

Zambia for sale

privatisation and the labour movement

Supporters of Zambia's privatisation programme note the political support of the trade unions for privatisation, the links between privatisation and democratisation and the empowerment of Zambians through the purchase of state-owned firms.

How much truth lies in these claims? What lessons can South African trade unionists learn from Zambia about the politics and economics of privatisation?

Background

Privatisation was introduced after the election of Frederick Chiluba as president in 1991. Chiluba claimed at the time, that it was the means of ridding the country of the legacy of the Kaunda years (see p 51).

On his own terms, Chiluba has been remarkably successful. All exchange and price controls have been eliminated and the Lusaka Stock Exchange is operating. In 1992, the Zambian Privatisation Agency (ZPA) was created. Since then over 150 firms have been privatised. Nevertheless, this has not fully satisfied Zambia's international funders, who complain that the Zambian Consolidated Copper Mines (ZCCM) remain under state control.

Democratisation

Until recently, the Zambian trade unions have supported privatisation as a necessary part of the transition to democracy. This is surprising because the trade unions led the opposition to structural adjustment in the

Zambia's privatisation programme has been touted as the most successful in Africa. Yet it has impoverished workers and split the trade union movement. Matthew Ginsburg looks at the lessons for South African trade unionists.

1980s. While the desperate state of the economy and the strong influence of the World Bank provide partial solutions to this puzzle, the unions were also won over by the linking of privatisation to the process of democratisation.

During the 1991 election campaign glossy MMD posters showed two pictures: one of a shop with no goods and a second of the store full of goods. The election was as much about the economy as democracy. A vote for democracy was also considered to be a vote for liberalisation.

The deep irony of such posters is not lost on Zambian workers today and attitudes are beginning to shift. Though imported consumer goods now flow freely in the stores, few Zambians have the money to buy them. Economic and political democracy have been restricted by the impact of global capital. It is no longer Zambians who own the economy, but Zambia's creditors and

multi-national firms. It is no longer Zambians who make political choices, but international donors and their advisers in government. As the restrictions on Zambia's democratisation have become apparent, cracks have begun to appear within the constituencies which elected the government in 1991.

Division in the ranks

The dynamics of privatisation have begun to erode union support for the sale of state-owned firms and to divide the labour movement. Privatisation is a central reason why five unions, led by the Mineworkers Union of Zambia (MUZ), left the federation at the 1994 ZCTU Congress.

The uncertain future of many of the unions in the ZCTU has led the federation to take a more cautious approach towards privatisation. The high profile liquidations of Zambia Airways and the United Bus Company in 1994 and 1995 shook the confidence of many supporters of the process. Asset stripping and closure of privatised firms has further undermined the unions' faith that short-term pain would lead to long-term growth and job creation. As the ZCTU's General Secretary, Alec Chirwa, says, "Some of us are sacrificing, while others are only milking."

On the other hand, the Mineworkers' Union, representing a sector which could grow after privatisation, are convinced that despite the prospect of immediate retrenchments, the long-term prospects for workers will be better with the mines in private hands. The Assistant General Secretary of the MUZ explains that the unions which left the ZCTU, "expect and want a proactive, not a reactive approach."

While the call for a more proactive approach is laudable, the MUZ's lack of concern for more vulnerable sectors might lead to accusations of sectoral opportunism.

In any case, the MUZ's brand of proactive engagement, like that of the unions still left in the ZCTU, appears to consist of private discussions with ex-trade unionists who are now in government. Reports from within government also reveal that the MUZ, like the ZCTU, makes little or no use of the consultative bodies set up for unions to discuss economic policy formally.

Selling the family silver?


Despite the much-touted 'empowerment' that was supposed to accompany privatisation, events reveal the re-colonisation of Zambia through direct foreign investment in privatised firms.

While the ZPA made headlines with claims that 80% of the firms privatised so far have been purchased by Zambians, even a cursory look at its statistics shows that the lion's share of the economy, made up of a few very large firms, has been bought by foreign interests. Most common is the recovery by multi-nationals of firms that were nationalised years ago, such as Unilever's purchase of Zambia's biggest soap powder factory and Lohuro's acquisition of National Breweries. South Africa is also buying into privatisation, with Shoprite/Checkers purchasing Zambia's national grocery chain and South African mining capital preparing to land the biggest prize of all, ZCCM.

Lessons

What lessons can South African trade unionists draw from this story? Firstly, South African trade unionists should note that despite the kinder and gentler face of capitalism connected to struggles for democracy in Eastern Europe, Latin America and Africa, the free market is producing just as many economic losers and just as few winners as ever. The challenge to unions remains to propose alternative scenarios which protect workers' interests and

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The Zambia Privatisation Agency invites your enquiries for more information on these and other enterprises being divested in the next 3 to 12 months. Please call or fax Mary Mwangi at ZPA.

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The Zambia Privatisation Agency (ZPA) is an administrative Agency of the Government of Zambia. The function of the Agency is to plan, implement, and control the privatisation of State owned enterprises in Zambia.

ZPA advertisement.

emphasise the social character of liberation.

Note should also be taken of the potential for privatisation to divide the trade union movement. Privatisation benefits capital not only through opportunities for quick profits, but through weakening the solidarity of the working class by placing the Trojan horse of opportunism in its midst. The labour movement needs more than a sectoral approach to economic and social issues - only a comprehensive plan and unified struggle can hold the working class together.

Unions should also take a closer look at the reality which lies behind the rhetoric of participation and empowerment. Trade unionists need to distinguish between

symbolic ownership of small firms in the economy or a few shares in a company and real economic power and control.

Finally, South African trade unionists must consider the emerging neo-colonial relationship between South Africa and countries like Zambia. What responsibility do trade unions in South Africa have towards the investment decisions of South African companies in the region? What possibilities does the relationship between South Africa and Zambia open up for trade union solidarity?

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