

## Chinese investments, Marange diamonds and 'militarised capitalism' in Zimbabwe

*By Crispen Chinguno, Taurai Mereki and Nunurayi Mutyanda*

For the past two decades, China has undergone a massive global economic expansion and a continued search for resources to keep up its high growth targets. This converged with Zimbabwe's adoption of a look East economic policy in 2003, following a fall out with the West. As a result there have been massive Chinese investments in various Zimbabwean sectors including mining, telecommunications, infrastructure development, agriculture and retail. This paper examines the experience of workers in Chinese investments, drawing from Marange diamond fields in Zimbabwe.

The mining potential of the Marange fields was discovered in 2006 following the unorthodox withdrawal of mining rights from the British-owned African Consolidated Resources (ACR) due to a strained relationship between Zimbabwe and the United Kingdom (Sokwanele, 2011).

### 'Militarised' capitalism

Zimbabwe discovered its biggest diamond deposit when it was under sanctions from the European Union and the United States. Underlying politics and the mineral rights legal wrangle presented an impediment for the attraction of investors. The regime was thus forced to adopt a militarised model of capitalism, a mining exploitation regime controlled by the military and its associates. Its industrial relations model is not receptive to independent trade unions. To start up the diamond mining operations at Marange, the government established a subsidiary closely linked to the Zimbabwe Defence Forces (ZDF) through a parastatal, the Mineral Marketing Corporation of Zimbabwe (MMCZ) (*ibid*). This was the onset of the militarisation of the Marange diamond mining operations and has a bearing on the labour relations that evolved.

Our field research showed that Chinese investor's labour process, unlike other mining investors, is based on direct control and Taylorist techniques designed to limit the scope of labour power through close supervision and minimisation of worker responsibility<sup>1</sup>.

All the seven diamond mining companies currently on site are joint ventures or aligned to the ZDF, including two Chinese investments: Anjin a joint venture between Matt Bronze Limited and Jinan which are also linked to the Chinese military (Gagare, (2015)). The key management of these companies is drawn primarily from serving or retired senior Chinese and Zimbabwean military personnel. We focused our interviews on two Chinese investments. Anjin is the biggest mining company in Zimbabwe in terms of output. It has also

adopted the militarised form of capitalism and industrial relations. At least 10 per cent of its workforce, including the low skilled security guards and diamond sorters, are Chinese. China is the only foreign investor exempted, tacitly, from the immigration laws restricting the importing of low level skilled workers.

Local labour is recruited through provincial and district ZANU-PF (Zimbabwean African National Union-Patriotic Front) syndicates. A ruling party politburo decree directed all the diamond companies to recruit through its local structures. Thus, the recruitment disregards any form of meritocracy; opening room for corruption. The workers interviewed revealed that jobs are secured through the ruling party's corrupt networks that demand bribes of up to 300USD<sup>2</sup>.

Anjin and Jinan employ approximately five hundred workers each at their peaks, with 80 per cent from the local and the adjoining villages. These were partly proletarianised as they remained connected to a peasant livelihood. Anjin and Jinan pay the lowest wages (300USD compared to 1000USD at Mbada) but have the most coercive labour relations, which at times include corporal punishment. Sick leave is awarded arbitrarily by the supervisor. The work is divided into two 12 hour shifts per day for a minimum of 19 and up to 26 consecutive days. Workers alleged that they are not paid overtime but called without notice to report for duty even on rest days, violating the Labour Act provision requiring a day off for every seven days of continuous work. The labour inspectorate is privy to such violations but not keen to enforce compliance.

An informant states that 'there are no permanent jobs at Marange fields; everyone is on a fixed contract'. Work is thus precarious and turnover is very high. Workers are victimised and dismissals are arbitrary. There are three-month initial contracts which can be extended up to one year before the cycle begins again, depending on perceived hard work and good behaviour. This is not in line with the Zimbabwean Constitution and the Labour Act to limit casualisation.

Colonial forms of labour control at Marange fields have been reproduced in the workers single sex hostels. This system enhances productivity and surveillance against pilferage. According to our research, employers perceive

the hostels as a means of control, and way of enforcing proletarianisation which is resisted by the workers. As a result, a few of the hostels have been taken up.

### Trade Unions and the strikes

Zimbabwe is a signatory to the ILO Conventions 98 and 87 which protect the right to organise and collective bargaining. However; this is not always the practice. Chinese companies are used to a context not receptive to independent trade unions and thus strive to reproduce this, even abroad. However, this has not deterred shop floor organising.

In 2009 and 2010, the two Chinese companies faced strikes over wages and poor working conditions. All workers suspected or linked to the unions were dismissed and the unions (National Mine Workers Union of Zimbabwe and Associated Mine Workers Union of Zimbabwe) subsequently collapsed. According to the workers interviewed, violent incidences between local and Chinese workers at the two mines are common and often not reported.

What other reasons explain the union failure? First, the diamond field is a protected zone in terms of the Protected Areas Act therefore under 24 hour surveillance by the ZDF and police. The trade unions have no access to the work sites. However, the rogue Zimbabwe Diamond and Allied Workers Union (ZDAWU) is the only union that indirectly has foot prints there. Other unions perceived to be affiliated to opposition political party have been pushed out. ZDAWU operates outside the diamond field at the nearest business centre (hot springs resort). Workers interviewed highlighted that, although the new union has opened an office near their work place and homes, they were nevertheless not free to interact with it. A worker explained:

*We are under strict instructions not to be involved with the union. All those linked with the union were re-trenched. I can't take the risk. Otherwise I will lose my job<sup>3</sup>.*

The unions that were elbowed out claimed that the ZDAWU is an unscrupulous union. Its emergency otherwise reflects the fragmentation and lethargy that characterise the trade union movement in the country.

Our research from the Marange diamond field suggests that although workers in Zimbabwe have trade union rights; this is not always the practice. Chinese diamond companies have reconfigured this and reproduced a context free of independent unions in line with the militarised capitalist model. The deception by these companies is not only limited to subversion of union rights. Workers interviewed cited numerous violations on Occupational Health and Safety standards. At Anjin for example; workers had no proper PPE<sup>4</sup> until a day before a scheduled Kimberley process<sup>5</sup> (KP) inspection. A worker lamented:

*We have always worked without safety shoes... employer provided canvass shoes instead. However, to*

*our surprise management one day provided us with the proper PPE. We only later realised this was because KP inspectors were coming the following day.*

Another worker collapsed because they did not have proper PPE. Management instructed that he be dressed in proper PPE before the arrival of an ambulance to disguise the cause of the accident.

### Conclusion

The diamond companies' at Marange fields benefit from a militarised capitalism characterised by a coercive labour regime and violation of workers' rights (in particular the freedom of association and collective bargaining). These companies pay lip service or subvert the labour laws and the ILO conventions almost with impunity. The acceptance of Zimbabwe, into the KP implies that international capital is also complicit. We have illustrated how both the Chinese companies and the workers are aligned to different ZANU PF elites and networks for different ends. The alliance with ZANU PF, for the companies, is to get access and for ordinary workers, a livelihood. This generates an exploitative relationship which nevertheless no one takes responsibility for.

However, worker collective organisation at Marange fields has not permanently dissipated but is inchoate and in crisis as shown by the strikes organised by the workers demanding better conditions of service. This, however, is not only attributed to militarised capitalism but partly reflects the current systemic fragmentation, lethargy and crisis of the Zimbabwean trade unions.

<sup>1</sup> Field research 16-29 December 2014s

<sup>2</sup> Field Interview 27 November 2014

<sup>3</sup> Field Interview 27 November 2014

<sup>4</sup> Personal protective equipment

<sup>5</sup> Was set out to prevent the devastating trade in conflict diamonds

**Crispen Chinguno is a PhD Fellow (Sociology) at SWOP, University of the Witwatersrand, GLU alumnus and founding co-director of the Zimbabwe Institute for Socio-Economic and Labour Research (ZISELaR: <http://www.ziselar.co.zw>)**

**Taurai Mereki is a founding co-director of ZISELaR, Senior Researcher and a GLU alumnus from the University of the Witwatersrand.**

**Nunurayi Mutyanda is a Researcher at ZISELaR and a GLU alumnus from the University of the Witwatersrand.**

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