

EMPOWERMENT IMPACT ASSESSMENT (EmpIA), A TOOL FOR POVERTY ALLEVIATION AND CAPACITY BUILDING

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ABSTRACT

Empowerment impact assessment (EmpIA) is a quantitative and qualitative process, developed to evaluate the empowerment opportunities in civil engineering projects. It informs the design and construction processes of the projects and records the actual impact with regard to the economic empowerment, employment opportunities and training requirements of Historically Disadvantaged Individuals (HDIs), and local material and plant availability.

The EmpIA should be seen as a tool to assist practitioners in unlocking opportunities by unbundling projects and designing infrastructure in such a manner that the participation of local communities, contractors and Affirmative Business Enterprises (ABEs) is maximised.

The EmpIA practitioner must take cognizance of the following lessons:

- ❖ The unemployed in the community have most probably not fulfilled their lower order needs (using Maslow's Hierarchy of Needs). Selection of the appropriate persons is thus a challenge. A mutually beneficial relationship needs to exist. The participant must thus be meaningfully employed (personal satisfaction) and must also add value in terms of work output.
- ❖ The selected participant must want to be in the construction industry, and the skills training must be in line with industry requirements. First prize would be to have every participant on a skills programme.
- ❖ The participant's talents should be aligned with the job.

The following shortcomings were found:

- ❖ The concept of empowerment needs to be defined.
- ❖ Monitoring and evaluation parameters need to be clearly defined.
- ❖ The appropriate persons need to be attracted to the project and the industry.
- ❖ The Valuable Final Product (VFP) needs to be established at the outset.

The success achieved with infrastructure projects to date has been limited by many challenges, which is to be expected of a new programme. Further evaluative pilot studies (using the lessons learnt) and research is required if the programme is to have a meaningful impact.

1. Background and purpose

Empowerment Impact Assessment (EmpIA) is an initiative of the Western Cape Department of Transport and Public Works.

The aim of the programme is to identify potential opportunities which exist within a civil engineering project for the local beneficiary community in three categories, namely:

- ❖ Opportunities for local labour (unskilled – skilled).
- ❖ Opportunities for Affirmative Business Enterprise (ABE) and Small Medium and Micro Enterprise (SMME) suppliers and service providers.
- ❖ Opportunities for local contractors and sub-contractors.

EmpIA (2004: page 9) can be defined as:

“A qualitative and quantitative process which evaluates the empowerment potential of projects and serves to inform the design and construction phase as well as monitor, evaluate and record the actual impact.”

The qualitative measure provides a measurable yardstick which ensures the assessment and evaluation of deliverables and quantitatively measures the impact on quality of life.

The objectives of the EmpIA process are to:

- ❖ Provide the opportunity for people to improve their viewpoint of themselves.
- ❖ Provide the opportunity for people to assume responsibility for improving their quality of life.
- ❖ Facilitate the upgrading of the social and physical environment.
- ❖ Increase employment.
- ❖ Reduce poverty.
- ❖ Stimulate economic growth.
- ❖ Reduce imbalances in access to economic opportunities.

1.1 EmpIA mandate and legitimacy

The legislative and discriminatory practices of the former regime have left a legacy of inequalities, and government has put in place mechanisms to address these imbalances.

The Western Cape Department of Transport and Public Works uses the Preferential Procurement Implementation Plan (PPIP) as one of the tools to address these imbalances.

Some of the objectives of the PPIP, relevant to the EmpIA process, are:

- ❖ The creation of new jobs.
- ❖ The promotion of rurally based enterprises.
- ❖ A target of 40% participation by previously disadvantaged individuals in the execution of departmental contracts.
- ❖ The growth in size and capacity of participating business enterprises owned by historically disadvantaged individuals.

- ❖ Empowerment of the workforce by providing the required capacity building and through standardising the level of skills and knowledge of workers.

The PPIP (2002: page 18) states:

“Project specifications will provide minimum targets for employment of local labour and for training of labour and ABEs.”

“Design specifications and contract documentation will be such to maximise the impact on empowerment.”

1.2 EmpIA and other current empowerment initiatives

The EmpIA process should not be seen as a different initiative but rather as a process that complements the existing initiatives, but which focuses specifically on the construction sector.

The EmpIA process also complements other national, provincial and local government initiatives such as the Expanded Public Works Programme (EPWP), iKapa Elihlumayo (the strategy to grow the Cape), the provincial skills strategy, national and provincial infrastructure plan and the Strategic Infrastructure Plan (SIP).

1.3 Current EmpIA strategy

The EmpIA process focuses on the construction sector and specifically on projects undertaken by the Western Cape Department of Transport and Public Works.

The strategy unit used depends on the type, location, value and available resources for a particular project. Therefore each EmpIA is unique and applicable to a particular project at a particular point in time.

The EmpIA guideline strategy is summarized in the table below:

Department Branch	Project Type	Project Size	EmpIA Primary Focus	EmpIA Secondary Focus	EmpIA Other Focus
Roads Infrastructure	Capital	> R6 Million	Abe Contractors	Abe Suppliers and Service Providers	Labour-intensive Construction Methods
Roads Infrastructure	Capital	< R6 Million	Labour-intensive Construction Methods	Abe Contractors	Abe Suppliers and Service Providers
Roads Infrastructure	Maintenance	All	Labour-intensive Construction Methods	Abe Contractors	Contractor Learnerships
Public Transport	Capital and Maintenance	All	Labour-intensive Construction Methods	Abe Contractors	Abe Suppliers and Service Providers
Public Works	Capital	> R6 Million	Abe Contractors	Abe Suppliers and Service Providers	Trade Specific Learnerships
Public Works	Capital	< R6 Million	Abe Contractors / Contractor Learnerships	Abe Suppliers and Service Providers	Trade Specific Learnerships
Public Works	Maintenance	All	Abe Contractors / Contractor Learnerships	Abe Suppliers and Service Providers	Trade Specific Learnerships
Community Based	Capital	All	Labour-intensive Construction Methods	Abe Contractors	Abe Suppliers and Service Providers
Community Based	Maintenance	All	Abe Contractors / Contractor Learnerships	Abe Suppliers and Service Providers	Trade Specific Learnerships

2. The EmpIA implementation process

The EmpIA is undertaken in five stages:

1. Empowerment information gathering.
2. Empowerment impact analysis.
3. Developing empowerment impact targets.
4. Developing empowerment implementation strategy.
5. Monitoring and evaluation.

2.1. *Empowerment information gathering*

The first step of the EmpIA process involves the collection and collation of information on the beneficiary community and the infrastructure / project to be constructed.

Community participation forms part of this stage and establishes the resources, type, level and number of skills available within the beneficiary community.

The typical information gathered during this stage includes:

- ❖ Socio-economic: demographic, education, health, employment, safety.
- ❖ Local resource availability: ABEs, SMMEs, labour, skills, plant, materials.
- ❖ Local economic opportunities: potential direct and indirect opportunities.

2.2. *Empowerment impact analysis*

The EmpIA analysis stage is a critical part of the process. In this stage the information gathered during the previous stage is analysed in five categories:

1. Determining labour-enhanced task opportunities.
2. Determining ABE and SMME opportunities.
3. Determining local plant / material resource opportunities.
4. Specifying categories of vulnerable persons and quantifying needs.
5. Education, skills and training programmes to meet community needs.

2.2.1 **Determining labour-enhanced task opportunities**

The development of labour-enhanced task opportunities is vital for the creation of new jobs. This is in line with the EPWP strategy and can be an important contributor towards halving poverty and creating sustainable opportunities.

Labour-intensive tasks are created by changing the design, where feasible and practical, from plant to labour. This process involves a comparison of the two methods, in which the following is compared:

- ❖ How much labour (cost) versus plant is required for this task?
- ❖ How much time is needed using labour and plant, and can the project duration accommodate the additional time?

- ❖ Will the labour be meaningfully employed, i.e. will the skills gained be able assist the individual to obtain permanent or further employment?

Example:

Working example: DETERMINING LABOUR-ENHANCED TASK OPPORTUNITIES				
Task	# Labourers	Cost	Labour type	Labour source
Clearing and grubbing	20	R100, 000	Unskilled, woman	Thembaletu
Surfacing & markings	45	R325,000	Skilled	Blanco
In-situ concrete	30	R586,000	Unskilled / Semi-skilled	Thembaletu, Blanco
Earthworks	40	R150,000	Unskilled	Thembaletu, Blanco

2.2.2 Determining ABE, SMME opportunities

The identification of activities within the project scope is important for the participation of ABE businesses. This exercise will also determine whether it is feasible to unbundle the project. The EmpIA consultant will typically gather the following information:

- ❖ ABE, SMME opportunities.
- ❖ Number of ABEs, SMMEs required to complete activities.
- ❖ Size of local ABEs and SMMEs.
- ❖ Cost of activities.
- ❖ Source of ABEs and SMMEs.
- ❖ Training required for ABEs and SMMEs to participate.

Example:

Working example: DETERMINING ABE, SMME OPPORTUNITIES			
Through project unbundling the following tasks were identified where ABE / SMME's from the beneficiary communities could be involved:			
Activity	# ABE's	Cost	Source
Haulage of material	2	R50,000	Themba lethu
Fence construction	1	R90,000	Themba lethu
Construction of training centre	2	R150,000	Blanco
Installation of services	1	R200,000	Themba lethu
Construction of service roads	1	R120,000	George

2.2.3 Determining local plant / material resource opportunities

Local plant and material resource opportunities are determined in a similar manner as above. This is an important aspect as it stimulates and sustains economic growth in the area.

An EmpIA consultant will investigate and report on the following:

- ❖ Local plant / material resource opportunities.
- ❖ Quantities of local material / plant to be used.
- ❖ Cost of utilising local resources (material and plant).
- ❖ Comparative cost of utilising local resources versus other alternatives.

Example:

Working example: DETERMINING LOCAL PLANT / MATERIAL RESOURCE OPPORTUNITIES		
The following local resources could be utilised for the project:		
Plant / Material	Quantity	Cost
Haulage trucks	4	R20,000
Excavators	2	R45,000
Fill from local quarry	Not yet determined	Not yet determined
Bricks	+/- 15,000	

2.2.4 Specifying categories of vulnerable persons and quantifying needs

Under this heading the EmpIA consultant analyses the socio-economic information to identify particular groups that are at risk. These would typically include women, youth, disabled, unemployed and under-employed.

Example:

Working Example: SPECIFY CATEGORIES OF VULNERABLE PERSONS AND QUANTIFY NEEDS

Vulnerable people in the George area include the coloured and black populations. It is evident from available statistics that within the coloured and black communities education levels are relatively low, unemployment is high and incomes are low.

Education is predominantly at a primary and secondary education level within these communities and a significant percentage of the black (12%) and coloured (9%) population has no formal education. These statistics tie in with the employment figures for George, which indicate that 34% of the George labour force are involved in low-skilled elementary occupations. An important issue is the high dependency ratio within the coloured and black communities. Social problems associated with these socio-economic attributes are common, with many stemming from alcohol abuse.

Blanco is geographically the closest beneficiary community to the project site, which would make it an ideal beneficiary community for the project. The majority of George's black population live in Thembaletu, another area that could be targeted.

Targeted individuals within these communities should include unemployed, skilled and unskilled HDIs. The involvement of ABEs and SMMEs will create economic empowerment opportunities, as will the involvement of unemployed women / youth / disabled, an important population sector in terms of economic empowerment policies.

2.2.5 Education, skills and training programmes to meet community needs

Training and education is an essential part of the success of the EmpIA process, whereby participants (individuals and ABEs/ SMMEs) are trained and provided with the ability to empower themselves.

In this section essential training needs are identified. The education and training programme chosen should, where possible, focus on providing skills that will be required to undertake the work but which would also sustain the community in the future once the project is complete.

The EmpIA report would include the following information:

- ❖ Type of training to be implemented.
- ❖ Who will be trained?
- ❖ Cost of the training.
- ❖ Closest training provider.

Example:

Working example: EDUCATION, SKILLS AND TRAINING PROGRAMMES			
The following education and training needs were identified:			
Training	Candidates	Cost	Training Institution
Life skills & HIV Aids	All labourers	R350 per individual	On-site training incorporated
Basket making	All individuals involved in project	R175 per individual	On-site training incorporated
Construction site practice	Pipe laying, layerworks, kerbing and surfacing	R300 per individual	On-site training incorporated
Contractor development programme	ABE / SMME contractors	R300 per individual	On-site training incorporated

2.3 *Developing empowerment impact targets*

The development of targets is vital for the EmpIA process as it provides the measurable objectives for the process. In setting the targets, cognizance needs to be taken of the above.

Example:

Working example: Empowerment impact targets

2.4. *Project empowerment implementation strategy*

This stage of the EmpIA process deals with a proposed strategy which will ensure that the targets set in the previous stage can be achieved. There are a variety of methods that can be utilised to implement the findings, including:

- ❖ Use of the scheduled task method.
- ❖ Proposed scheduled training programmes.
- ❖ Project break-out, procurement strategies and project unbundling.
- ❖ Engaging community representatives in project implementation for the planning, design and construction phases.

2.5. *Monitoring and evaluation*

Monitoring and evaluation is not part of the EmpIA report, but a function of departmental officials.

The EmpIA guideline document (2004: page 29) states the following:

Monitoring occurs at the stage of initial service procurement, i.e. at the stage of tender adjudication. A regulatory mechanism is also built into the tender process in that the tender must include empowerment targets where necessary. Tender applications are therefore scrutinised to determine the degree to which the application is able to meet the empowerment criteria. Once the project is underway the Department monitors each project closely and the contractor also submits monthly summary sheets, which detail each construction activity involving ABEs and SMMEs.

3. EmpIA programme analysis

The following analysis is based on the author's experience while working with the programme (2003–2006), including discussions and interviews with departmental officials, consultants, contractors and community members, and workshop participation. The projects undertaken during this period varied significantly in size (R1 million–R200 million) and included building and civil-type projects.

The EmpIA programme is in its infancy and still needs to generate widespread buy-in and enthusiasm, attracting the expertise of all role-players in meeting its objectives.

The current programme lacks participation of key role-players because it is not clearly defined in its vision and mission. It needs to address the following:

- ❖ What problem is to be solved on the macro level and how will the specific project contribute on the micro level?
- ❖ What resources and expected contribution are required to resolve the situation?
- ❖ How will the situation be solved?
- ❖ The valuable final product (VFP) needs to be clarified and quantified at the outset, at macro and micro level.

In dealing with communities with high unemployment (their basic needs have not been met, using Maslow's Hierarchy of Needs), the tendency is for the entire unemployed and under-employed segment to be attracted to the opportunities presented by the project (assuming the wage rate is $<$ or $=$ to the average wage in the area), instead of those with a genuine interest in the industry. This may lead to persons not being meaningfully employed and not receiving personal satisfaction from the job, and also to the contractor not achieving the required and desired output.

The persons attracted must want to be involved in the industry and not see it merely as an opportunity until something better comes along. This challenge is particularly complex in that the basic needs of the unemployed must be met in order to identify those interested in the construction industry. This aspect requires further research in order to find the solution.

The average project duration (on which EmpIA has been undertaken) was between 6 and 12 months, which is not long enough for a meaningful skills programme. This would mean that participants would have to participate in projects in other areas to gain experience, implying further challenges such as community dynamics, transport and accommodation. This particular challenge was overcome with the assistance of the community liaison officer and a social facilitator. It should be noted that the involvement of a social facilitator on community projects is vital to its success.

The output parameters need to be clearly defined in the EmpIA, regarding the way in which the monitoring will be undertaken and what will be evaluated. A degree of flexibility needs to be incorporated into the targets to prevent unnecessary penalisation of contractors, where for example a contractor misses one target but far surpasses the others. There also need to be incentives for contractors to exceed the set targets.

Other challenges found are:

- ❖ Buy-in and co-operation from governmental officials and consultants.
- ❖ Lack of human resources and skills within the Department and industry.
- ❖ Lack of trained consultants to undertake the work.
- ❖ Proper legislation to achieve objectives, e.g. project unbundling.
- ❖ Poor planning and unrealistic deadlines hindering community participation.

The programme has also had some successes:

- ❖ The Robertson project (roads and sidewalks) was built using the labour force from the community; the contractor was only allowed key personnel.
- ❖ The Slangrivier project was also undertaken using the community workforce; in this case the project was changed from the conventional format.
- ❖ The Paarl Hospital project had a set target of 40% to be spent on local labour, materials, sub-contractors and contractors. The project value is R200 million and 100 trade learnerships.

The success achieved on the above projects was due to commitment of the whole team to make the project a success. The success to date has been limited, with many challenges, which can be expected of a new programme. Further pilot studies (using the lessons learnt) and research is required if the programme is to have a meaningful impact.

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