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MDC-T views on the Zimbabwean situation 2019

The MDC-T notes with concern the lack of urgency by the government of Zimbabwe to address the debilitating economic crisis. It is not a secret that the current government is ststabilize the economy and there is urgent need for them to start having dialogue with all stakeholders in politics, business, civic society and the church to come up with a holistic approach to rescue Zimbabwe from the economic quagmire currently bedeviling the nation.

2019 has not started well for the majority toiling Zimbabweans. The unrelenting currency crisis marked by growing parallel currency market as Zimbabwean authorities persist against glaring evidence and commonsense that there is no parity between the surrogate Bond notes and the US dollar. The severe shortage of basic commodities that manifested in the spiraling prices and rationing items per customer, notably cooking oil, sugar, bread and the disappearance of certain fizzy drinks like cokes and Fanta. Indeed, many households did not enjoy the Christmas as would be expected as fuel shortages made travelling impossible for many. The list is endless and one could go on and on, but the underlining point is that social services have irredeemably suffered and poverty deepened to the majority people both in the urban and rural areas.

1. ***Labour***

The labour unrest, first by doctors then teachers and likely the rest of public service, was inevitable if one considering the deteriorating socio-economic conditions in Zimbabwe that have festered political uncertainty and instability if not responsibly addressed. Contrary to the majority's expectations that the 'Zimbabwe is open for business' meant further starvation by workers and deteriorating labour conditions. In any case, good salaries are a prerequisite for economic recovery if they are sustainable, internally equitable and externally competitive.

2. ***Demand for wages in US dollar***

Understandably, the call by doctors and teachers have been for remuneration in hard currency, hence underlying the demerits of the Bond notes and RTGs. Simply put, these professionals and other workers are merely asking for a living wage and under the prevailing circumstances the safest measure of one's income is US dollar denominated one. In response, the government has either missed the underlying problem or pretended to and hence argues against the hard currency as if it were the problem. The problem is the valueless Bond which workers cannot equitably exchange for their sweat and everybody knows that.

It its response, the government should bear its full responsibility for the continued deaths of patients who have since gone unattended since the industrial action by doctors. It cannot just be quantifying how much it would mean to pay the striking workers their deserved remuneration but what it means to the many households who have lost their loved ones whose lives could have been saved. The public are judging the government not on how much they would eventually settle to pay but on what value to citizens' lives it put measured in terms of its perceived sense of urgency in resolving the matter. The same would apply to the education sector where a loss of one lesson or 30 minutes is irrecoverable and has a long term bearing not only the quality of our education but on the competitiveness of the country in the near future. The government must be seen to display a sense of urgency and seriousness in these strikes which unfortunately is currently lacking, or so we perceive.

3. *Controlling Public Sector Wage Bill*

In the midst of all this, is Zimbabwe's perennial developmental challenge posed by a hugely skewed wage bill that chews all money that should be going to infrastructure development. Talking of a huge wage bill may presuppose high salaries for civil service yet that is exactly the opposite. The wage bill problem is largely a policy issue that government should have addressed long back and still can do so with the necessary political will. Instead, the authorities have stifled genuine wage adjustments hoping to address the anomaly in the recurrent expenditure. What must be done include:

- *Progressive reduction of wage bill*

Any fast-track reduction of the wage bill runs the risk of prejudicing workers who then become demotivated and performance and services delivery suffer. For example, in many government departments there have been no replacements after retirements, dismissals or deaths and hence burdening the remaining workers who anyway are underpaid.

- *Wage ceiling for Ministries*

As part of ensuring fiscal stability each government department should have a wage bill ceiling wherein vacant positions could be easily filled but without violating the limit. These ceilings would be adjusted bearing in mind the conditions and comparability with regional practices.

- *Review of Allowances*

One way that has sustained this huge wage bill problem is a system of allowances that management especially apportions itself to compensate for low pay. There is need to rationalize allowances and be quantifiable monetarily with agreed ratios such that the salary is not trebled by allowances.

4. ***Restructure but not Privatize Parastatals***

One wonders where government expenditure goes? The elephant in the room are parastatals that unfortunately have become milking cows for the ruling party elites. Originally, these public entities were engines of growth and development but now they have become a disservice to the public due to corruption and mismanagement. We do not believe privatization is the solution but responsible management and punishing corrupt managers and removing non-performing boards.

5. ***Formalizing the Economy***

The rapid rate of the informalization of the Zimbabwean economy is such that government's source of revenue keeps shrinking by day. Instead of chasing shadows, it is imperative for government to bite the bullet and put industrial policy of rapid formalization of the economy. First, it should create desperately needed employment and possibly reduce extremes of poverty. Manufacturing should be boosted and increase our exports and address the imbalance between the export and import bill. Instead of trying to tax everything including the infamous 2% tax on transactions, more exports are the answer to any country including Zimbabwe.

It is not enough to say Zimbabwe is open for business and expect some rich foreigner to put money in Zimbabwe. It never works that way. The Zimbabwean government must facilitate an economic recovery programme not through borrowing loans for huge projects but supporting small to medium projects by women and youths especially so as to increase household incomes and revive manufacturing.

6. ***Enabling Labour Environment***

In the same manner the government is courting business it must do the same in creating a labour friendly environment. It is a fact that Zimbabwe is one of those countries that are rated poorly in compliance to internationally recognized labour standards. No serious business gets attracted to a country that has hostile labour practices because disruptions are more likely. While changes in the labour legislation could be progressive but the most pressing need is a mindset shift by government leaders and the security sector that have historically treated organized labour as state enemies. A labour dispute does not necessarily translate to an anti-government protest unless the authorities clumsily handle the workers.

In conclusion, we implore the President of Zimbabwe and his government to put the people of Zimbabwe first and to consider the plight of the patriotic Zimbabweans who decided to stay in Zimbabwe and help to rebuild their country. Business should be opened to Zimbabweans first if the government is concerned about the people of Zimbabwe.

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