



Measuring Decent Work in Zambia

The Decent Work Country Profile at a glance

What is Decent Work?

The Decent Work Agenda is a globally recognized framework for reducing poverty and balancing development. It has four objectives:

- 1. Job creation** – building an economy that fosters investment, entrepreneurship, skills development, and sustainable livelihoods.
- 2. Rights** – ensuring recognition and respect for the rights of all workers and employers.
- 3. Social protection** – ensuring a safe and healthy workplace, an adequate work-life balance, income protection, and access to healthcare for all.
- 4. Social dialogue** – strong and independent workers' and employers' organizations to avoid disputes and build harmonious and productive workplaces.

Decent work for all is also contained in **MDG Target 1b** which has 4 indicators:

- labour productivity growth rate
- Employment-to-population ratio
- Working poverty rate
- Vulnerable employment rate

This summary is part of the ILO and European Commission project - *Monitoring and Assessing Progress on Decent Work (MAP)*, which supports better measurement of decent work in developing and transition countries.

Summary

(Data period: 1998-2008)



Map: CIA World Factbook



- Agriculture is the main employer accounting for 71 % of total employment, although the mining sector has been the main driver of economic growth. Most of this growth is based on extractives, principally copper. There has been little sectoral diversification, making the economy vulnerable to global crises.
- Working poverty and HIV/AIDS levels among the working age group remain high at 66.4 % and 14.3 % respectively.
- Net school enrolment rate improved significantly from 86 % in 2000 to 96 % in 2006. However, due to the limited space available, only half of the primary school graduates can be enrolled in secondary level. This situation is further aggravated by the lack of places at tertiary level for the eligible age group.
- Youth and urban unemployment rates were found to be high at 14 % and 18 % respectively in 2008. Informal employment was very high and remained constant at 90 %. Vulnerable employment represented 81 % of the population in 2008, with a much higher proportion in rural areas.
- The working poverty rate indicated that two thirds of Zambian workers in regular employment remain in relative poverty due to low levels of pay. The working poverty rate is higher in rural areas at 79.5 % compared to 22.9 % in urban areas (2008).
- Women are still earning less compared to their male counterparts, which is partly due to the concentration of more women in low-status jobs.
- Casualization of the labour force has contributed to the deterioration of conditions of work. Increasingly, parts of the private sector are replacing secure long-term employment contracts with casual short-term staff who tend to provide cheaper labour.
- Domestic workers are among those who work long hours for little pay, some working a total of 66 hours a week, instead of the 48 hours allowable by law.
- Legislation explicitly places family responsibilities disproportionately more on women than men. E.g. only women can go on paid leave to nurse a hospitalized child.
- The HIV/AIDS pandemic has increased the number of orphans who have no choice but to resort to child labour for their livelihoods. Although the number of children in employment decreased from 45.8 % to 33.7 % between 2005 and 2008, this figure remains high.
- Women's share of the labour force rose from 45.9 % in 1998 to only 48.7 % in 2008. Women continue to have difficulty accessing employment opportunities due to low educational standards and barriers in pursuing higher education. Employment of people with disabilities remains a serious challenge as the majority of establishments lack disability friendly premises.
- The biggest challenge to maintaining a safe work environment lies in the inadequacies of the institutions tasked to enforce regulations, as they are severely constrained by insufficient funding and lack of support infrastructure.
- The National Pension and Scheme (NAPSA) is the largest social security scheme in force, with an estimated coverage of 8 % of the labour force. However, coverage is limited to the formal sector, so the majority of the population does not have access to any form of social security since they earn their living from informal employment.
- Membership of the employers' organization rose consistently after 2000, while membership of the trade unions declined between 2006 and 2010. Trends towards casualization and the exemption of some professional groups from forming trade unions effectively reduces the number of trade union members.



The socio-economic context

The working age population is estimated to grow at twice the population growth rate

Economic growth has risen but poverty hasn't fallen

Majority of labour force works in the informal sector

Labour productivity remains very low

Employment continues to be agriculture based

The proportion of children not in school has fallen

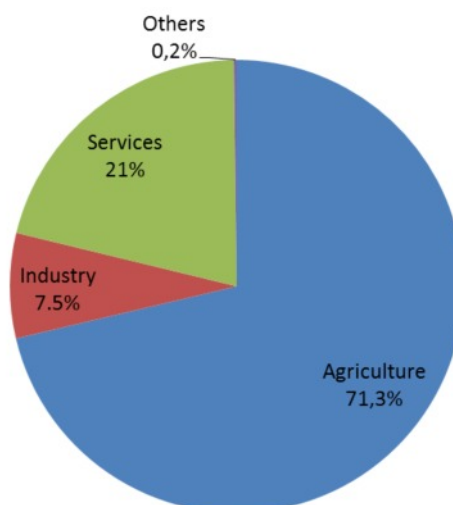
HIV rates have decreased but remain high

Over the last decade (2001-2010), economic growth has been steady averaging 5 to 6 % per annum and the inflation rate declined to a single digit figure (from 24.5 % in 1998 to 8.5 % in 2010). Macro policy reforms have helped after two decades of low and negative decades, but the the growth has been mainly fuelled by the rise in copper prices and has not been accompanied by sectoral diversification. The high vulnerability of the Zambian economy to external fluctuations (external demand, international prices) induced important job losses in 2009, in the context of the international crisis.

The recent economic growth has not produced commensurate employment. The mining sector has been the main driver of growth, while the growth rate of manufacturing has been much lower, and agriculture, which is the main employer (accounting for 71 % of total employment), has not contributed much to the growth.

Although the growth from 2001 onwards tripled the GDP per capita to more than \$1361 by 2010, poverty levels remain very high, given the very low impact of growth on employment and decent work. In 2006, more than a half of the Zambian population was estimated to be living below the poverty line, while two-thirds of workers were poor (living in poor households). Incomes remained lower in rural areas where the poverty rate was 79 % compared to only 33 % in urban areas. Zambia's population in 2010 stood at 13.047 million, rising from 9.9 million in 2000. The high population growth rate of 3.1 % in the 80s has been reduced to 2.8 % in the 2000 to 2010 period.

Employment by branch of economic activity (2008)



Key Stats

US\$ 1,361
Real GDP per capita, PPP (2010)

66.4 %
Working poverty rate (2006) (MDG 1b indicator)

- 8.3 %
Growth rate of labour productivity (2009) (MDG 1b indicator)

68.6 %
Employment-to-Population ratio (2008) (MDG 1b indicator)

59.1 %
Vulnerable employment rate (2008) (MDG 1b indicator)

23.8 %
Share of children (5-17) not in school or employment (2010)

The average annual growth rate of the working age population is estimated at 6.4 %, more than twice the population growth rate.

Although the prevalence of HIV/AIDS among the working age population has decreased, it remained high at 14 % in 2007, with a prevalence rate higher among women than men, with negative effects on household incomes. Declining health associated with HIV/AIDS also impacts negatively on productivity at work through loss of working time, skilled labour and high medical costs.

Labour productivity levels remain low, with over 90 % of the population engaged in



The majority of workers are in “vulnerable employment”, and growth in wage employment has been very slow

Informal employment is characterised by insecurity, irregular wages, absence of social security, and lack of social dialogue

Young people are disproportionately affected by unemployment; many are out of education *and* work.

Women’s share of non-agricultural wage employment is rising

informal employment which is characterized by a lack of stability and security of work.

Social indicators have improved greatly. Zambia has provided free primary education in government schools since 2002. Enrolments in Grades 1 to 7 (7 to 13 years old) increased by 67 % between 2000 and 2009, while the completion rate at Grade 7 was over 91 % in 2008. Adult secondary school graduation rate improved from 15 % in 2005 to 20.7 % in 2008. However, the lack of adequate school places in the upper basic, high school and tertiary levels is still an important issue. Also, the adult literacy rate (73%) remains highest among males and in urban areas.

The challenges of creating decent jobs

More than two-thirds of the working age population (aged 15 years and above) are employed (the Employment-to-Population ratio was estimated to be 68.8 % in 2008) with a higher proportion of male and rural population.

The Labour Force Participation rate was around three-quarters of the population aged 15 or more during this period and was also found to be higher among males and in rural areas.

The unemployment rate was estimated at 7.9 % in 2008, a slight increase from the 7.2 % recorded in 1998. An analysis of the unemployment by education levels shows that more than a third (35.8 %) of those unemployed in 2008 had secondary education followed by those with primary education (30.6 %).

Key Stats (2009)

7.9 %
Unemployment rate

14 %
Youth unemployment rate

15.5 %
Share of youth not in employment and not in education

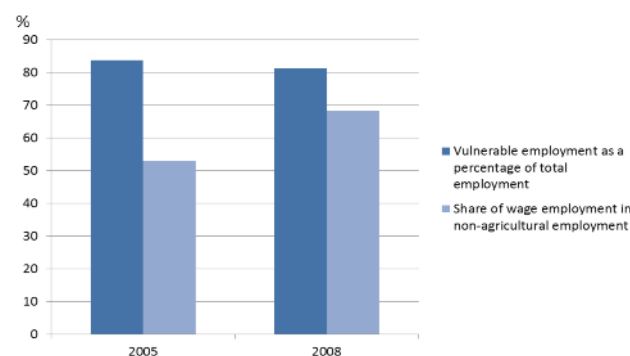
89 %
Share of employed in informal employment

17.8 %
Share of employees as a percentage of employed people

68.3 %
Share of wage employment in non-agricultural employment

29.6 %
Share of women in non-agricultural wage employment

Vulnerable Employment



The youth unemployment rate is high (14 % in 2008) and increased between 2005 and 2008, which reflects the growing youth unemployment problem facing the country. The proportion of young people (15 – 24 years) not in education or employment was as high as 15.5 % during the same period and was found to be higher among female and rural youth.



The economic growth has had no positive impact either on the creation or the quality of jobs.

Women's share in employment has risen but still remains below the men's share

Women continue to experience difficulties in accessing employment opportunities due to low educational standards and barriers in the labour market

Share of children in employment has decreased but still remains high

Parents and guardians need to be sensitized on the importance of education and the harmful effects of child labour

The unemployment rates increased despite an increase in the GDP between 5 and 6 % during the 2000s. At the same time, informal employment was stable, implying that jobs in formal employment did not grow commensurate with the economic growth. The economic growth had no positive impact either on the creation or the quality of jobs.

Informal employment was found to be very high and remained constant at 90 %. It is characterised in practice by insecure employment, irregular wages, poor working conditions, absence of social security and lack of social dialogue, as well as low productivity and high levels of under employment.

The proportion of female workers in informal employment is higher (94 % in 2008 against 85 % for males) as well as the proportion of workers living in rural areas. In 2008, almost three-quarters of those employed were vulnerable, either own account workers or unpaid family labour (81 % of employed). Almost every sector of the Zambian economy has some element of informal employment, although the agricultural sector accounts for most informal employment, with the majority being subsistence farming.

Although the female share of employment has been consistently marginally higher in agriculture where the skill levels are relatively lower, there has been a slight increase in the share of women in wage employment in the non-agricultural sector (from 27.7 % in 2005 to 29.6 % in 2008).

Rights at work

There has been some progress made in ensuring equal opportunity and treatment for women in employment.

The women's share of the labour force increased from 45.9 % to 48.7% between 1998 and 2008, while the share of employed women in high status occupations remains low, around 26.8% in 2008.

Key Stats (2008)

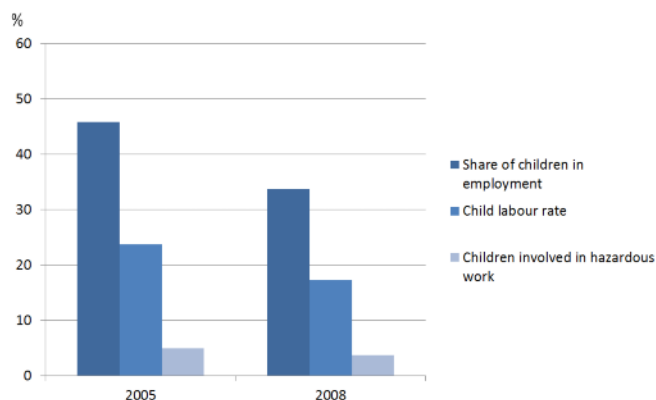
45.9 %
Women's share of labour force

26.8 %
Women employed in high status occupations

24.6 %
Share of children employed and attending school

5.6 %
Children engaged in hazardous work

Child Labour



Although some progress has been made towards addressing issues such as wage equity, 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. More than half of women are employed in agriculture which is characterized



Wages are generally insufficient to meet the basic needs wage

Incomes are lower in rural areas where working poverty rates are higher

The average wage is higher among males and in the urban areas

Some advances have been made towards wage equity but women still earn less in comparison to men

The working poverty rate is highest among females and in rural areas

by casualization and a lack of stability and security at work.

Employment in the mining sectors is male dominated, while many tourism establishments do not employ disabled persons due to the prevailing perceptions regarding the manual and laborious nature of the work. Another serious challenge is the majority of establishments lacking disability friendly infrastructure.

Zambia has demonstrated its commitment to eliminating child labour and combating trafficking in persons by enacting legislation and ratifying principal UN and ILO conventions on forced labour, child labour and child rights and protection. Overall, the share of children in employment decreased from 45.8 to 33.7 between 2005 and 2008. However, 22.8 % of all children between the ages of 5 and 17 were engaged in child labour in 2008, with 9% were employed and not attending school. And 5.6 % of the children were engaged in “hazardous work” - jobs that may compromise their health, safety, and moral development. The incidence of child labour was found to be slightly higher among males in both rural and urban areas. The MDG of attaining universal primary education by 2015 may explain the decline in the share of children employed and not attending school, which dropped from 15.8 % to 9.2 % between 2005 and 2008.

While the Government still needs to improve monitoring systems to prevent child labour, forced labour and trafficking of women and children, there also needs to be additional sensitization of parents and caregivers on the importance of education and the harmful effects of child labour and exploitation.

Key Stats (2008)

35 %
Share of employed workers in low pay (less than 2/3 of median monthly wage)

38.9%
Share of female employees in low pay (less than 2/3 median monthly wage excl. agriculture)

59.1%
Share of paid workers in precarious types of work

9.2%
Share of employees working “excessive hours” (48hrs+/ wk)

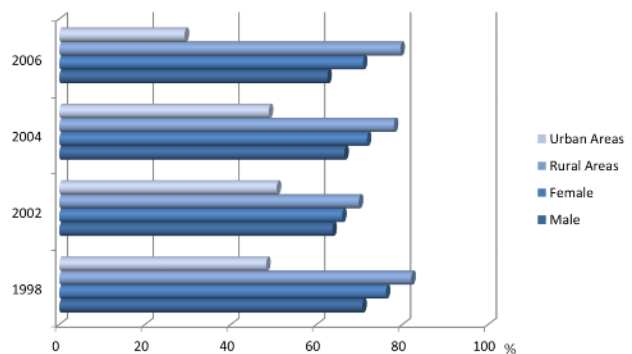
Conditions at work and social protection

Adequate earnings

The proportion of workers living in poor households (who live below the poverty line), was high at 66.4 % in 2006, having decreased by only 6.7 % since 1998. In general, the levels of wages in Zambia are insufficient to provide the basic living wage for workers and their family.

Incomes remained lower in the rural areas where the working poverty rate

Working poverty rate





Wages are higher among professionals and lowest among those in elementary occupations

Workers in domestic service work the longest hours for little pay

Family responsibilities fall disproportionately more on women

Casualization of labour reduces the rights and entitlements of the worker and contributes to the deterioration of conditions of work

The proportion of paid employees in precarious work is high

The rate of precarious work is highest among women and in rural areas

was 79.5 % in 2006 compared to only 29.2 % in urban areas. The rate was higher among females than males. Overall, poverty levels were observed to be lowest among paid employees.

The share of paid workers with monthly earnings below two-thirds of median monthly earnings, (excluding agriculture), remained at 35 % in 2005 and 2008. The average real wages/earnings from non-agriculture paid employment declined by 11 %, while the minimum wage as a percentage of the median wage increased from 25.5 % to 35 % from 2005 to 2008.

The average wage was higher among males than females and in the urban areas as compared to rural areas. Although some advances have been made towards wage equity, on average women still earned 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.

Wages or earnings were found to be higher among professionals, legislators, senior officials and managers, and lowest among those engaged in elementary occupations, service workers and shop and market sales workers.

Decent working time

The percentage of workers working more than 48 hours weekly has declined, while the rate of workers working within the stipulated 48 hours per week was seen to be higher in rural areas and among females.

Workers in domestic service are among those who have to work longer hours for little pay, some working up to 66 hours per week.

Work-life balance

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 example, only women can go on

Key Stats (2010)

65.2%
Share of females paid in precarious types of work

71.9%
Share of rural paid workers in precarious types of work

31 %
Share of female union membership

38 %
Collective bargaining coverage rate

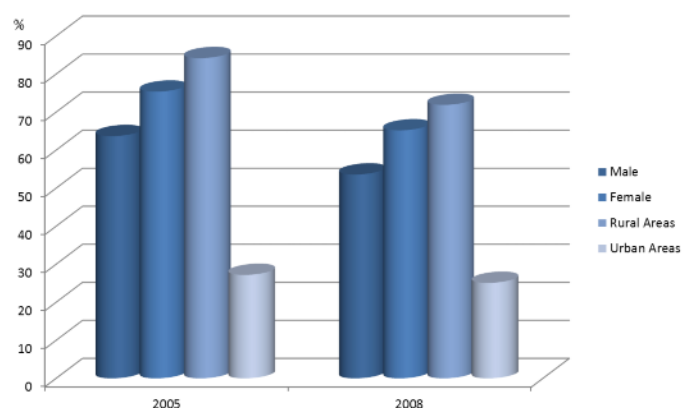
121%
Percentage increase in no. of enterprises that became members of all employers' federations between 2003 and 2010

27,153
No. of new Trade Union Members between 2003 and 2010

0.8
Number of labour inspectors per 10,000 employed persons

923
No. of reported occupational injuries (fatal and non-fatal) (2009)

Proportion of paid employees in precarious types of work (temporary, part-time, and seasonal workers) as a percentage of all paid employees





Institutions tasked to enforce safe work regulations are severely constrained by inadequate finding

Majority of the population does not have any access to social security

Membership of employers' organizations has risen while membership of employees' organizations has declined slightly

Social dialogue was an important tool in dispute resolution and enhanced mutual cooperation in the context of the global economic crisis

paid leave to nurse a hospitalized child.

The career development of female workers as well as their participation in trade union affairs is affected by the family responsibilities they have to take on.

Stability and security of work

Despite the existing legislation to protect workers, the majority of paid workers are in precarious jobs (temporary, part-time and seasonal contracts), with job instability being higher among females and rural paid workers. The process of casualization of labour raised with the privatization of state-owned enterprises, especially in the mining sector (in which half of the labour force is employed by contractors). This reduces the rights and entitlements of the worker, thus contributing to the deterioration of conditions of work.

Safe work environment

The biggest challenge to maintaining a safe work environment in Zambia lies in the inadequacies of the institutions tasked to enforce regulations, as they are severely constrained by inadequate finding and the lack of support infrastructure. The reported occupational injuries reached its highest point in 2006 when the number of injuries rose to 1,388 to decline to 923 in 2009. The number of inspectors per 10,000 employees is very low and stands at 0.8 inspectors in 2009.

Social Security

The National Pension and Scheme (NAPSA), the largest social security scheme in force, covers only workers in the formal sector. The majority of the employed labour force works in informal arrangements and does not have access to any form of social security. This majority works in the informal sector but some of them are employed in the formal sector but are not registered with the social security scheme. As a result of the low coverage, very few people contribute and benefit from pension schemes.

Key Stats (2008)

45.9 %
Women's share of labour force

28.8 %
Women employed in high status occupations

24.6 %
Share of children employed and attending school

5.6 %
Children engaged in hazardous work

10.9 %
Share of total workers benefiting from pension schemes

14.3 %
Share of male workers benefiting from pension schemes

5.8 %
Share of female workers benefiting from pension schemes

Social dialogue

While the membership of the employers' organizations 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 some professional categories effectively reduces the number of the trade union members. The participation of female workers in trade unions is low and their participation in leadership positions is extremely low.

Recently, social dialogue played an effective role in protecting jobs and conditions of work, especially in the tourism sector. Also, social dialogue has been effective in mitigating the global financial and economic crisis, particularly in the mining sector.



Decent work as a means to reducing poverty is clearly recognized in Zambia's national development frameworks

The Zambia Decent Work Country Programme will be adopted by the Zambian Government in 2013

A study has been commissioned to analyse the effectiveness of the current Social Dialogue System

Broad discussions on Labour Law Reform will be facilitated

Periodic reviews of Minimum Wages will be conducted

Labour inspections will be intensified through recruitment and training of Labour Officers

Public Employment Exchange Services (PEES) will be resuscitated

What next? Policy Implications

The need to explicitly pursue decent work as a means to reduce poverty and achieve sustainable development and inclusive development is now clearly recognised in Zambia's national development frameworks, namely the Long Term Vision 2030, which is being implemented through the Sixth National Development Plan and the National Employment and Market Policy (NELMP).

New Programmes and policies on employment and decent work

- The Zambia Decent Work Country Program (2012-2016) will be adopted by the Zambia Government in 2013, on the basis of the Decent Work Profile for Zambia.
- The National Employment and Labour Policy (NELMP) will be reviewed as the anchor for the Industrialization and Job Creation Strategy for Zambia and other employment related policies.
- The Social Security Policy is being finalized, and a non-contributory pension system is being designed including the piloting of Micro Insurance Products in collaboration with the Pensions Insurance Authority (PIA) and various insurance companies. Specific actions are envisaged such as the pension system reform, the development of a non-contributory pension system, and the development of a Minimum Social Protection Floor (Recommendation 202).

Strengthening social dialogue

- In order to promote effective social dialogue in Zambia, a study has been commissioned to analyse the effectiveness of the current Social Dialogue System, drawing inference from other countries' good practices, including the identification of home-grown strategies.

Enhancing national legislation on decent work

- Legislative reforms aimed at enhancing flexible function of labour markets- The Issues Paper for Labour Law Reform has been finalized to facilitate the broad discussion on Labour Law Reform.
- Ratification, Domestication and Reporting on International Labour Standards: C-183 Maternity Protection, C-189 Domestic Workers and C-181 Private Employment Services are due for ratification.
- Periodic reviews of Minimum Wages will be conducted, and sectoral Minimum Wages will be developed taking into account underrepresented workers, e.g. domestic workers.

Enhancing administration capacities and public services

- Financing the Ministry of Labour and Social Security: additional financing has been made through the 2013 National Budget to enhance the Ministry's ability to deliver its mandate.
- Labour Administration: Labour and factory inspections will be intensified through the recruitment, training and deployment of Labour Officers.
- The Public Employment Exchange Services (PEES) will be resuscitated in order to facilitate employment creation targeting semi, low skilled workers and youth.



International
Labour
Organization

Surveys data on decent work are strengthened through numerous surveys

- Internship and Placement: in collaboration with the Private Sector-represented by the Zambia Federation of Employers, Ministry of Technology, Vocational, Entrepreneurship and Education and other stakeholders, the Government will establish mechanisms of operationalizing a formal program to enable young women and men to acquire the necessary work experience and skills for the labour market.

Strengthening data on decent work

- A Labour Force Survey has been implemented in 2012, as well as the Youth Employment Survey and the Survey on the Magnitude of Domestic Work Sector in Zambia. The Government also intends to commission a Skills Survey.

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This snapshot summary was produced by the ILO/ EC Project "Monitoring and Assessing Progress on Decent Work" (MAP). Website: www.ilo.org/mdw
