

Zimbabwe

Social dialogue in a time of collapse

A tripartite consultative forum of business, labour and government exists in Zimbabwe but it has largely failed. **Oliver Mtapuri** explains the background to the Tripartite Negotiating Forum and examines why it has not met its goals.

A social contract between government, business and labour exists in Zimbabwe but it has had little success in reducing economic hardship that Zimbabweans are facing.

In order to understand the dynamics of social dialogue in Zimbabwe, I surveyed the opinions of common people, or outsiders, who were affected by its decisions. I also interviewed the insiders or 'technocrats' who participated in the dialogue as official representatives of their constituencies - labour, business and government.

HISTORY OF SOCIAL DIALOGUE

In 1998, the government announced a major devaluation of the Zimbabwe dollar from Z\$18,6 to Z\$37,3. At the same time gratuities of Z\$50 000 were awarded to war veterans and Zimbabwe got involved in the Democratic Republic of Congo war. The World Bank and International Monetary Fund suspended multi-lateral aid and other international donors followed suit.

This resulted in a socio-economic crisis and organised labour staged mass strikes and stayaways. Confrontation erupted on all sides

between workers and government, workers and employers confronting the state, and employers confronting the state. These conflicts brought the Tripartite Negotiating Forum (TNF) to the fore in a bid to resolve issues.

The TNF is chaired by the Ministry of Public Service, Labour and Social Welfare in line with ILO Convention 144 on tripartite consultation. The president of the Employers Confederation of Zimbabwe led business whilst the president of the Zimbabwe Congress of Trade Unions represented labour. It was agreed that the TNF was not a decision-making body although it could conclude binding protocols based on good faith and the subordination of sectoral interests to national goals.

Tripartite consultations under TNF led the social partners to agreeing to remove the 2,5% increase in sales tax from November 1998; the removal of the development levy on workers by January 1999; an increase on the tax threshold to \$2 000 per month and increase on the bonus free component from \$1 100 to \$2 000 with effect from November 1998.

The Constitutional Referendum

and parliamentary elections in 2000 meant that the TNF did not meet during this period. In January 2001, the social partners signed the Draft Declaration of Intent Towards a Social Contract which provided a framework for the negotiation of protocols covering issues such as prices and incomes, economic stabilisation, anti-corruption, health and safety at work, empowerment, skills development, productivity enhancement, fuel pricing, privatisation, budget performance, and a national health insurance scheme.

In August the parties agreed to set up a price surveillance and monitoring unit to help control prices on basic commodities such as bread, cooking oil, maize meal, milk, beef, salt, transport and school levies.

In the run up to the 2002 presidential elections, however, social dialogue took a back seat.

Prices of goods and services kept rising. In November 2002 the government announced a freeze on prices of all goods and services for six months until March 2003. Business resented this unilateral move especially in the context of tripartism. However in January 2003 the Prices and Incomes Stabilisation

Protocol was signed by the social partners with a lifespan of six months. It dealt with how prices and incomes should be managed rather than be controlled. Its objective was to achieve affordability and availability of products while ensuring business viability and it set out obligations for each social partner.

The Protocol expired in June 2003 without achieving the goals of affordability and availability as its provisions had been flouted by business through persistent price increases and rebranding of products. These were not sanctioned by the TNF and also reflected the authorities' inability to enforce the law. Labour had by April 2003 pulled out of the Tripartite Price Monitoring and Surveillance Unit talks in protest against a fuel increase in that month. Business argued that it took such price increases and re-branding to keep their firms afloat and viable. Furthermore, it argued that the regulations perpetuated the parallel black market in goods and services.

EVALUATING THE TNF

A survey of the TNF was carried out with key participants. They highlighted its strengths as being the potential to engender a dialogue spirit, its importance in providing a platform for negotiation, and that it was a unifying body as its members had the structures to carry out lobbying and advocacy. The TNF had also succeeded in bringing down fuel prices, and had introduced the Prices and Incomes Protocol and the creation of a forum for discussion within a politically charged environment.

They saw however a number of weaknesses. There was a lot of politicking in the TNF and it was difficult to come to agreement. It was a loose association with no

sanctions on agreements and allowed for easy entry and exit. The TNF also suffered from hidden political agendas, mistrust among the negotiating parties, political instability in the country and it was not sufficiently inclusive. Further it failed to provide a solution for the black market, it was slow in making decisions due to consultations that parties had to take with their constituencies, it lacked transparency and in the end it increased rather than reduced political tensions.

Those interviewed believed that social dialogue could not thrive under these conditions of polarisation amongst parties. Consensus was difficult to reach because of a bad faith environment. They believed it could succeed if it was given some legal status and if all partners showed a commitment to dialogue and agreed a common agenda. Parties needed to remove politics from the table while respecting each others' different views. The TNF also needed broader representation and to make the public aware of its discussions through an information and education campaign.

Those interviewed still had great expectations of the TNF. These included the creation of harmonious industrial relations, stable prices and a stable economy, improved living standards, economic and social change, prosperity, peace and economic development, joint ownership of outcomes, democracy and the rule of law.

Young people were also asked to give their views on whether trade unionism, business and politics could mix. One group believed that labour issues were inseparable from politics. Economic factors can have political ramifications and vice versa. Those interviewed felt that "there is a link, but it must be

negotiable".

The 'insiders' however believed that politics and labour were separate issues although politics had complicated dialogue as its impacts had destabilised and damaged the economy.

In terms of the way forward, the 'insiders', felt the TNF should have a communication committee to deal with its Public Relations Functions. They felt it should communicate TNF decisions to the public with *one* voice. On possibilities of bipartite meetings, participants were against this, they felt it was important to involve all parties. On stayaways and lockouts, they believed these were part of the democratic process. Overall, they were of the opinion that even if trade unionism and politics mix, there are limits. They believed that people could belong to diverse institutions and organisations but the issues for discussion at the TNF should be developmental rather than political.

CONCLUSION

Under current circumstances the TNF cannot sustain permanent dialogue unless it can address hidden political agendas and mistrust in the forum. There are clearly limits to how far these parties can go in the present climate as discussions can fragment on political lines. It appears that social dialogue thrives more in a multiparty democracy than in political conditions prevailing in Zimbabwe. From the Zimbabwean tug-of-war, we are poorer in terms of finding sustainable solutions to the socio-economic crisis under which the general population suffers.

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