Zimbabwe

Labour Corporate Governance Policy Guidelines & Manual

Zimbabwe Congress of Trade Unions
3rd Floor Gorlon House
7. Jason Moyo Street
+263 242 794742
Fax 242-749253
www.zctu.co.zw

Acknowledgements

This manual and policy expand on all other policy documents published by the ZCTU to do with governance and development. It also incorporates the relevance of International Labour Organisation (ILO) instruments which are an integral component of the global Decent Work Agenda that entails productive work in conditions of freedom, equity, security and human dignity

The objective is to enforce that all workers have a right to decent work. This manual becomes one of the primary means of action by labour to ensure that we improve the working and living conditions through closing the gap between rights set out in international standards and the real situation of workers particular after trade and investment arrangements. The manual attempts to make these rights effective by giving workers a platform for collective voices to push for better trade and development policies and programs and keeping track of the workers welfare.

A major obstacle preventing workers from exercising their rights is lack of awareness of their existence and elements like marginalization, dualization, informalization as well as polarization. Therefore, dissemination of the information about the Corporate Governance issues contained herein is therefore vital for building resilient unions.

COVID 19 and Industry 4.0 (Digitalisation)have both caused a shift in a way which demands that Trade Unions repurpose their resources and introduce innovative education and learning models as well as enable capacitation to engage with the disruptions technology and the environment is bringing. The Zimbabwe Congress of Trade Unions (ZCTU) hopes the information provided will contribute further to maintaining commitment to recognition of workers' rights and creating sound conditions for trade and development and enhancing acknowledgement of incorporating social contracts. This can be achieved through linking trade and development policies with poverty reduction and objective of inclusiveness. This manual furthers that intention through increasing openness into trade & investment as well as national development processes for local and foreign actors.

This manual aims to be an accessible guide to Corp Governance and negotiations around trade and development policies in Zimbabwe and promoting the decent work agenda. In its broadness it tries to cover the issues that affect workers

This Manual owes its existence to a large number of dedicated colleagues whose insights have been invaluable which include The ZCTU Political Committee, The ZCTU Education Committee, the ZCTU Heads of Departments and not forgetting the able guidance from Advocate Jeremiah Bamu of Mbidzo, Muchadehama and Makoni Legal Firm and financial facilitation by APHEDA

Signed

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ZCTU

Secretary General

Contents

Acronyms

	AfCFTA	African Continental Free Trade Area
	AU	African Union
	BIT	Bi-Lateral Investments Treaties
	CG	Corporate Governance
	CRFs	Country Risk Factors
	CSFs	Critical Success Factors
	EPAs	Economic Partnership Agreement
	EPA-ESA	Economic Partnership Agreement cluster which includes, Zimbabwe, Tanzania,
	Ex- Comm	ZCTU Executive Committee
	GC	General Council
	ILO	International Labour Organisation
	ILC	International Labour Conference
	KYC	Know Your Customer
	KYU	Know Your Union
	KYM	Know Your Member
	LC	Lomè Convention
	MFN	Most Favoured Nation
	NEC	National Employment Council
	NSSA	National Social Security Authority
	PMFA	Public Accounts Management Act
	SADC	Southern Africa Development Cooperation
	SINO	Trade relations with China
	TNF	Tripartite Negotiating Forum
	TU	Trade Union
	WTO	World Trade Organisation
	ZIDA	Zimbabwe Investment and Development Authority
	ZCTU	Zimbabwe Congress of Trade Union

1. Background

In 2019 the ZCTU Political Committee and the Education Committee met at a workshop in which a framework for preparation of Labour Corporate Governance Manual was agreed upon. This was motivated by the 2016 ZCTU Congress resolution which called for, **"Establishing a road map, strategies and tactics that will strengthen the Trade Union institution, unite the trade union movement and ensuring visibility and relevance of the Trade Unions in Trade and development processes".** The strategy to achieving this was mooted in the form of a corporate governance policy and manual with rules and guidelines for the Trade Union movement. The process was coordinated by the ZCTU Parliamentary Affairs, Advocacy and External Relations Dept and the manual was produced with assistance of Mbidzo, Muchadehama and Makoni Legal Practitioners with Advocate Jeremiah M. Bamu as the Lead Faciliator.

- **Definition of Corporate Governance**

Refers to the rules, practices and processes by which societies /organisations are directed and controlled. This can also mean the systems and processes put in place to steer an organisation's operations as well as manage relationships through a determined process of power sharing among and between different stakeholders.

For labour it is an internal system encompassing of policies, processes and people which meet organisational objectives including those of shareholders and other stakeholders in Zimbabwe. According to labour, Corporate Governance is a stakeholder-based policy instrument, which aims at allocating responsibilities to organisational & societal actors aiming at accountability and total quality output. Workers being an essential factor of production in the creation of wealth as well as the human imprint in development processes in the country therefore becomes central to the issues of Corporate Governance

Put simply, Corporate Governance strengthens the ability of trade unions to represent their members' interests credibly and at the same time impacts positively on their ability to increase labour productivity grow and develop the economy

2. Justification of the Manual for the Trade Union Movement

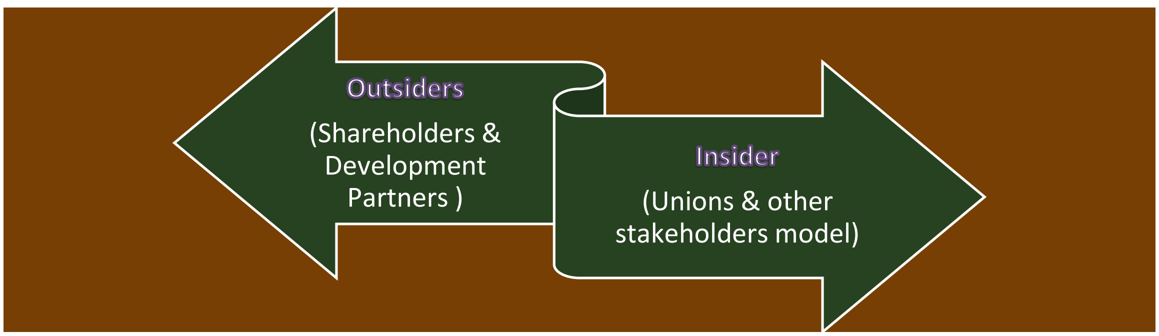
Zimbabwe's industrialization has gone through many phases which have been affected by treaties, wars, struggles for independence, climatic conditions, demographic changes, protracted political and economic crisis and technological advancement among other factors. In all these circumstances labour has watched over the economy with anxiety and vigilance with regards to its performance and impact on the welfare of workers. [1]In 2003 The ZCTU tabled the "Country Risk Factors Analysis Paper" before the Tripartite Negotiating Forum (TNF) with a view to alerting the social partners the potential venality for the economy. After six years of negotiation the Social Partners signed an agreement in 2009 dubbed "[2]**Towards a Shared National Vision**" in which they committed to achieve stability of the country as well as improve the

[1] 2003 Zimbabwe Country reality check (ZCTU Economics Department)

[2] 2009 "Kadoma Declaration" Zimbabwe tripartite document -ILO

country's image. The lack of progress on this, the twist and turns in the development programs, the industrial revolution and now emergence of COVID19 have caused labour to turn to corporate governance with the hope of striking the balance between social & economic goals and, individual and communal goals, communities and development partners and investors and stakeholders. Labour hopes that the governance framework within trade unions and other stakeholders including the government will be encouraged to be efficient in use of resources and will be accountable for the stewardship of the organisational and the country's resources. The aim is to align as nearly as possible the interests of individuals, corporations and society. [3]Workers and other stakeholders play an important role in contributing to the long-term success and performance corporation and the economy while governments establish the overall institutional and legal framework for corporate governance".

Two models of Corporate Governance



- Corporate Governance for workers results in:

1. strengthening the social and human capital development system of the country
2. contributing to growth and social stability
3. increasing the labour and other stakeholders' motivation
4. raising quality and standards of legitimacy and decision making
5. improving the corporate culture internally and externally

- [4]**Corporate Governance aims to better equip** labour inspection systems and employers' and **workers' organizations to achieve workplace compliance with national labour laws and regulations,** collective agreements and ratified international labour standards.
- [5]**Corporate Governance** offers an opportunity to integrate solution seeking to the country ills with the transformative agenda while at the same time dealing with the crisis and country risk factors (CRFs).
- **Corporate Governance outcome** is achieved through **institutional capacity-building for TUs,** strengthening of **partnerships** at all levels, improving engagements at **the national level by** enhancement of the labour systems, structures, strategies and tactics as well as legal and policy frameworks of analysing, monitoring, evaluating and

[3] 1976 ILO

- [4] https://www.ilo.org/global/about-the-ilo/how-the-ilo-works/departments-and-offices/governance/WCMS_438917/lang--en/index.htm

[5] DFID 2015

assessing and proposing alternatives to adverse trade agreements and investment proposals.

- **Corporate Governance** is a recognition by labour that transactions do not occur in isolation, but have wider social and economic consequences which need to be considered, impacting directly on employment, health and the environment. Labour insist that legal regulation may be required to ensure protection from abuses, but that this could never replace a general sense of responsibility in business and management of the economy, that goes beyond the letter of the law, preventing competitive forces from leading to a race to the bottom.

3. Objectives of the Manual

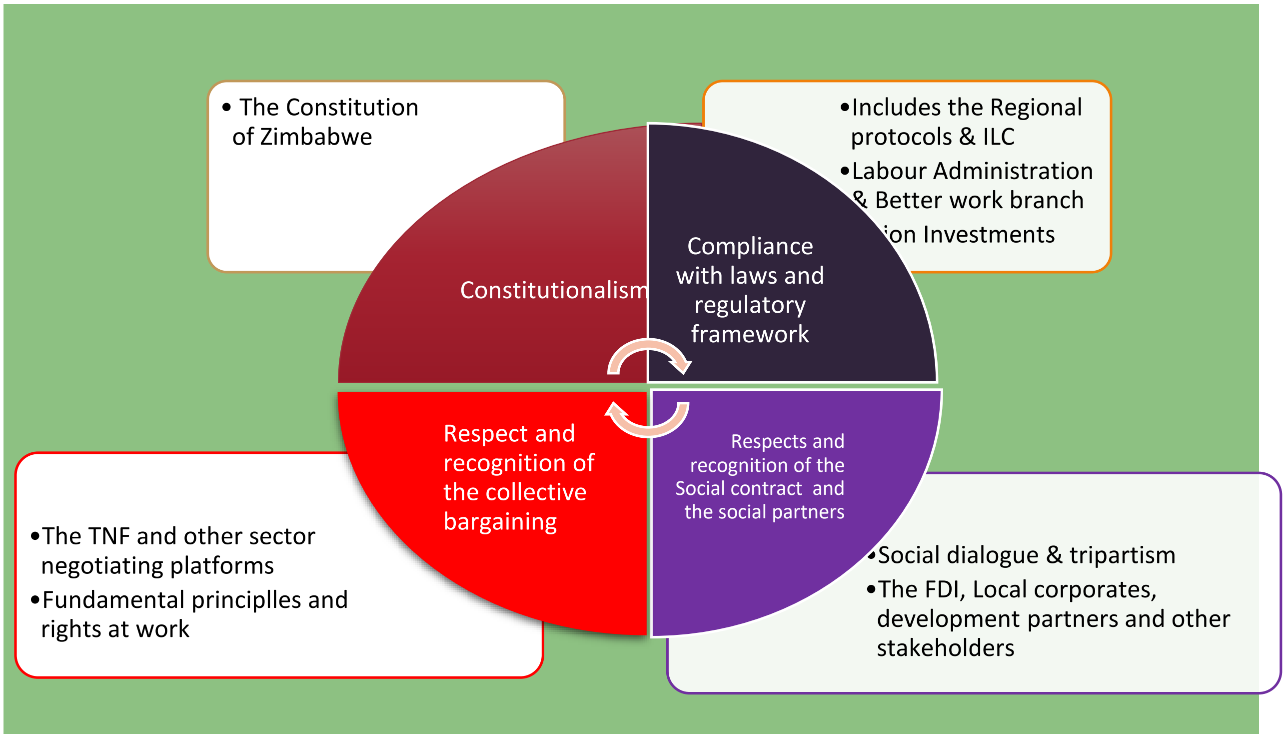
- The manual gives an overview of how unions could improve their corporate governance and provides a bridge between internationally recognized best practices and local laws, codes and regulations. Through the process, the team identified gaps within the national frameworks seeking to strengthen the trade union structures on engaging with the regulatory framework.
- The internal controls systems of the trade unions are being targeted so as to strengthen their engagement at sector, local, national and global levels.
- This manual unravels the relation between unionization and corporate governance practices in Zimbabwe. It also establishes what mechanisms to be employed to encourage more unionization as a strategy for formalisation by adopting structures of governance that enable collective bargaining and realization of workers' rights. The process also analysed the forces that gate keep maintenance of status quo or private set ups that avoid or shut out unionization.
- The manual seeks to amplify the role of Trade Unions and how they can add value to development needs, raising the standards of living and expounding of currency on new policies and processes as well as bringing employers and government to account. This is specifically relevant in the wake of the calls for convergence and strengthening of the country's social contract and the need for a formalisation strategy.
- The manual also seeks to examined the rational of Trade Unions participation in the investment arena as investors or investees and as watchdogs for workers' rights among the old and emerging investors. This is particularly relevant in the wake of new investors flocking in and so seek to provide guidance on the problem of shareholder-stakeholder conflict which may arise from the Trade Union triple role as development partners, investors and representatives of workers as guided by the regional and international agreements.
- The manual seeks to ensure that Trade Unions are capacitated and enabled to advocate for corporate social responsibility, safety and health and other international standards to be recognized and respected with all investments and development projects and activities within the borders of the country. This is in support for stakeholder-based governance which is premised on the belief that all investments and development process need to be in synch with the stakeholder goals and national objectives as enshrined in the constitution.
- The manual also seeks to guide the Trade Union negotiators with bargaining processes information relating to total quality managements concepts and their impact on workers and working conditions. It also provides guidance on collective bargaining issues like company revenue, profits and director's salaries and allowances. This helps negotiators in securing wages demands and development finance budget that are inclusive and gender sensitive and communities to follow up on Corporate Social Responsibility.

4. Advantages of Corporate Governance from Workers' Perspective

The experience of Zimbabwe alongside the calls for inclusive development has demonstrated a positive connection between well-coordinated and managed institutions for deliberate wealth creation and sustainable development. The workers acknowledge that to instill sustainability as well as wealth creation, Corporate Governance assists in specifying distribution of rights and responsibilities among different actors and the contours of accountability. It also spells the rules and procedures for making decisions and presents the means for attaining those objectives. Workers and their structures will reap the following advantages for the Corporate Governance;

- The focus of corporate governance, inter alia, is to minimise the conflict between technical/ administration or secretariat and key stakeholders/members and shareholders (Shleifer & Vishny, 1997).
- Corporate governance provides a framework by which members/shareholders and key stakeholders protect their investments and interests.
- Having sound governance indicates that an organization has the necessary institutions and tools to ensure credibility, integrity and authority in forming rules, making decisions, and developing programmes and policies reflecting members 'views and needs.
- The separation of ownership and control is one of the early features of the corporate governance literature (Fama & Jensen, 1983) which motivates for separation of powers.
- It can also minimise the problems emanating from the separation of ownership and control in the most efficient manner
- Encourages responsible decision making that is guided and mandated with means of verification and validation for the protection of those who were not involved in the decision-making process.
- Knowledge and appreciation of corporate governance gives chance for grooming of sound leadership and sharpening of skills and competences in the area of operation
- The mainstreaming of Corporate Governance corrects the perceptions which had narrowly constructed downplayed of the central role of social partners and informal norms. This had also obscured the inevitable need of social evolution to match with the ongoing changes in the world

5. The framework for Corp Gov. implementation is guide by



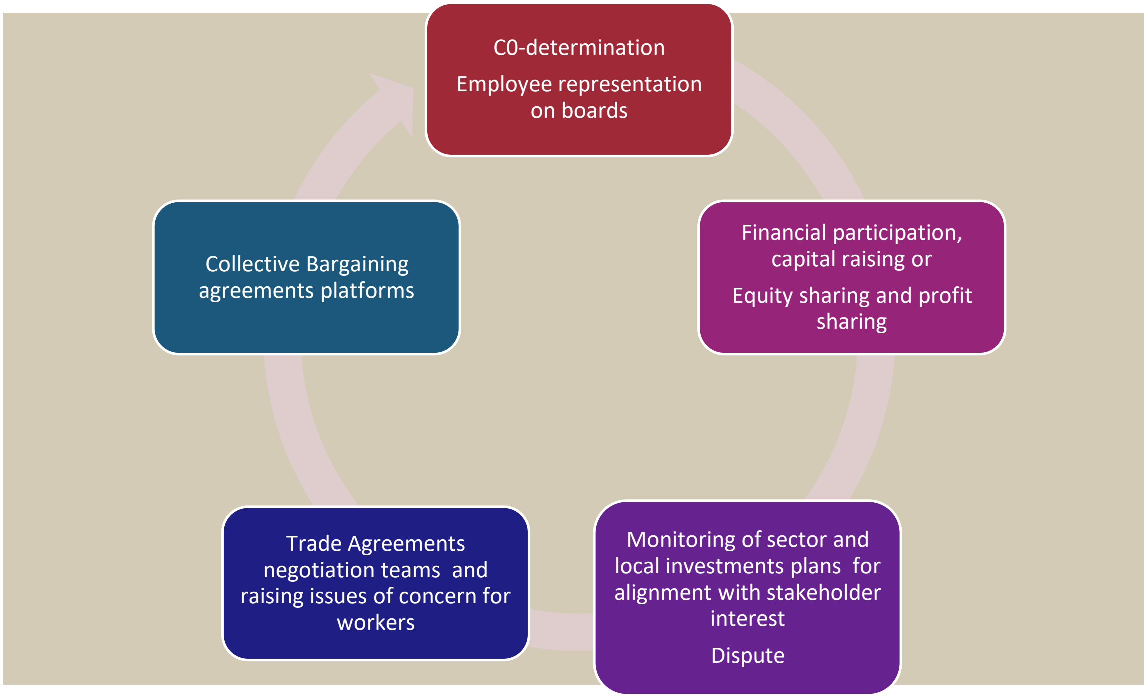
6. Types of Corporate Governance

- Agency theory -emphasises the relationship between principals (shareholders) and agents (managers) in corporations. Agency theory is concerned with resolving problems that may exist in agency relationships due to unaligned goals or different aversion levels to risk.

- Stewardship theory - rooted in sociology and psychology, offers an alternative theoretical view to the agency theory. It proposes instances wherein a convergence of interests can occur, resulting in a more collaborative approach to governance.

- Stakeholder theory - The theory advocates that society expects organisations to behave in a manner that not only guarantees their going concern but also benefits their social and economic roles and relevance.

Forms of Worker Participation in Corporate Governance

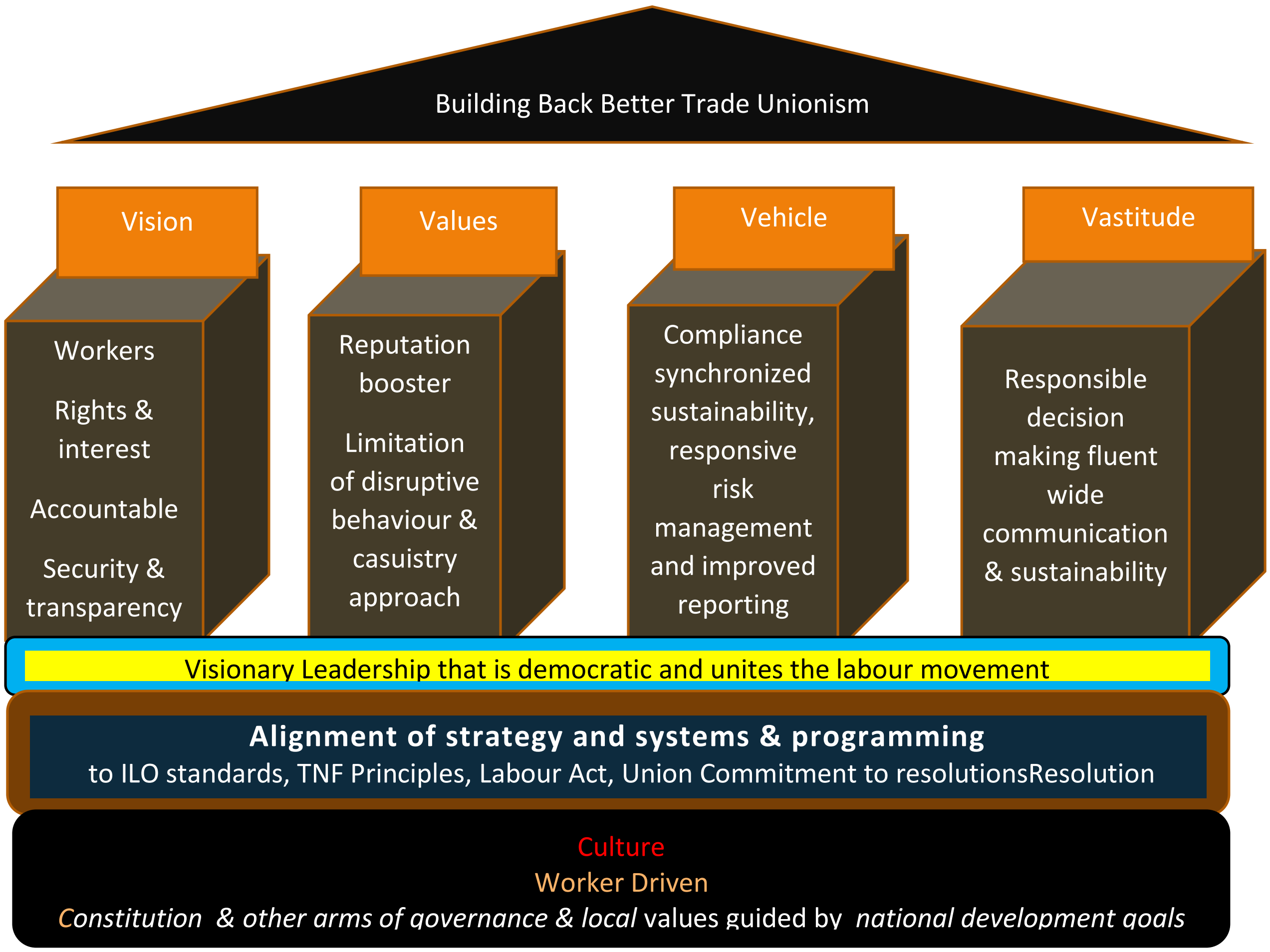


7. Pillars of Sound Governance Systems

Trade Unions appreciated that effective integration of Corporate Governance and environmental responsibilities in the country will potentially release greater value for all stakeholders: moving beyond compliance, to creating new value through new products and services that meet societal needs; and collaborating to solve the complex and demanding social and environmental problems that threaten to grow beyond the control of the economy. This would provide a more vital context in which people would have greater opportunity to exercise moral values and ethical commitments. It is possible that confronting the dilemmas of social, economic and ecological survival which the government, workers, business and communities face, will force the rethinking of development and investor objectives, structures, and activities that is necessary.

The Trade Union movement established the following pillars to be a guide for a Unions to achieve sound governance systems; **Vision, Values, Vehicles and Vastitude**

- The establishment of democratic structures and procedures for decision making;
- The existence of adequate checks and balances on decision makers;
- Transparency in decision making, implementation and member communication;
- Elimination of inappropriate and undue influence on decisions.
- Ensuring that our domestic and foreign policies drive towards full employment and improved standards of living for all Zimbabweans



- **Vision:**
  The Union leadership to be competent and always recognise the importance of providing motivation for participation and sustaining unionism.
- **Values:**
  The Union leaders to always uphold the values of trade unionism which are unity, democracy, independence and accountability.

- **Vehicle:**
  The secretariat or technical teams are the machinery through which the union discharges its work. They are relevant entities and rightful representatives of the union and must be capacitated, treated and respected as such.
- **Vastitude**:
  Is the communication machinery which facilitates lateral transfer of information and knowledge.

8. Principles of Corporate Governance

- **Sustainability:**
  The going concern nature of an organization is crucial. The Congress and General Council (GC) and Committees (ExCom)should ensure that the UNIONS creates value to reinforce the perpetual succession, maintain competent and viable organisations, exploit potentials of the union and the economy and always putting the workers interest first.
- **Dignity of the workers of Zimbabwe:**
  The visions and mission of the unions take precedence in all decisions to do with workers. At all platforms leaders must ensure that the country's resources including the rights of workers of Zimbabwe are protected and preserved for future generations. The people' rights. local stakeholders' interests and communities where investments and development activities are taking place must come first.
- **Integrity:**
  The GC and Ex Coms should lead the unions to conduct its business in a fair and transparent manner that can withstand scrutiny by stakeholders. Thus, the federations will maintain a checklist of rules and obligations which their affiliates must satisfy particularly those which wish.
- **Transparency:**
  This requires that structures with management responsibility should be completely frank and open for stakeholders to easily see and recognise the manner in which affairs of the organisation are being conducted.
- **Fairness:**
  The quality of being fair, just or impartial must be inculcated in the union. The protection of workers interests must be treated equitably with no discrimination.
- **Leadership:**
  GC/Ex Com should be effective when it steers the organisation to the attainment of set business objectives, mainstreaming professionalism both in the short and long run. This includes management of union investments and thus each leader as selected or appointed must commit to an oath of leading the institution as guided by these ordinances.
- **Capability:**
  The GC/Ex Com should have an appropriate mix of skills, experience and independence to enable its members to discharge their duties and responsibilities effectively. To also ensure that the organisation remains fit for purpose.
- **Accountability:**
  The Union should be responsible to all its affiliates and structures. Affiliates need to have a fair, balanced and understandable assessment of how the organisation is achieving its business purpose and meeting its other responsibilities.
- **Relevance:**
  This demands that the Union through its adopted structures should communicate to the affiliates at regular intervals and committees that are aligned to the governance and development institutions of the country. Periodically the union must evaluate its activities for adaptability and relevance.
- **Reliability:**
  Zimbabwe is a country prone to disasters, born out of a struggle with a people that have been torn socially and economically. The Union must remain steadfast in its commitment for resilient social contract and so employ risk mitigation strategies that induce robust systems that minimise stress on the workers of Zimbabwe. Through the TNF and any other avenues, the Union must ensure that the workers issues are visible and attended to and demonstrating independence of analysis and recommendation thereof.
- **Visibility:**
  Every Union must be visible in its intentions and actions. These must be seen as unions act in solidarity with others and participate in the local, national and global events. The unions must be active in all facets of development according to their area of specialisation. The union leaders must engage in the networks tangible or intangible, value networks, social networks, technology

networks, investment networks, political network, policy making networks and economics networks for the purpose of promoting and protecting the interest of the workers.

- **Value Addition:**
  The Union participation in trade & development negotiations is to ensure that value addition is engraved with emphasis on the importance of accelerating economic growth, reducing inequalities and increasing the value of local resources as key to creating employment and wealth and do away with skewed wealth distribution, dead assets and informality.
- **Beneficiation:**
  The Union to keep a hawk's eye on trade /development agreements performance in line with the objective of accelerating structural transformation of the economy. Thus, whatever dialogue that takes place between government, industry, international development partners and interested parties must unpack how;

  i. Resources (minerals, tourist attractions and environment) are managed, leveraged for sustained social and economic transformation and development. The Trade Union will always ensure mainstreaming and application of the decent work pillars in every job created of 1) workers' rights, 2) social dialogue, 3) Social Protection 4) International Labour Standards.

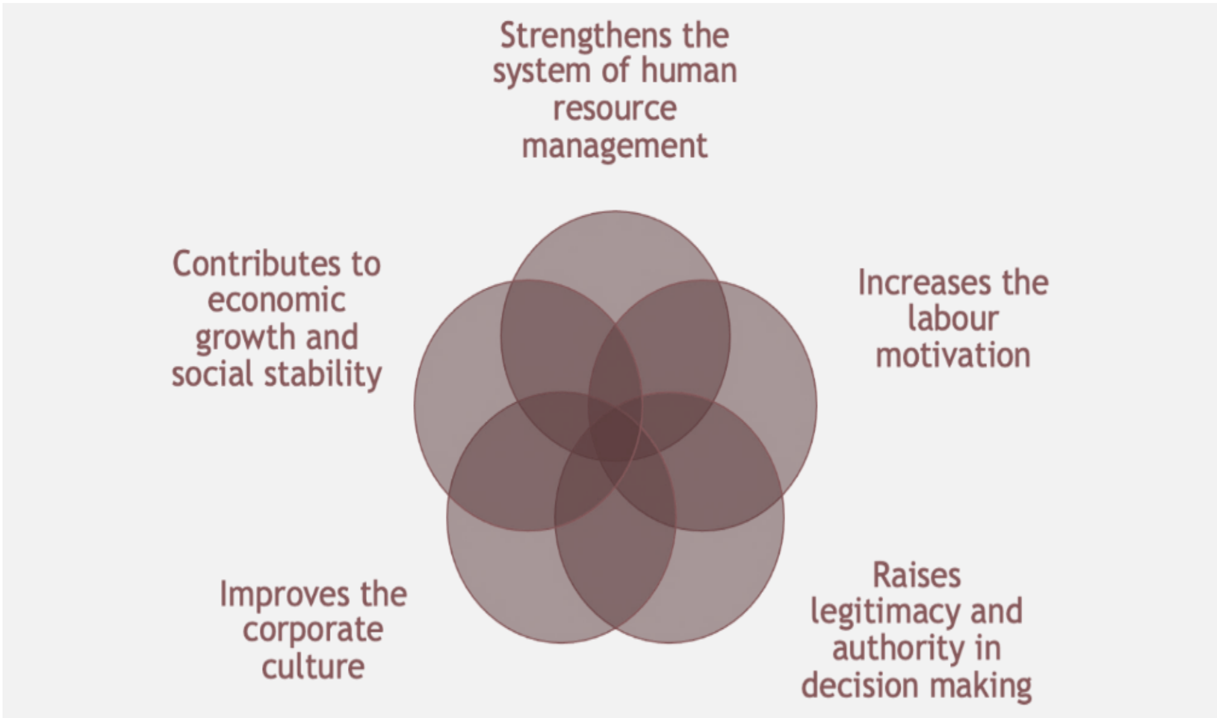
  ii. Trade agreements development programs and investment plans are designed to
     a. Advance large-scale industrialization
     b. Adaptation of value chain approach
     c. Establishment of knowledge and information ports for data informed decision making
     d. Catalyzing broad based inclusive growth
     e. Fostering economic diversification

  iii. Information and knowledge creation, management and dissemination-The Trade Union will always demand collection of articulated data, big data mining and analysis of the data and dissemination of that data so as to guide negotiations and any action with regards trade agreements on the social and economic indicators which include but not limited to education and training, safety and health security, disaster preparedness security, social protection coverage, income security, shelter security, food security, human & personal security and representation security.

  iv. The Trade union will monitor and evaluate the supply chains for investors and development partners with a view to advocate for investments that amplify local efforts in the provinces and districts which reduce marginalization of local suppliers, disparities and ensure sustainable local employment creation, promote social and economic growth, financial stability.

  v. The Trade Union will always motivate for financial inclusion through advocating for demonstrable commitment to social and economic development initiatives that ensure fair and impartial access to credit and exploring of new and emerging sources of capital and people centred and holistic approaches of the sector or communities they serve. These include leveraging on digitalisation, e-Commerce and use of systems that match with needs and wants of the locals.

The impact of Worker's Involvement in Corporate Governance

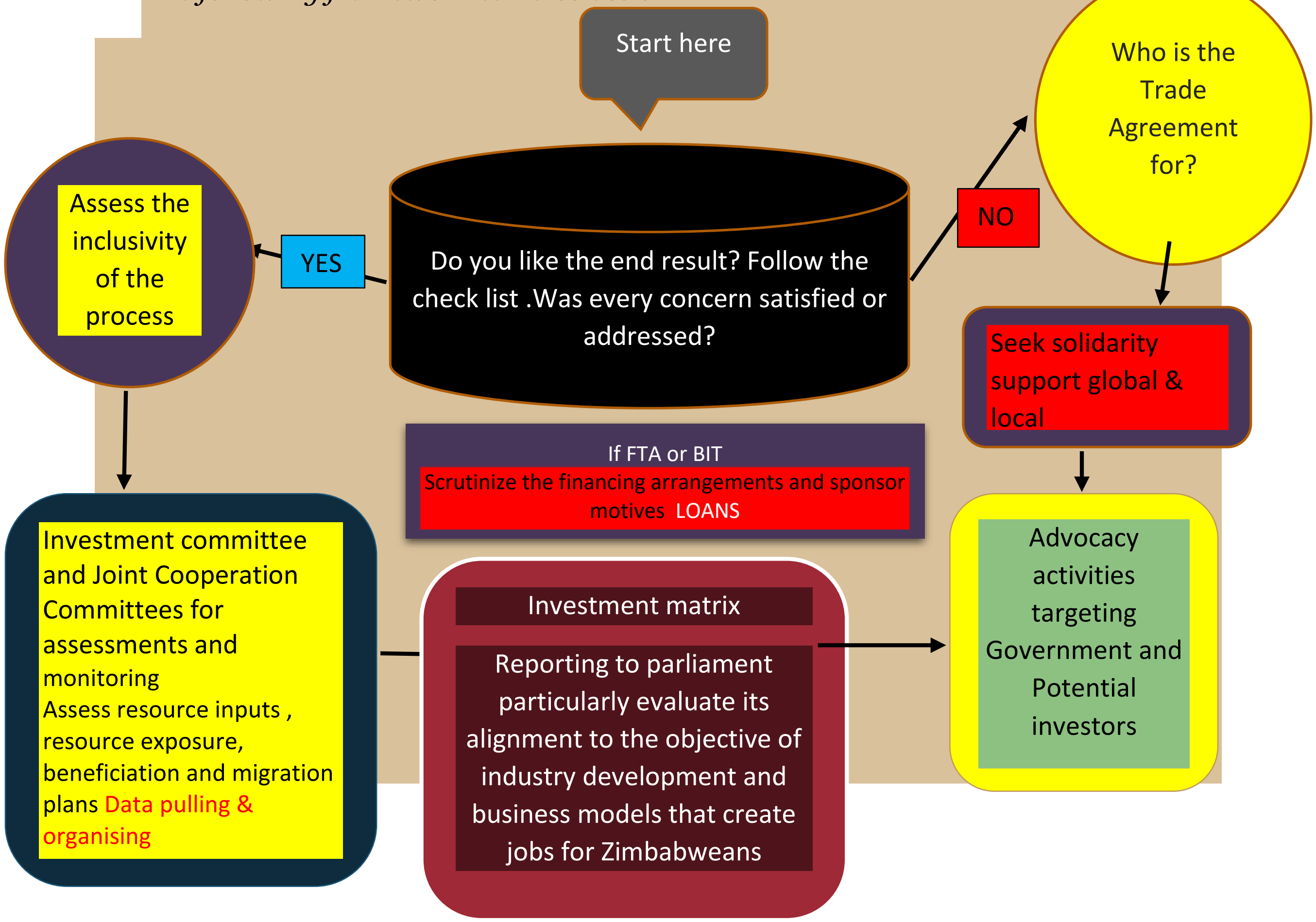


How to debate Trade Agreements

The Trade Union will support social and economic decisions which support integration of social partners agreements through outcomes of the TNF which will be assessed on their intentions to recognize and respect ILS, reduce poverty, gender embodiment, human rights based and results oriented. These will be traced and tracked right from the global (ILO, WTO & Global Lenders), continental (AU & AfDB, SADC) and national (National Development Policies, Bi – Lateral & Multilateral Trade agreements). The Trade Unionist will keep track of the investments and development activities to particularly check for the:

a.) Local participation and ownership
b.) Achievement of net trade growth
c.) Creating employment
d.) Increasing fiscal revenue
e.) Promotion of good governance and business practices that incorporate knowledge and links with labour markets and the exchange markets

The following framework can also assist



Sometimes BIT (Bi-Lateral Investments Treaties) is included in the national development strategy so it will be paramount to track it through from all angles
The FTA and BIT should include dispute settlement mechanisms which forms basis of unilateral offer on behalf of Zimbabwe
The trade union works to pronounce the workers and human rights and ensure that they are not compromised. The business models to emerge must have a strict focus inclusive growth, improvement of standards of living, savings and investments for Zimbabweans. Decisions on economic goals and development goals must bring prosperity for Zimbabweans with a good balance between private consumption and public services. There should be concerns about the future and sustainability of the environment with entrenchment of democratic and accountability values.

9. Benefits of Corporate Governance for Trade Union

	Trade Union Organisation	Society	Economy
a)	Promotes brand ZCTU Improving top level decision making	More open, transparent society	Revitalising the economy
b)	Fostering of respect, promotion, protection and fulfilment of objectives, activities and programmes	Corruption prevention and management	Sustainable economic growth
c)	Protection of affiliates' interests Enabling better strategic planning	Rule of law and leadership with moral integrity	Increase of competitiveness through fair competition.
d)	Bases for leading by mandate Compliance culture by uniformising most the workers and Trade Union issues.	Promotion of ethical wealth promotion	Easy tracking of actions as well as measuring impacts and effects of decisions made, trade agreements
e)	Keeping the workers' issues the main. The Unions are guided on acting in the best interest of members	Support for development processes and reduction of inconsistencies and encourage responsible citizenry	Establishment of a country and trade union culture as well as individual mindsets that promote trust, integrity and accountability
f)	Easy risk analysis. Identifying and assessing potential obstacles and disaster preparedness and their effects and impacts on workers	The government, business and other development actors will have clarity on checkpoints and boundaries	Achievement of the local and national strategic goals -Protection of national resources and reduce exposure to manipulation -Analysis of benefits to be derived from a trade agreement
g)	Establishment of a common understanding and high performance culture for trade unions and worker structures and organisation of leadership development schemes	Clarity on definitions of what success and winning looks like and establishment of common channels of communication, aspects to communicate	Data informed outcomes, application of use of facts, rules, principles and standards - Recommendations and reconfiguration of trade agreements and MOUs

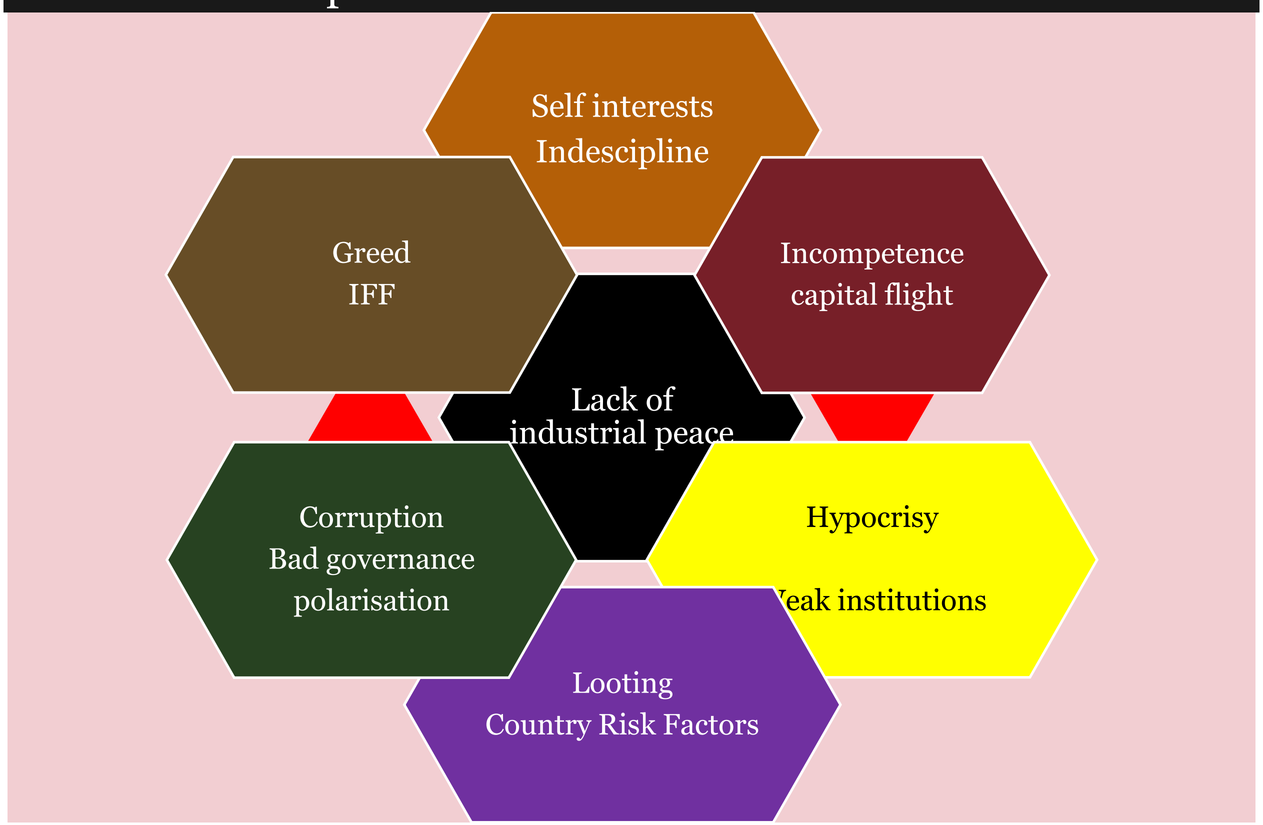
11. The regulatory framework for CG for Trade Unions

- ZIMBABWE CONGRESS OF TRADE UNIONS(ZCTU) CONSTITUTION
- LABOUR ACT (Chapter 28:01)
- CONSTITUTION OF ZIMBABWE
- REGIONAL LEGAL FRAMEWORKS (SATUCC)
- ILO CONVENTIONS & RECOMMENDATIONS
- GEOGRAPHICAL STRUCTURES

12. Governance framework for TU

- CONGRESS RESOLUTIONS
- STRATEGIC PLANS
- GENERAL COUNCIL RESOLUTIONS
- GENERAL COUNCIL COMMITTEE RECOMMENDATIONS
- EXECUTIVE & ADMINISTRATION DECISIONS
- MINUTES
- ADOPTED ORGANISATIONAL POLICIES
- AUDIT REPORTS

12. Without Corporate Governance - KYC & KYU



Exercise : Trade Union Leaders demonstrate their knowledge of the country & Sectors

TU leaders are encouraged to gather spatial and sector details about their country. This helps in identify the issues linked to changes which are likely to affect workers and the communities In making submissions the TU will need to back them up with some evidence particularly linked to the concerns of the workers

- The clear display of the Union name, Sectors, Linkages,
- Vision, aims and objectives aims of the organization;
- Definitions, rights, roles and responsibilities of members;
- The operation of the Congress;
- Trade Union ethics and Commitments
- The Congress/Conference and independent observers and process management
- General Council, tasks and duties and decision-making procedures;
- Strong secretariat with professional and technical systems that have capacity to input into policy
- NEC Links and cooperation arrangements
- Leadership Succession plan, handover and back-up arrangements
- The preparation and presentation of accounts;
- The appointment of an independent auditor;
- The process of amending the constitution;
- Merger and or dissolution of the Union.
- Union Office operational plan and minuting of meetings & their records
- Collaboration arrangement with the federation
- Relationship management plan (external & internal) and advocacy strategy
- Union administration which leverages on preventing abuse of office, respect of member's interests and rights, preventing of scandals, fraud and potential civil and criminal liabilities for the organisation.
- Sustainability measures that seek to maintain high levels of union membership and increases membership value proportions.
- Trade Union image protection and sustenance measures
- Trade Unions must implement Union corporate values that are demonstrated daily through transparent Union business transactions

14. National Frameworks for Corporate Governance

Over the years, Corporate Governance Framework in Zimbabwe has been self-regulatory determined by the following instruments:

1. The Principles for Corporate Governance in Zimbabwe: Manual of Best Practices,
2. The Constitution
3. Labour Act Chapter 28:01
4. Zimbabwe Manpower Planning and Development Act Chapter 28:02
5. NSSA Act Chapter 17:04
6. NECs
7. Companies & other Business Entities Act Chapter 24:31
8. Acts of Parliament governing public e.g, the Companies Act, Acts establishing public entities
9. The Public Finance Management Act (PFMA),
10. National Code of Corporate Governance,
11. Corporate Governance Framework for State Enterprises and Public Entities,
12. The Zimbabwe Stock Exchange Listing Requirements,
13. The FINSEC Stock Exchange Listing Requirements
14. Common law and the Corporate Governance and Remuneration Policy Framework.
15. The ZIDA guidelines
16. The Public Entities Corporate Governance Act (Chapter 10:31)
17. Some organisations in Zimbabwe have adopted, in addition to the above instruments, corporate governance principles as outlined in other internationally recognised corporate governance codes and guidelines to promote good corporate governance.

15. Legal Framework and Application of International Labour Standards

Principle: Public Entities must ensure best labour practices which recognise and uphold the rights of employees as provided for under the Labour Act (Chapter 28.01) and international standards as set by the International Labour Organisation (ILO).

Legal Frameworks

i. **Zimbabwe Constitution**

The Constitution sets out corporate governance as an inherently vital part of a healthy and prosperous nation. It states that Zimbabwe is founded on respect for internationally accepted principles of good corporate governance.

Chapter 9 of the Constitution provides for good governance. It states that the government must adopt and implement policies and legislation "to develop efficiency, competence, accountability, transparency, personal integrity and financial probity" in all institutions. The same section states that public office bearers must be appointed based on merit and measures must be taken to "expose, combat and eradicate all forms of corruption" by such officers. In addition, section 195 of the Constitution provides that companies and other commercial entities owned or wholly controlled by the state must conduct their operations so as to maintain commercial viability and abide by generally accepted standards of good corporate governance namely transparency, justice, accountability and responsiveness, among others. Other examples of sections of the Constitution that promote good corporate governance include sections 56(2), 165, 194-198, 265(1), and 298(1).

ii. **The Public Entities Corporate Governance Act (Chapter 10:31)**

The Public Entities Corporate Governance Act (Chapter 10:31 provides for the governance of public entities in compliance with Chapter 9 of the Constitution. It also provides for a uniform mechanism for regulating the conditions of service of members of public entities and their senior employees. It starts by quoting Section 194 of the Constitution that deals with principles of good corporate governance.

iii. **The Public Finance Management Act (PFMA)**

The Act provides for the control and management of public resources and protection and recovery thereof. It also provides for the appointment powers and duties of the accountant general and staff, national budget, preparations of financial statements, regulations and control of public entities.

It further provides for general treasury matters, examination and audit of public accounts and matters pertaining to financial misconduct of public officials.

iv. **Companies Act**

The Act has been in existence since 1951. The Act governs the constitution, incorporation, registration, management, administration and winding up of companies and other institutions and provides for regulation of powers, duties and remuneration of directors. It imposes a number of statutory duties on directors which, if properly observed, should result in sound corporate governance practices. Although the Companies Act does not specifically provide for corporate governance, it ascribes liability on directors for conducting the business of a company fraudulently or recklessly and for falsification of information.

v. **Acts of Parliament governing public enterprises, parastatals and local authorities**

vi. **The Stock Exchange Act**

The Stock Exchange Act and has extensive regulatory powers. It provides for the establishment of the three (ZSE, FINSEC & the Victoria Falls Stock Exchange. The listing of the securities of companies (domestic or foreign) and provides its users with an orderly market place for trading in such securities and regulates accordingly. The ZSE is responsible for developing and periodically reviewing the Listing Requirements, thus ensuring legislative changes and market practice (locally and internationally) are accounted for. The ZSE Listing Requirements apply to both applicants for listing and presently listed companies and are aimed at ensuring that the business of the ZSE is carried on with due regard to the public interest. The Requirements indicate, inter alia, the rules and procedures governing new applications, proposed marketing of securities and the continuing obligations of issuers.

The Listing Requirements compel companies to include a statement in their annual reports indicating the extent to which they comply with "the principles set out in the Code of Corporate Practice and Conduct as set out in the King Report or Cadbury Report on Corporate Governance" to enable shareholders and potential investors to evaluate how the corporate governance principles have been applied. In cases where the recommended governance structures were not applied, the company is expected to provide an explanation for the noncompliance in the annual reports to shareholders

vii. **Public Procurement and Disposal of Public Assets Act (Chapter 22:23)**

To provide for the control and regulation of public procurement and disposal of public assets so as to ensure that such procurement and disposal is effected in a manner that is transparent, fair, honest, cost effective and competitive; to establish the procurement Regulatory Authority of Zimbabwe and provide for its functions and for matters connected with or incidental to the above

16. Trade Union interface with Corporate Governance

The **Trade Union leaders** will be lead negotiators at the workplace and at Company Works Council Level, they can also be requested to be board members and chief executive officers of their institutes and the government agencies when called to duty and so are expected to provide leadership as board members.

They should establish and defend the **Trade Union** mission and values, monitor and interrogate national policies, development programs, trade agreements the institutions operations including the organization's chief executive officer.

Trade Union Leaders must provide financial oversight and, participate in strategic planning as well as implementation to keep a hawk's eye on the worker's rights, and oversee effects and impacts of the development programs on the communities.

Trade Union Leaders in applying these must ensure sustainability in use of national and organisational resources, and constantly check on management and procurement processes in public entities.

Trade Union Leaders must oversee internal controls and risk management, monitoring the organization's activities and portfolio promote and enhance the countries and organization's image.

1. Corporate Governance Framework for State Enterprises and Public Entities,
2. National Code of Corporate Governance,
3. The Principles for Corporate Governance in Zimbabwe: Manual of Best Practices
4. National Employment Councils Collective Bargaining Agreements.
5. Common law and the Corporate Governance and Remuneration Policy Framework.

6. In addition to existing laws and regulations governing operations of business entities, entities in Zimbabwe are also affected by rules and regulations of national voluntary business associations such as:

    a. Zimbabwe Institute of Personnel Management

    b. Chamber of Mines, Agriculture bureau

    c. Zimbabwe Institute of Engineers

    d. Zimbabwe National Chamber of Commerce and Confederation of Zimbabwe Industries and professional bodies such as

    e. Institute of Bankers,

    f. Institute of Chartered Secretaries & Administrators and

    g. Zimbabwe Institute of Management, among others. Membership to these associations requires that the individuals observe the rules and regulations thereof.

    h. Zimbabwe Association of Chartered Accountants

    i. Zimbabwe Economics Forum

    j. IPEC

    k. Law Society of Zimbabwe

    l. Zimbabwe Institute of Consultancy

    These associations and many others not listed here have greatly assisted in the reinforcement of professionalism and ethical conduct as members are obliged to observe these and other values, failure of which they are struck off the membership register.

7. Trade Union constitutions

18. International Labour Standards

International Labour Standards (ILS) are primarily tools for governments which, in consultation with employers and workers, are seeking to draft and implement labour law and social policy in conformity with internationally accepted standards. This process begins with a decision to consider ratifying an ILO Convention.

ILO Conventions Ratified by Zimbabwe

Fundamental Conventions

Convention	Date	Status
C029 - Forced Labour Convention, 1930 (No. 29)**P029** - Protocol of 2014 to the Forced Labour Convention, 1930 ratified on 22 May 2019 (In Force)	27 Aug 1998	In Force
C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)	09 Apr 2003	In Force
C098 - Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	27 Aug 1998	In Force
C100 - Equal Remuneration Convention, 1951 (No. 100)	14 Dec 1989	In Force
C105 - Abolition of Forced Labour Convention, 1957 (No. 105)	27 Aug 1998	In Force
C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111)	23 Jun 1999	In Force
C138 - Minimum Age Convention, 1973 (No. 138)Minimum age specified: 14 years	06 Jun 2000	In Force
C182 - Worst Forms of Child Labour Convention, 1999 (No. 182)	11 Dec 2000	In Force

Governance (Priority)

Convention	Date	Status
C081 - Labour Inspection Convention, 1947 (No. 81)	16 Sep 1993	In Force
C129 - Labour Inspection (Agriculture) Convention, 1969 (No. 129)	16 Sep 1993	In Force
C144 - Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)	14 Dec 1989	In Force

Technical

Convention	Date
C014 - Weekly Rest (Industry) Convention, 1921 (No. 14)	1980
C019 - Equality of Treatment (Accident Compensation) Convention, 1925 (No. 19)	1980
C026 - Minimum Wage-Fixing Machinery Convention, 1928 (No. 26)	1993
C045 - Underground Work (Women) Convention, 1935 (No. 45)	1980
C099 - Minimum Wage Fixing Machinery (Agriculture) Convention, 1951 (No. 99)	1993
C135 - Workers' Representatives Convention, 1971 (No. 135)	1998
C140 - Paid Educational Leave Convention, 1974 (No. 140)	1998
C150 - Labour Administration Convention, 1978 (No. 150)	1998
C155 - Occupational Safety and Health Convention, 1981 (No. 155)	2003
C159 - Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159)	1998
C161 - Occupational Health Services Convention, 1985 (No. 161)	2003
C162 - Asbestos Convention, 1986 (No. 162)	2003
C170 - Chemicals Convention, 1990 (No. 170)	1998
C174 - Prevention of Major Industrial Accidents Convention, 1993 (No. 174)	2003
C176 - Safety and Health in Mines Convention, 1995 (No. 176)	2003

ILO EXPERTISE

The ILO 1998 Declaration on Fundamental Principles and Rights at Work is used as a baseline reference for labour standards in majority of cases. It basically encourages that labour provisions be included in unilateral trade agreements, investment policies of development finance institutes.

ILO in 2009 provided an overview of labour provisions in unilateral arrangements along with detailed analysis of labour provisions in DFIs. The following were highlighted as common for all agreements,

- Standards which address labour relations or minimum working conditions and terms of employment and safety and health

- Any mechanism to promote compliance guided by ILO standards under sector CBA, National Law, Local Labour Community issues in the trade agreements.
- A framework for corporate activities, social dialogue enablers, stakeholder engagement
- Alongside the contributions to the national budget there should be submissions of an annual report to Parliament

Committee on Application of Standards

[6]This is composed of 20 eminent jurists appointed by the Governing Body for three-year terms. The experts come from different geographic regions, legal systems and cultures. The role of the Committee of Experts is to provide an impartial and technical evaluation of the application of international labour standards in ILO member States.

When examining the application of international labour standards, the Committee of Experts makes two kinds of comments: *observations* and *direct requests*. Observations contain comments on fundamental questions raised by the application of a particular Convention by a State. These observations are published in the annual report of the Committee of Experts. Direct requests relate to more technical questions or requests for further information. They are not published in the report but are communicated directly to the governments concerned (see Handbook of procedures relating to international labour Conventions and Recommendations).

The annual report of the Committee of Experts consists of three parts. Part I contains the General Report, which includes comments on compliance by member States with their Constitutional obligations. Part II contains observations on the application of international labour standards, while Part III is a General Survey on a specific subject selected by the ILO Governing Body (see the section on General Surveys)

Zimbabwe Human Rights Commission

In most countries around the world parliamentary control bodies are established, which monitor and implement the rule of law, the fight against corruption and good public administration. Although the specific role of the Ombudsman institution may vary, the holder of this office is legitimized by parliament – either through direct elections or through appointment by the head of state or government by or after consultation with parliament.

The role of Ombudsman institutions is to protect the people against violation of rights, abuse of powers, unfair decisions and maladministration. They play an increasingly important role in improving public administration while making the government's actions more open and its administration more accountable to the public.

The International Ombudsman Institute (IOI), established in 1978, is the only global organisation for the cooperation of more than 200 independent Ombudsman institutions from more than 100 countries worldwide. The IOI is organised in six regional chapters (Africa, Asia, Australasia and Pacific, Europe, the Caribbean and Latin America and North America). In its effort to focus on

[6] www.ilo.org

good governance and capacity building, the IOI supports its members in a threefold way: training, research and regional subsidies for projects.

Zimbabwe **Social Partners** collaborate examine and, if necessary, advocate for revision of legislation and policies in order to achieve compliance with the international labour standards thus serve as targets for harmonizing national law and practice in a particular field.

The **Trade Unions** believe that international labour standards are first and foremost about the development of people as human beings. In the Declaration of Philadelphia (1944), the international community recognized that "**labour is not a commodity**". **Labour is not an inanimate product**, like an apple or a television set, that can be negotiated for the highest profit or the lowest price.

Trade Unions believe that work is part of everyone's daily life and is crucial to a person's dignity, well-being and development as a human being. Social and economic development should include the creation of jobs and working conditions in which people can work in freedom, safety and dignity. In short, social and economic development is not undertaken for its own sake, but to improve the lives of human beings. International labour standards are there to ensure that it remains focused on improving the life and dignity of men and women.

Trade Union Leaders aspire to make Decent Work Agenda focal of humans in relation to work. It brings together access to productive and suitably remunerated work, safety at the workplace and social protection for families, better prospects for personal development and social integration, freedom for individuals to set out their claims, to organize and to participate in decisions that affect their lives, and equality of opportunity and treatment for all men and women.

Decent Work is not merely an objective, it is a means of achieving the specific targets of the new international program of sustainable development. The four pillars of the Decent Work Agenda – employment creation, social protection, rights at work and social dialogue – became the central elements for the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

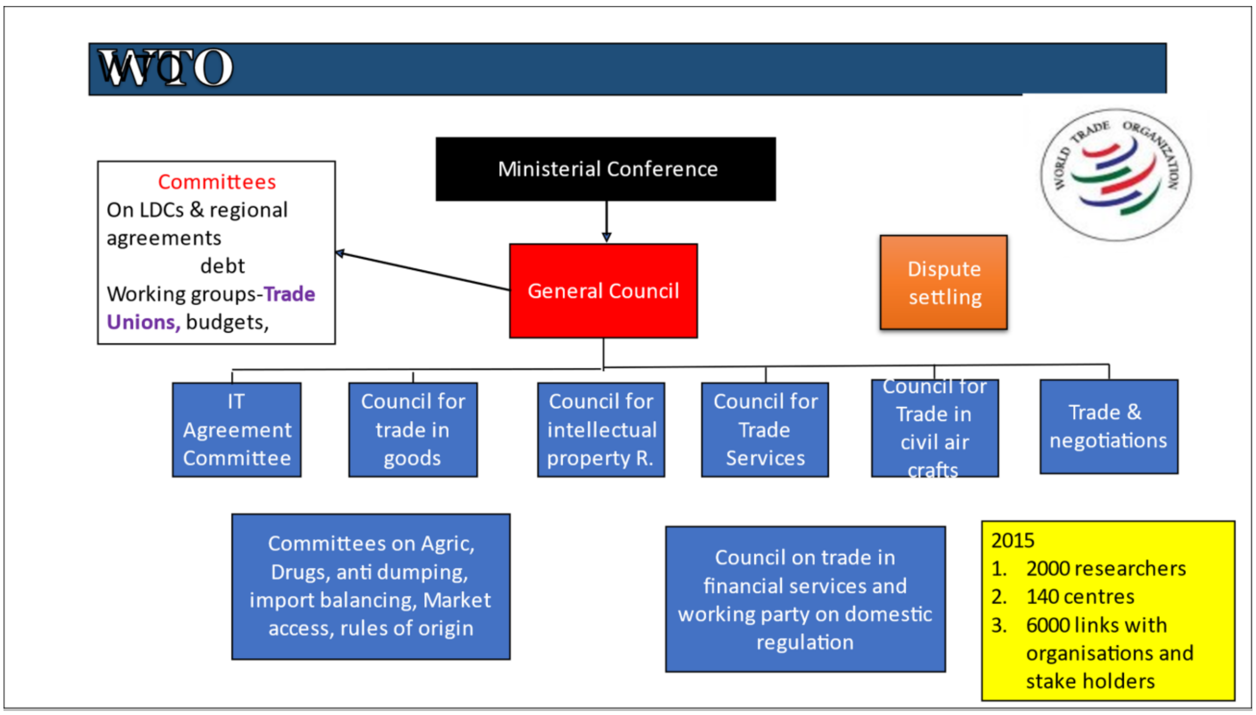
OTHER OMBUDSMAN INSTITUTIONS

- The Zimbabwe Human Rights Commission
- The Zimbabwe Anti Corruption Commission
- The African Commission of Human Rights
- The International Ombudsman Institute

18. Making Trade Agreements Work for the Workers

The WTO provides for multitude of trade agreements under its purview. The multilateral trade agreements are those that apply to WTO members such as GATT (General Agreement on Tariffs and Trade). **Free trade areas** (FTA) are those concluded between two or more states with the principal aim of eliminating barriers to imports from members. It is called MFN (**Most favoured Nation)**. **Pluri -Lateral Trade Agreements** are concluded between three or more states. **Bi-Lateral agreements** are concluded between two states or Custom Unions.

Globalisation exponentially increases trade agreements. In most cases trade is conducted within the framework of bilateral and plurilateral trade agreements. These trade agreements are governed by the WTO rules of and the regional rules. In Zimbabwe's case there are the AfCTA and the SADCC Protocols. Zimbabwe has always been active in the trade which involves a many sectors. In 2020 the Zimbabwe



- **Rules of origin** are the criteria needed to determine the national source of a product. Their importance is derived from the fact that duties and restrictions in several cases depend upon the source of imports. There is wide variation in the practice of governments with regard to the **rules of origin**.
- **Rules on tariffs** In the **WTO**, when countries agree to open their markets for goods or services, they "bind" their commitments. For goods, these bindings amount to ceilings on customs **tariff** rates. Sometimes countries tax imports at rates that are lower than the bound rates. ... In agriculture, 100% of products now have bound **tariffs**
- **Agreement on TRIPs**

ZIMBABWE KNOWN TRADE AGREEMENTS

Unilateral	Bilateral	Multilateral
GSP	• Zim Bots • Zim Mal • Zim Moza • Zim Nam • Zim SA • SADC Trade Protocol • EU	AfCFTA

TOOLS USED BY WTO

1. Rules
2. Standards
3. Codes
4. Legal Instruments
5. Listing rules
6. Quality control and audits
7. Systems Management
8. Audits (Systems checks and audits)
9. Risk assessments
10. Imminent persons' voice

- Effective monitoring and promoting application of labour standards
- Monitoring the gap between consumer and product wages with the effect of changes in taxes or import prices and wages
- Monitoring the speed of adjustments by the labour markets and its impact on the welfare of workers
- Monitor the shocks that have shaken the economy, in the various sectors & geographically and check on the response by the government or local government
- Ensure that unions will play a central role to influence labour markets and that the rules of trade are dominated by labour and workers issues
- Monitoring the behaviour of governments and any other social grouping which may control the government
- All Trade agreements Labour must insist that parties commit to not lower the labour standards or derogate from the labour law with a view to boosting competitiveness
- Ensure that the balance of pursuing development, stability and trade opportunities while maintaining accountability, respect for human rights and integrity. -Establish our own indicators and items to measure
- Investment Analysis of the development Projects- Check on impact on employment indicators and human rights indices =create new sources of data for the poverty issues, and risk assessments
- Trade union leaders push for ethical and human rights frameworks – Determine the interventions
- Follow up on publicly listed companies & public entities performance and undertake assessment on effectiveness of the development strategies- Data mining and data informed and evidence-based advocacy
- Trade Unions to advocate for integration of Corporate Governance and CSR as well as care for the environment- Under take risk analysis or stability assessments and equity and equality barometers sector by sector and geographically

Check List for Trade Agreements

- Prior consultation and inputs from concerned stake holders (Tripartite Plus)
- Social Clause and alignment with the national/provincial strategy
- Labour provision clauses and reference to ILO standards
- Framework for effective enforcement of labour laws
    - Institutional arrangements
    - Appointment of investment board within the structure to monitor and report on progress
    - Local joint corporation committee to monitor local activities
    - Investment migration plan for short-term projects

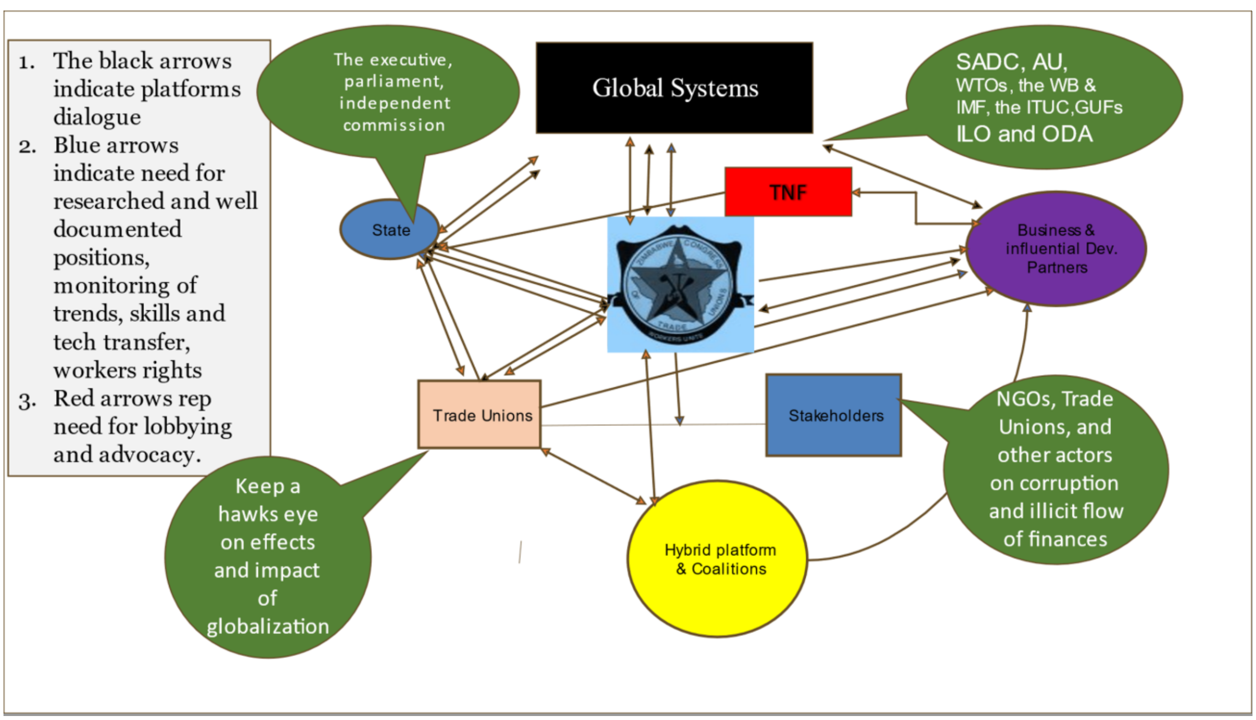
19. Impact Of Labour Provisions

It ensures involvement of workers' rights and establishment of permanent monitoring and consultative structure with fixed participation.

It will enable transparency of trade negotiations and implementation mechanisms. It generally enhances dimensions of accountability and communication on how the workers concerns have been taken into consideration

It promotes coherence of trade related labour provisions with respect to the right to regulate. There can be a lot of variation between the normative contents of different trade agreements and also between implementation mechanisms used by various actors.

The diagram below presents the picture impression of how active the Trade Union can be when it undertakes effective engagements on Corporate Governance and trade agreements



20. Gender Impacts On Trade

The impact of trade is shaped by the structure of markets and institutions that govern it and the inequalities embedded within them. Women and man play different roles in trade as producers, contractors, paid or unpaid workers, entrepreneurs and as consumers

The 2030 Agenda for Sustainable Development calls for a need to collect data and track progress especially towards goal number 5 on gender equality. 53 Indicators from the 2030 agenda explicitly refer to sex, gender, women or girls and 20 are related to women empowerment and possibilities to participate in the economy.

Conceptual Framework of Gender Impacts of Trade

Pre- conditions

- Motivation & Aspirations
- Health
- Social
- Cultural norms
- Religious beliefs

Resources and constraints

1. Education & skills
2. Access to resources
3. Time use
4. Discrimination
5. Income inequalities
6. Society and household perceptions
7. Security & safety issues

Outcomes

Participation in Trade as a worker :

- decent work issues ,
- Decent work
- Social clause
- Producer

Trade Performance

1. Exports and imports of supported companies
2. Traded products sectors
3. Reduced trade costs
4. Innovations and investments
5. Impacts of digitalisation

Impacts of Trade

1. Labour- No of jobs
2. New opportunities
3. Businesses emerging
4. Working conditions
5. Rights of quality of goods

Wealthy & Employment

1. Consumption and prices
2. Incomes and wage difference
3. Social transfers & services
4. Competitiveness
5. Economic and social status

From time to time Trade unions in the affected sectors must gather information related to the above checkpoints.

Given that initiation of trade agreements is driven by profit motive, they are not able to fully focus on development needs, without labour input and monitoring the business accountability will be difficulty.

The primacy of decent work regardless of the investor or the enterprise, attention must be given to the quantum and quality of jobs based on ILO standards. The national, regional and international Trade Unions need to assert their roles as social partners within the framework of social dialogue and promote governance based on collective bargaining.
Corporate Social Responsibility must not rest on the principle of choice to integrate care for the environment, it must not substitute government action. Instead, it must integrate principles of development with core activities

21. Corporate Governance And Financial Reporting

Introduction

- It is a requirement that Companies should maintain books of accounts and undergo Audits annually as prescribed by the Companies Act 24:03 chapters 140-155 in addition for ZCTU we are also guided by the ZCTU Constitution Sec 7.4 and sec 9 and the Financial Policy
- Financial reporting is typically viewed as companies issuing financial statements but financial reporting is much broader than just a set of financial statements
- **Financial reporting** incorporates all financial communication from the business to outsiders including press releases, shareholder minutes, management letters and analysis, auditor reports, and even the notes of the financial statements. Basically, anything that can convey financial information to the public is considered financial reporting of some kind.
- Corporate governance is the system of rules, practices and processes by which a firm is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders such as shareholders, senior management executives, customers, suppliers, financiers, the government, and the community

Principles of Corporate Governance & Financial Reporting

- The basic principles of corporate governance are **accountability, transparency, fairness, and responsibility.**
- **Transparency**- Companies should provide timely, accurate **disclosure** of information about all material facts relating to its activities, including its financial situation, social and environmental indicators, performance, ownership structure and governance of the Company, as well as **free access to such information for all stakeholders**
- Accountability- Board of Directors should be accountable to all shareholders in accordance with applicable policies and laws
- It is believed that the effectiveness of the systems of financial reporting and corporate governance is positively correlated. On one hand, financial reporting constitutes an important element of the corporate governance system.
- On the other hand, some problems of the financial reporting system find their origin in deficiencies of the system of corporate governance. The key issue is in understanding how their relationship is shaped
- Some failures of corporate governance may be reduced by an adequate financial reporting system.

- A system of corporate governance needs a good level of **disclosure** and adequate information to eliminate (or at least reduce) information asymmetries between all parties in order to balance the powers of the corporate stakeholders, making corporate insiders accountable for their actions.

The relationship between Corporate Governance and Financial Reporting

- **Disclosure** is also one of the fundamental goals of the financial reporting system. It has been argued that financial statements (and the whole financial reporting system) are to be considered the result of a conflict of interests and balance of power between different stakeholders. The information disclosed by the financial statements describes what the corporate insiders want to be disclosed about the corporation's activities and performance.
- The system of financial reporting may play a key role in improving the soundness of the corporate governance system. One of the key functions of the financial reporting system is to limit top management's discretion, constraining top management to act in the shareholders' interest.
- In a corporation, whose structure tends to be highly complex, the financial reporting system represents the main means to give an adequate information about the economic and financial corporate situation so that it should be able to reduce the information asymmetries between the parties.
- By producing the financial accounting information which is necessary to satisfy the informational needs of the corporate stakeholders, a sound system of financial reporting facilitates the monitoring of the top management's performance (and, in general, the controlling agents' performance) by the other strategic stakeholders who are not directly involved in the corporate management.
- The system of corporate governance may play a key role in the improvement of the quality of the financial reporting system and corporate communication. Firstly, an effective corporate governance system is able to identify which are the strategic stakeholders to whom the financial reporting system should address the flow of information about the corporate activities. These stakeholders may be either corporate insiders or outsiders and have different information needs, according to the different role they have inside or outside the corporation.
- The quality of the financial reporting system addresses an important function of the corporate governance system, i.e., to constitute a corporate competitive advantage in the capital markets.
- For all the above-mentioned reasons, it seems correct to argue that a sound system of financial reporting, which produces a good quality of corporate communication by giving a true and fair view of the corporation, may have a positive influence on the effectiveness of the corporate governance system.
- However, the corporate governance system and the system of financial reporting are not characterised by a one-way relationship. Not only does the financial reporting system may improve the corporate governance system, but it may also argued that the corporate governance system may have a positive influence on the quality of the corporate communication and the overall effectiveness of the financial reporting system.

ANALYSING THE FINANCIAL REPORTS

- It is important for the members as stakeholders to have an understanding on how to analyse a company's Financial Reports. This is important as this can help the members in areas like Collective Bargaining.
- As an example, most companies biggest operating costs are employee salaries and wages. In order to keep profit high, companies will try to keep operating costs low. The employer will attempt to obscure financial information in order to secure their position in bargaining
- By being able to interpret financial reporting, unions as stakeholders can accurately interpret company finances to strengthen their bargaining position
- When Negotiators are aware of the actual financial position of a Company it is negotiating with, they have a more realistic view of the wage increases that can be expected from the Company
- **From financial reports produced, management should be able among others factors to:**
- Tell if there is enough funds to meet operating costs.
- Know if restricted funds are protected (e.g. Grants and Donations)
- Understand reasons for the significant variances (budget Vs Actual)

TYPES OF FINANCIAL REPORTS

- **Financial Reports**: These show organisational wide performance

1. **Income and Expenditure Reports**: Compares income and expenses
2. **Cash flow statement**: Compares cash inflows and outflows
3. **Balance sheet**: Shows the value of the organisation's assets and compare with liabilities

- **Audit Reports**: These are the financial reports that have been reviewed by auditors and issued an opinion on.
- **Management report**: A report from auditors to management to highlight areas to be worked on in the accounting system.
- **Budget Vs Actual Report**: a monitoring tool that compares budget and actual expenditure and explains the variances whether positive or negative

COMPONENTS OF FINANCIAL REPORTS AND WHAT THEY ENCOMPASS

Income and Expenditure Statement

- In the context of corporate financial reporting, the income statement summarises a company's revenues and expenses, quarterly and annually, for the fiscal year. The final net figure and other numbers in the statement are of major interest to investors and analysts.

- Net Sales (sales or revenue): This is the value of a company's sales of goods and services to its customers. Although a company's net income gets most of the attention from investors.
- Cost of Sales (cost of goods/products sold and cost of services): For a manufacturer, the cost of sales is the expense incurred for labour, raw materials, and manufacturing overhead used in the production of goods.

Income statement

- **Gross Profit** A company's gross profit is not just the difference between net sales and the cost of sales. Gross profit also provides the resources to cover all of the company's other expenses. Obviously, the greater and more stable a company's gross margin, the greater potential there is for positive net income results.
- Selling, General, and Administrative Expenses: This is the company's operational expenses. Financial analysts assume that management exercises a great deal of control over this expense category. The trend of SG&A expenses as a percentage of sales is watched closely to detect signs of managerial efficiency, or lack of it.

- **Operating Income**: Deducting SG&A from a company's gross profit produces operating income. This figure represents a company's earnings from its normal operations before any non-operating income and costs such as interest expense, taxes, and special items. Income at the operating level, which is viewed as more reliable, is often used by financial analysts rather than net income as a measure of profitability.
- **Interest Expense**: This item reflects the costs of a company's borrowings. Sometimes, companies record a net figure here for interest expense and interest income from invested funds.
- **Income Taxes**: The income tax amount will usually not have been actually paid. This is an estimate or an account that has been created to cover the amount a company expects to pay in taxes.

The Balance Sheet

- A Balance sheet, also known as a "statement of financial position," reveals the firm's assets, liabilities and owners' equity (net worth). The balance sheet, together with the income statement and cash flow statement, make up the cornerstone of any company's financial statements.
- As shareholders, stakeholders or potential investor, it is important to understand how the balance sheet is structured, how to analyse it and how to read it
- The balance sheet is divided into two parts that, based on the following equation, must equal each other or balance each other out. The main formula behind a balance sheet is :
  Assets = Liabilities + Shareholders' Equity
- This means that assets, or the means used to operate the company, are balanced by a company's financial obligations, along with the equity investment brought into the company and its retained earnings.
- **Assets** are what a company uses to operate its business, while its liabilities and equity are two sources that support these assets. Owners' equity, referred to as shareholders' equity, in a publicly traded company, is the amount of money initially invested into the company plus any retained earnings, and it represents a source of funding for the business.

Types of Assets

Current Assets

- Current assets have a lifespan of one year or less, meaning they can be converted easily into cash. Such asset classes include **cash and cash equivalents, accounts receivable and inventory.**
- Cash, the most fundamental of current assets, also includes non-restricted bank accounts. Cash equivalents are very safe assets that can be readily converted into cash
- **Accounts receivables** consist of the short-term obligations owed to the company by its clients. Companies often sell products or services to customers on credit; these obligations are held in the current assets account until they are paid off by the clients.
- **Inventory** represents the company's raw materials, work-in-progress goods and finished goods.

Non-Current Assets

- Non-current assets are assets that are not turned into cash easily, that are expected to be turned into cash within a year, and/or have a lifespan of more than a year. They can refer to tangible assets, such as machinery, computers, buildings and land. Non-current assets also can be intangible assets, such as goodwill, patents or copyright. While these assets are not physical in nature, they are often the resources that can make or break a company—the value of a brand name, for instance, should not be underestimated. **Depreciation** is calculated and deducted from most of these assets, which represents the economic cost of the asset over its useful life.

Shareholders' Equity

- Shareholders' equity is the initial amount of money invested in a business. If at the end of the fiscal year, a company decides to reinvest its net earnings into the company (after taxes), these retained earnings will be transferred from the income statement onto the balance sheet and into the shareholder's equity account. This account represents a company's total net worth. In order for the balance sheet to balance, **total assets on one side have to equal total liabilities plus shareholders' equity** on the other side.

Cashflow statement

- The cash flow statement (CFS) measures how well a company manages its cash position, meaning how well the company generates cash to pay its debt obligations and fund its operating expenses. The cash flow statement complements the balance sheet and income statement and is a mandatory part of a company's financial reports
- The CFS allows Stakeholders to understand how a company's operations are running, where its money is coming from, and how money is being spent. The CFS is important since it helps stakeholders determine whether a company is on a solid financial footing.
- Creditors, on the other hand, can use the CFS to determine how much cash is available (referred to as liquidity) for the company to fund its operating expenses and pay its debts.

Cash From Operating Activities

- The operating activities on the CFS include any sources and uses of cash from business activities. In other words, it reflects how much cash is generated from a company's products or services.
- Generally, changes made in cash, accounts receivable, depreciation, inventory, and accounts payable are reflected in cash from operations.
- The operating activities might include:

- Receipts from sales of goods and services
- Interest payments
- Income tax payments
- Payments made to suppliers of goods and services used in production
- Salary and wage payments to employees
- Rent payments
- Any other type of operating expenses

Cash From Investing Activities

- Investing activities include any sources and uses of cash from a company's investments. A purchase or sale of an asset, loans made to vendors or received from customers, or any payments related to a merger or acquisition is included in this category. In short, changes in equipment, assets, or investments relate to cash from investing
- Usually, cash changes from investing are a "cash out" item, because cash is used to buy new equipment, buildings, or short-term assets such as marketable securities. However, when a company divests an asset, the transaction is considered "cash in" for calculating cash from investing.

Cash From Financing Activities

- Cash from financing activities includes the sources of cash from investors or banks, as well as the uses of cash paid to shareholders. Payment of dividends, payments for stock repurchases, and the repayment of debt principal (loans) are included in this category.
- Changes in cash from financing are "cash in" when capital is raised, and they're "cash out" when dividends are paid. Thus, if a company issues a bond to the public, the company receives cash financing; however, when interest is paid to bondholders, the company is reducing its cash.

Audit Reports

Audit Opinions

An audit opinion is a statement that is expressed by independent auditors to their clients' Financial Statements as a result of the auditor's examination of the books.
The audit opinion is very important for stakeholders because it let them know whether or not the information in the financial statements that they are using is correct and they can use that information for their decision making.

The audit opinion also indirectly informs the users of financial statements how is the integrity of senior management as well as the directors of the entity.
If auditors follow the International Standard, then the ISA that use as the principle to form audit opinion is ISA 700 and ISA 705.
ISA 700 is used to form unmodified audit opinion and ISA 705 is the guidance that should be used by the auditor to issue a modified opinion.

As required by the standard, auditors will have to issue the opinion on the client's financial statements whether those financial statements, after audited, are prepared in all material respected and compliance with the framework that they used or not.

If the financial statements meet all of these things, then unmodified opinion shall be issued and if the financial statements have some problem, auditors need to use ISA 705 to form their opinion based on those problems.
For modified opinion, there are three sub opinions (qualified, adverse and disclaimer opinions.) that are issued to financial statements that are not prepared in a material respect with others matter.

- **Qualified Opinion:**
  Qualified opinion is the type of modified audit opinion where auditors make a conclusion after their testing that there is material misstatement found in the financial statements; however, those **misstatements are not pervasive**. Pervasive here is a bit subjective as it is based on auditor's judgment.

  But, as said in standard, misstatement is pervasive to financial statements if those misstatements are not affecting the financial statements and users' decision making. The auditor may issue a qualified opinion on the opening balance of financial statements of the previous year's financial statements that were not audited by them.

- **Adverse Opinion:**
  The adverse opinion is issued to the financial statements where auditors examined and concluded that those financial statements are materially **misstated and pervasive**. Compared to qualified opinion, adverse opinion is more serious.

  This opinion is the message to users of financial statements that they should not rely on these financial statements in their decision making.

  This opinion is a bit different from a qualified opinion. For a qualified opinion, the auditor found material misstatement in the financial statements, but those misstatements are not pervasive.

- **Disclaimer of Opinion:**
  Disclaimer of opinion, is different from both qualified and adverse. The auditor issued the disclaimer of opinion where they could not obtain and unable to access the audit evidence for individual items or in aggregation to support their testing.

  Auditor believes that for those items that they are not able to access and obtain information could be materially misstated and pervasive.

  This is happening after the auditor tries their best to negotiate with the client to obtain all of that important information and the client still rejects no matter it is intentional or unintentional.
  There is however a possibility that a client can challenge and sue the Auditor if the client believes that the opinion issued is not proper and have facts to challenge the auditor's opinion.

Ratio Analysis

Ratio analysis is a quantitative method of gaining insight into a company's liquidity, operational efficiency, and profitability by studying its financial statements such as the balance sheet and income statement.
Ratio analysis compares line-item data from a company's financial statements to reveal insights regarding profitability, liquidity, operational efficiency, and solvency.
Ratio analysis can mark how a company is performing over time, while comparing a company to another within the same industry or sector.
While ratios offer useful insight into a company, they should be paired with other metrics, to obtain a broader picture of a company's financial health.

Liquidity Ratios
As the name indicates, it focuses on a company's current assets and liabilities to assess if it can pay the short-term debts. The three common liquidity ratios used are current ratio, quick ratio, and burn rate. Among the three, current ratio comes in handy to analyse the liquidity and solvency of the start-ups.

No.	RATIOS	FORMULAS
•	Current Ratio	Current Assets/Current Liabilities
•	Quick Ratio	Liquid Assets/Current Liabilities
•	Absolute Liquid Ratio	Absolute Liquid Assets/Current Liabilities

2. Solvency Ratios

- Also called financial leverage ratios, solvency ratios compare a company's debt levels with its assets, equity, and earnings, to evaluate the likelihood of a company staying afloat over the long haul, by paying off its long-term debt as well as the interest on its debt. **Examples of solvency ratios include: debt-equity ratios, debt-assets ratios, and interest coverage ratios.**

3. Profitability Ratios

- These ratios convey how well a company can generate profits from its operations. These ratios analyse another key aspect of a company and that is how it uses its assets and how effectively it generates the profit from the assets and equities. This also then gives the analyst information on the effectiveness of the use of the company's operations **Net Profit margin , return on assets, return on equity, return on capital employed, and gross margin ratios** are examples of profitability ratios.

4. Efficiency Ratios

- Also called activity ratios, efficiency ratios evaluate how efficiently a company uses its assets and liabilities to generate sales and maximize profits. Key efficiency ratios include: **turnover ratio, inventory turnover, and days' sales in inventory.**

5. Working Capital Ratio

- Working capital represents a company's ability to pay its current liabilities with its current assets. Working capital is an important measure of financial health since creditors can measure a company's ability to pay off its debts within a year. The working capital ratio is calculated by dividing current assets by current liabilities.
- Quick Ratio
- Also called the acid test, this ratio subtracts inventories from current assets, before dividing that figure into liabilities. The idea is to show how well current liabilities are covered by cash and by items with a ready cash value. Inventory, on the other hand, takes time to sell and convert into liquid assets.

22. Competitiveness Standards & Workers Riights under the AfCFTA

The Africa Continental Free Trade Area (AfCFTA) was entered into force on May 2019 and has been operational since 1 January 2021. The government stated that the AfCFTA responds to the AU agenda 2063 aspirations which aim to attain a prosperous Africa based on inclusive growth and sustainable development.

[7]Labour still finds the issues of trade and development contentious particularly with the experiences of the SINO investments which in the past two decades have impacted negatively on the country's industries and resulted in job exportation as well the disregard for workers rights. The Study by ZEPARU also noted that between 2000-2010 the FDI has been mostly in extractives which just increased exports in the primary products while our imports of finished goods increased drastically. Furthermore, the study lamented inefficient factor markets, country risk factors, regulatory regimes, currency dearth and governance which have continued to disrupt the environment.

All this has caused labour to take time to focus on the connection between trade agreements, Trade Union capacities and the country's social policies which play out in the labour markets.

Labour Concerns with the AfCFTA

Labour is concerned that the agreement in its current state does not address the underlying country risk factors nor are there efforts to encourage introduction data informed financial and fiscal policies to facilitate fluent and solid trade and investment in Africa.

Labour wants to ensure that the output of it is an Africa whose development is people driven relying on the potential of African especially the women and youth.

Labour advocates for trade and investment arrangements which will be basis for agriculture, mining, infrastructure and the value chain services structural transformation policies at local, national and sub-regional levels.

Labour is also advocating that the AfCFTA should contribute to emerging of industry development models which can lead to solving sustainable employment problem and diffusion of the informalisation.

[7] ZEPARU 2010 Growing SINO-INDO Africa Trade and Investment Relations (J. Nyamadzawo & G. Chigumira)

Labour is also concerned that the process of coming up with the AfCFTA has not been aligned to any requisite public sector reform process which is related to the implementation of the AfCFTA

Labour capacity and enablement to monitor and influence that the trading and investment emerges with quality jobs. The economist has convinced us that trade leads to the so-called gains and reduce inequality yet unemployment levels continue to rise and the wage disparities continue to widen and the skills and technology transfer has happened in a manner which reduce the economy .

Labour is concerned that the agreement has not pronounced the chain nexus between skills supply, productivity and revenues to be generated. Labour is wary of the lack of policies that assure of creation of employment and the quality of job, and strategies that generally upgrade the standards of leaving for all.

Labour contends that the COVID 19 pandemic has revealed certain weaknesses about our society and economies. Issues such as social connection, social marginalisation, social isolation, social credit system, social capital and social adaptability have all become questionable. So far, the national responsive mechanisms have not been as inclusive the steps to remove the barriers to productivity have not been agile.

Trade Union Development Practitioner' Assessment Card

	Pre-Investment Implementation checkpoints	**Weights %**		**Post Investment / Development Check points**	**Weights %**
1	Consultation and participation of the Unions and stake holders		1	Improving wages, benefits and working conditions especially for the lowest paid workers	
2	Data informed Development analysis and picture of gains by the TNF		2	Valuation of local content with a view to inform deals and beneficiation	
3	Show of creation of wealth (Indicators for improving material living standards for a significant portion of the target area		3	Investment is expanding economic activities to take up the slack currently represented by the unemployed and under employed	

4	Number of local jobs to be created 300 and above		4	Improving the sectorial make up of the economy. High technology, high productivity	
5	Security (Sustainability and social protection for the employees)		5	Meeting regulatory requirements to do with stabilising the financial flows	
6	Innovation (New products, new markets and new solutions)		6	Provision for or accommodation for value chain services offering training facilities	
7	Accountability (Governance & State obligation local and national) Scrutiny of the deals		7	Respect of the Collective Bargaining platforms and the National Employment Councils Agreement	
8	Equality		8	Respect of the NSSA obligations	
9	Environmental sustainability plan		9	Enhancement of other social services like health care and education	
10	Corporate Social responsibility budget		10	Social Clause satisfied Project migration plans	
		100%			100%

It is necessary to understand the social relations in which the labour process is embedded as well as the expectations of the workers. Trade agreements come with new divisions of labour which may break down the traditional lines of conflicts and Collective Bargaining Platforms and replaces them with new ones or none. It is therefore paramount to take into account technical pre-conditions, the investment breakdown structure and undertake the above analysis so as to be clear on the investment management plan, specifications and oversight on claimed benefits as well as dynamics of di=skilling and technological transfer.

The Trade Union concerns include become more material where the agreement becomes a vehicle for significant changes in the organisation of work. The workers will need to raise an alarm on aspects like

1. Elimination of direct labour which may even happen without prior notice or deployment provisions
2. The spread of the agreement networks and the deals surrounding it
3. Demarcations and re configurations of the organisation which can result prejudicing the state and the workers
4. Degradation of jobs or jobs enlargement
5. Rationality bounded by short term rather than long term need
6. Possibility of attenuation between policies and its implementation
7. Rush introduction of standards which can end up sideling the majority of the workforce

Labour is therefore supportive of trade which contributes towards full employment and investment in areas that reduce the dependency syndrome and advance social and economic emancipation and offer freedom from drudgery and tension of current and future crisis.

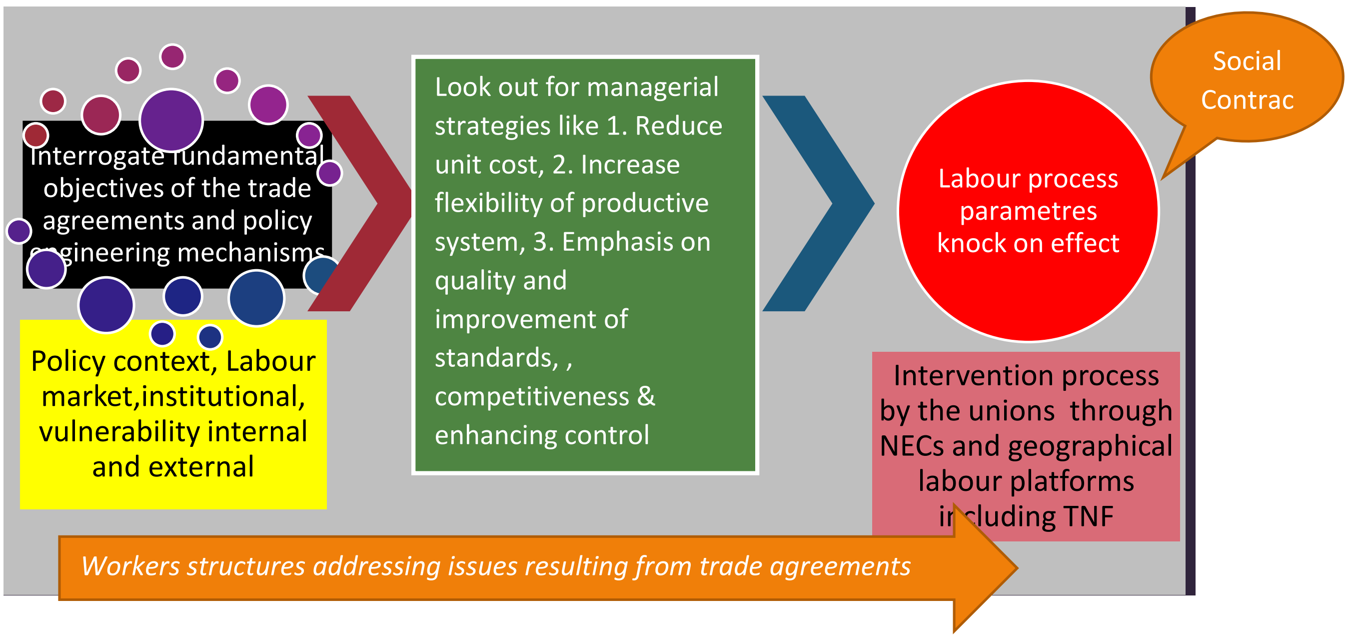
Labour is for trade which facilitates technology transfer and wealth redistribution in the form of income or real investments in manner which uplifts the standard of living. Thus labour encourages a cautious approach and inter party dialogues on matters of foreign engagement so that trade agreements are informed by policies embedded in the social and economic needs of the country as well as the constant analysis of the changing conditions upon which the forecasts were made.

Labour reiterates that the social and economic analysis must indicate the distinctive pattern of anticipated needs. Basically trade agreements must entered into to strengthen the economy after hard process of thinking with elaborate detail.

Labour prefers that consideration be given to fuller understanding of principles of corporate governance and the inter -relationships between the social-economic variables.

[8]Labour also insists that maintaining of reciprocal exchanges for workers. Regarding the use of their own labour capacity versus our own- All labour must be regarded with value balanced with transaction which stipulate return of commensurate utility within a finite and narrow picture.

The following diagram-presents the analysis which Trade Union leaders need to undertake analysis that ensures that significant changes in the organisation of work does not impinge on the welfare of workers. The rationale applied to investment and trade must focus on labour process as shown below:



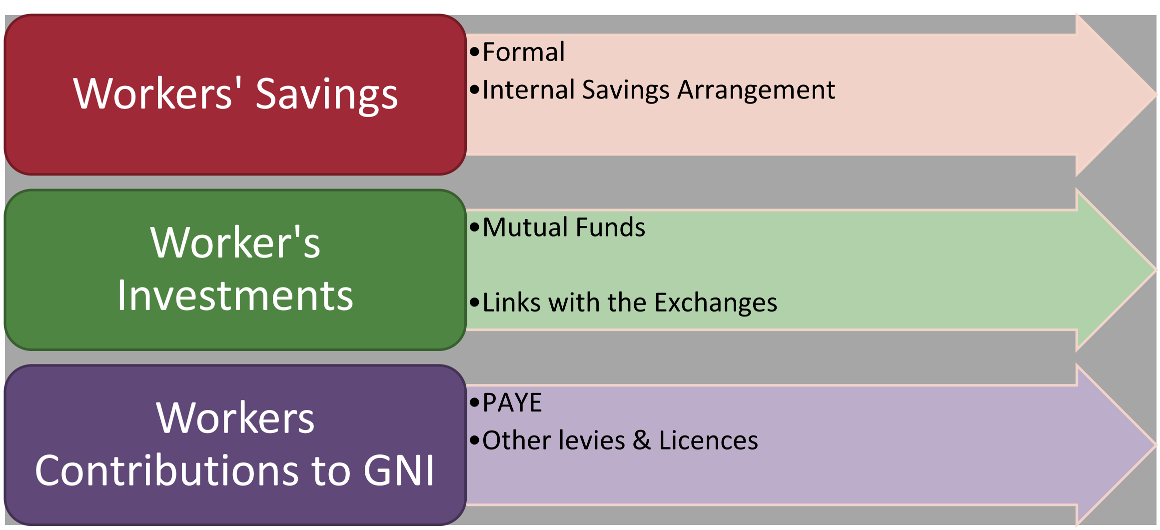
Labour perspectives on Total Quality Management and Standards

1. Any total quality management system or standards adopted needs to be engraved in the nature, context and model of industry development. It must be appreciated that standards will vary with stages of development, political and economic systems as well as traditional values and cultures

[8] Sahlim's reciprocity continuum

2. Majority of the business operations are small and medium scale operators and may not follow a robust business model with minimum growth prospects, weak industry outlook, weak governance and porous management systems. Therefore, exposing the local businesses to global or continental competition is likely to destroy these firms when they fail to adapt to these processes of modernisation or lack the tools and mechanisms.
3. The trade agreements and the AfCFTA in particular is placing emphasis on short term gains which are investor focused rather than be people centred. The Local Industries and consumers are struggling to make ends meet. The majority have to base their purchasing decision on price consideration weighed against their income.
4. The state-owned enterprises which have long been under attack from capital will face premature collapse in an ailing economy. Quality management and standards in most developing countries have come drawing with them the calls for privatisation. This normally has not addressed the structural economic and social problems and instead has created a wide gap of unemployment and exacerbated unaffordability of basic services.
5. Generally, the call for total quality management leads to high cost of productivity and fast pace of technological adaptation which leads to reduction of work for workers. Products are reviewed and released for production without determining whether products can manufacture by the most economical process possible.
6. Historically workers have been blamed for poor quality and low productivity and employers show this through the low wages. It is assumed that workers lack quality consciousness and possess poor work culture and normally ignores the following of managers
    a. Provided the resources, tools and equipment
    b. Thoroughly train and orient workers
    c. Provision of detailed instructions and work flow processes derived with input from workers
7. Total Quality Management side steps worker's rights. Most companies have used TQM as a scape goat for their weak management systems. Most investors have taken advantage of the environment and the desperate situation to manipulate the workers' rights.

23. Workers and Capital Formation in Zimbabwe



Workers are an integral part of the Zimbabwe economy as such they play a significant role in capital mobilisation through pension funds and other mutual funds. They also contribute significantly to the national budget which makes them a key stakeholder in Corporate Governance and development matters in Zimbabwe

Pension Funds

Basically the objective of pension funds for workers is to smooth out house hold consumption over a life cycle, The life cycle hypothesis to maintain a reasonable and decent standard of living

Investment Options Available

- Money market
  Instruments
  Short-term investments issued by governments
  Negotiable certificates of deposits

- Capital Market
  Longer-term investments
  On the Stock Exchange
  Long term loans,
  Debentures =(First Class creditors- debt instruments)
  Government issues bonds on an annual and one gets interest

- Bricks & morta- Real Estae
  This is mostly in construction of malls, accommodation, civil construction

- Derivatives
  Speculative in nature. Takes advantage of volatilities in the market

Zimbabwe Pension Fund Assets Value

Challenges affecting Pension Funds

1. Migration into multicurrency affected the Zimbabwean dollar investments although some investments are in brick and morta
2. Demonitisation- Mopping of the Zimbabwe dollar to replace the ZWD – created a hollow
3. Structural challenges – A bigger part of the Zimbabwe economy is informal and suffers from structural distortions. The disruption brought about by digitalisation and COVID 19 have not helped at all
4. Government failures – To provide a Social Protection floor that is inclusive and sustainable.

Market failures – Corporate greed
Interfin & Rennaisance experiences

CHALLENGES WITH NSSA

NSSA is an outcome of the TNF and its mandate of cushioning workers is enunciated in the NSSA Act of 1989. Its role as a contributory social security scheme is to prevent and reduce poverty for pensionaries and the negative effects of retrenchment.
[9]**Labour feels that NSSA needs to realign so as to remain true to its core social security mandate of safe guarding workers at becoming indigent therefore guaranteeing dignity for the working class.**

NSSA was formed in 1994 and is modelled around the ILO framework which provided opportunity for inclusivity. The NSSA Act of 1989 tasked the administration of the institution. The organisation currently runs 2 compulsory schemes
a). Pension and other benefits Schemes (POBS)
b). The accident prevention and workers compensation Insurance Fund

Labour feels that in the turbulent social and economic circumstances NSSA must take the lead to respond to the needs of the constituencies which can lead to the nudge the economy forward and also addresses social welfare challenges
Labour notes that trade agreements and retrenchments present new employers who sometimes are not capacitated to appreciate the existing arrangements around NSSA.

Labour recommends that it should be conditional for would be investors to be registered with NSSA before they are given a green light to operate or do business in the country and also that the NSSA audit systems be used as appoint of ensuring that we keep progressive employers who are not abusive to Zimbabwean workers and wantonly violate workers rights.

Labour feels that NSSA seems to be mainly the home of actuarial sciences It lacks input of social scientist and even from the constituencies. While Business and Labour are part of the Board, their influence has remained suspended as the politics of the day seemed to drive the institutions . Its investsments and business activities are not in anyway related to the needs of the constitutences. So naturally the situations has been deteriorating by day

[9] 2016 Tatenda Goodman Nhapi & TL Mathende " Evaluation of NSSA In Zimbabwe)

"The Independent 6 November 2021"

NSSA received ZW60millio in dividends from companies it invested in during the first half of the year. Currently NSSA has is earning more than USD 1.1.million from its investments in banking, insurance, hospitality and property sectors. NSSA Investments surpassed US I Billion.

The NSSA Investments are in the money market instruments such as Negotiable Certificates Deposits (NCDs), Treasury Bills (TBs), Bankers Acceptances (Bas) which give optimal rate of return.

Labour feels that these require consistent monitoring of the money market so as to identify macro-economic factors that are currently driving the market and expected to influence its future performance

All NSSA Investments cannot be linked to redeployment of retrenched staff or in improving the quality of lives of the workers

Fixed Income Investments

NSSA can provide capital for structured facilities

NSSA can undertake credit enhancement in order to facilitate strategic transactions while also enhancing investment income for authorities

EQUITIES

NSSA invests in assets that prescribed in order to meet statutory requirements. These include Government stocks & bonds, local authorities bills and bonds, parastatals (State Owned Enterprises) bills and bonds and other corporate bonds

NSSA also invests in infrastructure development directly or indirectly (BOOT)

SOME KNOWN INVESTMENTS BY NSSA

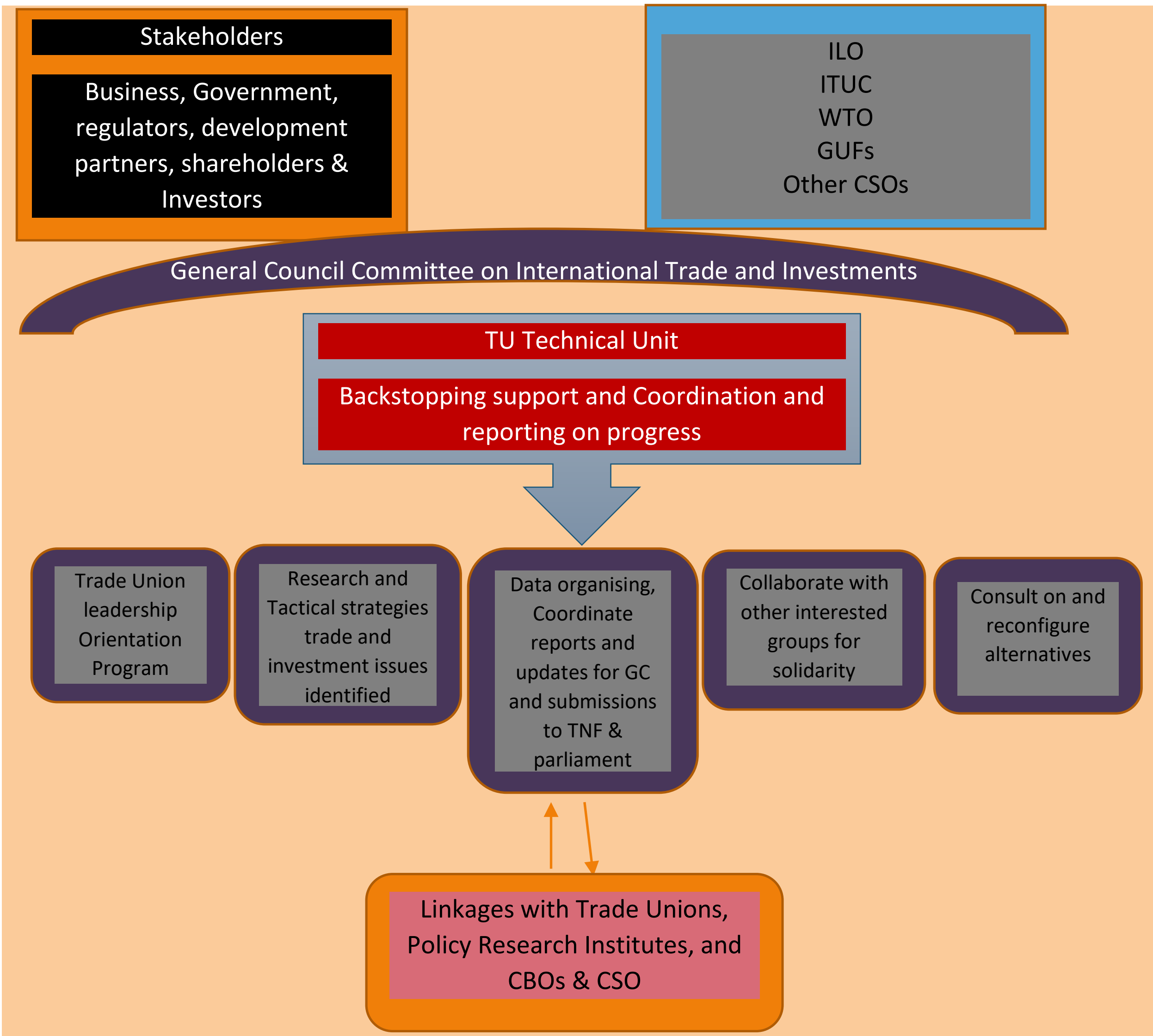
Shopping Complexes

1	Celestial Park
2	Chipinge Shopping Complex
3	Pomonal Shopping Centre
4	National Social Security Centre

Housing Investments

	BHP Chegutu	200	1996
	Shamva	50	1999
	Shasha Norton	54	2000
	Kuwadzana 4	4 000	1997
	Kuwadzana Coop	28	2000
	Cowdry Park Byo	300	1999
	Woodlands T House	22	1994

24. ZCTU Framework for Mainstreaming Corporate Governance & Monitoring Trade Agreements



The above is a proposal to establish a unit within the trade union to Visualise trade union work concerning trade and development, corporate governance, social responsibility and sustainable development for the country. It is anticipated that this effort will help address the skills mismatch, changing economic landscape and informalization and so mainstream the following

- Prudence management
- Ethical decision making
- Effectiveness of development policies and processes
- Trade Agreements arrived at with participation of interested stake holders
- Risk analysis
- Clear accountability

- Conflict management and Dispute resolution

25. Advocating for Trade to be Done Right

Workers believe that Trade done right is part of the 'solution" to the problems of rising inequality and the slanted international playing field that Zimbabwe workers and businesses too often face in the global economy. Doing trade right means advancing policies that:

- Remobilise and encourage convergence and ensures that every development initiative process/ program or investment arrangement prioritises the interests of the Zimbabwe stakeholders
- Encourage autocentric development which is based on domestic and human needs as well as the use of local resources which includes promotion of investments and trade arrangement that are in support of industry development which is solid and sustainable.
- Forge trading rules that establish strong, enforceable employment standards for fair competition as well prioritise the Zimbabwe micro (self-employed & on account workers. small & medium scale enterprises.
- Strengthen reform enforcement of trading rules, including thorough domestic law and building consensus for sound regional integration as well as cooperation on a strong world trading system.
- Utilise the TU regional structures, GUFs, global organisation (ILO, SATUCC, ITUC, WWW, OATU, FOCCISSA & SAC-CNGO, FOCCISA etc to influence trade and investment policies and promote the workers' interests.
- Create an economic environment that fosters opportunities for decent jobs creation, human development, people and businesses to seize new trading opportunities and an environment that allows Zimbabwe policies to address the adjustment costs from trade as regional economies adapt to shifting economic conditions.
- Loby lawmakers work together to forge a new consensus on the importance of trade to the Zimbabwe and design policies to maximize the benefits to Zimbabwe workers and businesses.
- Strategies selectively on delinking from trade arrangements that perpetuate inequalities and further marginalization of the Zimbabwean workers and leveraging on negotiated re-linking in a structured and transformative manner which facilitates formalisation and erasing of the dualism within the Zimbabwe system.
- Leverage on digitalisation and provide for financial inclusion in a manner which ensures that technology is not primarily used to advance the interest of the few nor should it translate to neglecting, ignoring, crowding-out or undermine local efforts to build national wealth
- Recognise gender rights as a basis for development which should be appreciated by every investor in view of the fact that women are the major providers of livelihood in Zimbabwe.

Getting trade rules right

Capitalizing on Zimbabwe economic potential for trade and achieving better outcomes for the people and in trading partner countries begin with negotiating better international agreements. The current rules of the international trading system which the Zimbabwe and other African countries painstakingly adhere to nonetheless lack in many key respects and have not evolved to keep pace with a changing world economy.

Addressing those deficiencies will require the government to deliver critical leadership on international economic cooperation—building strong multilateral and inclusive institutions key to what TU call the “new model of major power relationships” to mitigate the manipulation of the Zimbabwe trade environment by the super powers.

And getting trade rules right means looking beyond the false choice of whether the Zimbabwe should be open to trade to consider the policy substance of trade and investment agreements and how these choices affect the living standards and livelihoods of Zimbabwe families. Specifically, new trade agreements should address:

- Application of International Labour standards
- Mismatch skills demand and supply
- Jobs exportation versus industry development embedded on value addition and beneficiation
- Currency manipulation
- State-owned and state-supported enterprises
- Investor-state dispute settlement mechanisms
- High-road labor and environmental standards
- Rules of origin

Currency manipulation

ensure that future trade agreements include enforceable disciplines that prevent mercantilist competitive advantages from long-term currency misalignments.

State-owned and state-supported enterprises

State-owned and state-involved enterprises, collectively known as SOEs/Parastatals, are in some cases subsidized directly and indirectly through anti-competitive policies. The issue with SOEs is not so much about who owns and controls a company, but whether companies operate under conditions of competitive neutrality irrespective of ownership form. In practice, the existence of subsidies and other neutrality-violating policy practices are exceedingly difficult, if not impossible, to evaluate, as doing so requires timely disclosure of credible financial information—not only from primary companies but also from those upstream and downstream in the production chain. Beyond company-specific financial details, this information would include details on the bidding process for contracts linking the supply chain, as well as on administrative procedures that may privilege certain entities’ access to markets.

China in particular has routinely flaunted international labour standards and has operated in a manner which avoids accountability to social partners and other key stakeholders. Globally it has flaunted World Trade Organization, or WTO, accession commitments to adequately disclose an accounting of state subsidies provided to state-owned and private-owned enterprises alike. Moreover, there have been numerous cases when Chinese officials violating workers and trade union rights and cases where they applied chilling political pressures against international auditors and accounting firms, as well as against enterprising foreign journalists—groups and individuals that have shined a light on below-board practices. This issue, however, is not limited to China and affects a number of countries.

At present, responsibility to defend these standards of trade fall upon Zimbabwe businesses and workers in industries suffering injury from anti-competitive practices and on the overburdened trade-enforcement arms of the negotiators and the Industry and Commerce. This system, to say the least, is not working well, and it is unlikely that rule of law and standards of financial disclosures will advance rapidly in trading partner countries to make financial disclosures adequate and credible. Therefore, parliament should insist that trade agreements with countries known to embrace anti-competitive practices must implement a precautionary principle with respect to SOEs that shifts the burden of proof for companies to demonstrate that they operate without the competitive advantage of state backing.

Companies in countries with significant presence of SOEs should be required to regularly disclose relevant financial information and contracting details for review by independent, third-party entities in order to enjoy access to the privileges afforded by trade agreements. Information disclosures should be adequate to establish that firms abide by the Organisation for Economic Co-operation and Development, or ILO Guidelines on Corporate Governance of SOEs. For government-linked enterprises that operate on a competitive, commercial basis—such as many Singapore-based companies—disclosure requirements will bear no burden on establishing conformity to international norms and practices as these enterprises already operate in close alignment to international financial reporting and accounting standards.

Failure to comply in a timely manner should result in the withdrawal of trade preferences for SOEs and other state-involved companies. This standard should apply at all levels of government—not just central government SOEs—and enable trade-enforcement bodies to draw adverse inferences of anti-competitive support in trade remediation cases.

These standards should apply only to commercially oriented SOEs; trade agreements should clearly protect policy space for unfettered provision of public goods and services. What's more, agreements should require SOEs to use state-to-state dispute settlement, rather than investor-state dispute settlement mechanisms, including for sovereign wealth funds and where SOEs operate in joint-venture partnerships with private companies.

Investor-state dispute settlement mechanisms

Investor-state dispute settlement, or ISDS, mechanisms allow private investors to sue governments in private tribunals. Most Zimbabwe trade agreements do not create arbitration mechanisms that extend stronger rights and privileged standards of treatment for international investors with respect to domestic policymaking and regulations. Parliament should carefully weigh the tradeoffs and potential ramifications for Zimbabwe posed by committing to such arrangements and ensure that such mechanisms in trade agreements do not impede the legitimate scope for nondiscriminatory regulations in the public interest or provide perverse incentives for foreign investment.

It is essential that ISDS not encroach upon the legitimate space for regulation in the public interest or incentivize litigious culture where businesses seek cash payments from governments. ISDS should be limited only to expropriation of actual property—those defined and protected in the Zimbabwe Constitution—and discriminatory regulatory practices. Delimiting the scope of investor-state disputes begins by more clearly defining what is meant by indirect expropriation as past instances involving arbitration have seen this mechanism used to challenge nondiscriminatory national regulations that diminished the profitability of foreign direct investments. Trading partner countries, for example, have been forced to pay cash settlements to companies that complained of regulations restricting carcinogenic fuel additives, the transport and disposal of toxic waste, and frivolous pharmaceutical patents. Regulatory measures, when applied in a nondiscriminatory manner, should not constitute expropriation, rather such injury should be limited more clearly to include only host government's seizure of property for its own use or for use by a third party.

Overseas corporate subsidiaries should be excluded from accessing investor-state dispute settlement mechanisms in actions against their home country national or subsidiary governments. Agreements should ensure that the only businesses that can bring suit under ISDS are businesses with so-called clean hands—no outstanding tax liabilities and fines, or open investigations with regulators (Zimbabwe Occupational Safety and Health) EMA, NECs & TNF.

High-road labor and environmental standards

Trade is about building a secure economic life for working families in the Zimbabwe also means using trade to build a secure life for workers in Zimbabwe trading partner countries. Promoting stronger labor standards, for example, helps to boost incomes s, while at the same time reducing the low-standards cost advantage and thus reducing imports. The status quo is inconsistent with global growth and sustainability.

Securing inclusive prosperity from trade requires ensuring that agreements do not create a ceiling on standards for working conditions, human rights, and environmental protections.

To realize such agreements, the government must promote high-road standards by instituting enforceable mechanisms in trade agreements. This must include maintaining the ability to withdraw reciprocal trade preferences when these standards are violated and to apply these standards across the economy, not just where they impinge on international trade and investment. In practice, the labor market and the environment are not segmented on sector lines, therefore conditions in the overall economy affect standards in the tradable sector.

Rather, in this way, trade agreements should incrementally ratchet up standards for mutual benefits among people. Both environmental and labor standards should have access to the same dispute settlement mechanism provided for other parts of trade agreements. Access to broader dispute settlement mechanisms should be contingent upon a business's compliance with the

Rules of origin

Rules of origin ensure that countries receiving the benefits of preferential trade access to Zimbabwe. Markets are providing reciprocal benefits for Zimbabwe goods and services in their home markets. Absent strong mechanisms for measuring domestic value-added content of goods and setting thresholds to determine national origin, global production chains can readily exploit venue arbitrage—producing in countries that are not party to rules of a trade agreement, but moving these goods through countries that are party to an agreement. This, in effect, extends preferential trade benefits to countries that do not in return provide commensurate trade preferences to Zimbabwe producers.

Strengthening and reforming enforcement of trade rules

There is a basic, nonpartisan point on which members of parliament should be able to agree: If the Zimbabwe is going to spend years negotiating trade agreements, it is critical that equal energy be put into enforcing those agreements.

Monitoring and enforcing trade agreements are arduous undertakings, and the decision to take action can be further complicated by resource constraints and broader geopolitical considerations. That is why as a labour advocates for longer-term growth plan, offered the following policies*:*

- Prioritisation of the TNF and the social partners and in particular the support for NSSA, NAC, & the ZDWCP
- A formalisation strategy which leads to stabilization of the economy which is achieved through a resilient social contract.
- ZIDA decisions must be informed by the TNF and the specific sector inputs by the affected industries which must be backed by data and documented evidence which is aligned to the national development strategy and formalisation strategy.
- Support for exchange platforms with a vision to foster participation by Zimbabweans in a widely diversified capital market by simplifying the access access and reaching out to MSMEs (FINSEC) with established structure frameworks which bridge the gap between markets.
- Establishment of a social partners Trade & Development Enforcement Center which will constantly analyse country risk factors and proffer solutions and participate in the trade negotiatioons processes .
- Increase transparency, accountability, and action via a more effective Trade Barriers Report, a new National Trade Compliance Database, and expanded statistical reporting.
- Press to institute stronger mechanisms to expedite adjudication procedures at the AfCFTA and WTO.

ENFORCING ETHICAL TRADE & FAIR TRADE PRACTICES

Each of these policies should be analysed and discussed in more detail in"—along with the central approach of moving toward ethical & fair-trade practices as well as more automaticity Ethical Trade has similar aims to Fairtrade, but is different in a number of ways. Fairtrade applies to products rather than companies, and is focussed on pricing and trading conditions for primary producers of *commodity items*. Ethical Trade on the other hand is concerned with the working conditions *throughout* the supply chain, and can relate to the manufacture, sourcing and supply of *any* product. A consumer facing Ethical Trade 'mark' does not yet exist.

This should be informed by maintenance of a database which can track trade provisions by country and list—where clear—whether a country is compliant, and, if not, what the Zimbabwe government can doing to seek redress. Having this simple public database would provide a powerful oversight mechanism for the social partners and other stakeholders and would provide agencies with an important communications tool as well.

Digitalisation and Data informed Decisions

Central to workers' proposed approach on trade monitoring and enforcement is moving toward a posture of automaticity—in effect, making actions more automatic and putting less onus on individual businesses and unions to initiate action. The net result would be more investigations, action, and redress. Automaticity would put trading partners on notice that the Zimbabwe is committed to enforcing all of our trade agreements and workers are on watch. There should be relevant education programs and commitment to establish the digital ecosystem which enables workers to engage with these processes. Advocacy activities can then be focused on issues and activities which threaten the workers rights and impinge on the livelihoods of the generality of Zimbabweans

Creating an economic environment that fosters sustainable, inclusive & equitable growth from new trade opportunities

If the first piece of the trade puzzle is to negotiate good agreements, and the second is to enforce those agreements, then the logical third piece is to create an environment that allows Zimbabwean workers and businesses a fair chance to compete in the increasingly global economy and capitalize on new trade opportunities. Such a competitiveness agenda should be underpinned by a commitment to fight corruption, deliberate and articulated strategy for industry development, intentions for good governance and prioritising the stakeholder needs and expectations as the core objective. The other challenges threatening the Zimbabwe environment are: policy inconsistency, instability and distortions; Inefficiency government bureaucracy; inadequate infrastructure; skills development mismatch; tax regulations; and incapacitation leading to lack of innovation. The following are pillars for foundation for inclusive and sustainable trade agreements and still remaining competitive.

Other key areas of focus for Zimbabwe are;

- Create new opportunities for trade-affected workers and communities by helping them transition to new job and growth opportunities.
- Call for a Labour Policy Lab for Economic Strategic Assessment that is octogen to improve the Zimbabwe government's ability to act in response to the needs of the workers and working poor as well as support of private-sector-led growth guided by the ILO Convention 122

  Key areas of focus are a

  - Analysis of labour skills versus the demand, the employment relations within the emerging markets and enforcement of the labour standards. Gathering and constantly updating the data related to workers and employment conditions, constantly strategies for a more career-ready educated workforce through a dramatic expansion of support for private-sector apprenticeships, which have been proven to offer good-paying middle-class jobs. Outline a social clause that is aligned with the Labour Act and that recognizes the constitutional provisions in section 65

  - formalisation strategy;
    - Innovative capital for MSMEs
    - Mainstreaming of ILO Recommendation 198
    - Sophistication & price discovery in the agriculture & mining sectors which includes MSMEs
    - Access to exchange markets
  - Strategies to ensure a greener Zimbabwe,
    - Designs for new cities and transformative infrastructure development
    - Environmental & industrial biotechnology
  - Energy access-
    - Through energy efficient technology solutions for micro, small to medium enterprises
    - Industrial energy efficiency
  - Enhancing food security
    - Crusading against climate change
    - Establishment of processing hubs
    - Analysis of value chain services
  - Social transformations
    - Model community participation & beneficiation
    - Human & Social development strategies
    - Public Sector reform
    - The new towns and new cities agenda which municipal security attractive to large investors
  - Urban mobility
    - Sustainable Habitat - Invest in infrastructure through up-front investments, including reducing the backlog of dead assets, structurally deficient bridges, leveraging on digitalisation and mobile money to empower the MSMEs.
    - Infrastructure development
    - Road networks

- Micro-propagation of technology park
    - Technology dissemination and enterprise development
    - Information Technology Services
    - Support services and protocol
    - Knowledge management

- Capital raising institutes and platforms that become self-sustaining the Export-Import Bank, the self-sustaining export credit agency

Conclusion

What comes out of current policy debates and negotiations for the AfCFTA Partnership and the Continental Trade and Investment Partnership will shape the Zimbabwe economy for decades to come and set a benchmark for other nations watching this process unfold. Avoiding difficult conversations about trade will not rebalance the yawning Zimbabwe trade deficit, rebuild the Zimbabwe industrial base, nor strengthen the working class or middle class. If we are going to obtain trade arrangements that work for broadly shared prosperity in the Zimbabwe economy, we need first to write better rules, then make sure we enforce them, and finally ensure that we are creating the best possible economic environment to prepare Zimbabwe workers and businesses and communities to compete at home and abroad.

26. The Writing Team

This was composed of education committee, the and the political committee and technical team which will work on the design, content and models for the manual which aims to capacitate trade union leaders, negotiators in their engagement.

1.	Political Committee Reps	• Chair : VP Manyere • DSG : S. Mutindindi • CM : D. Manyangadze
2.	Education Committee Reps	• VP. F. Taruvinga • Mr. J. Tanyanyiwa
3.	Secretariat	• S.G. J. Moyo • V. Zinyama Mushongera • M. Kandukutu • L. Tarabuku • E. Chando • T. Kadiki
4.	Facilitator	• Advocate Jeremiah Bamu
5.	Total Numbers	• 12 People

27. Writing Sessions

ZCTU – APHEDA Workshop on Corporate Governance
12-16 May 2021

Day I 13 May 2021

		Topic	Scope
8:30AM	Preliminaries	Welcome Remarks & Introductions	DSG S. Mutindindi
		Official Opening	V.P. J. Manyere
9:30AM	Session 1 Michael Kandukutu	Introductions to principles of Corp governance, Definitions,	Trade Union perspectives and Labour market authorities- Legislations and rules National Corp Gov Act National Structures- TNF
11:30AM	Health & Tea Break		
11:45AM	Session 1	PLENARY	

13PM	LUNCH		
2:00pm	Session 2 Last Tarabuku	Zimbabwe Corporate Governance Policy and its Framework	Public entities and Corp Gove Act Public Service Corp Governance Obligations Strategies to strengthen controls and to monitor developmental processes and evaluation Justification for Corp Governance Policy and Module for Labour
4:00PM			
4:15PM	Session 2	PLENARY	
5:00PM	End of Day		

Day 2 14 May 2021

9:00AM	Session 3 Emilda Chando	Corporate Governance and financial reporting How to use company reports to build collective bargaining case	Tools to understanding the basics of financial Accounting Understanding of financial accounts as Collective Bargaining Support Improving on accountability
11:00 AM	Tea & Health break		
11:30AM	PLENARY		
13:00PM	Lunch		
2:00PM	Session 4 Vimbai Zinyama	Corp Gov and making trade agreements work for workers Trade flows vs Job destruction Trade Unions engagement with trade issues	Effect and impact of globalisation Regional Economic cooperation SADC, COMESA, ASIAN & EFTA African Continental Free Trade Agreements Threats to the Trade Unions and the workers
4:00PM	Tea & Health Break		
4:15 PM	Session 4	PLENARY	
5:00PM	End of Day		

Day 3 15 May 2021

9:00AM	Session 5 In groups of three	Policy Recommendations from the four presentations And frame works
11:00 AM	Tea & Health break	
11:30AM	Policy recommendations	
13:00PM	Lunch	
2:00PM	Presentations and facilitator's comments	
4:00PM	Tea & Health Break	
4:15 PM	Way forward and closing remarks	
5:00PM	End of Day	