

# Zimbabwe: Trade unions step in to form a new pro-business party

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17 July 1999

As Zimbabwe slides towards economic collapse, the trade unions have stepped in to form a new political party. But this is a party that will look after the interests of big business, the rich farmers and inward investors, not the working class.

Last February, the Zimbabwe Congress of Trade Unions (ZCTU) approved the formation of the Movement for Democratic Change (MDC). Its general secretary, Morgan Tsvangirai, and president, Gibson Sibanda, announced they would resign from their trade union posts and work full-time in the MDC.

Later this year, a special general meeting of the ZCTU is expected to transform the MDC into a political party. Tsvangirai explained, "The primary objective of this whole process is to create a political party that is going to contest in elections, but we are saying the party must have a base and the base is the Movement."

Up until two years ago, the ZCTU worked hand in glove with the ruling Zimbabwe African National Union-Patriotic Front (Zanu-PF). Led by Zimbabwe's President Robert Mugabe, Zanu-PF has a monopoly on all political life in the country. It led the long guerrilla war against the white Rhodesian settler government of Ian Smith and has ruled the country since independence in 1980.

The ZCTU's founding secretary was President Robert Mugabe's brother, Albert Mugabe. A number of government ministers are from the ZCTU. Minister of Labour, Florence Chitauo and MP for Chitungwiza, Edward Njekesa, have served as vice presidents of the ZCTU while active in Zanu-PF.

ZCTU's alliance with Mugabe has proved a disaster for the working class. Social conditions are infinitely worse now than they were in 1965 under British colonial rule. Real wages are only one quarter of their 1980 level. Since Mugabe's "market reforms" in 1991, incomes have fallen by 60 percent and 700,000 workers have lost their jobs, in a country with only 12 million people.

ZCTU's move to form a political party is the culmination of a process that began during the huge strike wave in 1997. During Zimbabwe's first general strike in over 50 years, both the unions and the employers encouraged workers to take industrial action against Mugabe's "arbitrary" tax rises. While workers were protesting against escalating unemployment and collapsing living standards, ZCTU General Secretary Tsvangirai was using the working class to pressure Mugabe into accepting further IMF "structural reforms" and even greater social misery.

In an interview on the strike with the South African *Mail and Guardian* on the December 17 1997, Tsvangirai stated, "We were surprised by the level of support.... Things are falling apart. There's no health system to talk of. Education has suffered because it is not linked to any economic plan—because there is no economic plan." Tsvangirai was not opposed to the tax and price increases, but explained that if these measures were tied to an economic strategy then "people wouldn't complain".

What, then, is ZCTU's economic strategy? Tsvangirai denied that the IMF caused the social crisis. He said, "That's not the problem. The problem is Mugabe doesn't have an economic strategy. He had this huge bureaucracy, which was used for patronage. But the economy was not growing and he was spending more and more money. We are not living within our means."

But the IMF's structural adjustment programs and Zimbabwe business define these means. A fact that Tsvangirai accepts quite openly: "At the stage we had reached, some form of structural adjustment was needed. The general vote is thumbs down for structural adjustment. But it's a failure of administration, not policy. It's a failure of the government not the strategy. We had to relax and open up and allow business to operate without these constraints."

At this point, ZCTU was not calling for a break with

Mugabe and the formation of a new party to enforce these policies against the working class. They were trying to put pressure on the government and get it to work in a corporatist set-up with the Employers' Confederation of Zimbabwe (EMCOZ), and the trade unions.

Since the 1997 strike wave, the social misery of the masses has increased. Furthermore, Zimbabwe's economic crisis is being felt far beyond its own borders. There has been a 20 percent decline in trade with all its partners, particularly with other African economies. It is a crucial market for South Africa, particularly in the wake of the collapse of the South East Asian countries. Eleven percent of South Africa's total exports, mainly manufactured goods, go to Zimbabwe. But with a 53 percent inflation rate and declining incomes, ordinary Zimbabweans can no longer afford to buy them. There are fears that Zimbabwe's spiral of decline will take large portions of South African industry down with it.

Interest rates are 40 percent and Zimbabwe's single biggest export, tobacco, has declined in the last 12 months by 37 percent. In a move to offset the mounting fiscal crisis, Mugabe attempted to raise petrol prices by 67 percent. But when mass protests broke out, resulting in violent confrontations with state forces, he was forced to back down, incurring the wrath of the business community.

The IMF responded by withholding the next tranche of \$53 million worth of loans. It only released the funds last May, on the insistence of the World Bank, to prevent the collapse of the Zimbabwe dollar.

It was at the height of the economic and political crisis at the beginning of the year that ZCTU stepped into the breach and announced the formation of the Movement for Democratic Change. This was preceded by growing calls from business, the press, members of the Zanu-PF Party and parliament for a "strategic change" in economic and political direction.

ZCTU has formed an alliance with EMCOZ to bring the working class under control. As EMCOZ Director Peter Kunjeku explained, "What is causing us to get together with the ZCTU is the militancy of the workers. There is a potential for industrial unrest which could spread across the country.... Emerging trends, reminiscent of the 1997 collective bargaining period, are cause for concern. For 1999, collective bargaining settlements so far show signs of being economically unsustainable, and yet labour militancy is on the increase."

Tsvangirai insists that healthy profits and a stable economy come before the desperate needs of the working

class. He has called for the burden of the economic crisis to be shared by the rest of the population; in other words, broaden social misery in order to provide the right economic environment for business.

In an article entitled "Zim's Unholy Alliance" the South African *Mail and Guardian*, observed "The strike drew on a deeper discontent which has given trade unions common cause with other interests, including employers who encouraged their workers to join the protest and white Zimbabwean farmers whose farms are threatened with seizure."

Business representatives are attacking Mugabe's "outdated" economic policies. A Reserve Bank official explained the implications of the government seizure of farms (a key demand of the 1980 independence movement that has still not been implemented): "Land is the cornerstone of capitalism. It is the essence of the notion of private property. Once private property is no longer sacred it is impossible for investors anywhere to believe in you."

Last November, an Investec Securities report on Zimbabwe stated, "We are drawing closer to an end game in Zimbabwe. The coffers are finally bare—plundered by the [ruling Zanu-PF] party and squandered on the ruinous [military] intervention [in the Congo]—meaning that the economic day of reckoning is at hand." It continues, "Unless and until there is a major political change at the top, Zimbabwe will continue its cycle into despair."

Large sections of big business, foreign investors and rich farmers are searching for a political alternative to the Zanu-PF government. The ultimate fate of ZCTU's Movement for Democratic Change is still undecided, but workers in Zimbabwe now confront the prospect that the unions have created a political formation dedicated to their further impoverishment.



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