

ZIMBABWE CONGRESS OF TRADE UNIONS (ZCTU)

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ZCTU PETITION

**TO: The Minister of Public Service Labour and Social
Welfare
: Minister of Finance and Economic Development
: Provincial Ministers**

ON

- Introduction of Labour Market flexibility
- Proposed freezing of wages and salaries.
- Proposed wage and salary cuts
- Non and late payment of wages and salaries
- Arbitrary amendment of the Labour Act Chapter 28:01
- Non remittance of trade union dues by employers
- Need to resuscitate the Tripartite Negotiation Forum
- The promised 2 million jobs
- Ant-worker judgements
- The need to Act on the Auditor General's Reports

1. BACKGROUND AND JUSTIFICATION

- 1.1 On the 19th of December 2013, Zimbabwe's Minister of Finance, Patrick Chinamasa presented the 2014 National budget to Parliament whose main theme was advocating for labour market flexibility and linking wages to productivity.
- 1.2 The Minister was of the view that the Labour laws of this country are skewed in favour of employees without taking cognisance of productivity and the capacity of companies to pay. The Minister believes this has contributed to company closures.
- 1.3 On Monday 22 December 2014, the Minister of Industry and Commerce, Mike Bimha, announced that the government had agreed on labour law reform that will introduce productivity linked wages.
- 1.4 Since these announcements, there has been an upsurge in attack on the workers by the same Minister of Finance and the Reserve Bank of Zimbabwe governor John Mangudya who both claim that any salary increment this year is "unsustainable and short-sighted" in the face of a depressed economy like Zimbabwe.
- 1.5 The two said all employers, including government, cannot afford any salary increment and advised those planning strikes not to do so.
- 1.6 The Zimbabwe Congress of Trade Unions (ZCTU) is seriously concerned with this irresponsible statement from government circles to blanket all employers as unable to afford a salary increment. This is despite that salary levels are not where they are supposed to be, that is in line with the Poverty Datum Line.
- 1.7 Wages are averaging \$246 a month for most workers while the poverty datum line is above \$500-00 and there is no sanity in proposing to cut such earnings.
- 1.8 It appears the government is conniving with employers to stifle collective bargaining by interfering with social dialogue processes.
- 1.9 While it is the ordinary worker that is being made to suffer, the government is not taking any meaningful action on chief executives who are bleeding the economy by paying themselves huge salaries and perks.
- 1.10 As if that is not enough, of late, the Zimbabwe Revenue Authority (ZIMRA) boss, Gershem Pasi has also called for a cut and freeze in workers wage/salary.
- 1.11 Their sincerity is suspect because these are individuals bent on reducing the wage bills of their privately owned companies at the expense of suffering workers.
- 1.12 While we agree that the economic situation in the country is abnormal with 92 percent of the government revenue being channelled towards recurrent expenditure, we do not think that cutting salaries would remedy the situation.
- 1.13 The government must first get rid of thousands of ghost workers milking the treasury.
- 1.14 It is also public knowledge that heads of parastatals have massive benefits that are bleeding the state of millions of dollars annually.
- 1.15 The ZCTU views the move by government as a serious violation of the right to organising and collective bargaining. It is a violation of the International Labour Organisation (ILO) Convention 98 of 1949. In fact it is an assault on the social dialogue process at the workplace.

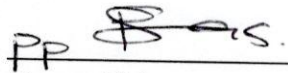
- 1.16 Furthermore, the country is slowly being unilaterally being introduced to labour market flexibility, another form of economic structural adjustment programme, and what this entails is:
- Permanent, direct employment will be thrown out to allow employers to hire and fire workers willy nilly in what is disguised as a relief for companies to adjust to market forces.
 - Moreover, the forms of precarious work will keep expanding, as employers constantly uncover new ways to circumvent regulations or find loopholes in regulations to increase the profitability of their business at the expense of their employees.
 - Collective bargaining will be undermined
 - Labour flexibility creates what is termed precarious work and is associated with (a) poor or low wages for the labourers, (b) Poor protection from termination of employment, (c) Lack of access to social protection and benefits usually associated with full-time standard employment, (d) Lack of or limited access of workers to exercise their rights at work. (e) Destroying collective bargaining and its institutions etc. It is a modern or 21st form of slavery. It takes people back to the Master and Servant era as the employer determines the pace at the expense of a weak employee who compromise rights to get a job that is indecent.
 - Most jobs will be of fixed-term contracts.
 - Precarious work leaves workers and communities in unstable and insecure situations, disrupting their life planning options. More concretely, precarious workers are found to suffer a higher rate of occupational safety and health issues. The general condition of fear and insecurity also dissuade workers from joining trade unions, leaving them even more vulnerable to precarious work arrangements.
 - Temporary workers in particular find themselves unable to plan to get married, have children, or purchase homes because of the uncertain continuity of their contracts, and the low wages. Some European countries now rely on migrant labour because the uncertainty impacts on families who must bear children to supply future labour force. Insecurity is high among temporary workers and fixed term workers. Even those who once voluntarily chose flexible employment often find cause for regret in the long run.
 - The precarious nature of these contracts also leave young people excluded from benefits systems, either because they have not been contributing for long enough or because the systems are based on voluntary contributions. The risk of losing financial independence and having to rely on lower social welfare payouts can lead to further social exclusion.
 - The precarious nature of the employment relationship itself can cause precarious workers to experience poor emotional and mental health. As job insecurity increases and social benefits decrease, workers face increasing pressure to accept job offers that put their health and safety at risk.

- Subcontracting is also often used by primary employers as a means of shifting risk by outsourcing more dangerous jobs to subcontracted and agency workers, forcing precarious workers to bear the brunt of more dangerous or risky tasks.
 - Flexibility embody multi skilling to ensure employability. This means more time and resources are spent in developing multiple skills at the expense of production. A class divide will emerge between the have and the have not resulting in social exclusion.
 - The gender dimension is also part of the system. Women have historically worked either in the household, or in non-standard work. To this day they remain overrepresented in traditionally precarious sectors such as domestic work, home work, food processing, electronics industries and the garment sector. Women are also overrepresented in part-time work, and therefore rarely earn enough to be financially independent. Figures show that women around the world are more highly affected by precarious work arrangements.
 - The frustration of young people living in poor urban areas in particular, who lack decent jobs with a decent income and therefore have little optimism for the future, their lives, their existence, and their careers, leads social unrest.
- 1.17 Labour market flexibility is a recipe for disaster and the ZCTU cannot fold its arms and watch while its constituency is under siege.
 - 1.18 The ZCTU has also noted with dismay refusal by employers to remit union dues deducted from employees
 - 1.19 This, we believe is an concerted effort to destroy unions financially
 - 1.20 We have also seen workers getting their salaries and wages late and this also disrupt their planning
 - 1.21 Furthermore, we have noted with displeasure efforts by the government to amend the Labour Act removing all what was agreed to by social partners
 - 1.22 This is negotiating in bad faith on the part of the government
 - 1.23 During the elections period, Zimbabweans were promised that 2 million jobs were to be created, but it seems the opposite is happening. Thousands of workers are being retrenched every month, and the government appears to have no solution. Politicians must leant to honour their pledges.
 - 1.24 The ZCTU has also noted that of recent, there have been a lot of ant-worker judgment coming from our courts and we believe some judges are heavily compromised because they have also become employers
 - 1.25 There are also reports that employers are deducting pension contributions but not remitting them.
 - 1.26 Lastly, the Auditor General has been doing a fantastic job in auditing government Ministries, but it just ends there. There is no action of the part of the government to make sure that ministries and officials that are figured out in malpractices are prosecuted.
 - 1.27 It is in this vein that the ZCTU petitions the government of Zimbabwe to look into the above issues.
 - 1.28 The Zimbabwe Congress of Trade Unions, on behalf of the workers of Zimbabwe therefore demands the following;

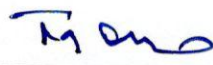
2. DEMANDS

- 2.1 Government rethinks on the introduction of labour market flexibility as exemplified by the remarks by the Minister of Finance Patrick Chinamasa on labour market flexibility and the arbitrary amendment of the Labour Act Chapter 28:01
- 2.2 A retraction of the remarks by the Governor of the Reserve Bank of Zimbabwe, John Mangudya, and Zimbabwe Revenue Authority boss, Gershem Pasi, on the need to freeze and cut wages and salaries as well as remarks by the Minister of Industry and Commerce Mike Bimha that the demand by workers for an increase in salaries and wages was scuttling investment opportunities in the country
- 2.3 Employers must remit trade union dues every month without fail
- 2.4 Employers must pay salaries and wages as scheduled to avoid disadvantaged workers
- 2.5 Resuscitation of the Tripartite Negotiation Forum (TNF) to deal with issues affecting the economy
- 2.6 The government must honour its pledge to create 2 million jobs
- 2.7 Judges must remain as independent as possible
- 2.8 Employers must be compelled to deducted remit pension funds
- 2.9 Action must be taken on those figured in malpractice in the auditor general's report

SIGNED



George Nkiwane
President



Japhet Moyo
Secretary General

Presented on 11 March 2015