3	28.7
Days lost due to injury in the workplace per 1000 wage earners in all sectors in Bulawayo	6.7	47.5
Days lost due to injury in the workplace per 1000 wage earners in the construction sector at the national level	57.3	26.0
Days lost due to injury in the workplace per 1000 wage earners in the construction sector in Bulawayo	111.0	66.8

Sources: Compiled from NSSA figures April 2006 and *CSO Indicator Monitoring Labour Force Survey and Labour Statistics* (1994, 1999).

Neither the NSSA nor the CSO have any interest in collecting data on the number of hours of work lost to the economy due to occupational injuries or death. The NSSA only came into existence in 1994 and started collecting comprehensive statistics in 1995. Therefore, for Zimbabwe a comprehensive picture on safety at work can only be gleaned for the past decade or so. Key indicators from the data include total injuries per year, incidence rate and frequency rate, calculated per thousand insured labour force. The insured labour force is the number of workers registered with the NSSA for social security purposes. 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 4.7 provides a summary of the number of hours lost to the economy due to occupational injuries, providing both a conservative and high estimate. How these figures were calculated and why the pattern of improving conditions may actually be the opposite of what happens in the economy needs further explanation. The input needed for this are figures on reported injuries, total number of the insured labour force and incidence rates. The occupational injuries figures were used together with the number of insured labour force to calculate the incidence rate, that is, the number of occupational injuries per thousand workers. The incidence rate was multiplied by three (the minimum number of days away from work for an injury to be recorded) to give a low estimate of the days lost to the economy.

NSSA figures for the 1995–1998 period show that since the mid-1990s, there have been a growing number of occupational injuries in the workplace. Any injury that does not result in absence from work or less than three days away from work is not recorded for the purposes of NSSA monitoring. This means that many other injuries in the workplace never get recorded. The NSSA (2000: 6) states that reported occupational injuries underestimate the extent of the problem due to the fact that:

**Table 4.8 Reported occupational injuries in the building and construction sector**

	1996	2000	2005
Occupational injuries in all sectors at the national level	20,330	14,507	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.

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

The NSSA also runs the Bulawayo Rehabilitation Centre for workers injured in the workplace. Workers are detained for 45.5 days on average 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 the true figure could be as much as five times the reported figure. Key informants also claim that with the foreign currency shortages, 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 workplace.

The reported occupational injuries in Table 4.8 can be used together with the number of insured labour force in Table 4.9 to calculate the incidence rate, that is, the number of occupational injuries per thousand workers (Table 4.10).

*Recent legal changes on health and safety at work*

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

**Table 4.9 Insured labour force and the construction sector**

	1996	2000	2005
Insured workers in all sectors at the national level	1,143,324	1,517,657	1,744,267
Insured workers in all sectors at city level, Bulawayo	199,335	249,287	285,545
Insured workers in the construction sector at national level	82,662	106,954	114,900
Insured workers in the construction sector at the city level, Bulawayo	11,194	15,845	17,526

Source: National Social Security Authority (NSSA) data, April 2006 (see also *Annual Report, 2001: 109*).

**Table 4.10 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, Bulawayo	2.2	15.8	8.4
Incidence rate in the construction sector at national level	19.1	8.7	3.2
Incidence rate in the construction sector at the city level, Bulawayo	37.0	22.3	7.7

Sources: National Social Security Authority (NSSA) data and *Labour Survey Statistics 2006*.

In contrast, although worker representatives at the shop-floor level and 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 the NSSA. These recommendations can be ignored. See Box 4.3.

While basic metal products, the mining and quarrying sector, agriculture and forestry have the highest reported occupational injuries, building and construction is one of the top five, with high occupational accidents in relation to the number of workers. It must be stressed that there is no recording of workplace injury and disease statistics in the peasant and informal sectors. 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.

### 4.3.2 Social security indicators

#### Public social security coverage

If only formally employed persons of the working age population are considered, there is 100% insurance against risks of injury at work,

#### Box 4.3 Statistics on the insured labour force

NSSA advises that until recently, insured labour force data was obtained from the Workers Compensation Insurance Fund (WCIF). This data has been inconsistent and inaccurate. Since the population covered by the National Pension Scheme (NPS) is ideally the same as that covered by the WCIF, the NSSA uses the NPS data on insured labour force, and this appears to be more consistent. This means that there has been an increase in the insured labour force by sector, so the incidence rates calculated based on this denominator tend to be lower than in previous years. This fact should be borne in mind when comparing rates (NSSA, 2000: 4).

**Table 4.11 Public social security coverage rate<sup>1</sup>**

	1990	2000
Social security coverage rate in all sectors at the national level	n/a	15

Sources: National Social Security Authority (NSSA) 2006 and the *Census 2002 National Report* (CSO, 2002).

<sup>1</sup> Legally, all formal workers must be covered by the Public Social Security System.

unemployment, sick leave, etc. This is the basis of the figures in Table 4.11. However, we consider that only 15% of the working-age population is in formal employment, so social security coverage at the national level is also 15%. There is no quantitative information to incorporate coverage of the informal sector.

For a more complete view of social security at the national level, more information is needed. Until 1994, Zimbabwe did not have a comprehensive public social security scheme. The Ministry of Public Service and Social Welfare operated the Workers' Compensation Scheme (WCIF). In 1994, the Government set up the National Social Security Authority (NSSA) to administer the WCIF in parallel with other forms of social security. This was largely the National Pension Scheme, or Pension and Other Benefits Scheme (NPS). 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 these workers and the planned National Health Scheme.

Since colonial days, there has been an assumption that the majority of black Zimbabwean workers and peasant farmers have rural communal land rights as their main form of social security. For this reason, the notions of labour rights, urban citizenship and land have been tightly intertwined. But as argued elsewhere, for many urban workers communal land rights are not about production only but other cultural and religious needs as well (Mbiba, 1999). Productive agricultural lands, and the supplies needed to make land 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, which the state maintains as a framework for social sanction and control (Mbiba, 2001).

Notwithstanding the above, we have to recognize the existence of communal land rights and other forms of traditional social security or social safety nets (GoZ, 2005c: 21) used by the majority of black Zimbabweans. These include access to land rights in rural areas, family networks and community support. The Government has tried to re-invigorate some of these through Zunde Ramambo – a food security scheme managed by traditional chiefs. While these may not be directly available to urban poor, it should be noted that black Zimbabweans are very mobile, with family

members switching between urban and rural residence as part of survival and accumulation. The question of land (both rural and urban) is integrated into this complex web of relations.

Beyond the NPS and WCIF, there are private and occupational insurance and pension schemes at industry and sector levels, such as the mining industry, railways, electricity and local government. The NSSA National Pensions Scheme (NPS) was designed to be a basic system complemented with individual savings, personal insurances and company-level occupational pension schemes. From its inception in 1994, the insurable earnings under the NPS was set at a ceiling of \$Z4000 and remained at that level until 2001 (NSSA Annual Report, 2001: 7), when it was raised to Z\$7000. With hyperinflation in the country since the late 1990s, the value of this benefit has been severely eroded, even with the subsequent reviews that raised monthly payments to Z\$252,000 by 2006 (*The Herald*, Wednesday 3 May 2006). Further reviews were anticipated, but would not make a difference in an inflationary environment.

Both the NPS and the WCIF are dependent on the cooperation of employers, who must register with the NSSA, collect contributions and forward these to the NSSA every month. There are problems in the implementation of all three of these steps. Zimbabwe has no single employer data base and this compounds monitoring problems for the NSSA. In 2001, amendments were made to the NSSA Act to give inspectors the power to enter and search premises, inspect employers' records and returns, and enforce collections and contributions.

NSSA offices are concentrated in main urban centres and people in remote or rural regions have to travel long distances to submit claims or make inquiries. This factor means that there are more workers who do not have adequate access to national social security.

The money collected by NSSA is not just to be paid out as benefits in the short term but is to be invested as well. For years, workers and labour unions have demanded that some of this be invested in urban housing for workers but NSSA has been slow to implement a comprehensive housing programme. 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 accounts for the bulk of inflows to NSSA, with employers and employees making an almost equal contribution.

### **Old age pension**

The old-age pension coverage rate is calculated by measuring the proportion of people aged sixty-five or over without pension coverage at the given dates and sectors respectively. Figures for the population aged sixty-five years and over can be obtained from national census reports, while the pension coverage can be obtained from the NSSA. However, the NSSA

enumeration framework 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 people 65 years and over was recorded as being 3.55% (215,842) for the nation as a whole and 2.54% (17,196) for the Bulawayo region, that is, 2.5% of Bulawayo's population was 65 years old or over. However, when it comes to the NSSA figures on pensions, the national figure was 183,184 and 26,933 for Bulawayo. The figure for those receiving pensions in Bulawayo is greater than the recorded census figure. This does not mean that everyone aged 65 years and over in Bulawayo has a pension. The discrepancy arises from the fact that the NSSA keeps all those whose pension addresses are in Bulawayo on its books, even if they no longer reside there. Many of these may have migrated back to rural areas, where the cost of living is lower, but they are still able to collect their pensions from banks or travel occasionally to Bulawayo.

In the formal sector at the national level, only about 15% of those aged 65 years and over are not covered by an old age pension. This figure is too low because it underestimates the number of those not covered, largely because the NSSA figures include a large proportion of pensioners (often white Zimbabweans) still on its records but now living outside Zimbabwe in South Africa, Australia, New Zealand or the UK. This scenario indicates that with the existing statistics, it may be very misleading to attempt a calculation of pension coverage by region and sector. A further point is that NSSA pension statistics do not cover the civil service and state security personnel (army, police, prisons and airforce). The director of state pensions refused to release any of these statistics 'for security reasons'. All civil servants are covered by a public sector pension.

### **4.3.3 Indicators of workers' rights**

#### **Legislation on workers' rights and working conditions**

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, which had contributed significantly to the independence movement. This pro-worker statute followed 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 harmonize labour relations laws; it left out civil servants generally. It also excluded 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 the 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 disincentive for investors (e.g. in terms of minimum wages and price controls). The private sector also argued that the law did not allow 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, the Government basically gave in to private sector demands and came up with the 1992 Labour Relations Amendment Act (No. 17). As the passing of the Act became imminent, confrontation between Government and workers intensified, with historical protest marches in July 1992 in Harare. This marked the divorce between the labour movement and the Government in post-colonial Zimbabwe. The then Minister of Labour, John Nkomo, responded to the protests by retorting that workers and the ZCTU were neither Government nor a political party, but that if they wanted to become one then they were free to do so. Minister Nkomo was indirectly inviting ZCTU to form a political party<sup>12</sup> – an invitation repeated by President Mugabe a few years later. These socio-legal changes set the context for the detailed discussions which are outlined in the remainder of this chapter.

### **Wage inequality between genders**

By the late 1980s, Zimbabwe women had made strong progress in many fields, particularly education and health care (GoZ/USAID, 1996). However, women have not fared well in the economy and remained 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 programs funded by USAID (GoZ/USAID, 1996), it was shown that only 6% of the beneficiary households were female headed, even though up to 20% of urban households were female headed in the 1980s. While the legal instruments have been changed to enhance women's 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 constitute 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

**Table 4.12 Earnings inequalities between men and women of working age**

	Women	Men
Work done (national level)	54.6%	76.9%
Income bracket ≤ Z\$500	29.0%	19.1%
Earning ≥ Z\$3000	7.7%	17.7%
<i>Construction Sector</i>		
No work done	43.3%	11.9%
Work done	56.7%	88.1%
Income bracket ≤ Z\$500	15.6%	18.7%
Earning ≥ Z\$3000	12.1%	17.7%
Median wage Z\$ (national economy)	250 (250) <sup>1</sup>	620 (1999) <sup>1</sup>
Median wage Z\$ (construction sector)	250 (874) <sup>1</sup>	1249 (1249) <sup>1</sup>

Source: figures modified from CSO (2000) *1999 Indicator Monitoring Labour Force Survey, Harare*, pp. 77–79.

<sup>1</sup> The figure in brackets is the median earnings calculated for those who had done work only, i.e. excluding the ‘no work done’ category.

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 concerning childcare and other domestic responsibilities and are subject to sexual harassment (GoZ/USAID, 1996: iv).

In summary, the majority of women have remained outside the formal employment sector and their presence in cities was restricted by colonial apartheid laws until independence in 1980. Unfortunately, this perception of women from the colonial era remains; hence the limited progress, despite laws against discrimination on the basis of gender, race or religion. Table 4.12 is based on the 1999 labour force survey and shows 45.4% of women have never ‘worked’, 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 directly remunerated. In rural areas remuneration for agricultural work is usually recorded under the name of the male spouses. According to the CSO (2004), employment rates in 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 in 1999 respectively<sup>13</sup>. Table 4.12 also shows that nationally, more women earn low incomes than men, with 29% of women in the lowest income category of under Z\$500, 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 a presentation of trends. However, 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.

However, in the construction sector the income gap between men and women is narrower than 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 labour force surveys. Based on the median incomes for 1999–2000, at the national level men earned as much as eight 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 that if this is factored out of the national figures, the gap between the national median wage for women and men would be closer to that for the construction sector. In summary, although the Labour Relations Act 5 (1) protects employees against discrimination on the grounds of race, sex, tribe, place of origin and political opinion, Table 4.12 shows that in practice inequalities persist.

### **Wage inequality based on workers' places of birth**

Places of birth for workers range from rural areas and other cities within the country, as well as abroad. CSO (2004) states that economically active immigrants from outside Zimbabwe have declined from a peak of 1826 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 most female immigrants were teachers. These CSO figures do not cover illegal immigrants, most of whom would find work in the agriculture and informal sectors. Although labour force surveys and the censuses give figures on foreign-born residents, there are no published statistics on income differences between workers' places of birth. However, considering that incomes in the 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 in their rural places of birth. This may not be the case, however, if we were to give a monetary value to all rural work and associated benefits.

### **Child labour**

Prior to the 1999 Indicator Monitoring Labour Force Survey, information on child labour was scarce (CSO, 2004: 56). Children are defined as those less than fifteen years of age (CSO, 2001: 45), although for working children data, labour statistics CSO (2004) define children as those of five to seventeen years of age. Children do participate in active work, particularly in the agricultural, forestry and fishing sectors (87% of all working children in 1999), and the service sectors (10% of all working children in 1999).

The CSO (2004: 56) indicates that in 1992, 3% of the 1,457,000 working children aged ten to fourteen years were largely unpaid family workers. 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 in 1999, the CSO (2000: 51) reported that 8% of the 4,226,693 working children aged five to seventeen were employed largely 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 ten to fourteen, to five to seventeen, to five to fourteen.

#### **4.3.4 Indicators of social dialogue**

##### **Legislation on social dialogue**

In terms of the Labour Relations Act (1996), all workers have the right to belong to a union and to form and participate in workers' committees. This section pays specific attention to the conditions of social dialogue and the legislative changes that have taken place since the 1980s. Strictly speaking, 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 Council (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 overriding security laws.

Key informants agreed unanimously that legal and statutory provisions for workers' rights and social dialogue have improved immensely over the last decade and are better than before. However, in practice there are shortcomings 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. 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 reversing gains in social dialogue and workers rights. Key informants cited the implementation of POSA and AIIPA 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 and do 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 and harmonized the 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; a 'return to Master and Servants' through the back door. Through the SI of 1992, cited as the Retrenchment Regulations, (replacing SI 4040 of 1990) and in pursuit of ESAP policy, firms could now retrench workers more easily (the dreaded *chigumura*)<sup>14</sup>, as opposed to the situation in early 1986. 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. Furthermore, 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 remains undeveloped.

The massive deregulation of the economy – leading to company closures (e.g. Cone Textiles, National Blankets in Bulawayo) and massive retrenchments – impoverished workers and reduced their bargaining power at the shop-floor level. There was a rise in contract working. At the national economy level, the budget deficit along with both foreign and domestic debt increased. Both Government and workers found themselves under pressure and, while the Government relaxed laws for employers, it toughened laws for 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 stay-aways from 1997–2000, activities that paralyzed industry and effectively reasserted the labour movement as a critical player in the national political economy at a time when civil organizations and other traditional allies of the ruling party (such as war veterans and students) were also challenging ZANU (PF) legitimacy and domination.

In line with ILO provisions, the Zimbabwe Government introduced tripartite negotiating in 1998 to bring together Government, workers 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 are represented by their Zimbabwe Construction and Allied Trades Workers Union (ZCATWU). Employers have to set up and register a National Economic Council and Collective Bargaining Agreement, both lodged with the Government. Employers and employees agree on wages and working conditions via the NEC and the CBA process. Employers are represented by members from the larger firms in the Construction Industry Federation of Zimbabwe and those from the Zimbabwe Building and Construction Association (ZBCA). All have regional offices in Bulawayo.

**Table 4.13 Union density rate**

	1992	2000
Union density all sectors at the national level	16	13

*Source:* Union representatives.

NB Union numbers include only those affiliated with the National Zimbabwe Congress of Trade Unions at the time of recording.

### Union density rate

According to figures from the Zimbabwe Congress of Trade Unions (ZCTU) Information Department, total union membership was about 200,000 in 1990. This declined to 141,560 in 1995 and rose again to 165,012 in 2000 and 228,430 in 2005. This rise is also reflected in the construction sector, with membership at 3000 in 1998, up to 3700 in 2000 and 4800 in 2005. At the Bulawayo City level, membership rose from 500 to 750 and 1200 respectively<sup>15</sup>. Union membership and CSO figures on employed workers were used to calculate union coverage and density indicators, given in Table 4.13. However, these should be considered as very conservative. First, the original figures only cover returns from unions affiliated with the ZCTU based on paid-up membership<sup>16</sup>. This membership tends to be very high in an election year when unionists mobilize potential voters, as opposed to other years. Second, the original figures on total employees by industry sector at national level include civil servants not affiliated with the ZCTU. If civil servants were excluded from the employee totals, the overall union density would be much higher.

Schiphorst (2001: 229) asserts that, with the exception of the mining industry, trade unions in Zimbabwe are geographically organized and do not have a structural presence at the shop-floor level. Unions' capacity to organize and take collective job action has been restricted both before and after independence, although since 1985 the Labour Relations Act has incorporated the right to strike, except for those sectors considered 'essential services'. Union membership appears to have taken a fall during the mid-1990s, when many workers lost their jobs due to retrenchments as part of the economic structural adjustment policy. More precisely, 14,000 workers lost their jobs in 1993 alone (CSO, 2004: 26).

### Collective bargaining

While the continuous collective bargaining process seems to be going well, agreements are not always easy to achieve and workers do go on strike. There are limits, however, on how much workers can use this collective action to express dissatisfaction. Without permission from the Government and the police and where action is deemed to be a political or security threat, strikes and demonstrations will be prohibited, often forcefully.

When agreement failed during the 2004 negotiations between the 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 agreements reached at the national level through both the TNF and CBA process. It is worth noting that when the Government raised fuel prices unilaterally in 2003, labour (ZCTU) felt the Government was not treating it with respect as a social partner and the national TNF collapsed. The dialogue resumed in early 2005. Other areas of national governance in which the ZCTU would like a greater say include the National AIDS Council (NAC) and the NSSA, given the contribution that workers make to these organizations. Unhappy with the management of NSSA, labour withdrew its representative on the NSSA board and the situation remained unchanged two years later.

Both the NEC for the construction sector and the workers union in Bulawayo are poorly equipped and technical expertise is overstretched, leaving no room for strategic work. Neither office saw 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 the employment of unregistered contractors. Contractors may be registered as legitimate companies with the NEC but not with the contractor/employer organizations, ZBCA and CIFOZ, which set and monitor professional standards among their members. Ideally, the local authority should give contracts only to those members registered with both the 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 bricklayers 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.

#### **4.3.5 Workers' rights and social dialogue in Zimbabwe**

The Government's response to worker agitation in the 1990s included passing the 1998 SI 368 (Anti Stay-away Regulations), the 2002 Labour Relations Amendment No. 17, the 2003 Amendment 7 and the 2001 Criminal Penalties Amendment Act. The latter criminalized labour misconducts. For example, it made it possible to prosecute those calling for a strike

(section 104 and section 107) and enabled employers to bring workers before a court of law and to demand they pay compensation for loss of production as a result of strike action, including lawful strike action. Other key operational legislation on working conditions includes the SI 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 the public and private sectors, as well as those working in the export processing zones, 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, Muccheche (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, the 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 the 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 transfer<sup>17</sup>.

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

- Protection from unfair dismissal: every worker has a right to not 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 than 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: that is, the managerial prerogative is diluted through employee participation in decision making. An employer can consult a workers' council regarding proposals relating to restructuring of the workplace following technological change and work methods, product development plans, job grading and training and education schemes affecting employees, partial or total plant closures, mergers and transfers of ownership, the implementation of an employment code of conduct, the criteria for merit for pay increases or discretionary bonuses, and the retrenchment of voluntary or temporary workers.

- Casual 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 or seasonal work or for some specific service, shall be deemed a contract without limit of time.
- Sick leave: this has been extended from one month to six, of which three months are on full pay and the other three 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 each year. Thus, since the 1990s, leave days have gone from 1.5 days a month to an average of 2.5 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 a contract of employment by either party is now three months for contracts without limit of time (permanent) and contracts for a period exceeding two years; two months for contracts for a period exceeding one year but less than two years; one month for contracts for a period exceeding six months but less than one year; and two weeks for contracts for a period of six months or less and casual or seasonal work.
- Special leave on full pay is given to an employee for the following reasons:
  - On the instruction 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 groundsThis special leave is limited to 12 days in a calendar year.
- Discrimination based on gender, HIV/AIDS status or 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 provide extra support such as grants for burial or funerals, soap for washing uniforms or overalls, travel allowances or transport to and from construction sites and central collection points in the city, and the provision of meals at work, as reported by key informants and respondents in Bulawayo<sup>18</sup>. Workers remain concerned with deterioration in health and safety at work as the economy finds it difficult to mobilize

foreign currency and purchase needed spare parts. Observations of buildings in both Harare and Bulawayo show that on average only one-quarter to one-fifth of the elevators will be working on any given day. Some of the lifts in older buildings require total replacement and this costs 18 to 21 billion dollars for one lift, plus another 21 million per month to service the lift<sup>19</sup>.

Construction sector workers have further specific social security concerns regarding the 65 years age at which benefits can be paid. Yet, according to both workers and employers in Bulawayo, construction workers hardly survive beyond 45 years 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 need to have this reduced to 42, but working this out for guards and casual workers remains problematic. When workers are injured, they claim there are unfair practices in the determination of the degree of injury (and hence compensation) and in job security for injured and 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 Harare.

The construction sector remains a 'out of bounds' for women, both as workers and employers, with only about 12 women currently members of CIFOZ/ZBCA. While maternity conditions have improved with the Labour Relations Amendments (2003), further changes are needed, such as work suits for women, instead of overalls, and separate toilets (together with all related facilities), even if there is only one woman at the construction site. The greatest scourge in the workplace for women in the construction industry is sexual harassment. Harassment needs to be defined in the construction context in order to protect women (F. Mugabe). Women would welcome support in this area from others and the sharing of global experiences on ways of improving both regulations and management practice. Discrimination on the basis of pregnancy remains an issue 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).

#### **4.3.6 Synthesis: decent work indicators in Bulawayo**

Table 4.14 presents the decent work indicators for Zimbabwe and Bulawayo according to the four key components. The right hand column of this table shows trends towards (positive) or away from (negative) decent work for each of the indicators in all sectors and in the construction sector at the national and local levels.



**Table 4.14 Bulawayo decent work indicators**

<b>Employment dimension</b>				
<b>Unemployment rate</b>				
National level	All sectors	1990 11%	2000 9%	Trend towards DW +ve
Local level	All sectors	16%	17%	-ve
<b>Low wage rate</b>				
National level	All sectors	1990 n/a	2000 25%	Trend towards DW
	Construction	n/a	33%	
<b>Hours of work</b>				
National level	All sectors	1990 n/a	2000 44%	Trend towards DW
<b>Social security dimension</b>				
<b>Public social security coverage</b>				
National level	All sectors	1990 n/a	2000 46%	Trend towards DW
<b>Old age pension</b>				
National level	All sectors	1990 n/a	2002 3.55%	Trend towards DW
Local level	All sectors	n/a	2.54%	
<b>Workers' rights dimension</b>				
<b>Wage inequality between genders</b>				
National level	All sectors	1990	2000	Trend towards DW
	Construction			
<b>Child labour</b>				
National level	All sectors	1992 (10–14) 3%	1999 (5–17) 8%	Trend towards DW -ve
	Construction	n/a	1.7%	
<b>Social dialogue dimension</b>				
<b>Union density rate</b>				
National level	All sectors	1992 16%	2000 13%	Trend towards DW -ve

## 4.4 Decent work in Bulawayo: initiatives and evidence

### 4.4.1 Equality and the indigenization policy in the construction sector

At the time independence was gained in 1980, the construction industry was dominated and controlled by members of the Construction Industry Federation of Zimbabwe (CIFOZ) whose purpose was to serve and preserve the interests of large white dominated construction firms. The indigenous workers were excluded from this organisation 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, but it took time to bring change to the

construction sector. Around 1985, a group of indigenous contractors came together to form the Zimbabwe Building Contractors Association (ZBCA), which grew to be the largest single representative group for indigenous small and medium size contractors. Membership in 2006 was estimated at about 500<sup>20</sup>. It lobbied the Government to implement affirmative actions in support of marginalized workers in the construction sector.

Although many groups campaigned for better policy on indigenization and affirmative action economy-wide, the breakthrough in the construction sector only came in the early 1990s at the instigation of the World Bank. In its work in Zimbabwe, the World Bank realized the unsustainable nature of the inequalities in the construction sector and urged the Government to address the marginalization of indigenous agents. The outcome of this was the Government of Zimbabwe Treasury Circular No. 2 in 1993. The fact that the policy instrument on construction came from the Ministry of Finance and not the Ministry 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 also be considered in light of this indigenization.

Treasury Circular No. 2 made it mandatory for all members of CIFOZ to subcontract between 7.5% and 15% of project contract value to indigenous members of the ZBCA, that all Government and parastatal projects award at least 10% of project work to ZBCA members and that all tenders of less than 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 be mindful of ZBCA's capacity to absorb all such work. Towards the end of the 1990s, further indigenization policies were initiated in the economy, such as a policy framework for indigenization of the Zimbabwe economy<sup>21</sup>. For the purposes of the 1993 affirmative action policies in the construction sector, an indigenous building contractor was considered as one properly registered with 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 difficult and remote contracts that CIFOZ members would not be interested in. 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 public sector projects in the 1980s and early 1990s to larger private sector jobs in the late 1990s and after 2000. With greater experience and more resources bases, G.G. Hardware moved from small projects of 15 to 30 housing units in Bulawayo's high density suburbs around 1991/1993 to bigger private sector projects of up to 200 housing units each, such as the Mimosa Mining Company projects in 2002 (G.G. Hardware and Construction, 2006).

Over the years, CIFOZ and ZBCA have operated in competition and debated the definition of 'indigenous Zimbabwean contractor'. Within the changing political and economic environment, there now seems to be

agreement that the two bodies should merge into one and that this single organization will be more able to withstand globalization pressures. The experience of the past two decades will be used to maintain regulations that allow smaller and formerly marginalized groups to win reasonable construction projects. While all key informants were of the view that the merger is imminent, there was no clarity as to how inclusion mechanisms would be enforced. This is an issue worth monitoring.

#### **4.4.2 *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 and the political relations it maintains with central government. The relationship with local residents and business can also be added to this. Our study has shown that, comparatively, Bulawayo City has retained its high degree of political and administrative autonomy. It has earned great respect from central government and works well in partnership with business, workers and residents. Bulawayo City leaders expressed confidence that despite prevailing economic challenges and discordant party politics, Bulawayo's autonomy would endure, although Sachikonye (2006: 16) considers otherwise. The economy has nonetheless become one of the most difficult challenges facing Bulawayo. Dimensions of this problem are often beyond the control of city authorities. It is this context that has shaped Bulawayo's best practices of the past and calls for new approaches in the future.

This chapter has 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, is the fact that while there have been improvements in legal provisions for decent work in comparison to previous decades, the practical experiences are not so positive for workers in government, for casual workers and for women. Bulawayo City's role in most areas of decent work is marginal, largely due to the institutional division of labour as prescribed by law. However, a range of best practices have been especially developed in areas of strategic planning and urban development, which all, directly and indirectly, create a climate conducive to improvements in decent work. We revisit some of the best practices.

#### **4.4.3 *Realistic strategic planning and citizen participation***

Bulawayo has used existing planning legislation to implement planning processes that involve and respond to community and business needs. These 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 introduced regulations, it has also been innovative by accommodating a range of informal sector activities, such as tuck shops, phone shops and urban agriculture. Bulawayo has a drier climate than other areas to the north-east of the country. While other local authorities have continued with prohibitive measures against urban agriculture, Bulawayo has recognized the activity, and put a promotion program in place that tackles poverty and environmental challenges in a way compatible with the 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 utilized local experts, in contrast with cities elsewhere in Africa that still depend on international consultants. Public consultation was central to strategic planning and continues locally, making use of the Citizens' Charter with organizations such as Bulawayo United Residents Association, Bulawayo Public Transport Association, Bulawayo Affirmative Action Group, churches, NGOs, the 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 the contributions of stakeholders in its administrative area and seeks to work in partnership with all of them.

It is recommended that the dialogue between Bulawayo City and the tripartite partners continues to seek solutions to the water problems and encourage business investments that take advantage of Bulawayo's hinterland and its proximity to markets in South Africa.

#### **4.4.4 *The role of Bulawayo in promoting employment creation***

We have shown that since the 1980s, Bulawayo City has forged partnerships with the private sector, Government and donors (e.g. World Bank, USAID) to implement infrastructure and urban development programs. Transparency has been key to this partnership in that Bulawayo has put up clear indicators and incentives that enable all stakeholders to take part. These incentives were utilized to promote the indigenization program, although the gender dimension appears to be missing and needs to be promoted more actively in the years ahead.

As part of the indigenization program in a bid to create employment, Bulawayo has promoted training programs and incubator schemes. The Kelvin North incubator project is probably the most innovative enterprise promotion exercise. As part of their project, the council built factory shells which were 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 would have grown bigger and be able to move

to new 'open market' premises. The shells were to be advertised and new tenants brought in at the end of the five-year period. At the time of the 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 (e.g. door and window frames), battery recycling and textiles were also some successful enterprises.

While key informants viewed Kelvin North as a successful project, Bulawayo City officials conceded that there was need for a thorough review of the program to identify the origins and destinations of the beneficiaries. Without a detailed survey and analysis of administrative records, it was not possible to tell what proportion of the Kelvin beneficiaries were from the school-leavers training program or retrenched from formal industry. At the same time, the policy objective that beneficiaries 'grow' out of the incubators appears not to have been met. Monitoring and enforcing the five-year leases has been minimal and allegations of misuse have been 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. At Kelvin North Phase 2, leases for 15 of the 16 incubators had expired in 2005 and seven of the operators were running under sub-letting arrangements. There is certainly significant activity taking place at these project sites, but whether they remain within the expectations of council needs to be reviewed in detail.

In light of the fact that the incubators shells have been in operation for a long time, there is need for a comprehensive evaluation to see if the original policy objectives need to be revisited. Senior administrators have conceded this point and promised to look into obtaining resources so that these can be made available in the short term. The ILO could contribute financially to this evaluation.

#### **4.4.5 Bulawayo and the promotion of cooperatives**

The formation and operation of cooperatives is currently guided by the Cooperative Societies Act (1990 as revised) administered by the Register of Cooperatives 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. It has created no less than 12 building cooperatives with a total membership of 120 and many more labourers employed on a casual basis. With ongoing economic hardships, only one cooperative remained in 2006. They build hundreds of houses but officials are not able to provide exact figures. There were also three cooperatives dealing in metal work (whose peak membership was 60), but only two remained in 2006. Other cooperatives initiated for crafts, agriculture,

arts and drama have also found it difficult to remain in business since the economic difficulties of the post-2000 period.

## **4.5 Decent work: evidence, obstacles and potential**

### **4.5.1 Decent work and development in Zimbabwe**

As previously stated, the prevailing socio-economic context of Zimbabwe poses serious challenges for the promotion of decent work. The economy declined by 32% between 1999 and 2005 (ZCTU, 2005b: 1) and business confidence has also declined continuously (Intermarket Research, 2004: 36–40). Over the past six years, Zimbabwe has been the only SADC country where investment has fallen to extremely low levels and both growth and employment creation have been negative (CB Richard Ellis, 2006; ILO, 2005c: 6; Intermarket Research, 2004;). 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 can be considered as decent work or not becomes a secondary issue. This is why workers offer to work extra hours without pay – simply to keep their jobs.

The previous chapters have demonstrated that while an empirical outline of the decent work indicators in Zimbabwe can be compiled, the bulk of the statistics will only be estimates showing trends in workers' conditions. Whether data is collected from national institutions, employer organizations, trade unions, enterprises or individual workers has a strong bearing on the accuracy and validity of the information. Although the decent work concept has a recent history, demands for improvement in working conditions are not new and recall the struggle of Zimbabwean workers from colonial days to the present. However, few in Zimbabwe expressed familiarity with the term 'decent work' and even worker representatives in the construction sector were ignorant of it. Thus, the challenge of decent work is not only conceptual but methodological. The key question is how can it be measured? In regards to Zimbabwe, this includes finding the right institutions to facilitate the dissemination and implementation of the agenda at the local level while locating this agenda in national priorities.

The ongoing ILO/SAMAT program to promote decent work has crystallized around the recently launched Zimbabwe Decent Work Country Program 2006–2007 (ZDWCP). This has been largely a national affair in which local authorities have had little or no involvement; decent work is not a pertinent operational concept and the ILO is not visible at the local level. Broad consultations for the ZDWCP involved tripartite partners: Government, the 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 prioritizing Millennium Development Goal 1 on poverty reduction, Millennium

Development Goal 3 on social protection and reduction of the impact of HIV/AIDS in the workplace, and Millennium Development Goal 6 on upholding and strengthening social dialogue and tripartite consultation.

For the decent work concept to succeed at the local level, it is imperative that the ILO broadens its work in Zimbabwe beyond 'traditional stakeholders' and expands to work with more micro-level partners. It is important to note the macro nature of the ZDWP and hence the need to translate it to local level actions. HIV/AIDS in the workplace appears to have been a key area of activity for labour unions for a long time now and can be combined with job creation in the informal sector to provide a package that responds to the country's needs.

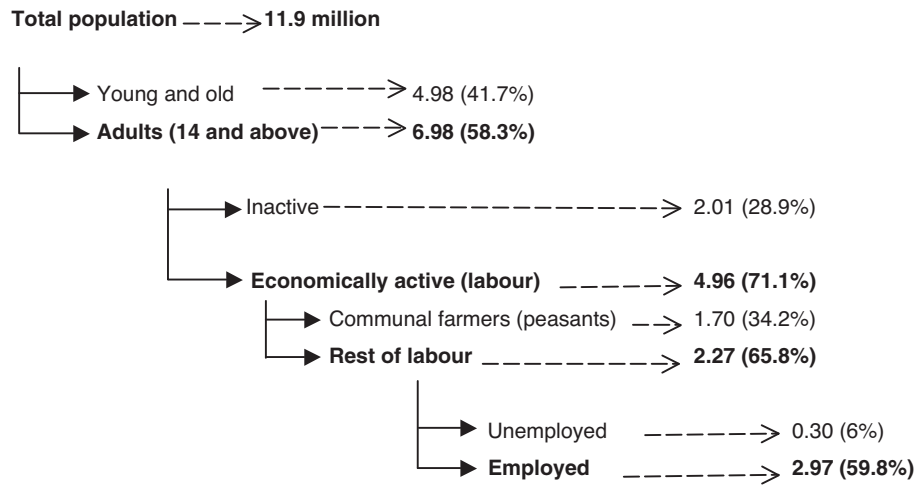
#### *Recommendation*

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

#### **4.5.2 Methodological and conceptual considerations**

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

The inclusion or exclusion of peasants and the informal sector has also varied, with most international organizations and NGOs putting these in the unemployed category. As we saw earlier in this chapter in Section 4.3, there is no consistency in the methods used for data collection over time and across institutions. There are variations even within the CSO. The 1997 Inter-census Demographic Survey (ICDS) analyzed activities for the ten to fourteen-year age group, while the national census of 1992 did not. We also noted that the CSO definition of children switches between ten to fourteen years, five to seventeen years and also to five to fourteen years old. See Figure 4.8.



**Figure 4.8 Population structure and labour (1999–2000)**  
 Source: Modified from 1999 Indicator Monitoring Labour Force Survey (CSO, 2000: 45).

In the national census for 1992 the broad definition of unemployment was used, yet all other censuses and surveys before and after have used the strict definition. In the strict definition, unemployed persons are those of age 15 and over who, during the period of reference, were without work and were actively seeking employment. The indicators of actively 'seeking employment' used in surveys do not capture the social capital-based methods utilized by most unemployed people. In the broad definition, the difference is that the criterion of 'actively looking for work' is excluded. Using the strict definition generally used by the Zimbabwe Government leads to statistically low levels of unemployment. The reference period has also been used selectively, varying between seven days for the 1982 census and all the IM-LFS, and 12 months for the 1992 and 2002 census and the 1987 and 1997 ICDS. Thus, figures for unemployment rates vary depending on whether the strict or broad definition is used, whether a long or short reference period is used, and whether the peasants and the informal sector are defined as employed.

Political tension 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 perceptions make data collection more difficult and research less plausible. A major methodological problem 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 incorporated into the work of key institutions such as CSO, NSSA, NECs and ZCTU.



*Recommendation*

We recommend that the ILO strengthen its dialogue with CSO and NSSA regarding data collection and analysis format. This dialogue should target the periodic surveys done in particular by the CSO, with a view to incorporating decent work data frameworks into the design of the data collection and analysis.

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

Statistically, the empirical level 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 organizations, or from national authorities and departments such as CSO and NSSA. This study uses data from all sources, although it is clear that a comprehensive shop-floor level study for the construction sector is needed.

**4.5.3 Women's rights at work and health and safety in the construction sector**

The labour movement and workers' current health and safety work has rightly focused on HIV/AIDS, with a view to using the workplace as a source of information on the epidemic and circulating information on best practices among workers in regards to protecting and working with those affected. This theme is also central to the recently unveiled Decent Work Country Programme, which has scope for further improvements at the local level.

*Recommendation*

First, the ZDWP priority could be the most appropriate framework to mainstream the sexual and labour rights of women in the workplace. Using the same platforms, specific issues affecting women in the construction sector can be given a more central role with a view to changing men's behaviour 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 their counterparts' experiences in other parts of the world.

Literature and key informants in Bulawayo show that there have been improvements in the legal provisions that benefit women in areas such as maternity leave. However, 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 clarification. A key aspect of gender equality is to evaluate the extent to which the new legal provisions are understood and implemented. Achievements can then be used as a process to build confidence in the new legal provisions among all those involved.

A second point is that occupational health and accidents at work remain key issues that need to be addressed. Underreporting both in the formal and informal sector is of particular concern. The existing systems are overstretched but could be effective with more local level inter-institutional dialogue and harmonization. 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.

#### **4.5.4 The informal economy: opportunities in Bulawayo**

The need to promote the informal sector as a generator of employment was recognized as far back as the Growth with Equity policy document and the First National Transitional Development Plan (1982–1985). Through SI 216 of 1994, enacted in terms of the Regional Town and Country Planning Act, the Government relaxed controls. This gave 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. This book has given best practice details in the provision of industrial incubators in Bulawayo (e.g. Kelvin North). These complemented 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, especially following the ESAP years in the 1990s.

In this chapter we have pointed to the rapid growth of the informal sector since 1990 and noted the shift from manufacturing to trading and services in both the formal and informal sectors. Kanyenze *et al.* (2003) further noted that in the informal sector over the same period, women have been squeezed out of the manufacturing sectors and into services and trading as well as from large operational units to increasingly small ones. However, in general, despite growth in informal sector jobs and internal changes, no detailed studies on decent work are available. The Training and Research

Support Centre (TARSC) has flagged occupational health issues (Loewenson, 2001b), but these remain a key concern, especially in the context of HIV/AIDS<sup>22</sup>. Thus, any future decent work initiatives in the informal sector must take gender and occupational health into consideration, as with the economy in general.

In May to July 2005, the Government launched Operation Murambatsvina (OM) which destroyed a significant number of these informal enterprises and settlements throughout the country, as a method of dealing with perceived economic and environmental problems in urban areas (GoZ, 2005c). NGOs and the 'international community' condemned the policy and have continued to express concern about the negative impacts on people's livelihoods<sup>23</sup>. There is still debate on the reasoning behind the operation (Potts, 2006; Sachikonye, 2006). Unfortunately, the few detailed studies on the impact of this policy have not included Bulawayo (Sachikonye, 2006). However, the OM appears to be a reversal of the Government's SI of 1994. Court rulings in Bulawayo regarding this policy have directed all parties to move forward through dialogue and Bulawayo City is pursuing this vigorously.

As a consequence of OM, there is an ongoing vigorous and visible countrywide reorganization and relocation of small enterprises and informal sector activities. This has generated new opportunities to support employment creation and decent work dialogue. There is a good opportunity in creating jobs through the informal sector, not only to evaluate the impacts of Operation Murambatsvina but also as a method by which the ILO can make itself visible at the local level and address urgent economic national needs.

#### *Recommendation*

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 should seek to move beyond Murambatsvina by meeting the 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 support detailed research and documentation into the dynamics, employment and economic impacts of informal sector construction in Bulawayo including the role of the diaspora *injiva*. This is a feasible short-term project which would act as a focal point for broader policy and program creation for the informal sector in Bulawayo post-Murambatsvina. The project can have direct impact on the Reserve Bank of Zimbabwe's Homelink project.

Sharing of knowledge and experience with decent work and the informal sector should cascade to cities in Zimbabwe in the short term (one to two years) and to cities in the SADC in the medium term (two to five 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.

#### **4.5.5 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 City, 2000). It has also 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 organizations have invested their resources to help with the city's urban poverty programme. Bulawayo City is not only a large employer in the city, it is also a consumer of resources and services and a purchaser and commissioner of extensive building and construction related work. It has the most potential to change people's welfare and to build stronger local economies and sustainable communities. 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 behaviour among all those, worker and corporate, operating within its area of jurisdiction.

##### *Recommendation*

We recommend that using its procurement services and the 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 organizations and institutions that strive to promote decent work. The indicators to the audit would be in line with priorities of workers and the ZDWCP: progress on health and safety at the workplace, on reducing the impact of HIV/AIDS and gender and social dialogue – largely assessed 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 into 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 currently obstacles that would work against this recommendation. There is weak institutional capacity at the level of construction industry and worker's organization in Bulawayo. 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 as simply another unnecessary burden added to the challenges of operating in a hyperinflationary environment. It may therefore be more effective to promote the scheme more forcefully only when the economy starts to recover. A further challenge is that informal sector workers and employers who are outside the existing administrative regimes would find it difficult to incorporate the audit scheme.

#### **4.5.6 Obstacles and potentials for decent work promotion in Bulawayo**

Decent work promotion has never been a direct policy area 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, as well as its relations with its own employees, are indirectly relevant to decent work.

Employment creation and setting the conditions that enable investment are key areas of potential. While the city has done a lot to provide infrastructure, land and incentives to invest, its marketing strategy has not taken a vigorous regional approach to capturing the potentials offered by existing transport infrastructure, population flows and proximity to Botswana and South Africa. It must also begin to make better 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 both water-scarce and indifferent, as witnessed during the drought and water crisis in 1991–1992. There is a global awareness regarding the need to deal with climate change and the future of ‘desert cities’. Bulawayo needs to be put in this bracket of cities and have support mobilized to deal with its water problems. It suffers from the negative impacts of the ESAP that led to decline in manufacturing.

Centre local relations are also essential. While direct interference by Government is not at levels similar to cities like Harare and Mutare, Bulawayo suffers from contradictions because it is perceived as a perennial home of the ruling party’s political opponents; first to ZAPU until 1987 and then MDC from 1999. Central government’s neglect in making timely investments in the water capacity of the city is often placed amongst 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, Bulawayo can only take a policy and regulatory role in these areas in partnership with employee and employer organizations.

**Appendix 4.1 Inventory of public land under private hands (developers) in Bulawayo City 1990–2006**

Developer	Status	Stands allocated and area of the city	Year allocated	Purchase/ transactions	Development status 1999	Development status 2006
1 ZIGEU	Ind.	500 Cowdray Park 3	1995	1/4 payment made in 1993	No development yet. To commence development (1999), signed agreement (MLGNH requested a quotation of stand prices and servicing costs (Dec. 1998). No feedback to date	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 a quotation of stand prices and servicing costs (Dec. 1998). No feedback 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)	Ind.	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 Phase 2 No progress on Phase 3	Phase 1 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	Withdrawn 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 or developed. Taken to court for double allocation of stands and building across stand boundaries

(Continued)

Appendix 4.1 (Continued)

Developer	Status	Stands allocated and area of the city	Year allocated	Purchase/ transactions	Development status 1999	Development status 2006
6 ZIMAL		10000 Phase 3 to 4 Cowdray Park	1996	Paid quarter (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
7 ZIRUS	Ind.	2494 Pumula South	1997/8	No payment made so far	Developer still sourcing funds and resources to develop	Council has reposessed all stands for lack of development. To be reallocated
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. Geor-giades		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.	Seiborne 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.	Seiborne 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.	Seiborne 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		Seiborne 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

Source: Data up to 1999 from 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 March 1999. Data for 2000–2006 obtained from key informant interviews and field observations in April 2006.

Key: Ind. = Indigenous contractor or developer; Non-ind. = Non-indigenous developer.



Appendix 4.2 City of Bulawayo: incentive table (1990s)

	1		2		3		4		5		6		7		8		9		10		11		12		13			
	Allocation	Price	Lease option	Water	Free land	Property tax	holiday	Prof. services	Appli- cation	Plan	Plan fees	Incu- bation	Accomm- odation	Elect- ricity	Telecom													
a	Employs ≤ 100 people																											
b	101–300 people	80%																										
c	301–500 people	75%																										
d	501–700 people	70%																										
e	701–900 people	60%																										
f	≥901 people	50%																										
G	Size of investment (Z\$ million)																											
g	≤\$5																											
h	5–10 million																											
i	11–30 million																											
j	31–50 million																											
k	51–70 million																											
l	71–100 million																											
m	≥100 million																											
n	New and modern technology																											
o	Local and indigenous person																											
p	Export oriented																											
q	Pioneers																											

Key: G = Guaranteed; A = Available

Source: Bulawayo City (1994) *Incentives for Development*, Projects Committee Team Report 22 March.

## Notes

**Chapter opening image: For one US dollar a day, Grace cleans the windows of a building under construction on the seaside of Dar es Salaam, Tanzania. Photograph courtesy of Marcel Crozet, ILO.**

- (1) The Kondozi Estate case is noteworthy. This was an enterprise which employed thousands of workers and conducted daily exports of horticultural produce to both South Africa and Europe, but the estate was seized and handed over to the Agricultural and Rural Development Authority (ARDA) in 2004. It is now derelict with land portions used to grow maize under the 'Operation Maguta', a food security project led by the Zimbabwe National Army.
- (2) See, for example, 'Chinese get ready to cash in on Zimbabwe building boom', *Financial Gazette*, Harare, 20 January 2005.
- (3) 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 and '10,000 likely to lose their jobs in construction', *Business Herald*, Harare, 11 January 2001.
- (4) See for example, 'Closures impact on construction industry', *The Daily News*, Harare, 14 February 2003.
- (5) See for example, 'Chinese get ready to cash in on Zimbabwe Building Boom', *Financial Gazette*, Harare, 20 January 2005.
- (6) Amendments of the statutes have abolished the office of the Executive Mayor and reverted to the old system of ceremonial mayor with effect from mid-2008.
- (7) The role of ZINWA in urban areas was abolished with effect from 1 February 2009 and responsibilities returned to urban councils. Bulawayo City contested/resisted the role of ZINWA until it was abolished.
- (8) Elections in 2006 in Chitungwiza to elect mayor and councillors did not bring an end to the appointed commission. However, following national political dialogue in an attempt to reverse the country's crisis, the two major political parties decided to elect a non-executive mayor for Harare from outside the political parties. Thursday 3rd July, the 46-member Harare council chose Muchadeyi Masunda, a lawyer, to be non-executive mayor. This was preceded by amendments to the Urban Councils Act that scrapped the office of executive mayor.
- (9) Bulawayo hosted five of the eight largest textile manufacturers, such as Merspin, Cotton Printers, Merlin and Security Mills (Zaaijer, 1998: 23).
- (10) One US\$ = Z\$55.0660 at 2000.

- (11) This data is not available in the Labour Force Survey Reports using 45 hours as the cut-off point.
- (12) See *Munhumeso vs Minister of Labour*, Zimbabwe Law Reports.
- (13) Employment rate is the number of employed persons aged 15 years and above divided by the total population in that age group multiplied by one hundred.
- (14) *Chigumura* literally translated means 'vicious displacement' and was the term used by Africans to describe forced retrenchments in industry in colonial days.
- (15) Figures provided by Zimbabwe Construction and Allied Trades workers Union, Bulawayo.
- (16) ZCTU has 35 affiliates. There were about 33 in 1995.
- (17) See *Taylor vs Ministry of Higher Education and Anor*, 1996 (2) Zimbabwe Law Reports 772 (S).
- (18) During a visit to Belmont Construction, workers were having late tea with bread provided by the employer.
- (19) Estimates in Z\$ as at April 2006 provided by Mrs A.N. Kwangwama, Head of Department, Rural and Urban Planning, University of Zimbabwe.
- (20) Five years earlier, the *Business Herald* put the figure at only 120. See 'Building Materials Up 56pc, says CSSO', *Business Herald*, Harare, 26 April 2001.
- (21) The fast-track land reform of 2000 and beyond is often referred to as a broader form of indigenization of the economy.
- (22) See 'Informal Sector Exposed', *The Herald*, Harare, Friday, 30 June 2006.
- (23) See Zimbabwe Report at <http://unhabitat.org>. 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.