Background to Zimbabwe and Structural Adjustment

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The text below was written in 1999 for a proposed c0-authored (but never published, for various reasons) booklet in the Khanya College "Economic Literacy Series." It examines Zimbabwe in the 1980s and 1990s, stressing the class struggles and rebellions faced by the ZANU-PF regime of Robert Mugabe, and the regime's (these days, well known) pattern of repression, corruption and elite rule. Those enamored of the Mugabe regime's current revolutionary posturing may not be aware that its history of repressing unions, students and peasants, while enriching ZANU-PF "cadre" and their allies, goes back to 1980.

Khanya College, then on Kerk Street, Johannesburg, was and is a left NGO involved in popular education: you can visit their site here. Founded in 1986, it was one the survivors of the rich 1970s and 1980s left-educational NGOs and LSO (Labour Service Organisations) milieu.

Khanya was soon to move into a space at the Workers Library and Museum, in Newtown, Johannesburg, where I was increasingly based. The Workers Library and Museum, founded in 1998, was another survivor, an LSO where I was active from around 1998 to 2003: see here.

What Khanya *could* do, and the Workers Library could *not* do, was *publish.* In 1997, Khanya produced *Debating GEAR*, which Economic Literacy Series no.1; , for 1998, there was *May Day: facing the challenges of globalisation*, a version ofc which (slightly different to the published one) is online here; in 2000, no. 3 of the Economic Literacy Series appeared, by far the best, *Gear and Housing in South Africa.* Zimbabwe would fit in, because its experience in the 1990s looked like presenting many lessons for South Africa, where the neo-liberal GEAR policy was adopted in 1997 by the state led by the African National Congress (ANC) – to the shock of the unions and others.

The next section of this booklet will examine how Structural Adjustment has impacted on a neighbouring country: Zimbabwe. But first it is necessary to provide some background on Zimbabwe's history and social structure.

Zimbabwe today

In 1997, Zimbabwe had a population of around 11 million people. The country is quite industrialised, with industry contributing more than third of total economic output. Industry contributed 35,3% of Gross Domestic Product in 1993. This means that Zimbabwe is one of the most industrialised countries in Africa, although it is not as industrialised as South Africa. Agriculture contributed 18,3% and services 46,4%. However, a large proportion of the workforce is outside the industrial sector. Agriculture employs 70% of the workforce of 4,2 million, either as small peasant farmers or as labourers on commercial farms.

South Africa is Zimbabwe's major trading partner, and South African companies play a central role in the Zimbabwean economy. In the 1980s, Anglo-American was reported to the biggest single private company in Zimbabwe. Other South African companies involved in Zimbabwe include Barlow Rand, CNA and SA Breweries.

1980: Independence in Zimbabwe

Zimbabwe became an independent state in 1980. This followed a 15- year armed struggle against the apartheid-style Rhodesian government of Ian Smith, a war that cost 30,000 lives.

The liberation war, or "Chimurenga", in Zimbabwe was based in the countryside, and in particular in the homelands, or "Tribal Trust Lands". The key support base for the guerrillas were the small peasant farmers marginalised by a government committed to promoting the interests of white commercial farmers.

The central issue in the Chimurenga was land. In 1980, 50% of farming land was held by about 6 000 white farmers. The war was also largely confined to rural areas, where guerrillas fought white farmers and Rhodesian security forces.

The "Chimurenga" was led by two main nationalist forces, the Zimbabwe African Peoples Union (ZAPU) and the Zimbabwe African National Union (ZANU). The guerrilla struggle was directed against the Smith government which, to avoid a British Empire-managed transition to majority-rule, had issued a Unilateral Declaration of Independence (UDI) from Britain in 1965. That is, it was an independent republic – although not a recognised one.

Unlike the situation in South Africa, where urban forces played the main role in the struggle against apartheid, trade unions and urban workers were marginal to the struggle for Independence in Zimbabwe.

The 1980 elections

Throughout the 1970s, the Smith government tried to win a negotiated settlement that would leave power in the hands of ruling class whites. But the growing intensity of the war (which from 1974 received support from the radical FRELIMO government in Mozambique) and international pressure eventually forced the Smith government to set a date for non-racial elections for March 1980.

The March 1980 elections were overwhelmingly won by ZANU, which was led by Robert Mugabe. ZANU received 80% of votes. However, ZAPU, led by Joshua Nkomo, also won a substantial base in the Matabeleland region.

Government policy in the 1980s

The victory of ZANU and ZAPU alarmed supporters of the old Rhodesian government. The Marxist rhetoric of ZANU, in particular, led many to accuse Mugabe of being a radical communist.

But within a few months, it became clear that ZANU would not enact any radical reforms.

In the negotiations leading to the 1980 elections, ZANU and ZAPU had agreed that a majority-rule government would not seize commercial farms.

Land could only be redistributed on a "willing buyer-willing seller" basis. This meant that government could only redistribute land by buying land that farmers were willing to sell in the first place. The ZANU government set itself the task of dealing forcefully with "squatters" who illegally occupied land.

The land reform programme failed dismally. Government lacked the hard cash needed to finance redistribution. By 1990, the government had resettled less than 5% of families in the homelands on redistributed land. The land that was sold to the government was often of low quality. In many cases, it was not poor peasants but well-connected African chiefs, and ZANU politicians, who were the main beneficiaries of land reform.

The drive towards a one-party State

This clause was part of the "Lancaster House" agreement reached at the negotiations. Very similar to the "sunset clauses" in South Africa, the Lancaster House agreement applied for 10 years. In addition to restrictions on land reform, the Lancaster House agreement also gave whites – 1% of the population – 20 seats in parliament and guaranteed white civil servants their jobs.

To back up its power, the ZANU government *maintained the State of Emergency* (introduced by Smith) throughout the 1980s. This allowed detention without trial.

Indemnity Regulations reintroduced in 1982 amnestied security forces in advance for unlawful acts committed in the course of their duties, and censorship laws were reintroduced from August 1983.

When "dissidents" opposed to the settlement supposedly sought to relaunch the armed struggle in the early 1980s by attacking white farmers, they were suppressed.

ZANU also claimed that ZAPU was involved with the dissidents after some arms caches were found on ZAPU properties in February 1982. A massive military operation was launched in Matabeleland in January 1982 and Nkomo was arrested for treason.

The counter-insurgency campaign in Matabeleland against "dissidents" involved *large-scale arrests, assaults, torture and murders of civilians* by the North Korean-trained "Fifth Brigade". At least 3,000 people were killed in the early months of 1983. A food blockade was also instituted in parts of the region, despite a devastating drought.

The repression only ended in 1987 when ZAPU agreed to merge into ZANU, with Nkomo as vice-president.

The merger of ZAPU into ZANU was an important step towards achieving a key ZANU goal. From 1980 onwards, ZANU had openly stated that it wished to establish a one-party State.

The interventionist capitalist state

On industrial and labour issues, the ZANU government took a leaf out of Smith's book. In the UDI period, the government had enacted strong controls on investors and nationalised weak capitalist companies.

The UDI government had also sought to promote local manufacturing industry through "import substitution industrialisation". This meant that tariffs charges were placed on imported goods. Tariffs made these goods more expensive to buy, protecting local companies manufacturers from cheap imports. This allowed a rapid growth of local factories.

The big public sector was companies were largely inherited from the Smith regime. For example, part-ownership in companies such as ZISCO was inherited from the old government.

Independence removed formal racial discrimination. Workers and peasants also benefited from a large increase in government-provided education and health services. Primary education was greatly expanded. Between 1979 and 1983 the number of children in primary school increased from 819 586 to 2 182 000. Free health care was also introduced for people earning less than Z$150 a month.

Was ZANU "socialist"?

There is no doubt that fear of South African intervention played an important role in the cautious nature of the ZANU government. But it is also true that ZANU did not in fact have a socialist programme, particularly for the urban areas.

From the start, both ZANU and ZAPU were committed primarily to establishing an elected government. From the 1960s, ZANU saw the immediate task as getting into government and developing the country.

For ZANU, this process would allow a "second stage" of socialism to take place at some point in the future. This was why Mugabe justified the compromises, and the lack of real socialist transformation, by saying, "I am not only a practising Marxist. I am also a practical Marxist".

The 1980–1982 strike wave

At Independence there were about 80,000 African workers in 25 trade unions, organised into 5 separate federations. Each of these was aligned to a different political party, and ZANU only had limited support. About 8% of the formal sector workforce were organised.

Encouraged by the 1980 election results, workers launched a huge strike wave in 1980. This continued into 1982. The strikes affected large manufacturing plants, mining, transport and some commercial farms.

The key issues in the strike wave were management racism, poor working conditions and low wages. In 1983, the average industrial worker's wage of Z$105 a month was lonely half of the amount needed to keep a worker out of poverty.

The 1980–1982 strike wave was the greatest industrial unrest in Zimbabwe since the general strike of 1948. It vastly overshadowed the 1972 and 1974 strike waves, costing 250,000 strike days. Many of the strikes were organised by independent strike committees outside of the trade unions.

ZANU versus the unions

The UDI government had also strictly controlled black workers. Although black workers had had the right to form trade unions since 1959 (unlike South Africa where this right was only granted in 1979) these unions were forbidden to engage in politics. There were also many restrictions on the right to strike.

Many workers had come out on strike because they believed that they had a sympathetic ally in ZANU. However, *Mugabe publicly condemned strikers' actions as "quite inexcusable" and "nothing short of criminal".* Other government officials – and even some union officials – claimed that the strikers were "economic saboteurs" led by "agitators".

Kumbirai Kangai, the ZANU Labour Minister, stated that "I will crack my whip if they do not get back to work".

The "whip" was soon cracked. *The army and police were used to arrest militants, protect strike-breakers and private property and enable dismissals of militants.* In some instances, such as Empress Nickel, police shot strikers.

A new Minimum Wage Act (1980) allowed the Minister of Labour to set minimum and maximum wages, which made it impossible for unions to engage in collective bargaining. In practice, government used the Act to freeze wages.

The strike committees set up in the strike were given legal recognition but restricted to health, safety and productivity issues. Works councils were also established, but used by management as liaison committees to discuss discipline, communicate instructions and resolve minor grievances.

A new Labour Relations Act (1985) gave workers the right to "fair labour standards", the right to join unions and workers committees, union dues collection facilities, protection against discrimination and the right to strike in defence of the union and against occupational hazards.

But the same Act also allowed the Minister of Labour to veto union constitutions, control the assets and salaries of union leaders, veto wage agreements, and intervene in dues collection by instructing employers to send deductions to a trust fund rather than the union. In addition, *clauses banned strikes in almost the entire economy (agriculture, communications, mining, and transport are defined as "essential services").*

The unions were forced to merge into a single Zimbabwe Congress of Trade Unions (ZCTU) based on "one union one industry" in July 1980. *ZANU hoped it could use the ZCTU to control workers, and manipulated the leadership elections to make sure ZANU loyalists were in control.* In fact, the first ZCTU general secretary was Alfred Mugabe, Robert Mugabe's nephew.

Resistance in the 1980s

Despite these difficult conditions, people on the ground in Zimbabwe have a rich tradition of resistance.

Throughout the 1980s, students mobilised against government corruption and the self-enrichment of ZANU leaders. *Despite the socialist rhetoric, many ZANU leaders became involved in business, and ZANU itself acquired a number of companies.* In 1988, ZANU's many businesses were grouped into the Zimbabwe National Holdings Corporation.

On the third anniversary of Independence, Mugabe made a speech in which he attacked "bourgeois elements" in the ZANU leadership. The speech struck a nerve. It led a crowd of students to march to the President's office to show their support for a struggle against corruption. However, *Mugabe had the march dispersed by the police.*

In 1988, students issued a manifesto attacking the ZANU and the government's "plunder, slander and looting sprees". The document called on Mugabe to end corruption, accelerate land reform, improve relations with trade unions, and cut spending on the bureaucracy and "white elephants" such as the party headquarters, a Sheraton Hotel and International Conference Centre, and the national sports stadium.

Students who demonstrated in support of this manifesto were repressed, with 478 arrested. Further student demonstrations in 1989 were crushed, and union leaders and members of opposition parties were also arrested.

By the late 1980s, the unions were beginning to reassert themselves as a powerful independent force. In 1985, a new group of union leaders, centred on Morgan Tsvangirai, a former mineworker, took over the ZCTU. The new leadership began to chart an increasingly independent course. Tsvangirai, for example, was arrested in 1989 after he wrote a letter supporting student protestors.

Structural adjustment in Zimbabwe

Zimbabwe entered Independence with one of the most industrialised economies in Africa. But the economy was relatively weak, and very dependent on exporting raw materials and minerals. In 1994, 47% of Zimbabwe's exports were agricultural products and a further 18%, minerals. A single crop – tobacco – counted for 31% of Zimbabwe's exports. Only 27% of exports were manufactured goods.

The reason that Zimbabwe exports raw materials is to raise hard currency. This means that Zimbabwe sells its goods so to raise money in the form of strong international currencies, such as American dollars, British pounds, German marks and Japanese yen. This foreign exchange is then used to import essential goods that Zimbabwe cannot produce domestically, such as machinery and new technology for factories.

The problem with this situation is that it makes the country very vulnerable to fluctuations in the international economy. When the world economy entered into a crisis in the 1970s, demand for goods such as those sold by Zimbabwe fell. This meant that the country was not able to raise enough foreign exchange. In order to meet the shortfall, the country had to borrow money from international banks in hard currencies. By 1983, Zimbabwe was Z$1,5 billion in debt to foreign lending institutions.

Growing economic problems in the late 1980s

Borrowing money to meet shortfalls is a normal part of the operations of a capitalist economy. Companies borrow money to finance new ventures; consumers take loans and enter hire-purchase agreements; governments borrow money to meet Budget needs.

The main function of the IMF between 1946 and 1973 was precisely to lend money to member-governments so that they to overcome short-term foreign exchange problems. This was not however tied to strict conditions: before the late 1970s, the IMF did not worry much about the economic or political policies of borrower states: it lent money to Marxist Poland, apartheid South Africa, and "African socialist" Tanzania alike.

What turned the debt situation into a growing crisis was the restructuring of the global economy that followed the emergence of the economic crisis in the industrial countries in 1973.

Borrowers borrow money if they believe that they can actually pay the loan in the long run. Economists in Zimbabwe believed that the loans taken to meet foreign exchange needs would only be a temporary measure. The international economy, they argued, would soon recover. This would renew demand for Zimbabwe's exports, making further loans unnecessary and allowing the country to pay back its existing loans.

However, the crisis did not end. Despite some brief periods of improvement, the long-run trend in the world economy has been downwards. In 1955, the industrial economies were growing at an average of 4,2% a year. By 1975, growth had fallen to 1,8%. By 1988, growth had dropped to 0,9%. This meant that demand for Zimbabwean exports did not improve as expected.

In addition, the neo-liberal governments that came to power in countries such as Britain and the United States promoted a policy of high interest rates through their Reserve Banks. This was based on the idea that low-interest rates encouraged governments to borrow and spend more money than was wise, leading to inflation and debt.

But the rise in interest rates led to severe debt problems for Third World countries. Higher interest rates meant that more and more money had to be used to pay back the debts. Meanwhile, prices for exports of raw materials were falling due to the global economic crisis. So this meant it was increasingly difficult to repay the loans, as such exports tended to be a major source of state income.

Corrupt officials provided a further obstacle to repaying debt, as they plundered state revenue.

So, repayments were missed. And of the money paid back to lenders, more and more simply went into paying service charges in the form of interest, rather than into paying back the original sum borrowed.

Meanwhile, neo-liberal ideas became dominant in economic policy worldwide. The IMF and its partner, the World Bank, started to make loans conditional upon the implementation of neo-liberal policies. These were called Structural Adjustment Policies (SAPs) and had to be implemented as a condition of taking an IMF or World Bank loan. Countries tended to take such "conditionality-based" loans when they were in desperate economic conditions.

The adoption of the Economic Structural Adjustment Programme (ESAP)

In 1990, the Zimbabwean government adopted a Structural Adjustment Programme designed by the IMF. The ESAP was a standard Structural Adjustment Programme, and its proposals included the deregulation of prices, exchange rates, interest rates, the liberalisation of the movement of money and goods, notably through reductions in tariffs, and strict limitations on government spending.

Why was the ESAP adopted in 1990?

Some argue that the Zimbabwean government's debt situation had reached crisis proportions, *forcing* the government to bow down to IMF demands and implement ESAP.

It is true that the weakness of the Zimbabwean economy provided pressure for the adoption of neo-liberal policies. The economy continued to have problems such as a shortage of foreign exchange, government debt and a consequent lack of job creation.

But the economy was *not* in fact anywhere near crisis. Zimbabwe's debt and foreign exchange problems were not nearly as serious as those of many other African countries' were. The rate of economic growth in Zimbabwe may have averaged 3,2% between 1980 and 1992. This is a better performance than that of South Africa in the same period, as well as higher than that of many Western countries.

On the eve of the adoption of the ESAP, economic performance was actually improving.

The key push for ESAP came from local big business, represented by the Confederation of Zimbabwe Industry and the Commercial Farmers Union. Big business wanted to see resources channelled away from government expenditure and towards investment. Government borrowing made it difficult for private companies to borrow money at acceptable interest rates.

Controls over prices, wages and investments were another source of frustration to business. It was argued that a free market created through Structural Adjustment would lead to rapid economic growth. This would allow Zimbabwe to break out of the debt crisis and increase its manufacturing exports.

Business was allied to government "technocrats" in the Ministry of Finance, such as Bernard Chidzero. At the same time, the ZCTU was still relatively weak, and the peasants were demobilised. This made it relatively easy to move towards the implementation of ESAP in October 1990.

Zimbabwe was not simply pushed into ESAP. It *jumped.* Local capitalists and politicians set out to solve the problems caused by the international crisis and by local policies by initiating a neo-liberal restructuring process. In this they worked closely with a "technocratic" wing of the state, committed to modernising the economy, and centred on ministries like Finance.

The social impact of ESAP

ESAP has had a negative effect on ordinary people. It "adjusted" the country, in the interests of the economic and political elite, with terrible effects on the working class and peasantry. It also backfired on manufacturing capitalists.

ESAP meant that price controls – which ZANU had applied to basic consumer goods like mielie meal and petrol – were relaxed. This led to rapid rises in the price of these goods, which had the effect of driving up prices throughout the economy as wage and transport costs increased.

Inflation shot up to 40%. High inflation undermined workers purchasing power, and demand for basic goods fell sharply. Real wages fell to their lowest levels since the early 1970s.

Government began to downsize the civil service. The ZCTU estimated that 55 000 jobs were lost between 1990 and 1995, 22 000 of them in the civil service. As part of ESAP, government began to tighten its belt, spending less. Less that is on workers and services to the workers and peasants.

ESAP also meant that local manufacturing industry was ever more exposed to cheap imports. The result was growing unemployment. Several local industries, such as textiles, were hit hard by trade liberalisation and shrunk dramatically.

ESAP argued that an open economy would promote growth and job creation, However the deregulation of investment made Zimbabwe's economy even more vulnerable to international economic developments. In December 1997, there was a crash on the Zimbabwe stock market as investors panicked and sold their shares at low prices.

As noted, ESAP demanded that the government cut back its spending. This meant that land reform was badly undermined.

Government cut education and health spending for budget cuts. In the 1994–5 Budget, spending on health fell by 39%, and spending on education per child fell to its lowest level since 1980. As a result, 5 out of every 100 children stopped enrolling for school. In this way, the two main social advances of Independence – education and health- came under the axe.

ESAP actually led to *increased* government debt. The IMF lent money to finance the ESAP reforms, and government also borrowed money for this from local financial institutions. But ESAP did not lead to economic growth, and government found itself unable to pay the "adjustment loans". Instead, heavy government borrowing forced up interest rates and reduced the amount of money available to local companies that needed to retool in the increasingly competitive business climate that ESAP created.

Popular resistance to ESAP

Ordinary people in Zimbabwe have bitterly opposed ESAP, which some have dubbed "Eternal Suffering of the African People".

Regular cuts in student grants due to ESAP have led to repeated and occasionally violent student demonstrations throughout the 1990s. In July 1996, University of Zimbabwe and technical college students embarked on demonstrations for an increase in their payouts that led to street fights with police, the closure of the technical colleges, and the withdrawal of student grants to activists. In November 1996, students again clashed with riot police outside the University campus during a demonstration against cutbacks. In 1998, students boycotted classes in support of demands for more loans and grants.

In 1993 Zimbabwe got its first taste of "IMF riots" when soaring bread prices were met with boycotts and street clashes in the high density working class suburbs. However, the resistance was short-lived and by 1996, the price of bread was nearly double that which had prompted rioting several years earlier.

On the 19 January 1998, food riots broke out in urban areas. The riots took place after the prices for corn flour, rice and cooking oil rose by up to 25%, and sales tax increased to 17,5 %. Demonstrations against the price rises turned violent as protestors attacked shops, hotels, vehicles and, in some instances, politicians' houses. Police and army units, including armoured cars and helicopters, were deployed and at least 2,000 people arrested. Independent sources in Zimbabwe have reported that 9 people were shot dead by security forces, and at least 4 died in prison.

The organised working class flexes its muscles

One of the ironies of ESAP was that it increased freedom for trade unions. The power of the Minister of Labour to set wages was removed, allowing unions to become involved in wage negotiations once more.

However, the Minister retained the power to veto wage agreements and the public sector remained officially off-limits to collective bargaining. But this did not stop public sector workers, facing a wage freeze and mass retrenchments, from unionising. In August 1996, nurses, teachers and other public sector workers held a four-week general strike for a higher wages.

When government failed to respond adequately to workers demands, nurses and doctors went on strike in late October 1996. Despite *police attacks on crowds, threats of dismissal and an initial refusal of the State to negotiate*, the health workers stood their ground for two months, and were joined by teachers.

In November 1996, the ZCTU tried to launch a two-day general strike in solidarity with the public sector workers. In 1997, the government backed down, awarding public sector workers a wage increase of 36 %. After the 1996 strikes, closer ties were forged between the ZCTU and the Public Servants Association.

In July 1997, a strike wave engulfed security companies, hotels, restaurants, construction, banks, cement and lime, railways and textiles. Postal workers embarked on a go-slow. In many cases, workers were demanding wage increases of 40%. In October 1997, labour unrest spread to the commercial farms, as workers organised by the ZCTU launched two weeks of work stoppages and road blockades. The demand was for a 135 % wage increase.

The ZCTU versus ZANU

Reeling under the blows of ESAP, labour also became increasingly willing to confront the State.

The ZCTU regularly criticised the soaring prices of basic goods, attempted to organise consumer boycotts and "bread demonstrations", and in 1992 took the government to court after 6 trade unionists were arrested following a demonstration against ESAP and restrictive labour laws.

When government tried to buy off protesting liberation war veterans, whose pensions had been cut off following a corruption scandal, with lavish grants funded through special taxes and levies on workers, the ZCTU organised a general strike on "Red Tuesday", 9 December 1997. The strike paralysed the cities, and led to clashes with riot police and an attack on Tsvangirai by "unknown assailants".

Again, in March 1998, the ZCTU called a 2 day general strike to demand the removal of an increase in sales tax and a special 5 % " "development levy". The ZCTU office in Bulawayo was gutted by fire two days later. When government refused to back down, workers threatened a 5- day general strike at massive May Day rallies and increased their demands to encompass a new minimum wage. Government retreated at the last moment, dropping the taxes on the 4 September 1998 to trade union demands to scrap a range of taxes and levies.

But the need to deregulate prices placed the government in yet another headlong confrontation with labour. Rapid increases in electricity and petrol prices, announced in late September 1998, sparked two further general strikes on the 11 and 17 November 1998.

This time government responded by banning strikes and investigating the ZCTU with the feared semi-secret Central Intelligence Organisation (CIO). Rather than take popular concerns seriously, an increasingly paranoid Mugabe has instead blamed recent strikes and unrest on conspiracies by white farmers, homosexuals, and, most recently, Tutsis from Rwanda…

The ZCTU launches a workers party

In the 1990s, the increasingly powerful, popular and confident ZCTU has made ever- growing demands for a role in running the country.

In 1996, the ZCTU commissioned a report called *Beyond ESAP* in which labour challenged the government's analysis of Zimbabwe's economic problems. In 1998, the ZCTU agreed to participate in a constitutional task team and in the National Economic Consultative Forum to find "solutions" to rising prices, inflation, interest rates, economic crisis and mass unemployment. This is in line with *Beyond ESAP's* calls for "all interest groups and stakeholders [to] participate in policy formulation, decision-making and implementation" through a Zimbabwe Economic Development Council.

The Movement for Democratic Change (MDC)

In early 1999, the ZCTU went even further, announcing plans to launch a workers party to run in the 2000 elections. The first steps were taken with a decision to launch a "mass political movement for change" at the National Working Peoples Convention, hosted in Harare in late February 1999 by the ZCTU. The Convention included 400 delegates from 30 national civic organisations.

On 11 September 1999, the party was formally launched as the Movement for Democratic Change (MDC) with the support of the ZCTU. The two organisations are formally separate, and the ZCTU having no structured ability to influence MDC policy.

However, workers and the ZCTU form a key support base for the MDC. Both Morgan Tsvangirai and Gibson Sibanda (the president of the ZCTU and president of the Commonwealth Trade Unions) are in the MDC executive, pitting the popular union leaders against Mugabe in the 2000 elections.

The MDC will be the first serious electoral challenge faced by ZANU in 20 years. Today, ZANU holds 148 out of 150 seats in parliament. The MDC has not come out clearly against ESAP. In September 1999, Tsvangirai stated that the party would be "pragmatic", not "ideological". He added: "Our main thrust would be to achieve fiscal prudence, low taxation, and eliminate wasteful expenditure in government".

Similarly, the declaration of the National Working Peoples Convention's Declaration stated that "The State's role in production systems must be redefined towards facilitation rather than interference" and that "The nation should be made to compete in the global market in the next millennium."

In the worst case scenario, Zimbabwe could replicate the Zambian experience, where a union-backed but business-dominated "Movement for Multi-party Democracy" took power in 1991 only to oversee the implementation of an accelerated and devastating Structural Adjustment Programme. However, the full manifesto and form of the workers party, and its link to ZCTU, remain to be settled.

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