SUSTAINING THE PROCESS OF SOCIAL DEVELOPMENT IN PROJECTS IN THE BUILT ENVIRONMENT "TECHNICAL INVOLVEMENT AND ACCOUNTABILITY"

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Abstract

The national policy and regulatory frameworks have without doubt created an enabling environment for social development in projects in the built environment in South Africa. This has also laid the foundations to enable private and public sector to accelerate empowerment under the banner of social development. However, implementing a social equity or empowerment framework is presenting its own problems. Currently, accountability tends to shift between clients, built environment professionals, specialists on the periphery, funders of development projects and emerging and established contractors. The lack of a framework ring fencing the areas of technical involvement and accountability for social development appears to be part of the problem. As a consequence, stakeholder relationships in the project field, particularly between clients, consultants and communities are becoming increasingly strained.

This paper, views the concepts and background to sustainable social development, analyses two case studies, identifies the problem areas with respect to the technical professions involvement and concludes with a few suggestions on the issue of technical involvement and accountability.

Keywords: social development, technical, involvement, accountability

INTRODUCTION

With the supportive policy and regulatory frameworks enabling social development now firmly established, *implementation is high on the agenda in South Africa*. As a result of political and investor demands, designers of infrastructure projects are now obliged to account for the social development outcomes.

The key factors that contribute to sustaining social development are the institutional, environmental, economic, financial, social and technical inputs. This paper has confined the analyses to the later and acknowledging that social development is an ongoing process has restricted the analyses to the design and construction phase of the case studies. The design and construction phases are the only timeframes during which the technical professions are considered to be in a position to influence the social development process or manage the social development outcomes.

The *first part* of this paper explores the concepts and background to sustainable social development and the links the issue of investment in social equity to the involvement of the six professions falling under the management of the Council for the Built Environment (CBE) Act No. 43 of 2000, (referred to as the technical professions in this document).

The *second part* of this paper summarises two case studies and uses them to identify the technical professions attempts at addressing social equity in projects. Although the case studies show that social development (outcomes) were successfully achieved, the manner in which the targets were set and the accountability for the technical input is questioned.

The *third part* of the paper analyses the way forward with regard to the technical professions accountability and offers a few suggestions on how to enhance the built environment professions involvement in social development.

PART 1. CONCEPTS OF SOCIAL DEVELOPMENT

This paper reflects on the various interpretations of social and sustainable development and concludes that these concepts have been linked to investment projects on the premise that projects will act only as hosts or channels for investment in social equity. In the case of the built environment this implies that physical projects should generate the opportunities for social equity in the form of empowerment. The empowerment concept is identified in various forms such as access to employment opportunities, community participation, and capacity building. In this paper capacity building refers to the process of empowering SMME's with construction and business skills training as well as empowering them with access to financial resources. SMME's are regarded as fully-fledged entrepreneurs when they no longer exhibit any form of dependency on the established construction and business sector. Ideally the relationship should change from one of dependency to that of interdependency

While the philosophy of social development and sustainability is captured in political statements and policy directives, its implementation is not proving an easy matter. Interpretations from the environmental and social fields have tended to set the departure points and offer the foundations from which the built environment professions can contribute to the social development process in South Africa.

Political trends

"The 1990's are likely to become the decade of democracy: more and more nations are contemplating the establishment of democratic systems ……this trend encourages us to reflect on the meaning of democracy and its various forms."
A Lijphart, 1991

Accountability

"The role of the state is to provide strategic guidance and to create the conditions to unlock innovation in the private and community sectors, often by devolving responsibilities within a broader framework, which encourages information flow about societal options – the term "enabling state' applies to the concept of sustainable development"
Michael Carley and Ian Christie- Managing sustainable development 1992

"It is in their role as citizens, not consumers that individual people will create a sustainable economy. It is through collective political choices that sustainability will be achieved."
Michael Jacobs, 1991

The Brundtland Commissions Report (see below) and subsequent publications by a variety of researchers on the topic of sustainable development, mostly address the income gap and poverty alleviation in developing countries. These publications cover a broad range of sustainable development issues from environmental management to sustainable cities. Carl Frankel in his book

"In Earth's Company" captures the essence of sustainable development. *"Sustainable development is characterized in terms of three elements, economic, environment, and social equity. Growth is to be pursued in a manner consistent with long term environmental protection and fairness".*

Social equity appears to cascade into investment projects in the built environment and surface under the umbrella of empowerment. Empowerment is visible in for example indicators, which reflect the number of entrepreneurs involved in projects, number of women participating, percentage equity shareholding, number of construction contracts awarded to small contractors etc.

The concept of sustainable development

Sustainable development is defined by the Brundtland Report as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" "The aim of sustainable development is to improve the quality of human life within the carrying capacity of supporting ecosystems. Sustainable development emphasizes the need for balanced relationship between environmental, social and economic factors." Bernard Taylor, Colin Hutchinson, Suzanne Pollack, Richard Taper. Environmental Management Handbook 1994.

It contains two key concepts:

- *The concept of "needs", in particular the essential needs of the worlds poor, to which overriding priority should be given: and*
- *The idea of limitations imposed by the state of technology and social organization on the environments ability to meet present and future needs.*

According to IISD (International Institute for Sustainable Development), The World Conservation Strategy goes so far as to define sustainable development as *a set of strategies and tools, which respond to five broad requirements:*

- *The integration of conservation and development*
- *The satisfaction of basic human needs*
- *The achievement of equity and social justice*
- *The provision of social determination and cultural diversity*
- *The maintenance of ecological integrity*

Each is a goal in itself and a condition for achieving the others, thus underlying the interdependence of the different dimensions of sustainability and the need for an integrated, interdisciplinary approach to achievement of development, which is sustainable.

An understanding of the interfaces between the technical, social and environmental input required for sustainable social development outcomes is an important departure point for the technical professions.

According to The Natural Step- (Brian Nattrass) "*sustainability is a process that can continue on in perpetuity meeting the needs of the participating members if four system conditions are met namely,*

Nature is not subject to systematically increasing

- *Concentrations of substances extracted from the earths crust*
- *Concentrations of substances produced by society*
- *Degradation by physical means and in that societies*
- *Peoples abilities to meet their needs is not systematically undermined"*

The latter has relevance to the social development process, where for example fears of involving small contractors is often based on perceptions of non performance and efforts are then consciously directed at side lining their involvement in project construction.

"Progress towards sustainability would have to be incremental rather than revolutionary i.e. this means that the best time to start doing something, and then to learn from what we are doing, is now. Sustainability is either to keep something going or to enable it to keep itself going. Sustainability can be achieved through collective political choices and planning for the future." The Natural Step- (Brian Nattrass)

The Development Bank of Southern Africa (DBSA) likewise refers to social development as "*a measurable outcome of a development process, the success of which depends on amongst others the adoption of an integrated or holistic approach to overall project design and implementation.*

Herein lies the key to determine the involvement of the built environment professions and is illustrated in later part of this paper.

PART 2. THE TWO CASE STUDIES AND THE PROBLEM AREAS

The two case studies are of infrastructure projects in the building and civil engineering sub sector of the construction sector and were funded by the DBSA. In both case studies the secondary objective of the projects were to deliver social development outcomes in the construction process.

The first case study involved a Technikon project

In the case of the Technikon project, social development was regarded (somewhat reluctantly) as an " add on" condition enforced by the DBSA As a consequence the empowerment components of the project tended to "evolve' during project implementation Social development targets were not predetermined and social consultants were included at a later stage). Design parameters were based on conventional rather than design for development approaches. The "added on" small contractor/entrepreneurial development programme increased the project cost of R18 mil by R250 000. The penalty for social contract default was linked to DBSA disbursement clauses.

The second case study involved a national toll road *(N4)*

In the case of the N4 toll road, social development was a pre-condition for tendering. Consequently an integrated social development programme was designed and implemented in which R100 million of the R1.5 billion project cost was set-aside. This formed the basis for a social contract, which clearly indicated the targeted outcomes, the arrangements and the funds to support the process. Design teams were aware of the need to design for development but tended to remain with conventional road construction approaches and negotiated the set asides for communities and small contractors. A portion of the SMME involvement occurred on the periphery of the project such as the gardening, security, catering, manufacture of overalls etc. There was no penalty clause for social contract default. Instead there was a reliance on the concessionaire commitment. In other words reputational risk ensured compliance. (See below).

General comments

Deferring accountability: The chain of accountability is hierarchical - DBSA and its Borrowers are held accountable for social development outcomes. Borrowers could take on this responsibility in their own capacity and mobilize their own resources, but in show an inclination to transfer accountability to the built environment professions, who in turn transfer accountability for

outcomes on to the contracting fraternity! The situation is both confusing and non transparent to all the stakeholders. This is aggravated by hidden agenda's and vested interests. For example, client bodies are often under financial pressure to reduce investment costs and increase returns and are therefore reluctant to add on the cost of a social contract.

In both case studies accountability for the implementation process was deferred to the social specialists who had to extract (with difficulty) the opportunities for social development from the technical professions input. Surprisingly, accountability for the technical inputs (that would ultimately impact on the social development outcomes) was ignored. On reflection the targets and outcomes were for example set by the main contractors and easily achieved, but only thanks to the persistent intervention of the DBSA and "rumours' of socio political pressures. Empowered by these interventions the client's social specialists were enabled to ensure that the social contracts were implemented. It should be noted that DBSA requires its clients and their professional teams to be fully conversant and comply with all the relevant construction sector policy, procurement measures, etc. and intervention is only applied when the risk of non-compliance poses a threat to the outcomes. (Reputational risk)

Externalities and risk exposure: Experience has shown that the social and socio political dynamics in communities can in some cases have a disruptive and negative effect on the social development process. The Technikon experienced this problem when external forces threatened to publicly question the Technikon procurement process. The Toll road project experienced similar problems when communities exerted pressure on the provincial government to explain the perceived lack of contracting opportunities. These externalities invariably had a negative effect on the technical consultants participation and mitigatory measures had to be adopted to ensure the continuation of the projects. In the early stages of the above two projects, initial failure to reach monthly empowerment targets was traced to a lack of participation by communities and an unwillingness by the clients (and their consultants) to fully engage in social development. The former stemmed from a lack of awareness of the opportunities and in the case of women, an unwillingness to work in the perceived unfriendly environment of the construction sector.

The case studies revealed the following problems – often generic to many development initiatives.

- *Approach, commitment and obligation*.
  It became clear that the technical *professions were unprepared or reluctant*;
  - To champion or pursue social development outcomes.
  - To ensure that the projects provided sufficient opportunities for empowerment.
  - To ensure that the projects complied with construction sector policy or legislation.
  - To pursue related issues such as the links between the technical opportunities created and the need for entrepreneurial training with the Construction Education and Training Authorities (CETA).

- *Reputational risk and professional obligation*.
  In both the case studies, the technical input was revisited several times during implementation, exposing the technical teams to amongst others, external social political pressures and questions around the technical professions obligations.

- *Methodologies and systems.*
  There was also little evidence of technical consultants interfacing with the appraisal and systems approaches used on infrastructure investment projects such as the logical framework (commonly referred to as the logframe) wherein objectives are defined, indicators are developed and monitoring measures put in place.

- *Consultant /client reference frameworks and financial compensation.*
  There was little effort to ensure an adequate client/ consultant reference framework for the technical involvement in social development programmes during the consultant's appointments. The lack of any financial compensation could also explain the technical consultants unwillingness to actively champion or participate in any social development processes.
  Note.
  According to the Association of Researchers in Construction Management (newsletter of the ASAQS Vol. 2 No 4) there is a statement to the effect that the conspicuous inactivity of the six built environment professions to formalize their respective continuing professional development (CPD) systems begs a question – does this unwillingness extend to involvement in social development.

The involvement of the technical profession can be summarized as follows

- Approach, commitment and obligation
- Reputational risk and professional obligation.
- Methodologies and systems
- Consultant /client reference frameworks and financial compensation

The findings indicate that for the built environment professions to remain a contributor to the social development process, the professions need to take cognizance of the above issues and become more proactive, (see conclusion)

PART 3 WAY FORWARD - SOCIAL DEVELOPMENT IN PRACTICE

Approach

Led by an integrated or holistic approach, social development follows a logical chain of events beginning with development input principles, followed by process and concluding with output. These events can be extended beyond the project environment to assess the eventual impact locally, regionally and in some cases internationally. This approach requires that practitioners have a basic understanding of the economic, socio economic, technical, institutional, environmental, and financial aspects (referred to as modules) that make up the social development process.

Methodology

The logical framework or logframe is used to establish social development objectives, which are in turn measured using social development indicators with anticipated targets. Typical indicators are for example emerging entrepreneurial involvement, empowerment, growth and capacity building. Targets are for example the number of emerging entrepreneurs engaged in the project etc. In the construction process, measuring against predetermined targets indicate whether or not the intended outcomes are achievable. (This is based on the broad assumption that the targets are realistically defined). Targets generally indicated levels of participation of local communities, numbers of women involved, numbers of persons receiving accredited training, etc. These can be derived from national norms for employment creation and DBSA norms for projects in the Engineering Construction and Building sectors. For example: the DBSA average norm indicating the involvement of emerging entrepreneurs, small contractors and women in construction activities is now on average 20% of the construction costs in Technikon projects. Because of DBSA insistence (a loan condition) the involvement of small contractors is slowly increasing beyond the 20% level. Despite all odds an astounding 100% was achieved in the construction of a R17 million teacher

training college in a rural area in Mpumalanga in 1995! This clearly indicates the need to continuously upgrade the norms. The built environment professions are perhaps best positioned (with assistance from the research and educational institutions) to offer this service to their clients.

Principles

Basic development principles such as appropriateness, accessibility, affordability and accountability need to be adhered to in the process of designing the technical input. It is clear from the case studies that the process of sustainable development involves the purposeful creation of opportunities during the construction and to a lesser extent, maintenance phase of projects. One of the key issues is the responsibility to initiate the opportunities in the construction process. The built environment professions role and accountability for the technical inputs, creating opportunities for social development outcomes, monitoring policy compliance, championing the social development process etc, remains disturbingly unanswered.

Supportive framework

Sustaining the process of social development depends on the level of support that enables the communities and emerging entrepreneurs to gain access to the project opportunities (employment, training etc.). The opportunities, targeted outcomes together with the required support, financial or other are captured in a dedicated Social Development programme. When implemented in the environs of a project, social development is linked to a process, a set of development objectives, a timeframe and resources, all of which result in an intended outcome. With this supportive framework in place, whether or not social development can subsequently (after the completion of the project) become "self sustainable" is a matter for further debate and beyond the scope of this paper. This paper only deals with the sustainability aspect, which is manageable and open to influence during the construction phase. An Empowerment Charter outlining the principles often dictates the supportive framework and undertakings, which in turn is implemented under the banner of a Social Contract.

The case studies revealed that input factors vital to the success of the social development outcomes were;

- *The need to design for favourable social development outcomes and provide a technical platform of opportunities from which the social professions can build on*.

  Although the case study projects were structured and designed to integrate and support social development and conform to environmental investment criteria, the technical disciplines tended to regard this as "add on costs" whereas the social and environmental disciplines regarded this as "value added" imperatives. In this respect, social development outcomes were *dependent* on the abilities of the Architectural and Engineering and Quantity Surveying professions *to initiate and design for the social development opportunities during the input* stages of the projects. Although, the non-technical specialists input was confined to environmental compliance; institutional capacity building, involvement of communities and sourcing of finance, the case studies clearly indicated that these disciplines involvement were largely dependent on the opportunities created in the technical inputs.

- *The need to provide collective and integrated support necessary to sustain the process of social development during the construction phase*.

In the case of the N4 Toll road financial assistance to enable small contractors to participate was "deferred' to the local financial sector. Commercial banks and development agencies in the area were however, unable or unwilling to effectively assist the communities or the small contractors who suffered financial impairment. For example, small contractors accessed bridging finance at interest rates in excess of 50% form the informal sector.

In the Technikon project small contractors received no financial support and as a consequence were not "financially' empowered to enter other projects. This trend has continued on development projects country wide despite the efforts of the DBSA to encourage clients or commercial banks to assist small contractors. Financial empowerment is considered to be a key element in sustainable development. In practice small contractors who have not had access to finance are unable to build creditworthiness and financial independency.

In both projects the need to address skills transfer and accredited construction and entrepreneurial skills training was an ongoing source of frustration and deferred to the main contractors, who were left to their own devises to identify the training needs. The social specialists then develop training programmes around the project activities. The technical profession played a passive role in what should have been a clear cut exercise to determine what training was required to match the technical opportunities created.

A general view is that unless collective and individual professional accountability is ring fenced, sustaining the process of social development will remain an elusive objective.

CONCLUSION

In the authors view the built environment profession should seize the opportunity to become the catalysts for social development in infrastructure projects, and as a first step, develop a framework document outlining involvement and ring fencing accountability in the social development process.

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