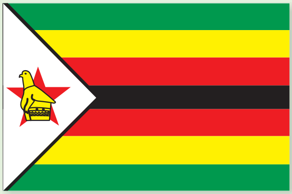

THE KADOMA DECLARATION

TOWARDS A SHARED NATIONAL ECONOMIC AND SOCIAL VISION

ZIMBABWE

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Contents

A. PREAMBLE

At its meeting held on 20 August 2001, the Tripartite Negotiating Forum (TNF) noted that it was desirable to address the totality of the macro-economic problems including the Country Risk Factor.

The TNF tasked the Social Partners to draft position papers on the Country Risk factors and the points raised in these papers have been distilled in the development of this Declaration.

In defining country risk, the broader definition of this factor was adopted with the aim of capturing all the elements associated with it. This Declaration identifies causes of Zimbabwe's high Country Risk Factor and actions to be undertaken by each of the three Social Partners. The implementation of these ideas will aid in reducing Zimbabwe's country risk factor and improve its image.

It is important that in adopting this Declaration, the Social Partners should take urgent steps to implement their obligations as contained in this document. This will develop the necessary impetus to tackle other critical issues and engender a sense of common purpose among the Social Partners.

B. INTRODUCTION

1. Country Risk Factor (CRF)

Country Risk Factor is defined as "premium that is attached by nationals, residents, foreigners and international bodies on residing in, visiting and/or doing business with a particular country".

Country Risk can be either real or perceived.

2. Country Risk Manifestations are:

i) Economic Risk/Unsustainable macro-economic variables;

ii) Commercial risk, e.g. trading partners lacking confidence;

iii) Political risk e.g. the real or perceived mistrust and tolerance in expressing political views within a country that may give rise to political instability or apprehension by foreign governments in engaging freely with that country; and

iv) Social and cultural risk e.g. crime and moral decadence.

3. Elements of risk include:-

i) Low confidence and/or pride in one's country;

ii) Lack of patriotism;

iii) Lack of trust in institutional systems;

iv) Failure of nation to supply basic human needs;

v) Lack of social cohesion;

vi) Real or perceived selective observance of the rule of law;

vii) Insecurity; and

viii) Real or perceived lack of political tolerance.

C. CAUSES OF RISK FACTORS

The causes of Zimbabwe's Country Risk Factors include the following:-

1. Failure by some of the institutions of governance to function effectively;

2. Mismatch between policy and action;

3. Delay in policy implementation;

4. The overall spread of wealth in the country and continued racial imbalance in the ownership of the means of production;

5. Irresponsible utterances by any leader;

6. The activities of the Civil Groups and pressure groups as forces affecting governance;

7. Lack of political tolerance;

8. Corruption;

9. Contradictory statements by and among Social Partners;

10. Lack of meaningful response to positive Government, Labour and Business policy initiatives;

11. External interference in the country's affairs; and

12. Lack of respect for human rights.

D. IMPACT OF COUNTRY RISK ON THE ECONOMY

Country Risk impacts on the economy in many negative ways that include the following: -

1. A state of prolonged economic depression;
2. Skewed macro-economic fundamentals and a state of hyper-inflation;
3. Low savings and domestic investments;
4. Premiums on doing business with the outside world;
5. Capital flight, reduction in Foreign Direct Investment and donor support;
6. Drying up of lines of credit;
7. De-industrialisation;
8. Reduction in capacity utilisation;
9. High unemployment; underemployment and pervasive poverty;
10. Brain drain; and
11. Depreciation of human resource base.

E. IMPACT OF COUNTRY RISK ON SOCIETY AT LARGE

Country Risk impacts on the society at large in many negative ways that include the following: -

1. As a result of a poorly performing economy, according to the Poverty Assessment Study Survey (PASS) of 2003 the proportion of people below the total consumption poverty line is 72%.

2. Poverty in turn has resulted in an increase in socio-economic crimes. The gap between the rich and the poor has continued to rise, making it easier for the poor to be corruptible and the rich to be more corruptive;

3. Poverty has significantly increased fatalism among a significant proportion of Zimbabweans. Prostitution by increasingly younger people has continued unabated inspite of HIV and AIDS;

4. Many countries in the world perceive Zimbabwe and Zimbabweans in very poor light. Zimbabweans are ill treated and abused at various immigration points in some countries; and

5. Zimbabweans are discriminated against when trying to make commercial transactions abroad.

F. SOLUTIONS AND THE WAY FORWARD

Having identified and examined the Country Risk, Social Partners have resolved to take and implement measures to mitigate them, through the following action plan:

<table>
<tr><th colspan="2" rowspan="2">CAUSE OF COUNTRY RISK</th><th colspan="3">ACTION TO BE TAKEN</th></tr>
<tr><th>GOVERNMENT</th><th>BUSINESS</th><th>LABOUR</th></tr>
<tr><td>1.</td><td>Politicisation and failure of the institutions of governance</td><td>To ensure the application of the rule of law and depoliticising the Institutions of governance
To depoliticise the work places
No selling of political party cards in Government Offices
To ensure that Civil Servants do not wear party regalia at work places
No collection of money for political parties at work places</td><td>To depoliticise the workplace
No selling of political party cards at the workplace
No political rallies at the workplace
No wearing of party regalia at work places
No collection of money for political parties at work places</td><td>To depoliticise the workplace
No selling of political party cards at the workplace
No political rallies at the workplace
No wearing of party regalia at work places
No collection of money for political parties at work places</td></tr>
<tr><td>2.</td><td>Mismatch between policy and action</td><td>Must commit to implementing its own policies and any other agreed policies.</td><td>Must support implementation of agreed national policies</td><td>Must support implementation of agreed national policies</td></tr>
</table>

CAUSE OF COUNTRY RISK		ACTION TO BE TAKEN		
		GOVERNMENT	BUSINESS	LABOUR
3.	Delay in policy implementation	Must timeously implement policies	To identify and utilise business opportunities in government policies and agitate for their implementation	To agitate for policy implementation
4.	The overall spread of wealth in the country and continued racial imbalance in the ownership of the means of production	Democratise the economic landscape through the implementation of deliberate policies of social equity and empowerment in a legal, transparent and systematic way	To exploit business opportunities in: • Land redistribution • Indigenisation In order to facilitate economic empowerment	To identify empowerment opportunities for workers. To promote the empowerment of its members e.g. ESOPs
5.	Activities of Civil and Pressure Groups as forces affecting governance in: • Local authorities • Communities • Commercial farming • Mining • Industrial Relations	Ensure that Civil and Pressure Groups do not usurp the powers of Constitutional and Statutory Institutions of governance To desist from any action that increases the prospects of violence Engender good Industrial Relations including Trade Union rights Timeous resolution of disputes	Engender good Industrial Relations including Trade Union rights. To ensure fair and timeous resolution of labour disputes. To desist from any action that increases the prospects of violence.	Engender good Industrial Relations including Trade Union rights. To refer disputes to appropriate legal channels timeously. To desist from any action that increases the prospects of violence.

<table>
<tr><th colspan="2" rowspan="2">CAUSE OF COUNTRY RISK</th><th colspan="3">ACTION TO BE TAKEN</th></tr>
<tr><th>GOVERNMENT</th><th>BUSINESS</th><th>LABOUR</th></tr>
<tr><td>6.</td><td>Lack of political tolerance

• Election related violence

• Use of inflammatory language and demonisation</td><td>Apply the law on those who

• Incite and
• Perpetrate violence

Ensure free and fair elections

To urge all political party leaders to speak against violence and not to demonise each other</td><td>Depoliticise the workplace

Depoliticise business organisation structures

Contribute toward free and fair elections</td><td>Promote political tolerance in the workplace and trade union structures.</td></tr>
<tr><td>7.</td><td>Corruption in the Public and Private Sectors including society at large e.g.

• Transfer pricing
• Black market activities
• Customs
• Immigration
• Awarding of tenders
• Police
• Issue of licences
• Allocation of public resources
• Price monitoring
• Privatisation
• Education
• Tourism</td><td>• Prevent and fight corruption
• Making the Civil Service professional and better paid
• Black list givers and receivers in a clear data base
• Empower NECI and other such agencies
• Deal with e-commerce corruption
• Make punishment severe
• Enforce the "Prevention of Corruption Act"
• Be transparent</td><td>Prevent and fight corruption

Report corruption to relevant authorities i.e. being transparent and upholding business ethics</td><td>Prevent and fight corruption

Report corruption to relevant authorities i.e. being transparent</td></tr>
</table>

CAUSE OF COUNTRY RISK		ACTION TO BE TAKEN		
		GOVERNMENT	BUSINESS	LABOUR
8.	Contradictory statements by and among Social Partners	• Enunciate clear, consistent policies and apply them uniformly • Speak with single voice on agreed issues of national importance	• Speak with single voice on agreed issues of national importance	• Speak with single voice on agreed issues of national importance
9.	Unstable macro-economic fundamentals • Hyper Inflation • Poor export performance • Exchange rate distortions • High unemployment • Negative Growth • Increasing poverty • External payment arrears	Prioritise issues of macro-economic stabilisation • Comply with budgetary limits • Timeously implement an agreed macro - economic stabilisation programme.	Support an agreed macro economic stabilisation programme.	Support an agreed macro economic stabilisation programme.
10.	Bad country image	Ensure good Governance.	Promote good corporate Governance	Promote good corporate Governance

G. IMPLEMENTATION MODALITIES OF THE DECLARATION

Social Partners to establish a mutually agreed mechanism for monitoring the implementation of this Declaration.

H. MEDIA

Social Partners to jointly engage media to support this initiative in order to reduce Country Risk Factors.

I. CONCLUSION

Having agreed to all the foregoing and realising that the implementation thereof will result in a significant reduction in the Country Risk Factors and improvement in the country's image, we the undersigned do hereby commit ourselves to the spirit and the letter of this Declaration.

J. Signed by the Social Partners on the 4th day of September 2009 at Harare

P. MPARIWA	
Chairperson of the TNF	Signature
HON E. S MANGOMA	
For Government of Zimbabwe	Signature
J. P. MUREHWA	
For Business	Signature
L. MATOMBO	
For Labour	Signature

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