

Wage Negotiations for the Public Service in Zimbabwe

by Nyika Gwanoya

The civil workforce in Zimbabwe faces an uncertain future due to ongoing wage negotiations with the government which seem to be bearing no fruit¹. At the forefront of the current negotiations is the Apex Council of public sector unions led by the Zimbabwe Teachers Association (Zimta) who are in negotiations with the Public Service ministry led by Lucia Matibenga. Zimta is part of the Apex council which is a bargaining body with three other civil servants' unions namely, Teachers Union of Zimbabwe, Progressive Teachers Union of Zimbabwe and the Public Service Association.

The majority of the civil servants in Zimbabwe are earning well below the poverty datum line with the lowest paid civil servant earning close to \$180² a month. The unions in Zimbabwe who represent the civil servants are unhappy at the protracted negotiations which have borne few results. The offer by government is seen as very low and falls well short of their demands. The unions are demanding that the minimum wage for government workers should be \$538 a month which is on par with the poverty datum line estimated to be \$540 by the Progressive Teachers Union of Zimbabwe (PTUZ). However, the blanket offer by the government of \$240 million would lead to an increase of the civil servants' salaries by close to \$90. Although this increment is above the inflation rates, it will be unable to cushion the employees against the rising cost of living given their already low salaries.

The government however states that at present it is unable to meet the demands of the disgruntled civil servants. The finance minister has indicated that the sources of revenue for the government remain limited. He has also indicated the shortcomings of the current payroll system, for example the presence of ghost workers leading to a significant loss of government funds. The fi-

nance ministry also faces challenges in trying to obtain revenue from diamond mining particularly because of the disputes within the present coalition government.

With all these challenges which the treasury faces, it is difficult to visualise a situation in which the present wage negotiation will be resolved in the interest of the workers. The indications are that even if the government increases its offer, it is highly unlikely to meet the unions' demands. At present, the government relies heavily on taxation as its primary source of income and has been unable to receive significant aid fund or loans from the IMF and World Bank.

In this regard, there is a need for the coalition government to resolve its differences for the sake of the employees. A potential source of income is the money obtained from the sale of the heavily-disputed diamonds from the Chiadzwa diamond fields. If properly accounted for, the revenues generated from the sale of these minerals could be used to boost the depleted coffers of the treasury and lead to an increase in the wages of the civil workforce.

Bargaining processes in Zimbabwean civil service

The case of the minimum wage negotiations in Zimbabwe is an interesting one. An analysis of the legislation on minimum wages in Zimbabwe reveals that there is no single official minimum wage except for agricultural and domestic workers. The legislation also shows that government regulations for each of the twenty-two (22) industrial sectors specify different minimum wages. In the current wage negotiations, it would be necessary for the unions to articulate the need for a specific minimum wage

for the country as this aids in the bargaining process and it also ensures that the welfare of the workers is protected.

Responses to the latest calls for strikes by the unions, particularly PTUZ, have been muted. The unions claim that the government has intimidated its members to keep them from joining the call for strikes. The lack of unity between the two leading teachers unions in Zimbabwe could also be causing the muted response to the strike action. PTUZ has refused to participate in the bargaining process stating that they would prefer negotiating with the principals in the coalition government directly rather than engaging in the bargaining process.

This low response to the calls for strikes by the civil servants makes the wage bargaining exercise less effective. According to the theory of negotiated wages³, wages are determined not just by the market but by the strength of unions in the bargaining process. Divided unions lead to less effective bargaining. The situation in Zimbabwe where unions are bickering with each other is a typical example of the weakened power of unions. Only teachers responded positively to the call to strike but other employees in the civil workforce did not. As some of the unions have refused to be part of the wage negotiation process, this is likely to lead to lower increments in wages according to the theory of wage negotiations. One could say that this has an effect of reducing the impact of the strike and therefore the monetary gains of the bargaining process as well.

It is noted that this is a theoretical analysis of this aspect that does not take into account the other variables that determine wage increments. However, the lack of unity of unions cannot be ruled out from having a significant impact on the outcome of the wage negotiations.

Conclusion

In conclusion we acknowledge the enormous challenges faced by the negotiating parties in trying to come up with a result which will be accepted by both parties.

We also take cognizance of the dynamics of the wage negotiation process in Zimbabwe. It is however imperative that the unions present a united front in the bargaining process and to the calls for action against their current situation as this will be to the benefit of the workers. The members of the bargaining council should also work towards a solution which accommodates the various challenges which they face. In saying this it should be mentioned that the government should not be dictatorial in its offer. At the same time the unions should understand the financial constraints government faces and the two parties should meet halfway.

- 1 The parties involved in the wage negotiations went back to the negotiating table after this article was written however nothing tangible was achieved in those negotiations.
- 2 The currency is denominated in United States dollars since the introduction of a multi-currency system in Zimbabwe in 2009.
- 3 Downloaded on 7 May 2012 from <http://www.glencoe.com/sec/socialstudies/economics/econprinciples2001/chapter8/overview.html>

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