

ZAMBIA CONGRESS OF TRADE UNIONS

ILO/IMF CONFERENCE AT THE GOVERNMENT COMPLEX

**“TOWARDS A NEW ECONOMIC GROWTH STRATEGY FOR EMPLOYMENT, DECENT WORK AND
DEVELOPMENT IN ZAMBIA”**

SPEECH BY MR. LEONARD HIKAUMBA

21ST TO 22ND MAY, 2012

THE HONOURABLE VICE PRESIDENT OF THE REPUBLIC OF ZAMBIA, **DR.GUY SCOTT**

THE MINISTER OF INFORMATION, BROADCASTING AND LABOUR, **HONOURABLE FACKSON SHAMENDA**

THE MINISTER OF FINANCE, HONOURABLE ALEXANDER CHIKWANDA

INTERNATIONAL MONETARY FUND REPRESENTATIVE, **MR. SEAN NOLAN, WASHINGTON**

INTERNATIONAL LABOUR ORGANIZATION DIRECTOR FOR ZAMBIA, MALAWI AND MOZAMBIQUE
MR. MARTIN CLEMENSSON

INTERNATIONAL ORGANIZATION OF EMPLOYERS REPRESENTATIVE

INTERNATIONAL TRADE UNION CONFEDERATION DEPUTY SECRETARY GENERAL,

ZAMBIA FEDERATION OF EMPLOYERS PRESIDENT, **MR. MASUPA**

FEDERATION OF FREE TRADE UNIONS OF ZAMBIA PRESIDENT, **MS. JOYCE NONDE SIMUKOKO**

INVITED GUESTS, LADIES AND GENTLEMEN

IT IS WITH GREAT PLEASURE THAT I STAND BEFORE YOU TO GIVE A FEW REMARKS AT THIS VERY IMPORTANT CONFERENCE DUBBED“**TOWARDS A NEW ECONOMIC GROWTH STRATEGY FOR EMPLOYMENT, DECENT WORK AND DEVELOPMENT IN ZAMBIA**”WHICH IS PRIMARILY FOCUSED ON THE CREATION OF QUALITY AND DECENT EMPLOYMENT IN ZAMBIA. YOU WILL RECALL THAT THIS CONFERENCE IS A FOLLOW UP TO A SERIES OF MEETINGS THAT STARTED AFTER THE OSLO CONFERENCE WHICH WAS CENTERED ON “CHALLENGES FOR GROWTH, EMPLOYMENT AND SOCIAL COHESION”. I MUST ALSO MENTION THAT THE LABOUR MOVEMENT ALSO HELD A PREPARATORY MEETING IN OCTOBER, 2011, THAT WAS AIMED AT ANALYSING THE POLICY CONCERNS THAT WOULD BE TAILORED TOWARDS DEVELOPING OUR POSITION ON EMPLOYMENT CREATION AND OTHER STRATEGIES FOR GROWTH.

HONOURABLE VICE PRESIDENT, THIS IS A VERY IMPORTANT CONFERENCE IN THAT IT IS THE FIRST TIME THAT THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA, LABOUR MOVEMENT,

INTERNATIONAL LABOUR ORGANISATION AND THE INTERNATIONAL MONETARY FUND HAVE COME TOGETHER TO EXPLORE NEW GROWTH STRATEGIES FOR EMPLOYMENT, DECENT WORK AND DEVELOPMENT IN ZAMBIA. SOME OF YOU WILL AGREE WITH ME THAT SOME DEVELOPMENT POLICIES PURSUED IN THE PAST SUCH AS STRUCTURAL ADJUSTMENT PROGRAMMES HAD IN SOME INSTANCES NOT YIELDED THE DESIRED OUTCOME AND DID NOT WORK TO THE ADVANTAGE OF THE WORKERS. WE ARE THEREFORE EXCITED AT THE PROSPECT OF COLLECTIVELY DISCUSSING EMPLOYMENT STRATEGIES WHICH WILL DRAW INPUT FROM ALL THREE TRIPARTITE PARTNERS AND ALSO OTHER KEY STAKEHOLDERS. THIS IS BECAUSE THIS TRIPARTITE INTERACTION ENSURES THE REALISATION OF ASPIRATIONS SPELT OUT IN OUR DEVELOPMENTAL PROGRAMMES, NAMELY THE SIXTH NATIONAL DEVELOPMENT PLAN, VISION 2030, DECENT WORK COUNTRY PROGRAMME AND OTHER RIDERS TO ALL THESE POLICIES. THIS SOCIAL DIALOGUE IS ESSENTIAL FOR EXAMINING POLICY OPTIONS NECESSARY FOR THE STIMULATION OF DECENT AND QUALITY JOBS, AMIDST STABLE MACROECONOMIC FUNDAMENTALS OUR COUNTRY IS CURRENTLY EXPERIENCING.

DISTINGUISHED GUESTS, THIS CONFERENCE AS HAS ALREADY BEEN POINTED OUT IS AGAINST A BACKDROP OF A THREE COUNTRY PROJECT TARGETED AT EXPLORING AVENUES, POLICIES AND STRATEGIES WHICH ARE AIMED AT UNLOCKING THE POTENTIAL FOR INVESTMENT GROWTH, AT BOTH LOCAL AND INTERNATIONAL LEVELS THEREBY INCREASING THE EMPLOYMENT OPPORTUNITIES ESPECIALLY FOR OUR YOUTH. YOU WILL BE INTERESTED TO NOTE THAT CURRENT STATISTICS SHOW THAT APPROXIMATELY 300,000 SCHOOL LEAVERS ARE OFFLOADED ONTO THE LABOUR MARKET ANNUALLY. IT IS THEREFORE IMPERATIVE THAT THIS CONFERENCE CONCLUDES WITH MODALITIES ON HOW UNEMPLOYMENT WILL BE REDUCED AND CONSEQUENTLY QUALITY AND DECENT JOBS CREATED.

YOUR EXCELLENCY, I MUST HASTEN TO SAY THAT THE LABOUR MOVEMENT HAS PREPARED A COMPREHENSIVE PAPER THAT SHOWS OUR POSITION ON NINE KEY POLICY AREAS OF FOCUS. THESE ARE ON:

- LABOUR MARKET AND EMPLOYMENT
- TRADE
- MINIMUM WAGES
- INTEREST RATES

- INVESTMENT
- SOCIAL PROTECTION
- PRIVATISATION
- FISCAL POLICIES
- INDUSTRIAL POLICIES

AS A LABOUR MOVEMENT, WE NOTE THAT THE NEED TO GROW THE FORMAL SECTOR THROUGH CREATION OF QUALITY AND DECENT JOBS STILL REMAINS A CHALLENGE FOR THE GOVERNMENT. THIS CERTAINLY CALLS FOR CONCERTED EFFORTS FROM ALL STAKEHOLDERS IN ENSURING THAT WE AGREE AND AIM AT OPERATIONALISING MACROECONOMIC POLICIES THAT WILL OPTIMISE EMPLOYMENT CREATION. SUFFICE TO SAY THAT THESE SHOULD BE DIRECTED TOWARDS INFRASTRUCTURE, TERTIARY AND SKILLS DEVELOPMENT AND ALSO ENSURING THAT FINANCIAL SECTOR IS RESPONSIVE TO THE PRIVATE SECTOR'S DEMAND FOR CAPITAL. WE THEREFORE VIEW THE CURRENT LABOUR MARKET AND EMPLOYMENT POLICY AS POLICY THAT SPEAKS DIRECTLY TO THE MANDATE OF THE LABOUR MOVEMENT WHICH IS THAT OF PROTECTING WORKERS RIGHTS BY ENSURING THAT LABOUR IS JUSTILY REMUNERATED. THIS SHOULD DEFINITELY BE DONE THROUGH PROMOTION OF FREE COLLECTIVE BARGAINING AND GENERALLY HAVING SECTORAL MINIMUM WAGES THAT ARE REFLECTIVE OF THE UNIQUE STRUCTURES OF EACH RESPECTIVE SECTOR. THIS IS WHY WE ARE CONCERNED WITH INCREASES IN EMPLOYMENT, ATTRIBUTED TO INCREASES IN THE INFORMAL SECTOR, WHICH GREW BY 13% TO 4.1 MILLION IN 2008 FROM 3.6MILLION IN 2005, AS THIS IMPLIES THAT A GREATER PROPORTION (ABOUT 89% IN THE INFORMAL SECTOR) OF THE ZAMBIAN WORKFORCE DOES NOT HAVE DECENT JOBS; HAVE POOR WORKING CONDITIONS, HAVE LOW WAGES, CANNOT MEET BASIC NEEDS, AND GENERALLY LACK SOCIAL SECURITY COVERAGE. THUS PROMPTING THE NEED TO SERIOUSLY START EXPLORING THE INTRODUCTION OF A SOCIAL PROTECTION FLOOR.

FURTHERMORE, THE LABOUR MOVEMENT IS FULLY COGNIZANT OF THE FACT THAT A PRIORITY OF THE PF GOVERNMENT'S MANIFESTO IS THAT OF EMPLOYMENT CREATION FOR THE YOUTH AS THIS CATEGORY REPRESENTS A LARGE PROPORTION OF THE POPULATION. WE ARE THEREFORE PLEASED THAT THIS CONFERENCE IS CLEARLY IN TANDEM WITH GOVERNMENT'S ASPIRATIONS OF ENSURING THAT "MORE MONEY IS PUT IN THE OUR PEOPLES' POCKETS". THIS

CAN ONLY BE ACHIEVED THROUGH POLICIES THAT ARE AIMED AT STIMULATING DEMAND, IMPROVING ACCESS TO FINANCIAL SERVICES AND ALSO HAVING POLICIES THAT FOCUS MORE ON PROMOTING DIVERSIFICATION OF OUR ECONOMY, WHILST ALSO PUTTING EMPHASIS ON VALUE ADDITION THAT WILL TAKE ADVANTAGE OF TECHNOLOGICAL ADVANCEMENT. INDEED, ZAMBIA CANNOT REMAIN TO LAG BEHIND WHILE THE REST OF THE REGION, THE CONTINENT AND INDEED THE WORLD TAKE ADVANTAGE OF THE FACT THAT THE WORLD IS NOW A GLOBAL VILLAGE. WE THEREFORE NEED TO ESTABLISH OUR STRATEGIC ADVANTAGE IN VARIOUS SECTORS.

HONOURABLE VICE PRESIDENT, WE ARE PLEASED TO NOTE THE PRESENCE OF BOTH THE LABOUR AND FINANCE MINISTRIES. TO US, THIS IS REFLECTIVE OF THE IMPORTANCE THAT GOVERNMENT ATTACHES TO POLICY HARMONISATION AND COHERANCE. IT IS HIGH TIME THAT LABOUR IS GIVEN THE NECESSARY ATTENTION THAT IT DESERVES IN CONTRIBUTING TO THE DEVELOPMENT AGENDA OF THIS COUNTRY. THE MINISTRY OF FINANCE SHOULD THEREFORE WORK IN CLOSE COLLABORATION WITH LABOUR IN ENSURING THAT MACROECONOMIC POLICIES THAT FAVOUR CREATION OF DECENT WORK ARE GIVEN PRIORITY.

IN CONCLUSION, WE ARE HOPEFUL THAT THIS MEETING WILL EXAMINE SUCCINT AND SYSTEMATIC NEW EMPLOYMENT GROWTH POLICIES THAT WILL BE COLLECTIVELY AGREED UPON BY ALL STAKEHOLDERS PRESENT HERE. PRIORITY SHOULD BE FOCUSED ON INVESTMENT STIMULATION, EMPLOYMENT CREATION, DECENT WAGES AND SOCIAL PROTECTION FLOOR.

I WOULD ALSO LIKE TO THANK THE ORGANISERS OF THIS CONFERENCE AND ALSO REMIND ALL PARTICIPANTS THAT THIS IS ONLY THE BEGINNING. WE MUST NOT RELENT UNTIL WE DELIVER TO THE MAORITY OF THE ZAMBIAN YOUTH THAT ARE SO EXPECTANT OF THE PF GOVERNMENT.

I THANK YOU FOR YOUR ATTENTION.