Employment Relationships and organizing strategies in the informal construction sector

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Abstract: The expansion of self-employment, casual labor and outsourcing in the construction sector around the world and the growing involvement of intermediaries has led to an increasing complexity of employment relationships. The paper discusses the implications of this complexity for collective organizing, drawing on recent studies of informal labor in the construction sector in three cities in Africa (Dar es Salaam, Nairobi, and Cape Town) and a fourth study in Nepal. Recruitment through intermediaries clearly limits the opportunity for trade unions to organize the workers. As the greatest divide seems to lie between the intermediaries and the large contractors, however, there may be scope for collaboration among the intermediary agencies and the workers, who together can put pressure on the large contractors to get better deals for workers. The paper then takes a closer look at the Tanzania case, where informal construction workers have come together into groups for social security and economic purposes. The relationships within the groups and the role of the leaders is discussed. These dispersed groups have recently formed an umbrella organization, the Tanzanian Informal Construction Workers Association. The paper discusses its agenda, achievements, targets, and the diverse range of allies and actors with whom the association engages.

Introduction

In recent years there has been a significant shift in employment practices in the construction industry, paralleling developments in other sectors of the economy. Construction enterprises around the world have shed their permanent labor forces in favor of employing workers on a casual (often daily) basis or of outsourcing their labor supply through intermediaries. These trends have led in many places to a proliferation of small enterprises supplying labor and a consequent increase in the number of "workers" in these enterprises.[1] They also render employment relationships in the construction sector increasingly diverse and complex. This paper explores this complexity and discusses implications for collective organizing in the informal construction sector.

The paper provides a brief overview of the changing employment patterns in the construction sector in the Global South by drawing on an extensive number of studies, many of which were conducted under the auspices of the International Labor Organization (ILO). The nature of the varied employment relationships is then discussed in greater depth. The discussion is based on three studies of construction workers in Western Cape (South Africa), Nairobi (Kenya), and Nepal plus one participatory action research project in Dar es Salaam

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(Tanzania).[2] The discussion will bring to light that the multiple relationships between contractors, workers, and intermediaries are critical factors affecting the potential for collective organization among the workers. Equally important are the needs and aspirations of the workers. Prospects for trade union involvement are discussed.

The paper then looks at particular organizing initiatives in the construction sector in Dar es Salaam, Tanzania. It explores the motivations for self-organization into worker groups as well as for the formation of an umbrella organization, the Tanzania Association of Informal Construction Workers (TAICO). The discussion brings to the fore the adversaries of the informal construction workers, the emergent alliances in which they engage, and the achievements and limitations of the umbrella organization. State actors emerge as targets, clients, and allies. The Tanzanian case is based on a participatory action research project (in which the authors of this article participated) initiated by United Nations Volunteers (UNV) in collaboration with the ILO, and with inputs from the National Construction Council (NCC) and the University of Dar es Salaam. Twelve Tanzanian volunteers were employed in the project over a period of two years (2001-2003).[3] On the basis of a broad survey carried out in the city, the project selected 38 among the existing groups of construction workers for study. These groups would also be the founding members of the new umbrella organization, TAICO. The leaders of these 38 groups were interviewed.

Informalization of the construction workforce

It has always been customary in many countries to employ a proportion of the construction workforce on a casual and temporary basis to cope with the variations in contractors' workloads. There is, however, evidence to show that the number employed in this way has grown substantially in recent years in a great variety of contexts. For example, an attempt to measure the extent of casualization across industrial sectors in India on the basis of data collected from the National Sample Survey suggested that the share of casual labor in the construction workforce increased between 1983 and 1993 by roughly 10 percent.[4] In 1993, 64 percent of men and 96 percent of women working in urban construction were employed on a casual basis. The author argues that casual workers are only a subset of the larger group of workers who comprise the "informal sector of the labor force" and that if self-employed workers were also included then 89 percent of men and 97 percent of women working in construction in 1993 could be considered as "informal labor."

At the end of the 1990s, 74 percent of construction workers in Malaysia were employed on a casual basis, and casual workers were estimated at 85 percent of the construction workforce in the Philippines, 66 percent in Mexico, and 77 percent in the Republic of Korea.[5] In Egypt, an estimated 90 percent of construction workers are either hired on a casual basis or are self-employed.[6] China has not escaped the trend. A reform program launched in 1984, called "Separation of management from field operations," led to the shedding of labor by state owned construction companies.[7] The majority of construction field workers are now employed on a temporary basis by urban collectives. As a result, the proportion of temporary employees in the Chinese construction industry reportedly rose from 28 percent in 1980 to 65 percent in 1999. Together with the self-employed, they make up 72 percent of the total construction workforce.

Many of those employed on a casual basis in construction are not employed directly by the

main contractors or subcontractors, but by intermediaries. The practice of outsourcing labor through intermediaries is deeply embedded in many developing countries. A 2001 report prepared for the ILO draws on an extensive literature to document the extent of the practice in India, Nepal, Malaysia, Korea, Philippines, Egypt, Brazil, and Mexico.[8] The same report presents evidence of an increase in the practice in some countries in recent years as workers who had previously been employed directly by the main contractor have been laid off and re-employed through subcontractors. For example, data from the national household survey in Brazil shows that construction employees registered with the Labor Ministry (assumed to be the permanent staff of contractors) fell from 41 percent of the construction workforce in 1981 to 21 percent in 1999, while unregistered and self employed workers rose from 57 percent to 75 percent during that period.[9] At the same time there was a rapid expansion in the number of small employers, most of them believed to be labor suppliers.

In South Africa, restructuring in the building industry from the mid-1990s also resulted in a dramatic reduction in the number of workers directly employed by the main contractors and a corresponding increase in the number employed through subcontractors.[10] A study of construction labor in Cape Town in 2002 found that almost all of the workers on construction sites around the city were employed by subcontractors.[11] The author found further evidence of contractors having recently shed their directly employed labor in favor of outsourcing in the fact that three quarters of the employers interviewed had previously been employed themselves, as artisans or supervisors, in larger construction companies. They had left for negative reasons in half of the cases, mostly after retrenchment. They were now supplying labor to their previous employers.

Similar trends can be detected in other countries of sub-Saharan Africa. Studies in both Kenya and Tanzania show that employment in the construction sector has stagnated or declined, while informal sector surveys indicate a large and increasing number of construction workers in enterprises with less than five or ten employees.[12] This apparent shift of employment to very small enterprises is indicative of outsourcing. One of the most interesting developments documented in Kenya is the growth of specialized enterprises offering labor for common tasks such as concreting or block laying.[13] More recent studies in Tanzania and Zambia show that this development is also common in other countries in the region.[14]

A further trend, which has been noted in a number of countries in Africa, is that a growing number of private clients are choosing to by-pass general contractors and the more formal procedures for awarding contracts in favor of buying materials and managing the process themselves, while engaging directly with informal sector enterprises to supply labor.[15] Contracts between the parties are verbal and construction takes place in stages. This method of organizing the building process, without the use of contractors or formal contracts, has been called the "informal construction system."[16] It is the approach traditionally used by individual house builders in most countries in the world, but it is no longer restricted to individual clients or to housing. Large multi-storey buildings (hotels, flats, etc.) are now being constructed In Kenya in this way. Public sector clients in Tanzania have also begun to by-pass contractors in favor of the informal system, particularly for small-scale community-based projects.

Employment relationships under outsourcing

Recent research has also revealed an enormous variety in the role of the intermediaries and even more variation in the employment relationships that can be found under the generic heading of outsourcing. This section discusses this variety on the basis of three studies of construction work commissioned by the ILO in South Africa, Kenya, and Nepal, as well as the study conducted by the authors in Tanzania.

The four studies varied in their scope. Jha's Nepal study covered labor practices in a wide range of construction project types across the country. The study by English in South Africa focused on informal employment in construction projects undertaken by registered contractors in the Western Cape. The Kenya study by Mitullah and Wachira addressed labor practices in large Nairobi multi-storey building projects being constructed informally (without contractors). In Tanzania, the focus of the work reported by Jason was on informal groups working mainly for individual house owners (occasionally for contractors) and including informal producers of building materials. Despite this variation, the studies provide interesting insights that throw light on the issue of organization in the construction industry.

Relationships between intermediaries and contractors

An earlier study of contract labor in India's construction industry describes the main function of an intermediary as that of bringing labor to the construction site when it is needed and taking it away when it is no longer required.[17] In this case, the intermediary is more accurately referred to as a labor broker or labor agent.[18] The division of responsibilities and the forms of payment can vary. In some cases, the workers are supervised and paid directly by the contractor or subcontractor who hires them according to the daily rate, with the broker responsible only for recruitment, for which s/he is paid a commission. This arrangement is also now becoming popular among brokers in Nepal, as they can make good money out of the commissions on the wages of the laborers supplied without having to bear the additional responsibility of supervising them.[19] In most Nepalese cases, however, in the piece rate system of payment is adopted, whereby the unit rate is mutually agreed with the broker who undertakes responsibility for supervision and for paying the individual laborers, retaining a cut of the workers' wages as his/her reward. All the arrangements for engaging the brokers and the construction workers in both cases are informal and verbal.

In other situations, the intermediary may take on further responsibilities. Besides supervising the workers, s/he may manage the construction work and/or advise on materials. The contractor or building owner may still pay the workers directly, while remunerating the intermediary separately in the form of a fee. This is the arrangement found to be most common in the Nairobi study by Mitullah and Wachira, where the intermediaries are referred to as gang leaders. The gang leaders interviewed in the study were working in the informal system and the workers were mostly employed and paid by the building owners.

The most complete form of outsourcing is where the intermediary is paid a lump sum for a task, out of which s/he pays the workers enrolled, taking his/her reward in the form of profit (the difference between the lump sum payment and the labor costs). S/he is more accurately described in such situations as a labor sub-contractor. It may be argued that only in this latter case is the intermediary a true entrepreneur, a risk taker, and an employer of others, and therefore not a worker.[20] This type of arrangement was found to predominate in the Western

Cape.[21] Labor subcontractors were less common in the studies conducted in Kenya and Tanzania. Only 28 percent of the workers interviewed in the Kenya study reported to be hired by labor subcontractors. In Tanzania the research found few instances of group leaders acting as entrepreneurs, in the sense of taking risk and making profits. Labor subcontractors do exist in the construction industry in Dar es Salaam, but few of the groups involved in the project appeared to be acting in this way.

Relationships between intermediaries and workers

An examination of the dynamics within groups of workers reveals similar diversity in the relationships between the leaders (intermediaries) and the workers.[22] Only in the larger worker groups in Nepal do the leaders see themselves, and are seen by the workers, as employers. They are more often seen as team leaders rather than employers. Besides supervising the group, the leaders in Nepal sometimes work themselves. When there is no work for the group, they may even work in other groups. Group members usually come together through family and friends and form a socially cohesive unit. As is common in developing countries, most construction workers are migrants from the rural areas and often come from the same village. The majority also lives together while they are working in construction.

As in Nepal, many of the construction workers interviewed in Nairobi and Dar es Salaam migrated recently from the countryside.[23] Construction work groups in these towns are social networks that play an important role in recruitment and in sustaining workers in the urban economy. The networks can be seen as a form of social capital and act as insurance for the workers who have no formal insurance. Recruitment into Nairobi construction work groups is through friends and family, and workers are often from the same ethnic group and share a common language. The leaders have control over their gangs and earn more than the gang members. But they are seen as mentors to the gang members, rather than their employers. They are in fact themselves employees of the main contractors or building owners (clients) for whom they are working.[24]

The leadership of the 38 groups of construction workers interviewed in Tanzania would seem to stand even closer to the rest of the group.[25] In none of the groups do the leaders get extra benefits for being leaders. Some accept the positions for the prestige it brings, while others emerged as leaders because of the help they could give to the group and the influence they have outside the group. In most cases, the more experienced elders influenced the formation of the groups. Group leaders have the task of settling disputes. In many groups, they also search for jobs and distribute the available jobs and tasks. In most cases, they are a part of the group's work force rather than employers of the workers.

The implications for collective organizing

Union density in the construction industry has decreased almost everywhere, in parallel with the decline in the regular workforce. Faced with this situation, trade unions recognize the urgency of recruiting those informally employed, and many have drawn up strategies to do so. But the barriers are significant. Problems in recruiting casual workers, even when directly employed in formal enterprises, include the temporary nature of employment, the long periods

without employment, and the difficulty of collecting contributions from workers who do not have regular incomes.

Further difficulties arise when workers are employed through intermediaries. Whatever the exact role of the intermediary (broker, gang leader, or labor subcontractor) and the types of contracts entered into, it is clear that the use of an intermediary drives a wedge between the principal employer and the workers, thus complicating the employment relationship and raising critical issues for collective organizing. The detailed study of construction workers in the Western Cape notes that the outsourcing of labor through subcontractors has diffused the power of the unions and freed employers from the restrictions imposed by both unions and government.[26] Escaping such restrictions is often a key reason for outsourcing in the first place.

In situations where a direct employer/employee relationship is being replaced by a variety of more diffuse and indirect, but nonetheless dependent, relationships in the process of production, it has been argued that organizing strategies can no longer focus primarily on the employment relationship, but need to focus instead on the workers and their needs for protection and representation.[27]

Aspirations of the workers

The main aspiration of the construction workers interviewed in the course of the four studies was to gain access to employment and income. According to the Tanzanian 2000/01 Integrated Labor Force Survey, 60 percent of construction workers in Tanzania are now self-employed and half of them are in fact unemployed for most of the time.[28] Unsurprisingly, the urgent need to increase opportunities for employment and income was the main concern expressed by the informal construction workers interviewed, as well as the driving force behind the formation of the Tanzanian Association of Informal Construction Workers (TAICO) in Dar es Salaam (be explained below).

In her study of organizing in the building sector in South Africa, Goldman shows that those working informally in construction regard themselves as "the unemployed," and their greatest felt need is to find work. They would only want to join a union if that would help in the search for work. The overwhelming aspiration to find regular work was also borne out by interviews with workers in the Western Cape.[29] Only 22 percent of respondents described their position as permanent, and even these workers used the term to refer to their relationship with their employer rather than to indicate continuity of work. They were called only when their employer had work and often had long periods out of work. Three quarters of those interviewed said that they had periods of unemployment, with the average length of time out of work being ten months. When asked about their rights, workers revealed a widespread fear of dismissal and a common perception that casual workers, particularly the majority who were working for subcontractors, have no labor rights. Union membership was seen as more likely to be a barrier than an advantage in obtaining a job. While almost half (43 percent) of the respondents stated that they were members of an organization in the workplace, a larger proportion (52 percent) were members of burial societies. Only 11 percent were members of a trade union.

The research among informal construction workers in Nairobi uncovered similar findings.[30] Slightly over half (55 percent) of the respondents said they belonged to some form of

association, but these were mainly welfare associations and revolving savings and credits associations. Others belonged to ethnic/clan associations, self help groups, development groups, *jua kali* associations, and church associations.[31] When asked about the benefits of association, the majority responded that the benefits include taking care of welfare matters (56 percent), financial support (22 percent), and undertaking development projects (11 percent). Only two respondents belonged to organizations that engaged in advocacy and policy influence and in the protection of workers' rights, and they belonged to a *jua kali* association and a trade union respectively. The author concluded that the "there is a need to expose the workers to the benefits of belonging to associations which have the potential to engage in advocacy and influence policy. Associations of workers would be able to lobby and represent the workers' interests: for example in areas related to insurance, wages, training and terms and conditions of work."[32] One third of those interviewed agreed that membership in trade unions is important for lobbying, but they were simply unaware of the existence of a construction workers union in Kenya.

The main aspiration of Nepalese construction workers is also to have increased income on a regular basis. The leaders of the workers groups, know locally as *naikeas,* are instrumental in providing this by offering employment and occasional overtime. The *naikeas* also offer some degree of social security, providing monetary advances in case of emergencies such as sickness or social obligations. Clearly the workers see him/her not as an adversary but as their friend and defender against the bigger adversary, the main contractor. As the *naikea* provides access to work and most are hostile to trade unions, it is unlikely that the workers would unite in action against him/her.

Organization among labor suppliers

In the light of the above, it is worth considering the prospect of uniting labor suppliers to struggle for a better deal with the main contractors. In South Africa, where labor suppliers are seen as emerging employers, trade unions seem to be thinking along these lines. One trade union official interviewed in 2003 elaborated: "You have the emerging employer and the big giant [i.e. the main contractor] who squeezes him. Out of the little from the big employer, the small employer needs to share that with the workers."[33] The implication is that in order for workers to be better off it is the emerging employer who needs assistance to negotiate a better deal with the main contractor.

Support for this idea was also found in the Cape Town study.[34] The newly emerging labor subcontractors, now the main employers of labor, were found to be sensitive to the need to raise the wages of the workers. They were conscious of their failure to observe the collectively bargained agreement on wages. But they cited as excuse the intense competition for work which led to tender prices that were not sufficient to cover the cost of minimum wage rates and benefits as set out in collective bargaining agreements. In other words, the harsh terms offered by main contractors seem to be the cause of low wages and lack of benefits for the workers.

The Deputy General Secretary of the South African Building and Construction Workers Union (BCAWU) spoke in an interview of building the ability of subcontractors to negotiate with the main contractors in order to gain sufficient funds to be able to abide by minimum wage rates and benefits.[35] However, he recognized the risk for the union in engaging with

subcontractors in this way. If organizers found that paying the minimum rates was impossible in terms of cash flow, the workers would start to question the credibility of the union. The solution that he proposed was for the government to assist emerging contractors to form an association that could build their negotiating power in relation to the main contractors. The speaker commented that this is an interesting suggestion, as the government does not support trade unions in this way. In the current situation, maybe it should?

Is there a role for governments?

It has been suggested by others that there is a role for governments in settling labor disputes in developing countries where trade unions, employers organizations, and other institutional infrastructure for dispute settlement are not in place or do not include the majority of workers. In a landmark paper on labor standards in the context of globalization, Singh and Zammit argue that governments might legitimately intervene for a variety of reasons, for example, "to represent the interests of those in the informal sector who may be affected by the bargains between employers and employees in the formal sector" and "to promote cooperation between employers, employees and those working in the informal sector for common national good, rather than have adversarial relations between these groups which developing countries can ill afford."[36]

One way in which governments might intervene is through the registration of labor intermediaries, which could potentially lead to greater access to work, as well as to training and better social protection for the workers. A good example of such intervention comes from the United Kingdom where following the death of a group of Chinese cockle pickers, the government decided to license labor intermediaries in order to protect informal workers from exploitation. The Gangmasters (Licensing) Act of 2004 sets up a procedure for licensing persons acting as gang-masters in the agriculture, horticulture, shellfish gathering, and food processing and packaging sectors of the economy. There are not yet plans to extend it to the construction industry, but such extension has been discussed.[37] The licensing procedure requires that the gang-masters abide by certain standards and conditions, including making provisions for the health and safety of the workers.

The Government of Nepal has proposed the registration of all construction workers through information centers at municipal level. The Nepal study found that the *naikeas* were mostly opposed to this idea, as they fear it would attract trade union activities, which in turn would erode discipline and cohesiveness within their groups.[38] The highest priority and concern of the *naikeas*, however, is the regularity of job opportunities. For this reason, some of those interviewed would favor registering their enterprises in such centers if it helped them to find clients. Some also considered that any social benefits or training programs targeting the workers could be channeled through such centers. The *naikeas* interviewed maintained that they were willing to invest in training programs but only if there is a market demand for higher level skills. They also recognized that workers greatly appreciate social benefits such as accident insurance, overtime payment, food and lodging facilities, and so forth. However, they felt that the building owners (clients) should bear the cost. One way of achieving this could be through the procurement process, by including in the contract the requirement that specified benefits be paid and providing sufficient funds to cover the cost. Proposals along these lines are said to

have met with widespread support from stakeholders in Nepal.[39] This is a clear task for the government in its role as regulator of the public procurement process.

In the current context, a strong argument can be made that governments do have a role to play in support of the weaker sections of society, including workers who are struggling to improve their situations and realize their rights. Pressure from below is still needed to push governments in this direction. Further evidence comes from Tanzania, as outlined in the next section.

Informal construction workers in Tanzania

The activities of informal construction workers in African cities are not well understood by either the authorities or scholars, and their interests are seldom articulated publicly. An action research project was implemented in Dar es Salaam between 2001 and 2003 to address the issue. Its aim was to strengthen construction workers as a group by helping them to understand the problems that they face and enabling them collectively to identify and implement solutions. After much debate, the definition of informal construction workers adopted by the project included all those working in the construction sector who are not on the regular payroll of contractors or of other employers. As it is now recognized that informal construction enterprises and workers in Tanzania supply not only labor but also materials to contractors engaged in larger projects in other sectors of the industry, it was decided to also include producers of building materials in the definition of 'informal construction workers' and hence include them in the project.[40]

The project carried out a broad survey in the city and estimated the total "population" of construction workers at around 26,500. In the initial stage of the research it was found that some were already associated into groups. A total of forty-three groups of informal workers were identified involving 1400 workers. Interviews were conducted with leaders of thirty-eight of these groups. These groups would also be the founding members of the new umbrella organization, TAICO.

The thirty-eight worker groups selected included groups of labor suppliers as well as construction materials suppliers. Twenty-two of them were supplying only labor. The majority of the labor groups were comprised of mixed trades but specialized groups were found in plumbing, carpentry, aluminum and glass fitting, and in pouring concrete. Of the five groups supplying materials, three were involved in crushing stones to make aggregates and the others in selling scrap metal. A further eleven groups were selling both labor and materials, mostly timber items, concrete blocks, and even food vending. Clearly, some of the groups supplying construction materials own some capital and equipment, but all of the members, including the leaders, are still regarded as workers. Most of the groups are very far from becoming individually-owned enterprises. The more organized and capitalized groups are organized more like workers cooperatives.

Motivation for forming worker groups

According to most of the interviewees, the main motivation behind the formation of the groups was related to the provision of social insurance rather than to business development. The

groups accumulate funds which are then used to make payments to members when they are hit by adverse circumstances (sickness, death, etc.). But some groups also use their account to purchase construction tools, which are then rented to the group's members. This benefits members who are able to utilize new and effective tools and also increases the size of the group account. Some groups distribute surpluses to members at the end of the year.

There are various ways of making contributions to the group funds. When working as a group, selling either labor or materials, the usual arrangement is that a certain percentage of the proceeds is retained for the group account, and the remainder is distributed to the members. When members work on an individual basis, they are expected to contribute to the group's fund from their earnings, usually 10 percent. Members of some labor supply groups are expected to make a fixed contribution to the group's fund each day, whether or not they have a job on that particular day. If there is no work, the amount owing will accumulate accordingly. In some groups, membership fees are another way to raise funds. Fees are collected either monthly or weekly, with those joining late having to make back payments.

Joining a group also has work-related advantages, particularly for suppliers of materials. These advantages include collective bargaining power when negotiating for payments with customers, sharing the payment of various government dues such as business licenses, sharing experiences, and learning from each other. For example, stone crushers find working in a group eases the acquisition of land (quarry plots) from the responsible ministry. Another advantage is that the group is able to produce large amounts of material to fill a lorry, which is important for attracting big customers. Some well-established and well organized groups producing materials are able to accumulate profits, which they use to give loans to the members at very low interest rates.

The formation of TAICO: struggling for markets and recognition

The biggest problem that informal construction workers experience is the search for a market for their services and products. Finding customers means finding work and income. Their customers, however, are mostly limited to individuals developing residential houses. Only one third of the workers in the project had secured jobs from contractors or subcontractors. The market for material suppliers is also largely in the domestic and small scale construction sector.

At a series of workshops organized by the project, the workers expressed the view that most construction projects are available in the public (government) sector and that they cannot access these projects because they lack official recognition. They requested assistance to form an umbrella organization in order to fight for official recognition that would enable them to bid for public sector projects.

The idea of forming an umbrella association comprising the various groups of informal construction workers did not initially receive support from all of the groups. Some were of the opinion that the groups were comprised of people with differing trades. Thus, they have different interests and problems, and hence solutions would differ as well. Organization among the individual groups is still very fragile, and some felt that bringing all the trades together under one organization would cause conflict rather than generate solutions to their problems. These concerns were taken on board in the drafting of the Association's constitution. Eventually, those voicing potential disadvantages were overwhelmed by the majority, who saw

the benefits of a united approach to lobbying, marketing, conflict settlement, etc. TAICO was formed in 2006 with the first leadership elections held early in 2007.

The Association's objectives are to safeguard the interests of the informal construction workers and to pioneer for policy changes and access to markets. Attaining legal recognition, empowerment, and facilitating access to markets were the motives behind the formation of the Association. A specific request made by the workers participating at the workshops was that the government set aside a proportion of its capital development funds to procure the products and services supplied by the informal construction workers. They also considered that the existing government policy of using labor-based technology should be extended to the maintenance of urban infrastructure, so as to create more opportunities for employment in the urban areas.

For the groups supplying labor, the immediate objective was to secure registration for TAICO members by the Contractors Registration Board (CRB) so that they could bid for public sector contracts. The CRB has agreed in principle to register labor suppliers as "community contractors." Yet, obstacles remain to their registration. One significant challenge for the workers is to demonstrate their formal qualifications. The CRB requires the groups seeking registration to have at least one member holding a trade Test Certificate at Grade II level in the trade for which the group is seeking registration. To overcome this hurdle, TAICO persuaded the Vocational Education and Training Authority (VETA) to develop a tailor-made curriculum to suit the informal construction workers' needs. As a result, many informal construction workers have now attained the required certificate.

Having acquired the necessary training certificates, the workers, through TAICO, began negotiating with CRB for a reduction in the registration fee. They are also requesting that government contracts under 75,000,000 Tanzanian shillings (around US$60,000) in value be reserved exclusively for the informal groups registered as community contractors. This will almost certainly be opposed by contractors already registered in class seven (the lowest class), for they also are struggling to obtain contracts in order to survive.

TAICO has paid less attention to date to the problems of the groups engaged in the supply of construction materials. They face the critical problem of a lack of working premises. It is proposed that the material dealers will lobby through the Association for appropriate working premises and attain permission to operate legally from such premises. The policy of the government is that informal sector operators should carry out their businesses on areas legally located for such businesses. In 2006, groups of stone crushers were evicted by the government from the quarry at Kunduchi on the northern outskirts of Dar es Salaam. These groups were not affiliated with TAICO. However, other groups of stone crushers who were affiliated worried that the same could happen to them. Therefore, as a matter of precaution, TAICO consulted the Ministry of Minerals and the Ministry of Lands on the legality of operating from their current working places. TAICO members were issued with temporary working permits in such areas.

Targets and Allies

From the above it is clear that the main target of the informal construction workers is the government. The construction workers' organization is trying to persuade the government on behalf of labor suppliers to modify its policies so that they can register their groups and hence

gain access to public works projects. In their efforts to lobby for these changes the workers were supported by United Nations Volunteers (UNV), who paid for the technical training of the workers so that they could obtain a Grade II trade certificate and be registered with the CRB. The workers have also been joined by the World Bank-funded Tanzania Social Action Fund (TASAF), which uses locally-available labor in its construction projects. Construction companies have also sometimes been supportive. For example, one foreign construction company operating in Tanzania has in principal agreed to use the registered worker groups affiliated to TAICO.

Indeed, in their struggle to enhance their lives and working conditions, the informal construction workers work with a number of organizations and other construction industry stakeholders. Some of these are in the public sector. The National Construction Council (NCC) serves as a custodian of their Association, TAICO. A special Program for Property and Business Formalization (MKURABITA) in the president's office has also expressed an interest in supporting the informal construction workers association and has paid the fees for TAICO to register as an association with the Ministry of Home Affairs.

TAICO also has potential allies outside of the public sector. One such potential ally is the construction trade union. In Tanzania, construction industry workers are represented by the Tanzania Mines and Construction Workers Union (TAMICO). But the union has not made any inroads into the informal construction sector. The major obstacle for TAMICO is the irregular incomes of informal workers which makes it difficult to collect subscriptions on a monthly basis, as the union traditionally collects dues by automatic deductions from salaries. However, TAMICO has conducted a number of meetings with TAICO and organized a workshop on occupational health and safety for informal construction workers. It has also been agreed that TAICO should become a member of TAMICO and pay fees on behalf of its members, but difficulties within the union have put these plans on hold.

TAICO member groups involved in supply of construction materials also have a potential ally in the street traders association *Jumuiya ya Vikundi vya Wenye Viwanda na Biashara Ndogo Ndogo*, known locally as VIBINDO. There is some potential commonality of interests, as these groups strive for premises where they can legally conduct their businesses, and VIBINDO defends street hawkers who have been subjected to evictions. The link with VIBINDO, however, is not yet official.

New groups are joining TAICO, and its membership is increasing. However, it still covers only a small percentage of the total population of informal construction workers in Dar es Salaam. In addition, membership is only open to groups of workers, and these groups must have some form of registration (as a cooperative, business entity, or community based organization). The informal construction workers who work individually thus cannot join the association unless they first join an existing group or form a new group and register it. To the extent that TAICO proves successful in fulfilling its objectives so that others are anxious to join, the requirement of being in a group could provide a strong incentive for further organization amongst informal workers into collectives.

Conclusion

Teams of workers are needed for any particular construction project, and they are needed at different times and for relatively short periods. Hence, the most common way to recruit labor for work in construction is to hire workers as a group. The groups may be comprised of semi-skilled or unskilled laborers, craftsmen with a particular trade, or mixed groups of workers with all of the trades needed for construction of a building. They supply labor to contractors on large construction sites in the formal part of the industry and, at the other end of the scale, to individual house owners in the domestic sector of construction. Studies from a diverse range of countries show that workers come together spontaneously in groups to provide labor for construction. The greatest needs of construction workers are to earn income through work and to have a degree of social security. Being in a group facilitates access to both security and work. Hence workers everywhere come together to meet these needs.

Groups of workers with construction skills are well developed in many Asian countries and are just emerging in countries of sub-Saharan Africa. A few of the large and/or more established groups may be legitimately regarded as business enterprises, with the leaders operating as genuine entrepreneurs, taking risks, and making profits. In these cases, the entrepreneur is regarded (by himself and by the workers) as the employer of the workers. These groups are relatively stable, disbanding when there are no contracts but coming together again whenever there is work. Many other groups are more like labor cooperatives than businesses, however, with the leaders working alongside the other workers and seen more as mentors than employers. In these instances, the work group is not always the same. One, several, or many members of the group may be engaged, depending on the size and nature of the job. Even the role of leader may change as the member that finds the job opportunity becomes the leader for the duration of that project. In this situation there are no clear employers, and workers generally regard themselves as self-employed.

Given the context above, it is relevant to ask how the trade unions might attempt to engage with the workers and what they might have to offer. The role of the trade unions has traditionally been to protect workers in employment and bargain with the employers over terms and conditions. It is not obvious how they can fulfill this role when there are no clear employers. Even when intermediaries act as employers, a key question is whether trade unions should attempt to organize among the workers and help them fight against exploitation by the intermediaries, or whether they should try to engage with the intermediaries to fight for better conditions from the main contractors? In order to address these questions we need to assess where the main divide lies: that is, between workers and intermediaries or between the intermediaries and the main contractors? While there is no doubt that in the more developed and entrenched systems the intermediary employer can be a harsh exploiter of the workers, we have argued that the relationship between the workers and the intermediaries is more often benign, one of mutual dependency. The workers look to the intermediary for help and guidance in finding work and acquiring skills, but also for providing loans in times of adversity. The overriding interest of both is to find regular and financially rewarding employment. Hence, in such situations trade unions could potentially link up with the intermediaries to press jointly for better terms and conditions of engagement for informal workers. In this endeavour they also may need to engage with the government.

As TAICO's experience in Tanzania has shown, the workers and their leaders together can

put pressure on those who control their opportunities for advancement. These may be the larger contractors, who can be lobbied for better terms. But in many situations, it is the government which in various ways controls access to construction jobs and work. Governments control access to public sector contracts by setting the procedures for public procurement and the regulations governing who gains access to tender lists. As major clients of the construction industry, governments can decide (within the rules they have set) who they wish to engage to build hospitals, roads, and schools and how they wish to do this. TAICO has successfully lobbied the Tanzanian Government to reserve a share of public sector contracts for informal groups of workers. They have also campaigned for the greater adoption of labor-based construction technologies. The government has thus so far been the main target of TAICO. At the same time, it has enjoyed the support of a special program in the president's office. Whether as clients, targets, or allies, government actors seem to relate in multiple and complicated ways with informal construction workers.

Notes

1. The employers, employees and own account workers in these small enterprises, together with the casual workers informally employed in formal enterprises, make up the informal segment of the construction labor force, as understood in this paper.
2. English, 2002; Mitullah and Wachira, 2003; Jha, 2002; and Jason,2005, respectively. The first three studies were commissioned by the ILO while the fourth was a joint ILO/INV research project.
3. At the close of the project Arthur Jason was re-employed by UNV to continue support to TAICO under the auspices of the NCC.
4. Pais, 2002.
5. Abdul-Aziz, 2001; Yuson, 2001; Connolly 2001; Cho, 2004.
6. Assaad, 1993.
7. Lu and Fox, 2001.
8. Vaid, 1999; Van der Loop, 1992; Jha, 2002; Abdul-Aziz, 2001; Yoon and Kang, 2000; Yuson, 2001; Assaad, 1993; Saboia, 1997; Zylberstajn, 1992; Connolly, 2001.
9. PNAD, 1999.
10. Goldman, 2003.
11. English, 2002.
12. Wachira, 2001; Wells, 2001; Wells and Wall, 2003.
13. Ngare, 1998.
14. Mlinga and Wells, 2002; Jason, 2005; Mashamba, 1997.
15. Mitullah and Wachira, 2003; Wells, 2001; Wells and Wall, 2003.
16. The informal construction system was recognised and defined at the first meeting of the CIB Task Group 29 *Construction in Developing Countries* held in Arusha, Tanzania, 21-23 September, 1998.
17. Vaid, 1999.
18. This is common in civil works projects in India, in Nepal, and in many other countries.
19. Jha, 2002.

20. This argument is put by the Alliance of Progressive Labor (APL) in the Philippines.
21. English, 2002.
22. Jha, 2002.
23. Mitullah and Wachira, 2003; Jason, 2005.
24. Mitullah and Wachira, 2003.
25. Jason, 2005.
26. English, 2002.
27. WIEGO, 1999.
28. United Republic of Tanzania, 2002.
29. English, 2002.
30. Mitullah and Wachira, 2003.
31. The literal meaning of the Swahili term *Jua kali* is in the hot sun. It is the term used in Kenya to denote informal economic activities.
32. Mitullah and Wachira, 2003, p.31.
33. Goldman, 2003, p.13.
34. English, 2002.
35. Goldman, 2003.
36. Singh and Zammit, 2004, p. 96.
37. The Act defines a gangmaster as an individual or business that either supplies labor or uses labor in these sectors: Gangmasters Licensing Authority.
38. Jha, 2002.
39. Jha, 2002.
40. The point had been clearly demonstrated in the paper by Mlinga and Wells.

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