Wither dialogue

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Social dialogue has failed to produce results in Zimbabwe against a backdrop of continued economic and political instability. In this, the second article on the signing of a social contract in Zimbabwe **Oliver Mtapuri** argues that social dialogue has been unable to deliver because of the failure to resolve the political impasse.

According to the International Labour Organisation (ILO), 'collective bargaining as a form of social dialogue, can be seen as a useful indicator of the capacity within a country to engage in national level tripartism with the goal of promoting consensus building and democratic involvement among the main stakeholders in order to resolve important economic and social issues, encourage good governance, advance social and industrial peace and stability and boost economic progress'. Alas, the fervent hope that the fruits of social dialogue, in the form of the signing of the long awaited social contract on 1 June 2007 would ensure concrete deliverables for ordinary Zimbabweans, has not materialised.

As highlighted in the previous article (SALB vol 30 no 4, p 66), the social contact was negotiated by the social partners – government, labour and business – under the auspices of the Tripartite Negotiating Forum (TNF) since 1998. Expectations around what the social contract would deliver were high. Zimbabweans expected price stability, availability of basic commodities and fuel at affordable prices. Indeed, the joy was short-lived. No sooner had the ink on the social contract dried, prices started skyrocketing leading the government to order a price reduction by 50%.

The Incomes and Pricing Stabilisation Protocol promised the reduction of inflation from 3 700% to 25% by the end of the 2007; reduce the government budget deficit to 10% of Gross Domestic Product and address the fuel/urban transport problem. The Protocol on Production Viability promised employment creation and sustenance and skills development, retention and attraction. The Protocol on Management of Foreign Currency promised to ensure foreign currency availability in the official market; reduction in the smuggling and leakages of foreign currency and the reduction in the rate price distortion.

According to the *Kingdom Financial Holdings Bulletin* July 2007, the Zimbabwean government issued two directives in June 2007 after prices had risen by about 300% in one week. Firstly, it ordered producers, retailers and wholesalers to reduce prices of basic commodities including transport by up to 50% with immediate effect and secondly, it ordered business to retain 18 June 2007 prices while businesses proposed [price] increase[s] were being considered by the National Incomes and Pricing Commission.

The reasons behind government's move could be traced back to comments made by Industry and International Trade Minister Obert Mpofu who reportedly argued that the escalating price increases were a political ploy engineered by detractors of the government to effect an illegal regime change against the ruling party, ZANU-PF following the failure of illegal economic sanctions. As a result, the government, he argued, could not stand idly by while the situation continued. These directives coupled with subsequent arrests and fining of business people in breach of the price control laws led to increased confrontation between the state and business.

Further measures were introduced to effect controls on imports and exports. As a result of these controls, import permits were required for a range of basic agricultural goods such as vegetable oil, mealie meal, sugar, margarine, beef, cheese, fertilizer, milk powder etc. As a result of these measures and the introduction of price controls, supermarket shelves remain empty with the black market thriving. What is really at stake in Zimbabwe?

At stake is both economic and political power which has led to infighting between the social partners. To a sceptic, theirs has certainly been an unholy, unworkable alliance given their ideological differences and opposing interests. Thus, the turbulent economic situation has created space for new struggles of an economic and political nature (we observe another struggle of nationalism against whatever else is standing in its face) with the implication of a reproduction of social, political and economic instability in the country as well as a terminal crisis of dialogic paralysis for as long as the economy remains under siege.

Recent developments have revealed a serious disregard for the due processes of social dialogue. This poses a serious problem as to where the solution to the impasse lies – internally or externally of the social dialogue realm? Social dialogue provided a window of hope in the face of an economy in deep crisis.

The failure of dialogue is indeed both an injustice to our humanness (Ubuntu) and history. The current protagonists on all divides are going to be judged unfavourably. As Falzon puts it: 'The dialogue, I am referring to, the play of dialogical relations, in which we are both affected by others and affect them, in turn in a reciprocal interplay, is ultimately constitutive of our historical existence'. What is clear is that the failure of social dialogue has left in its wake a legacy of rising hyperinflation, unemployment, severe capacity under-utilisation and a flight of capital and human resources.

Zimbabwean President Robert Mugabe

While the economic volatility is evident for all to see, the political substratum is less evident for characterisation. In the crisis, assets are being transferred from the poor (who are stripped and dispossessed in their quest for a livelihood) to the rich. This further dashes the hopes and possibilities of the poor embedding a state of unevenly skewed wealth distribution coupled with little production in manufacturing and agriculture in the wake of heightened speculation for foreign and other scarce commodities to make a quick buck.

Whilst the social partners have failed dismally, it should be acknowledged that given the politically charged nature of the environment, only a political solution would resolve the so-called 'Zimbabwean crisis'. Perhaps this may help us to look for other alternatives and reconfigure social dialogue and praxis in the face of these realities.

The much awaited March 2008 Presidential and Parliamentary Elections do hold some hope for Zimbabweans that winners and losers shall accept the election results so that the country can re-position itself in Africa as a bread basket. The future of the country depends on a political consensus laying the basis for a common vision in other areas.

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