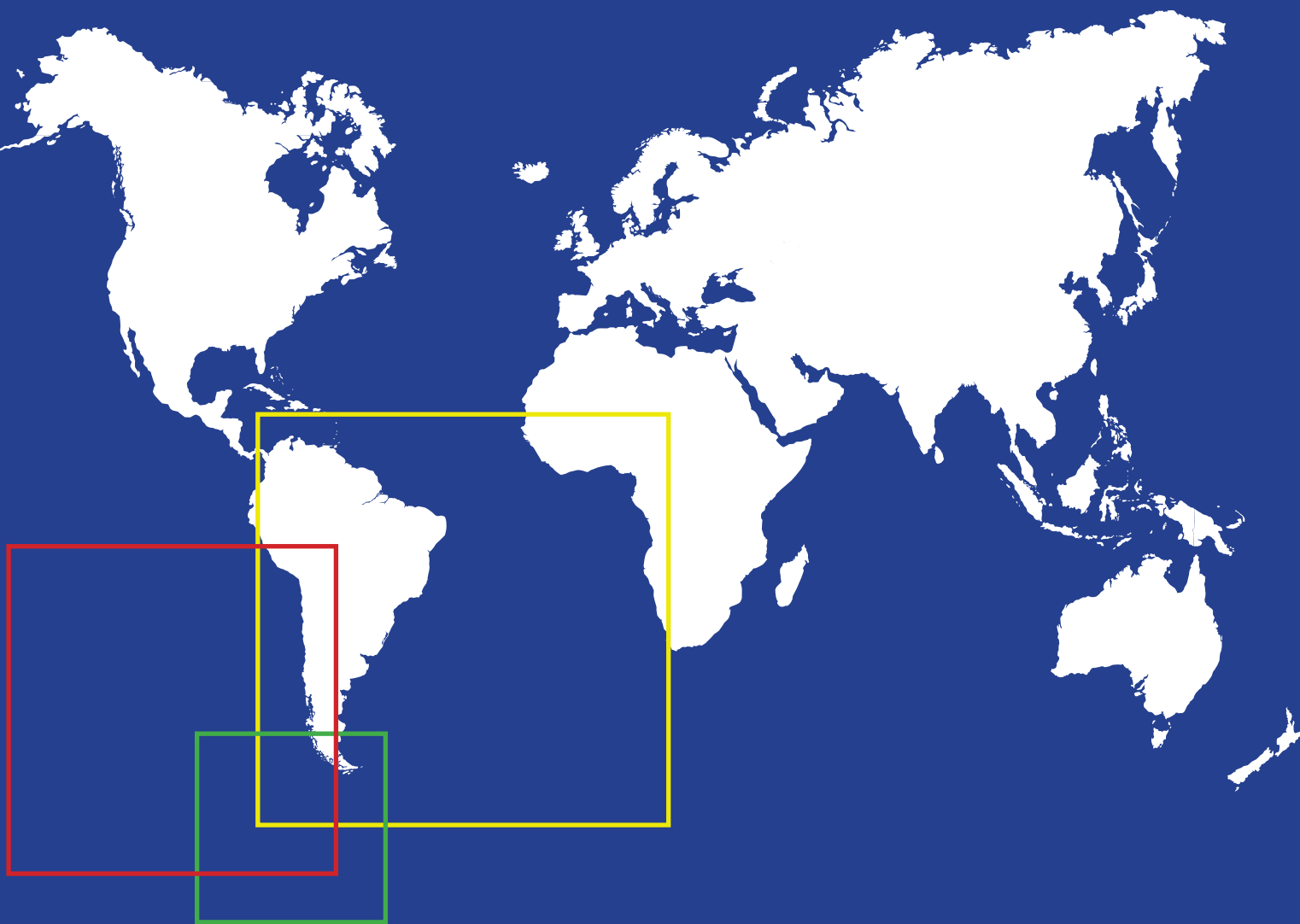




International
Labour
Office

Decent Work Country Profile ZAMBIA





ILO/EC Project
“Monitoring and Assessing Progress on Decent Work (MAP)”

EXECUTIVE SUMMARY

DECENT WORK COUNTRY PROFILE
ZAMBIA

International Labour Office
Geneva

Executive Summary

The Decent Work Country Profile for Zambia aims at assessing progress towards decent work across ten thematic areas ranging from employment opportunities to social dialogue. In order to capture all the dimensions of decent work (employment promotion, rights at work, social protection and social dialogue), the Profile is based on statistical indicators and legal framework indicators compiled from national sources. In general, Zambia has made significant progress in number of areas on decent work while many challenges remain to be addressed.

In order to include monitoring decent work in the national planning framework, the Zambia Decent Work Country Programme Advisory Committee narrowed the list of relevant indicators to twelve. The priority Z-DWCP indicators have been selected for national monitoring purposes (Table E.1).

Economic and social context for decent work

Zambia registered positive economic growth during 2005–2010, averaging between five and six per cent. This had almost doubled compared to the GDP growth of the previous period and since the economic decline of the 1980s. The positive growth can be traced to structural reforms, macroeconomic policies and the increase of the mining production and to a lesser extent the agriculture production.

The mining sector has been the main driver of growth, with an average increase of nine per cent between 2000 and 2006. Agriculture, which is the main employer accounting for 71.29 per cent of total employment, has not contributed much to the growth with an average increase of 2.1 per cent per annum in the same period. In 2009, however, agriculture grew by more than seven per cent in 2009.

Despite positive developments a number of challenges remain. First, much of this growth has

been based on extractives, principally copper, and has been fuelled by the rise in copper prices. However, it has not been accompanied by sectoral diversification in other areas besides mining. Second, much of this growth has been based on exports of extractives which provide more than 70 per cent of Zambia's export earnings. Third, the recent growth in Zambia has not generated commensurate employment. Fourth, the levels of poverty in Zambia remain high. The vulnerability of an economy dependent on mining was made evident during the global economic and financial crisis (GEFC) which resulted in reduced global demand for copper following the decline in copper prices. The HIV/AIDS pandemic continues to be a major challenge in tackling poverty and decent work issues in Zambia. Although the prevalence of HIV/AIDS among the working age population has decreased, it nonetheless remains high at 14.3 per cent according to the Zambia Demographic Health Survey Report 2007/8.

Zambia has made great strides in improving access to basic education for its citizens and is poised to meet the Millennium Development Goal on universal primary education with primary school attendance already increasing by 67 per cent between 2000 and 2009.

Zambia has ratified 43 ILO Conventions, including the eight fundamental Conventions, and two of the four governance Conventions. Labour administration in Zambia, which is a key tool to achieve decent work, remains underfunded.

Employment opportunities

Employment creation is a high priority for the Zambian Government, as reflected in the National Long Term Vision 2030 (Vision 2030), the National Employment and Labour Market Policy (NELMP), the Fifth National Development Plan (2006–2010) and the Sixth National Development Plan (2011–2015). In Vision 2030, Zambia aspires

Table E.1 Priority decent work indicators for the national monitoring system

Indicators	2005			2008								
	Total	M	F	Total	M	F						
Employment-to-population ratio, 15-64 years (S)	82.47	87.29	77.88	68.60	72.40	64.90						
Measure of discrimination by disability*	n.a	n.a	n.a	n.a	n.a	n.a						
Informal employment (S)	90.91	87.14	94.95	89.00	85.00	94.00						
Female share of employment in ISCO-88 groups 11&12 [Legislators and senior officials; Corporate managers]	–	–	39.24	–	–	26.70						
Occupational injury rate, fatal	1,364	–	–	982	–	–						
Union density rate (S)	n.a	n.a	n.a	n.a	n.a	n.a						
Youth not in education and not in employment, 15-24 years (S)	9.64	5.19	13.74	15.50	11.90	19.00						
Minimum wage as per cent of average/median wage	25.47	25.00	26.67	35.07	35.14	34.90						
Child Labour as defined by ICLS resolution, by age, sex and economic activity (S)	36.43	37.30	35.55	33.73	34.81	32.63						
	2002	2003	2004	2005	2006	2007	2008	2009				
Labour inspection rate	20	11	10	11	21	46	34	36				
	1998			2002			2004			2006		
	T	M	F	T	M	F	T	M	F	T	M	F
Working poor (S)*	73.1	70.6	76.1	64.7	63.7	65.9	69	66.4	71.8	66.4	62.5	70.8
	2001	2002	2003	2004			2005			2006		
				T	M	F	T	M	F	T	M	F
Share population aged 55 years and above benefiting from a pension (S)	7.30	7.00	7.20	8.5	16.2	2.0	11.2	16.7	2.2	12.3	18.7	2.6

* There is currently no published data available for the employment situations of workers with disabilities to enable measurement of discrimination by disability. **Working poverty rate has been used as a proxy for working poor.

Sources: CO (LFS and LCMS, administrative records).

to reach sustained full employment by 2030 with an unemployment rate of below 10 per cent of the total labour force. The results of the 2008 Labour Force Survey (LFS) shows that the Vision 2030 unemployment rate target has already been surpassed in that the 2008 unemployment rate was already 7.9 per cent. However, this does not mean that unemployment is not a problem in Zambia. According to the LFS, both youth and urban unemployment rates were found to remain high at 14 per cent and 18 per cent, respectively.

Unemployment was estimated at 7.9 per cent in 2008. Both the unemployment and youth unemployment rates are higher in urban areas and among males. In a context where agriculture is the main economic activity, the unemployment rate is not sufficient to describe the labour market state, and

is combined with other indicators such as underemployment, informal employment and working poverty to provide insights into decent work conditions.

Informal employment has declined only marginally, implying that formal employment has not grown commensurately with the economic growth. The informal economy is characterized by low productivity and high levels of underemployment. Low productivity in agriculture is a result of the seasonal nature of production and the dependency on rain-fed crop production, as well as the use of basic technologies.

Adequate earnings and productive work

The general levels of wages for the majority of workers in regular employment are insufficient to

provide the basic living wage. Although the working poverty rate declined from 73.1 per cent in 1998 to 66.4 per cent in 2008, it was still high. In rural areas, the poverty rate was 79.5 per cent in 2006 compared to 29.2 per cent in urban areas. The rate is also higher among females than males and overall, poverty levels are the lowest amongst paid employees.

The share of paid workers with monthly earnings below two-thirds of median monthly earnings, excluding agriculture, generally remained more or less constant between 2005 and 2008. This rate went up in urban areas, while it declined significantly in rural areas partly due to the opening of new mines in the North Western Province and other rural areas of Zambia. The average wage was found to be higher among males and in urban areas. Although some advances have been made towards wage equity, women were still earning less in comparison to their male counterparts. This gap is partly due to the concentration of more women in low-status jobs, and the segmentation of the labour market into feminine or masculine occupations.

The statutory minimum wage also falls below the basic need level. Moreover, they are very low, not regularly reviewed and insufficient to meet workers' basic needs. On average, it took four years for the Government to review the minimum wage and its coverage in the 2000's. Furthermore, implementation is a challenge, as some employers do not respect the minimum wage knowing that the Government does not have the capacity to inspect violations and punish wrong-doers in this respect. Many rights, such as secure contracts and minimum wages, are not being granted in most jobs, particularly those in the informal economy.

Decent hours

The maximum number of hours that a person can work which is allowable by law is 48 hours per week. The percentage of workers working more than 48 hours per week declined from 16.48 per cent in 2005 to 12.84 per cent in 2008. The rate in respect to excessive hours of work was found to be slightly higher among males and in urban areas.

Workers in domestic service are among those who have to work long hours for little pay, with some working a total of 66 hours. Live-in domestic workers are in a worse situation as they have no specified time frames for their work, despite protective legislation. Long working hours and low overtime pay are characteristic of the large commercial farms in the rural areas even though overtime pay is provided for under the law.

Persons whose work involves night shifts also face long hours. However, the law provides that shift workers such as security guards and nurses, are entitled to days off in order to compensate for long hours. Time related underemployment declined from 16.58 per cent in 2005 to 9.57 per cent in 2008 indicating a decrease in people willing to work more hours.

Combining work, family and personal life

Zambia has put in place various laws and policies to encourage the combination of family responsibilities and work. The Employment Act (EA), minimum wage legislation and various collective agreements provide for paid leave and benefits, maternity leave, as well as remuneration for women on maternity leave. Employers bear the cost of maternity leave directly.

The burden of attending to family responsibilities falls disproportionately more on women than on men with legislation explicitly placing the burden of family responsibility on women. For instance, in the case of a sick child, the legislation provides leave only for women to go on paid leave in order to nurse the hospitalized child.

The practice of women taking the lead in family responsibilities stems from the socio-cultural fabric of Zambian society where women are seen as the caregivers of the family but are also expected to do their share of fieldwork. The socio-economic relations that relegate unpaid family responsibilities to women mean that despite their increasing entry into wage employment, women continue to be primarily responsible for the household chores and for the care of children, as well as of elderly family members.

Work that should be abolished

Caused by high poverty levels, child labour has become a major issue of concern in Zambia with children being compelled to work in order to supplement family incomes. Furthermore, the HIV/AIDS pandemic has contributed to the increase in the number of orphans who have no option but to resort to child labour for their livelihood.

Zambia has enacted various laws and regulations to combat the worst forms of child labour and sets the minimum age for employment at 15. The Anti-Human Trafficking Act of 2008 prohibits forced labour and the trafficking of children, while slavery is prohibited under both the Constitution and the Penal Code which also prohibits the sexual harassment of a child, pornography and prostitution.

The Government has also put in place an institutional mechanism to coordinate and enforce measures to combat child labour. Employers have been equally concerned with the scourge of child labour and several companies in the tobacco industry implemented a project whose objective was to combat child labour.

Some progress has been made in reducing the incidence of child labour in Zambia. Between 2005 and 2008, the share of children in employment decreased from 45.84 per cent to 33.73 per cent while the percentage of children attending school increased slightly.

Stability and security of work

The Employment Act protects employees against unlawful termination of employment as well as unilateral changes to terms and conditions of employment. The EA covers the permanent and pensionable terms of contracts, fixed-term contracts, as well as those under collective agreements. It does not cover workers employed in the security sector of the public service, nor does it apply to casual or informal workers, or to persons employed under an apprenticeship contract.

The Minimum Wages and Conditions of Employment Act sets the minimum wage to protect workers who are not covered by the EA. Despite the

existence of various pieces of legislation that target the protection of workers, Zambia still has a long way to go to ensure that the majority of Zambians enjoy stable and secure employment. The number of workers with unstable and insecure jobs declined from 2005 to 2008 but was found to remain high at 59.10 per cent of all paid employees with job instability being higher among females and in rural areas.

The casualization of the labour force that followed the privatization process has contributed to the deterioration of conditions of work. Increasingly, parts of the private sector are doing away with secure long-term employment contracts preferring casual and short-term contract staff who tend to provide cheaper labour.

Equal opportunity and treatment in employment

The Government has put into place various pieces of legislation and policies to reverse the marginalization of women as well as other marginalized groups in the labour market. The EA prohibits dismissal based on pregnancy or maternity leave and the Industrial Labour Relations Act (ILRA) prohibits the termination of services of an employee on the grounds of race, sex, marital status, religion, political opinion or affiliation, tribal extraction or status of the employee. The Persons with Disabilities Act of 1996 prohibits discrimination in employment based on disability.

Most employers claim that they do not discriminate based on disability or gender. Employment in the mining sector is male dominated. Employers in the tourism industry also attest to being equal opportunity employers in their recruitment policies and claim that no one is discriminated against based on gender, disability or due to a HIV/AIDS status. Many establishments do not employ disabled persons due to the prevailing perceptions regarding the manual and laborious nature of the work in tourism establishments. However, it is also evident that the employment of people with disabilities remains a serious challenge as the majority of establishments lack disability friendly premises.

Considerable progress has nonetheless been made to promote equal opportunity and treatment in employment in Zambia in the national legislation. Women's share of the labour force in Zambia rose to some extent from 45.93 per cent in 1998 to 48.7 per cent in 2008. Some progress has also been made towards wage equity in Zambia. However, women continue to experience difficulty in accessing employment opportunities largely due to their relatively low educational standards, exacerbated by barriers experienced in pursuing higher education, which is a prerequisite for entry into most professions.

Safe work environment

The Factories Act, the Occupational Safety and Health Act and the Mines and Minerals Act are the main pieces of legislation dealing with safety and health issues. A number of ILO Conventions pertaining to a safe working environment have been ratified and implemented by the national legislation.

The biggest challenge to maintaining a safe work environment in Zambia lies in the inadequacies of the institutions tasked to enforce regulations. Enforcement of safety and health legislation is severely constrained by inadequate funding which results in the lack of support infrastructure with which to carry out inspections, thus limiting the ability to carry out statutory functions.

Reported occupational injuries (fatal and non-fatal) in Zambia globally rose between 2000 and 2009. The injury rate declined between 2000 and 2002 and reached its highest point in 2006 when the number of injuries rose to 1,388. The number of reported occupational injuries declined in 2007, rose again in 2008 before declining marginally in 2009. The pattern for fatal injuries was slightly different in that the number of deaths rose in 2009.

Social security

The Zambian Government has set the broadening of social security to include currently uncovered groups at the core of its efforts to reduce poverty. The National Pension and Scheme (NAPSA) is

the largest social security scheme in force with an estimated coverage of eight per cent of the labour force. However, coverage of social security in Zambia is limited to employees in the formal sector. The benefits of social security schemes include cash transfers such as pensions, employment injury benefits, short term cash benefits (sickness and maternity benefits etc.), as well as benefits in kind such as health services.

The majority of the population therefore does not have access to any form of social security as they earn their living from informal employment, including subsistence agriculture. Because of the low coverage, very few people contribute to and benefit from pension schemes. The share of the population aged 55 years and above who benefit from a social security scheme rose from seven per cent in 2001 but was still low in 2008 at only 12.3 per cent. The share of the economically active population contributing to a pension scheme was 10.2 per cent in 2008 with no significant increase observed since 2001.

The Government and cooperating partners have put into place several social assistance programmes targeting incapacitated households but these are not intended for the working poor category which includes workers of the informal economy. The schemes consist of a combination of transfers in kind and in cash aimed at vulnerable groups, as well as poverty alleviation measures covering approximately four per cent of the population.

The Government budget has not provided the scope necessary to extend social security to those that are not covered at present. As a result, total public and private social security expenditure as a percentage of GDP has remained static at around 7.5 per cent in 2008.

Social dialogue, workers' and employers' representation

The Zambia Federation of Employers (ZFE) is the organization that represents employers. There are two apex bodies representing workers' organizations, namely the Zambia Congress of Trade Unions (ZCTU) and the Federation of Free Trade

Unions of Zambia (FFTUZ). The ZCTU remains the larger of the two.

Whilst the membership of the employers' organization rose consistently after 2000, the membership of the trade unions saw a decline between 2006 and 2010. The trend towards casualization and the exemption of the defence and police force, prison services, security intelligence services and judiciary from forming trade unions effectively reduces the number of workers who can become members of trade unions.

The framework and structure of social dialogue in Zambia is provided for in the Industrial and Labour Relations Act (ILRA). The Tripartite Consultative Labour Council (TCLC) is responsible for and has contributed to the review of labour laws and the ratification of some of the ILO Conventions.

At the enterprise level, employers and unions undertake bipartite social dialogue for the purpose

of collective bargaining as provided for under the law. The 2010 low collective bargaining rate of 38 per cent illustrates that the majority of employees have no union representatives. This is partly due to the provisions of the ILRA, which provides for an exemption as regards the formation of trade unions at establishments which employ less than 25 workers, as well as workers of public security institutions.

Social dialogue has also been effective in mitigating the impact of the global financial and economic crisis. During the crisis, the unions in the tourism and mining sectors agreed to partial erosion of conditions of service in order to protect jobs.

Some 69 per cent of the union membership in 2010 was male while only 31 per cent was female. The level of participation of women workers in leadership position of trade unions was found to be extremely low. At that time, the ZCTU executive had only one female out of ten office bearers and the FFTUZ had four females out of nine.