

STATEMENT BY HON. JUMA ATHUMAN KAPUYA MP MINISTER OF LABOUR, EMPLOYMENT AND YOUTH DEVELOPMENT OF THE UNITED REPUBLIC OF TANZANIA DELIVERED AT THE HIGH LEVEL TRIPARTITE DIALOGUE ON THE EUROPEAN SOCIAL MODEL IN THE CONTEXT OF GLOBALIZATION HELD AT ILO-ITC TURIN ITALY FROM 1-3RD JULY, 2008

- Juan Somavia, Chairperson and Director General of the ILO,
- Fellow panelists – Ministers of Labour from Denmark, India, Italy, and Poland,
- Social Partners, recognizing the presence of President of Belgian Socialist Trade Union Mr. Rudy De Leeuw and Employer Representative,
- Distinguished participants,
- Ladies and Gentlemen.

I take this opportunity to extend my appreciation to you for inviting me to participate at this High Level Tripartite Dialogue on the European Social Model in the Context of Globalization here in Turin-Italy. It is an honour for me and my country to be associated and engage in such important discussion and share my experience on the Tanzania situation.

Chairperson, Globalization is felt every where in this world through breaking countries' boundaries and has set a wind of change which is unstoppable across the globe. The perceived and more perpetual aggressiveness of globalization is seen with restructuring of our national economies to unprecedented technological advancement in which the world now is seen as a global village. This entails new approaches to industrial relation to cope with intricacies associated with globalization.

Chairperson, There are many positive aspects of globalization. One of them includes the massive flow of Foreign Direct Investment (FDI) to countries where comparative advantages and conducive environment exists.

Because globalization is driven by super profit, one of the negative aspects of it includes the plight of workers' rights in the receiving countries to be seriously compromised with advancement in automation technologies.

THE EUROPEAN SOCIAL MODEL

Chairperson, Historically, European Union has come a long way as one entity since the inception of the European Economic Community in the seventies. It represented and still is a powerful economic trading block in the world.

Apart from existing competition in terms of investment opportunities and technological advancement amongst the member countries, still the EU forges ahead as one economic entity with common objectives and set goals.

Chairperson, The advent of globalization has set unprecedented influence in terms of flow of investment in individual member countries, technological advancement and labour market policies. The massive restructuring of firms coupled with job losses and expansion of the EU has necessitated in redefining the Decent Work Agenda without losing track of the European integration.

OBSERVED FEATURES WORTH NOTING

- The growing number of women in employment although this has consequential effects in terms of demographic trends. The marked problem in Europe today is of the aging population which in the long run will compromise the social protection.

- Due to differences in the economic development of individual member countries, the idea of extending financial help to regions, sectors, businesses and individuals as a means to counter the negative effects of globalization is highly commended.
- The idea to encourage bipartism between employers and workers in restructuring process of their enterprises instead of the employers themselves or governments taking decisions alone is highly appreciated. Empirical evidences have shown that if workers are involved in the restructuring of their enterprises, the loss of job opportunities is highly minimized
- The recognition and subsequent involvement of the workers' Unions and employers' organizations in the review of the reform programmes of EU member states is highly appreciated.
- Social dialogue is observed as a tool and means of promoting industrial peace and harmony at workplaces.

TANZANIA EXPERIENCE WITH GLOBALIZATION

Chairperson, When globalization comes to Africa, Tanzania included, the situation is more complex. Here we are dealing with countries which are forty to sixty years of age. These are therefore young countries as opposed to mature countries of EU. These are countries which have gone and to some extent still undergoing a lot of turbulences.

They are still trying to find equilibrium in the political sphere, in the economic sphere and in their attempt to regional integration. Further more they have been subjected and still being subjected to international and multinational pressures in the name of advice or development assistance.

Chairperson, Through this, globalization has found its way to Africa. So whereas globalization in Europe has a strong indigenous component, in Africa globalization has a strong foreign component.

What is worse is that during this transfer process to Africa, some of the positive attributes of globalization do not come with it. In this respect, I would like to refer the situation in Tanzania.

Tanzania has undergone various structural adjustment programs since late eighties in order to revamp her economy. 1992 marked the beginning of macroeconomic, social and cultural reform policies, shifting from the centrally planned economy to liberalized market economy and from one party system to multipartism.

Chairperson, This also changed the labour administration system in the country. The loss making parastatal organizations were privatized to investors with enough capital and who would introduce new technologies in the acquired firms.

But, this was the time when massive layoff of workers was observed. The once powerful workers' unions were disintegrating into small and weak unions which lacked negotiation skills and bargaining powers. The reason for the disintegration of Workers' unions is the criterion which requires a minimum number of 20 members to establish a union branch and two or more Workers' unions to form a federation.

On the other hand, investors who come to invest in the country do not uphold the principles of Collective Bargaining and the Right to Organize. They don't allow the establishment of trade unions at workplaces. The investors are not involving the workers in the planning processes of their firms which in many ways affect productivity.

SOCIAL SECURITY SYSTEM IN TANZANIA VIS A VIS GLOBALIZATION

Chairperson, The Social Security System in Tanzania is fragmented and covers only 5.4% of the total population. This mainly involves employed people in the government and non governmental organizations leaving the majority of the people out of the system.

This phenomenon is also a product of the new mode of investment in the country which tends to favour short term contracts and in so doing they avoid the obligation to contribute to social security funds. This therefore leaves the workers exposed to hazards of insecurity. Even with those companies which have long term contracts with their workers, some of the companies' compliance to social security funds is quite a hassle.

Chairperson, The issue of minimum wage is another problem, because most of these companies exploit the ignorance and weaknesses of the trade unions and therefore very low wages. The situation is worse in the Export Processing Zones and Special Economic Zones who claim to have immunity against the establishment of trade unions in their premises.

Recently the government has enacted a piece of legislation to establish a Social Security Regulatory Authority which amongst other functions to be implemented is the question of extending social security coverage to the rest of population.

I thank you for listening to me.