



Zimbabwean employers and employees by lobbying Government on national policies, practices and standards, especially in this Covid-19 pandemic. We pledge to continue offering quality and demand driven services to members in the areas of Employment Law, Labour Relations, Executive Training and Development as well as Management Consultancy in Organization Development. We urge you to continue engaging with us and specifically request that you update your contacts with us to enable us reach you effectively and timely.

Let us all continue to mask up, sanitize and practice social distance. I wish you pleasant reading.

EMCOZ President

Dr. I. Murefu

Dear Members

Welcome to the 2021 2nd quarter edition of our Newsletter which focuses on:

1. Strengthening social dialogue even as social partners traverse towards a resilient social contract;
2. Strengthening the capacity of employers and businesses to effectively engage in developing a formalization strategy under the Adjust & Adapt Series.

Inspired by the fact that social dialogue plays a key role in shaping economic, labour and social policy discourse, the main objective of the first workshop was to help businesses in finding joint solutions with Government and employees' organizations for a sustainable recovery. The main purpose of the second workshop was to strengthen the capacity of employers and businesses to effectively engage in developing a formalization strategy. EMCOZ promotes and protects the interests of

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1. STRENGTHENING SOCIAL DIALOGUE – TOWARDS A RESILIENT SOCIAL CONTRACT

1.1.BACKGROUND

Social dialogue plays a key role in shaping economic, labour and social policies that promote business continuity and the upward convergence of living and working conditions of employees in Zimbabwe. Crisis management, the anticipation and management of change, long-term planning, the capacity to innovate and sound business governance and trust-based cooperation between social partners is paramount to effectively respond to the challenges Zimbabwe is confronted with, and also to address the COVID-19 crisis. Given the unprecedented nature of the crisis and the staggering counter effects on work place caused by the COVID-19 pandemic, social dialogue involving governments, employers' and workers' organizations has taken a more meaningful relevancy. Social partners involved in the fixing of minimum wages at national level for domestic and other sectors not covered by national employment councils through the Wages and Salaries Advisory Council and the Tripartite Negotiating Forum and those fixing sector minimum wages through employment councils have to engage more often to review the minimum wages following the current economic meltdown due to inflation and the negative effects of the pandemic business environment. As businesses and workers continue to grapple with losses in employment and income caused by the COVID-19 crisis, social dialogue is becoming an increasingly relevant mechanism for employers' organizations to find joint solutions with Government and employees' organizations for a lasting recovery.

1.2.CONTEXT

In order to help businesses in finding joint solutions with Government and employees' organizations for a sustainable recovery, EMCOZ organized a virtual meeting on the 8th of June 2021. The meeting was attended by Business Leaders, EMCOZ members, the leadership of Employer Associations and the leadership Employment Councils. The workshop mainly delved on the social dialogue scenarios prior to the crisis caused by the COVID-19 pandemic, challenges and issues that constituents are facing in light of the pandemic as well as experiences on success factors for minimum wage fixing.

The workshop presentation included the following:

Title of Presentation	Presentation Content
Social Dialogue Scenarios in light of COVID-19 Pandemic	The workshop presentation included the following: <ul style="list-style-type: none"> • Workers Perspective • Government Perspective • International Experiences
Minimum Wage Fixing	<ul style="list-style-type: none"> • Trends and historical perspectives in minimum wages • 1919 ILO Constitution • 1944 Declaration of Philadelphia • ILO Centenary Declaration on the Future of Work (2019)



	<ul style="list-style-type: none">• ILO Wage Fixing Machinery Convention, 1928 (No. 26) – sectoral approach• ILO Minimum Wage Fixing Machinery (Agriculture) Convention, 1951 (No. 99)• ILO Minimum Wage Fixing Convention, 1970 (No. 131)
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1.3.RESOLUTIONS

The following resolutions were a culmination of the deliberations:

- The need for social partners to improve on how they relate and engage each other in order to strengthen social dialogue and communication.
- The need for a shared value system and shared vision.
- The need for an open consultative and consensual social dialogue.
- The need to respect each other even where there are competing interests.
- The need for political will involving the highest authorities as a prerequisite for successful social dialogue.
- The need to build trust among social partners, moving away from suspicion and mistrust.
- Inclusiveness as a critical factor, government should consult social partners before policy announcements/ implementation and not after the event.
- The need to refrain from use of hate speech tarnishing the image of other social partners.
- Evaluation of current social dialogue status in Zimbabwe taking into account principles in the Kadoma declaration and see where the nation stands and rectify as guided by the declaration.
- The need for culture change in to remove silos.
- Involvement and engagement of state authorities at the highest level.
- Embracing and investing in technology in light of the impact of the pandemic in the world of work.
- A study was proposed with Terms of Reference agreed by all social partners on the best minimum wage system for Zimbabwe with technical support from ILO.
- Social partners were to urgently engage in the TNF and break the current deadlock on minimum wage setting.
- The need for social partners to continuously evaluate the effectiveness of policies and the systems and honestly come up with proper solutions.

2. STRENGTHENING CAPACITY OF EMPLOYERS AND BUSINESSES TO EFFECTIVELY ENGAGE IN DEVELOPING A FROMALIZATION STRATEGY UNDER THE ADUST AND ADAPT SERIES

2.1.BACKGROUND

According to United Nations Conference on Trade and Development 1.8 billion people work in informal jobs compared to 1.2 million who benefit from formal contracts and social security protection. That number grew to two thirds of the workforce in 2020. Informality manifests itself in many ways, but especially in land and housing ownership, business operations and labour. There is a widespread misconception that the informal economy is somehow illegal, or even criminal. A clear distinction should be made: illegal activities go against the law; informal activities are “extra-legal”, in the sense that they are not officially declared and do not take



place in the realm of the law which should govern them. The recent re-convergence of interest in the informal economy emanates from the recognition that the informal economy is growing; that it is a permanent, not a short-term, phenomenon; and that it should be viewed not as a marginal or peripheral sector, but as a basic component of the total economy. The ILO's Recommendation No. 204 (R204) encompasses 12 guiding principles aimed at supporting the formalization of the informal economy, promoting the economic inclusion of workers, recognizing the fundamental rights of workers, and fostering an entrepreneurial spirit as well as contributing to Decent Work, social dialogue and civic participation. It applies to all workers and economic units - including enterprises, entrepreneurs and households - in the informal economy as informal work may be found in all economic sectors and in both the public and private spheres. Against this background the Employer's Confederation of Zimbabwe EMCOZ organised a strategic workshop to strengthen the capacity of employers and businesses to effectively engage in developing a formalization strategy.

2.2.CONTEXT

To strengthen the capacity of employers and businesses to effectively engage in developing a formalization strategy, EMCOZ organized a virtual meeting on the 6th of July 2021. The meeting was attended by Business Leaders, EMCOZ members, Employer Associations and Employment Councils. The workshop mainly delved on the importance of employers in taking action on the informal economy and international experiences of national formalization including Recommendation 204.

The workshop presentation included the following:

Title of Presentation	Presentation Content
Why is it important for employers' organizations to take action on the informal economy?	The workshop presentation included the following: <ul style="list-style-type: none"> • Defining the informal economy • Importance of formalization and the role of employers • Challenges faced by Employer Business Member Organizations (EBMOs)
National Formalization Strategy: International Experiences including Recommendation 204	<ul style="list-style-type: none"> • International experiences of other countries with regards to formalization • Various lessons were learnt
State of the Informal Economy in Zimbabwe	<ul style="list-style-type: none"> • How informal economy actors are perceived by Government • Growth of informality • Effects of COVID-19 on the informal sector • Strategies that the Government can explore in formalizing the informal economy
Key aspects of the Proposed formalization strategy for Zimbabwe	<ul style="list-style-type: none"> • Dialogue • Intergraded approach to formalization • Role clarification and definition



	<ul style="list-style-type: none">• Social protection scheme for people in the informal sector• Funding for jobs within the national budget• Need for infrastructure
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2.3.RESOLUTIONS

One of the major recommendations that came from the meeting was of holding a national Indaba at apex level to dialogue on the ideal strategies for the formalization process in Zimbabwe. Constructive social dialogue is key for a successful formalization transition and this was resolved to be the starting point in the development and implementation of the strategy plan. Other recommendations that came out from the meeting included:

- Transition to the formal economy needed an integrated strategy, a policy mix, institutional coordination, employment and income opportunities, rights and social protection.
- There is need for an all stakeholders integrated approach focusing on the broader economic growth.
- Steps to formalization should be clearly defined.
- Government ought to take the lead in the formalization strategy and at every developmental agenda.
- Government should be involved at all levels, the workers, private sector and the civil society ought to be involved in the formalization process as well.
- Medium and small enterprises should be given incentives to attract them to become EMCOZ members.
- The government needs to create an enabling environment for business to formalize and to capacitate the informal sector to operate in the formal sector.
- Enterprises need to create decent jobs and also ensure sustainability.
- Government policies and laws should cover enterprises and workers adequately.
- Consultation is key in developing the formalization strategy plan.
- Ease of doing businesses is required and a safe space is crucial for the formalization process.
- Government needs to review its policies so that the polices do not continue to antagonise the informal sector.
- EMCOZ needs to shift away from employment issues only and start to diversify into other relevant business and economic needs so as to attract more membership.
- EMCOZ and the business community can support transition to formality through policy and lobbying, information advisory, business linkages, training and advice on productivity.
- EMCOZ and the business community need to support and accommodate the length of time of formalization and its complexity.
- EMCOZ and the business community should develop a strategy that can help the informal economy to take small steps to formalization
- The current economic challenges including corruption and illicit behaviour should be addressed for the successful implementation of the formalization strategy.
- Infrastructure development is key for the formalization process.
- Strong and good governance in government institutions is fundamental for the formalization process.

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- The formalization strategy should include protection of human rights, respect, development of business and market linkages, market access, financial inclusion, access to social dialogue and a framework for protection from political abuse.