

Chapter 2: Employment and sustainable livelihoods

Growth, employment, poverty reduction and human development

The UNDP *Human Development Report 1996* describes employment as the main bridge between economic growth and opportunities for human development. Employment opens up a broad range of opportunities – empowering people not just economically but also socially and politically. And empowerment is one of the main keys to poverty reduction and the promotion of human development.

There is, however, no easy and automatic link between economic growth and employment opportunities. Empirical data provide evidence of countries that fall into four broad categories:

1. **Economic growth with contracting employment opportunities:** This is the case of “jobless growth” wherein, despite economic growth, either no significant number of jobs have been created or a lot of employment has been created, but not fast enough to match the rapid growth in the labour force. India, Pakistan, Burundi and Colombia are examples. Clearly jobless growth cannot do much to reduce poverty or promote human development.
2. **Employment growth without economic growth:** This is the case of “growthless jobs” wherein employment opportunities have expanded, despite little growth. Mexico provides an example of this situation. Again, in the absence of sustained growth at reasonable levels, household incomes cannot expand much. Hence, despite employment creation, poverty cannot be effectively addressed.
3. **Expanding employment with growth:** This is “job-creating growth” and clearly this is the kind of situation that is most desirable for addressing poverty and human development. Countries like Singapore, Mauritius and Botswana have experienced growth in both incomes as well as employment.
4. **Contracting employment with economic decline:** This is the worst scenario for poverty reduction and human development. During the decade of the eighties, practically the whole of sub-Saharan Africa was “jobless and growthless”. Today, Zambia would fall in this category, especially if employment is defined in the formal sense.

One of the fundamental tasks of the Poverty Reduction Strategy for Zambia should, therefore, be to stimulate sustained and high rates of employment-creating growth in the economy. For this, “employment-friendly” policies have to be consciously built into the growth strategy, with concerted political will and direction.

Employment, sustainable livelihoods and poverty reduction

Zambia is a signatory to the Economic, Social and Cultural Rights that guarantees the right of every person to access employment. The Directive Principles of State Policy (which are not justiciable) in the Zambian Constitution also mandate the state to

“create conditions under which all citizens shall be able to secure adequate means of livelihood and opportunity to obtain employment”. The phrase “adequate means of livelihood” that appears in the Directive Principles is significant. For, just as there is no necessary link between growth and employment, there is no necessary link between employment and poverty reduction – unless the employment provides assurance of sustainable livelihood. Before we come to understand the meaning of the phrase “sustainable livelihood”, it would be edifying to take a brief but critical look at the employment and poverty situation in Zambia.

Especially during the 1990s, there has been a drastic reduction in formal employment in Zambia. But this has been offset by a growth in informal jobs to such an extent that the percentage of unemployment, as defined by the CSO, has come down over the years. Consider the data in Table 2.1.

Table 2.1: Statistics on labour force and employment/unemployment, 1996-1999

Variable/year	1996	1997	1998	1999*
Total Labour force (000)	3,377	3,739	4,031	4,344
Unemployed labour force (000)	615	671	681	413
% unemployment	18.2	17.9	16.9	9.5
% formal employment	12	11	10	11

Source: CSO, *Selected Socio-economic Indicators 1998, 1999*

NB: * Estimate

The data in the above table show that formal sector employment (which has not exceeded 20% for Zambia in a long time) went down from 12% to 11% between 1996 and 1999. But unemployment also came down from 18.2% to 9.5% of the labour force. This shows that there has been a large increase in employment in the informal sector. This growth in employment, however, has not contributed to a reduction in poverty. For, between 1996 and 1998 while unemployment came down, poverty increased, according to the *Living Conditions Monitoring Surveys of 1996 and 1998*, from 69.2% to 72.8%.

Perhaps the growth in poverty between 1996 and 1998 is best illustrated by the increasing proportion of households in both rural and urban areas that were adopting a variety of coping strategies, several of which are not socially or environmentally sustainable. This is shown in Table 2.2.

Table 2.2: Proportion of Zambian households that used various coping strategies, 1996, 1998

Coping strategy	All Zambia		Rural		Urban	
	1996	1998	1996	1998	1996	1998
Piecework on farms	22	28	31	38	6	9
Other piecework	20	31	22	37	16	22
Food for work	22	14	31	20	4	4
Received relief food	6	7	9	10	1	2
Eating wild food only	10	18	14	26	2	5
Substituting ordinary meals	40	51	45	54	31	45
Reducing food intake/meals	46	64	45	66	47	60
Reducing other household items	46	62	45	61	47	62
Informal borrowing	23	29	17	24	32	38
Formal borrowing	6	5	4	3	8	10
Church charity	4	5	4	4	3	6
NGO charity	2		3		1	
Pulling children out of school	4	9	4	9	4	9
Sale of assets	11	15	12	17	8	13
Petty vending	14	18	11	15	18	23
Begging from friends, neighbours, relatives	29	58	28	58	31	60
Begging from streets	1	1	1	1	0	1
Other	2	1	2	1	2	1

Source: CSO, *Living Conditions Monitoring Survey 1996; Living Conditions in Zambia 1998*

From the information in Tables 2.1 and 2.2, it is clear that while the number of jobs in the informal sector has grown in recent years, these jobs have not contributed to poverty reduction. The reason is that the jobs did not provide adequate means of livelihood to individuals and households in Zambia.

Thus while growth need not increase employment opportunities, employment opportunities in turn need not contribute to poverty reduction, unless these opportunities translate into sustainable livelihoods. Hence that the traditional concept of employment has been expanded to Employment and Sustainable Livelihoods (ESL). UNDP's *Human Development Report 1996* did clarify that it is only the right kind of employment that can generate opportunities that empower people, and that such employment should be understood to cover "all ways of securing livelihood, not just wage employment".

The concept of Employment and Sustainable Livelihoods

Livelihoods refer to the means, activities and entitlements by which people make an adequate living for themselves. From the perspective of this definition, there is no

necessary correlation between employment in the sense of jobs and sustainable livelihoods. The report by Seshamani *et al.* (1997) brought out the following distinctions between jobs and sustainable livelihoods:

- A job need not ensure livelihood if the financial compensations realised therefrom are inadequate to cater for the minimum basic needs of the employee and her/his household.
- Even when employment ensures current livelihood, it need not be sustainable. Sustainability has a *durability* dimension. Jobs under the various public works programmes do not merit the epithet of sustainability since they are mainly of a transitional nature.
- Jobs, to be sustainable, must not have an adverse impact on the environment. If production activities are not based on environmentally sound technologies that protect and conserve the environment, then those activities will not be sustainable in the long run. Examples of livelihood activities that are not environmentally sustainable are the *chitemene* or “slash-and-burn” system of farming, charcoal burning, extension of farming activities that encroach into wildlife conservation areas, and all other such activities that have tended to accelerate the depletion of forests and game.
- Livelihoods need not imply work for payment. Those engaged in many productive activities may not be paid and yet may be contributing to their individual livelihoods as well as to the livelihoods of their households.

The gist of the above lines of distinction is that employment, in the traditional sense, should be regarded as a subset of sustainable livelihoods and not the other way round. This is especially important to recognise in the context of the growing informalisation of the Zambian economy (78% of the people defined as employed in 1996 were in the informal sector).

Informal jobs are not only a *substitute* for formal jobs, though this is frequently the case especially with those who have been retrenched from the formal sector. They also act as *supplements* to formal employment, owing to the incapacity of the formal jobs to ensure adequate means of livelihoods to employees and their households.

According to the *Living Conditions Monitoring Survey 1996*, of the 477,000 workers in formal employment, 300,000 had secondary jobs in the informal sector. Engagement in an informal job becomes, in a sense, a coping strategy of formal sector employees. The 1997 Seshamani *et al.* report provided several examples of such secondary informal jobs: school teachers giving private tuition at home; college and university lecturers and civil servants doing consultancy and businesses; secretaries engaging in various sales in their offices; doctors in government hospitals doing private practice; and so on. In each of the above examples, the individuals are making use of their *assets* be it financial, knowledge or whatever.

The term livelihoods, therefore, connotes not only activities but also encompasses the means – assets and entitlements – through which people make a living. *Assets*

include: economic assets (finance, capital, tools and equipment); human assets (knowledge, skills, labour); natural assets (land, water, air, flora and fauna); social assets (family ties, social networks, community, social institutions); and physical infrastructure (schools, roads, bridges, markets, etc.). *Entitlements* are social and economic services due to an individual or group, arising out of social obligation (between children and parents, friends, community) or formal contractual agreements (social insurance, pensions).

The notion of sustainability, according to the UNDP, embraces the following characteristics:

- Resiliency: the ability to cope with and recover from shocks and stresses.
- Efficiency: the use of minimal inputs to generate a given amount of output.
- Ecological integrity: ensuring that livelihood activities do not irreversibly degrade natural resources within a given ecosystem.
- Social equity: the promotion of livelihood opportunities for one group should not foreclose options for other groups, either now or in the future.
- Adaptive governance systems: devolutionary decision-making on entitlement and resource management.

With the terms “livelihoods” and “sustainable” conceived as above, the concept of “sustainable livelihoods” provides an approach that aims to reduce poverty, achieve human development, ensure ecological integrity and match development interventions to the current and future resource envelopes (financial, human and institutional). Indeed the correlation between the promotion of Employment and Sustainable Livelihoods (ESL) and poverty reduction is so high that the promotion of ESL can be regarded as the obverse side of poverty reduction.

Resources for ESL in Zambia

Zambia’s poor showing on the ESL and poverty front is a seeming conundrum in the face of the vast amount of resources that the country has. These resources are:

- Zambia has vast amounts of land, abundant surface and underground water, good climatic conditions and fertile soils. As an illustrative comparison, Zambia’s land area is roughly one-third that of India, with only a hundredth of India’s population. The country’s bio-diversity can support a wide range of livelihood activities based on the utilisation of agriculture, forestry and wood products, wildlife and fisheries.
- Despite their poverty, communities, especially in the rural areas, possess a number of productive assets that they use in production including buildings, land, oxen, hoes and machinery such as ploughs and tractor. Of course, as seen from Table 2.2, Zambia’s economic crisis and growing poverty have caused many households

to sell their productive assets as a coping strategy. The declines in the profitability of enterprises and incomes have also made it difficult to replace their depreciating capital. And yet there are a number of ways in which production could be expanded without a substantial increase in the productive assets that households already have. For example, it is known that using only hand hoes, farmers are able to more than double the area brought under cultivation by adopting conservation farming practices.

- In the immediate post-independence years, Zambia made significant strides in the development of professional and industrial skills. However, the declining expenditures on the social sectors, such as health and education - owing to the economic crisis, the rise in diseases that had been on the decline, and the outbreak of the HIV/AIDS epidemic and related opportunistic infections are weakening the country's human capital base.
- By their constant interaction with the environment, communities have acquired, over time, knowledge and skills to exploit it in an ecologically sustainable manner. Indigenous knowledge has often been ignored in modern knowledge systems, with serious repercussions. For example, by ignoring customary laws that acted as controls in the exploitation of natural resources, colonial intervention alienated communities from their resource base and fostered practices that are deleterious to the environment. Fortunately, some of the practices of indigenous conservation methods are being resuscitated through the concept of Community Based Natural Resource Management (CBNRM). More will be said on this later.
- There are enough structures existing at the local level, such as traditional leadership, that have retained legitimacy with the people, despite the marginalisation that they have suffered in modern political systems. Where their importance as agents of change is recognised, they are likely to act as important instruments for social mobilisation for development.
- Considerable progress was made in the first ten years of Zambia's independence that saw the building of infrastructure facilities such as roads, telecommunications and electricity supply at a rate rarely witnessed in Africa. These are important in enhancing people's basic needs and enhancing their productive capacity. Unfortunately, lack of maintenance as well as increases in population have rendered physical infrastructure inadequate especially in the rural areas. However, through innovative investments that allow the participation of the private sector, taking advantage of technological developments that reduce the unit cost of the required investments, and the utilisation of local resources through community participation, it is possible to begin reversing the deterioration in the physical infrastructure.

The wedge between potential and performance: factors inhibiting use of ESL resources

Despite the impressive array of resources for ESL promotion as described in the previous section, the full potential of these resources has not been exploited. In agriculture for instance, only 16% of the estimated 9 million hectares of cultivable land is regularly cropped, and only 6% of the country's irrigation potential estimated at 2.3 to 3 million hectares has been tapped. In other instances, reckless depletion of natural resources has occurred with wide ramifications for sustainable livelihood. For example in Samfya, forests were being depleted at the rate of 5% per annum, and the prognosis is that if this trend were not halted, there would be no forests there in 20 years' time. The adverse consequences for ESL of such a trend are described in the following study by the Samfya District Strategic Planning Team (2000).

Box 2.1

Case study on the effects of forest depletion on livelihoods in Samfya

In forest depleted areas such as the valley, Lakes Mweru and Bangweulu, accessibility to forest resources and to products has become extremely difficult and costly. Furthermore, some valuable tree species for canoe-making, fuel wood, medicines or fruits have become scarce and further away due to over-exploitation. Consequently people, especially women, spend an average of four working days walking for hours in search of forest products, and to areas where their *chitemene* fields are located. This has implications on the nutritional status of household family members, in terms of the number of meals taken per day as well as increasing the labour burden on the women folk in the remote areas. In some instances, as is the case in the Luapula valley, forest reserves are encroached to meet people's demand for forest products, resulting in biodiversity degradation (e. g. *Satyria siva*, mushrooms, caterpillars, trees of medicinal value and flora and fauna) in and around ecologically sensitive areas such as head waters, dambos, plains, waterfalls, and the Muchinga Escarpment.

Several factors, some of which have already been outlined, have served to create a wedge between the potential and the actual performance. We state some of the major constraints in this regard, and provide illustrations of how they have contributed to under-utilisation, wrong utilisation and even depletion and degradation of some of the resources. Table 2.3 provides a summary picture.

Table 2.3: Factors constraining use of ESL resources and their impacts

Constraint	Illustrative impacts
<p>1. Lack of tools, equipment and other inputs</p>	<ul style="list-style-type: none"> • Reduced productivity and quality of output, leading to low output prices and hence reduced incomes. <p>Examples:</p> <ul style="list-style-type: none"> - crop yields of small-scale farmers are low due to poor access to inputs such as fertiliser and hybrid seeds; - timber based outputs by sawyers and carpenters are low due to lack of tools and protective clothing; - output of honey is lower than the potential due to lack of protective clothing such as masks, gloves and overalls causing fewer hives to be harvested daily; - quality of honey is low due to lack of processing equipment; - poor quality of village handicrafts due to lack of tools, resulting in lower prices and sales.
<p>2. Lack of infrastructure</p>	<ul style="list-style-type: none"> • Absence of transport, poor roads and consequent distance to markets reduce bargaining power of sellers, causing lower prices and incomes. <p>Examples:</p> <ul style="list-style-type: none"> - small-scale farmers are forced to sell their crops at very low prices; - in honey producing areas, long distances between the hives and the camp (as much as 30 kms) have to be covered on foot with the buckets of honey on the head. This in particular inhibits women's participation in honey production since they have other functions to carry out; - poor roads in the Northwestern Province result in poor marketing opportunities; - lack of transport to towns poses difficulties for the sale of wood crafts such as baskets, chairs and mats; - the potential of tourism is impaired due to poor roads to tourist destinations and inadequate telecommunications facilities and electricity supply; - the deplorable state of roads to remote areas where fishing is the main viable activity (e. g. Chilubi Island, Kaputa) constrains profitable fish trade; traders who go to these places for fish using water transport or other difficult means presumably place huge compensatory margins on fish prices.

<p>3. Inappropriate/outmoded technologies</p>	<ul style="list-style-type: none"> • Lower outputs, higher costs and accelerated depletion of resources. <p>Examples:</p> <ul style="list-style-type: none"> - over-application of commercial fertiliser has led to reduction in soil fertility; - outmoded technology in copper mining has raised costs and reduced international competitiveness of Zambian copper; - inappropriate instruments, causing inefficient utilisation of fuel wood, has led to faster depletion of forests; - use of small-sized fishnets causes small-sized fish to be caught and this tends to interfere with breeding.
<p>4. Wrong management and conservation practices</p>	<ul style="list-style-type: none"> • Lower outputs, losses and depletion of resources. <p>Examples:</p> <ul style="list-style-type: none"> - poor animal husbandry among small-scale and medium-scale farmers has led to high mortality rates in livestock; the number of households with cattle has been on the decline; - shifting cultivation and bush burning in the northern parts of the country have caused extensive forest degradation; - in bee-keeping areas, late burning destroys regeneration of flowers, reducing the availability of nectar and pollen for bees to produce honey; - wild fires, induced by late burning, destroy the fire-intolerant species, changing the species composition, reducing the rate of tree regeneration and eventually altering the ecosystem; - over-fishing and wrong fishing practices have led to reduced catch over the years and even to near extinction of some fish species.

In addition to the constraining factors set out in Table 2.3, there are some major cross-cutting issues that impinge on effective promotion of ESL and poverty reduction. Addressing these issues would be a core pre-requisite in any ESL promotion strategy. These issues are discussed in the next section.

Some critical cross-cutting issues in ESL promotion and poverty reduction

Institutional arrangements

Development is a function of three things: resources, policies and institutions. While the importance of the first two has long been recognised, it is only recently that increasing attention is being paid to the relevance of institutional arrangements. From the perspective of promoting ESL and reducing poverty, community-based institutional arrangements are likely to be most fruitful.

In a recent paper, Chaubey (2000) has provided a very interesting model that presents several configurations of community involvement, based on levels of autonomy and accountability. Three levels of autonomy are identified – transfer of power to the community in respect of: i) planning only, ii) planning and handling of funds, and iii) planning, handling of funds and hiring of implementing/delivery agents. Similarly, three levels of accountability are also identified – i) input accountability only, ii) input and output accountability, and iii) input, output and process accountability. A highly centralist arrangement would be depicted by configuration (i, i) and a highly devolved arrangement by configuration (iii, iii).

Democratisation of the development process would require a progressive transition from configuration (i, i) to configuration (iii, iii). In other words, ideally the long-term goal would be the attainment of (iii, iii). If in the intervening phase, institutional arrangements are worked out that correspond to intermediate configurations, it would be only because communities have not been sufficiently empowered/capacitated in order for them to be entrusted with higher levels of autonomy/accountability. A critical task of government and other development organisations would, therefore, be to work towards the greater empowerment and capacitation of the communities so that they may eventually become capable of managing programmes of development on their own.

Indeed, an evaluation of several community health initiatives (see Mwikisa, Musambo and Chongo, 1999) demonstrates that communities have been able to register success in not only addressing curative issues, as in the case of disease outbreaks such as cholera, but in reducing the incidence of disease through preventive measures, even when external support has been minimal. Where government/external funders have conflicted with the communities in terms of objectives and needs perceptions, projects have failed and where the former have acted as facilitators by helping the communities overcome some of their limitations by providing finance, skills training or whatever, the projects have succeeded.

One of the factors contributing to the failure of the Agricultural Sector Investment Programme (ASIP), it is now realised by virtue of hindsight, was that the ASIP consultative process was confined largely to Lusaka and did not involve small- and

medium-scale farmers who were supposed to be the beneficiaries of the programme. Hence, there was little ownership of the programme by the very people for whom it was intended.

On the other hand, one prominent success story is with respect to wildlife management in the Luangwa Valley. People in the Luangwa Valley are very poor and often have not been able to feed themselves. In the past, there have been major conflicts between people and wildlife with the result that wildlife had disappeared from areas where people lived. Although a programme for wildlife management was in existence, it did not succeed because wildlife revenues were administered in a top-down manner; people did not participate in the programme, they did not learn the value of wildlife and poaching continued.

Then a new policy for CBNRM was formulated. Under the aegis of this new policy, considerable autonomy was accorded to the communities, especially in the receipt and use of finance. As a result, the communities have been able to mitigate their poverty and also conserve wildlife.

The case study below shows what has been happening in the Lupande Game Management Area (GMA). It is clear that community participation is essential for the promotion of livelihoods and in a manner that is sustainable in the long run. In this regard, some co-management systems involving fishing communities are being tried on a pilot basis in Lakes Mweru and Bangweulu, with a view to promoting community ownership of fisheries resources and heightening awareness of fisheries conservation.

Gender focus

Unemployment rates are much higher among women than men in the formal sector. Table 2.4 below shows the trends in male and female participation in formal employment.

Table 2.4: Percentage of females and males of total formal sector employment

Year	Female	Male
1992	20	80
1993	15	85
1994	13	87
1995	12	88
1996	12	88

Source: ILO and UNDP (2000), *Investment for Poverty Reducing Employment Report*.

The ILO-UNDP report indicated above states that during the privatisation and restructuring exercises, “the few jobs that have remained in the formal sector have gone mostly to men.... The implication is that gender was not a concern in the course of the Structural Adjustment Programme (SAP)” (p. 239).

Box 2.2

Case study of Lupande Game Management Area

The Lupande Game Management Area is home to 35,000 people of the Kunda tribe, headed by six chiefs. The same area supports wildlife including elephants, buffalo, lion, puku, kudu, zebra, giraffe, etc. Each year the wildlife is counted and a quota is set (except for elephants which are still protected). The quota is sold to safari operators who package it for sale to clients from America and Europe. The clients pay for each animal shot as well a fee for using the area. The money is paid into an account and at the end of the year it is paid directly to the communities. The meat is also delivered to the communities.

In 1996, some \$260,000 was paid to communities through the newly established democratic structures called Village Action Groups (VAGs). Each of the six chiefs automatically gets 1%; 4% is used for the Area Development Committees (ADCs) which co-ordinate the VAGs, and 10% is retained for management.

The process of deciding how to use the money is an example of real grassroots democracy. In each VAG, all the adults gather together for two to three days for an Annual General Meeting to discuss wildlife; the success of the hunting business; and what happened to the money allocated to committees the previous year on projects such as building schools, clinics, digging wells, etc. On average each household gets \$30. For some families who have no other source of cash, this is an important contribution to their livelihoods. On average each participant in the VAGs is allocated about \$15 for projects to improve their community and the remainder kept for their household needs.

The bigger picture of the work of this system is that for the first time, individuals in these rural, poor communities have cash to do things for themselves and their communities.

The devolution of wildlife benefits has empowered grassroots communities. It has put communities' affairs in their own hands. They have been responding very well to this challenge, implementing projects and beginning to feel responsible for wildlife. The policy change emphasises the bottom-up flow of money.

It has been remarkable how well communities have responded to the trust placed in them. Most projects are well under way, and are certainly being implemented faster than before. Communities and committees meet regularly to report progress. Financial management is improving. Poaching is reduced because people see a tangible value in wildlife for the first time.

Source: The Luangwa Integrated Resource Development Project.

Another relevant fact is that more women than men are employed in the informal sector. This is revealed by Table 2.5. Not only are the majority of women employed in the informal sector, most of the women so employed are engaged in petty trading activities. In 1998, 74% of the women employed in the informal sector were engaged in petty trading. There are several reasons for this phenomenon.

Table 2.5 : Informal sector employment, 1996, 1998

	1996	1998
% employed persons who were in the informal sector	74	79
% employed females who were in the informal sector	84	89
% employed males who were in the informal sector	64	71

Source: CSO, *Selected Socio-economic Indicators 1999*

The ILO-UNDP report explains as follows:

“A major factor is that women usually lack the initial capital required for other forms of informal sector activities such as manufacturing. The start-up capital for women operators in the informal sector is usually provided by husbands or other male relatives. This constrains women from undertaking more capital intensive activities. In addition, because of the low levels of education prevailing among women, they tend to lack skills for engaging in other forms of activities in the sector. Petty trading activities are also commensurate with women’s gender roles in the home. In some cases, women find it convenient to combine petty trading with household chores, such as child bearing and rearing. In such cases, petty trading is carried out at doorsteps or markets near homes to allow women to perform multi-functions without jeopardising their business” (pp. 243-244).

Another factor to be considered is that more women than men, and especially in the rural areas, are employed as unpaid family workers. This is shown in Table 2.6.

Table 2.6: Unpaid family workers, 1998, classified by gender and by rural-urban areas (in percentages)

	Rural	Urban	Total
Both sexes	35	4	27
Male	22	2	16
Female	47	7	39

Source: CSO, *Living Conditions in Zambia 1998*.

Their limited opportunities for employment in the formal sector, their predominance in the informal sector - especially in petty trading wherein incomes are low, and their higher levels of employment as unpaid family workers, all contribute to the higher incidence of poverty among women than among men.

However, poverty among women is not just due to their lack of livelihood-sustaining employment opportunities, but also to their lack of empowerment, determined partly

by cultural and attitudinal factors that offer them little scope for decision-making at home and in the community. Hence strategies for improving ESL for women should not only address their lack of access to income, credit, education, training, technology and markets, but also seek to bring about a change in mind sets. The ILO-UNDP study cites a few examples of such programmes that are proving to be successful. One such instance is the Women for Change case study, reproduced in Box 2.3 below.

Box 2.3

Case study: Women for Change

Women for Change (WFC) assists men and women with income generating activities. After training, women and men are required to make a business proposal to WFC. WFC in turn assists to source funding for their activities. The training includes not only business skills but also gender sensitisation and discussions on civic rights, with emphasis on women's rights. Both wives and husbands, as well as youth or children who have reached working age from the members' families, are included in the training and income generating activities. In other words, WFC targets the whole family. After undergoing training, the women are able to express their needs publicly and to question certain issues. The men have also started to accept the women's right to make decisions in the family and in the community. A few women have even expressed interest to stand as area councillors during local government elections.

HIV/AIDS

Sustainable livelihood is not possible in the absence of human capital formation, and this is being seriously threatened by the HIV/AIDS pandemic. With a 20% incidence of this disease among the adult population, there is virtually no sector or production activity that has not been adversely affected in the country. The most telling socio-economic effect is the drastic fall in average life expectancy at birth of a Zambian who is born today. In 1998, it was estimated that the life expectancy figure was as low as 37 years, and that in the absence of the HIV/AIDS, it could have been well over 50 years. More recently, the WHO's Disability-adjusted Life Expectancy, DALE (life expectancy adjusted for years of illness), has been estimated to be as low as 30.8 years for Zambia - one of the lowest in the world.

Life expectancy is positively correlated to economic growth; hence a fall in life expectancy is bound to impact negatively on growth. In a recent study for Zambia, Macpherson and Rakovski (2000) test a growth model in which the life expectancy regression coefficient is 0.68. This means a 1% reduction in average life expectancy (half a year if life expectancy is 50 years) reduces the average growth rate by 0.68%. Since HIV/AIDS has brought about a drastic reduction in Zambia's life expectancy, the adverse impact on growth is obvious.

The impact of HIV/AIDS on overall growth is a cumulative result of tremendous loss of productivity in virtually every economic activity. It is not only the productivity of individuals affected by HIV/AIDS that is reduced through illness and absenteeism. The productivity of even those that are not affected by the disease is also reduced, due

to the need to take care of the HIV/AIDS patients or attend funerals. In this, women are affected more than men. In this sense, there is perhaps no household in Zambia whose livelihood status is not threatened by the disease. It is clear, therefore, that a multi-sector approach has to be adopted in the fight against the disease.

Macroeconomic policies

It is nearly ten years since wide-ranging macroeconomic policies were introduced in Zambia. Stabilisation, sustained rates of economic growth, progressive poverty reduction and sustainable human development have been the fundamental objectives of the new economic dispensation. The record so far, however, reveals that not much has been accomplished on practically all these fronts. The average growth rate over the past decade has been close to zero - with wild fluctuations during the intervening years, the incidence of poverty has grown and human development has been consistently on the decline. Success in stabilisation was achieved in the initial years when the runaway inflation was fairly quickly contained. But in the past few years, stabilisation has again become an area of concern. This suggests that, whatever the merits of the liberalisation policies themselves, the way they have been operationalised and implemented may not have been entirely appropriate.

The transitional phase, from a highly controlled economic regime to a liberalised one, created uncertainties and posed unexpected constraints on some key sectors of the economy, notably agriculture and manufacturing. And the lack of growth, the shrinking of the formal sector and fall in real wages have forced most individuals and households to seek their living in the informal sector and to adopt multiple modes of livelihoods, many of which, as already noted, are not sustainable. It is therefore obvious that unless we get the macroeconomics right and the growth going in the economy, sustainable livelihoods for all Zambians cannot be assured.

Recommendations for the promotion of Employment and Sustainable Livelihoods

Sustainable and unsustainable livelihood activities

The notion of sustainable development implies sustainability, not only of the development process as a whole, but of each aspect of the development process and for every level of society. "This requires not only the sustainable development of all communities within a society, but also the sustainable livelihoods of individuals within these communities and the environmental soundness of each process" (Perrings, 1994, p. 306).

It is clear that in the Zambian context the concepts of "employment" and "sustainable livelihood" do not exactly coincide with one another. For one thing, in the absence of a minimum wage, employment even in the formal sense does not guarantee sustainable livelihood, since the wages fall well below the minimum required to meet the subsistence requirements of individuals and their households. This is what explains the great difference in the official statistics on employment and poverty. According to the CSO's *Living Conditions in Zambia 1998*, while unemployment in

the country was only 12%, poverty was 73%. And ironically, unemployment in the rural areas was only 6%, while it was 27% in the urban areas. These figures contrast starkly with the statistics on poverty for the rural and urban areas, namely, 83% and 56%, respectively.

In the face of poverty and its attendant hunger, illness and other manifestations, individuals undertake a number of activities aimed at improving their situation. These activities can be broadly classified as *coping* strategies on the one hand, and *adjustment* strategies on the other.

Coping strategies such as charcoal burning (that is lucrative and livelihood ensuring in the short run), extension of farming activities into wildlife conservation areas, and other activities that tend to accelerate the depletion of forests and game cannot be sustainable in the long run, unless adequately compensated by forest regeneration and wildlife conservation programmes. Where the rate of depletion outstrips the rate of regeneration, not only will activities become unsustainable, they will also militate against the promotion of inter-generational equity in respect of access to and distribution of society's wealth and resources.

Other coping strategies such as selling livestock to raise income, doing away with "unessential" items such as sugar and soap, stealing, borrowing, etc. (see Table 2.2 for more of such activities), only constitute ways of minimising the inevitable reductions in current livelihood levels necessitated by changes in the macroeconomic environment. Obviously policy cannot be used for the promotion or encouragement of coping strategies.

On the other hand, adjustment strategies are those that involve a realignment of resources and reorientation of resource use by individuals, with a view to maintaining existing livelihood levels. Examples of such strategies are: moving from maize-growing (which is drought prone) to growing of drought-resistant crops - such as sorghum and cassava, that do not require expensive inputs; keeping small livestock - like goats that are more disease-resistant than cattle; and utilising *dambos* (wetlands) for crop cultivation. Such activities that have potential for medium and long-term sustained development should be encouraged.

In general, ESL promotion programmes should aim to promote *strongly* sustainable activities (those that keep natural resources and human-made capital constant while enhancing others), while conceding to a reasonable level of *weakly* sustainable activities (those that involve substitution of one form of capital for another while maintaining the overall quantum of resources intact). On the other hand, there should be discouragement of unsustainable activities (of the kind illustrated through coping strategies) that reduce the wider resource base on which society depends.

Zambia's poverty is due not so much to the lack of resources as to the failure to harness her vast resources to ensure employment and sustainable livelihoods for all its citizens. A number of constraining factors operate both at macro level and at specific sector levels, and these have been identified in the foregoing sections. What, therefore, needs to be done is to address these constraints with a view to reinforcing the link between the resources, and the realisation of their full potential to yield maximum outputs and incomes. As a prerequisite, the major cross-cutting issues have

to be effectively tackled. Revival of growth, human capital formation, gender mainstreaming and community participation have to be achieved. In addition, the other constraints shown in Table 2.3 have also to be addressed. The following, therefore, are some of the broad recommendations.

Economic growth

Unless the country is able to launch itself on a sustained path of economic growth - preferably at 7% to 8% per annum, it is not easy to make a dent into the prevailing poverty situation. For this, it is necessary to examine carefully how the various instruments of macroeconomic policy (monetary, fiscal, trade, exchange rate and incomes) can be used to achieve stabilisation and ensure domestic and international competitiveness of Zambian products. It is only when domestic firms grow, that formal sector employment can be boosted.

Human capital formation

There is a two-way link between economic growth and human capital formation. While growth generates resources required for investments in education, health and other social sectors that provide the inputs for human capital, human capital development in turn raises the productivity of labour that contributes to higher economic growth.

One of the major impediments to human capital formation is the prevalence of HIV/AIDS. It is therefore imperative that the spread of this epidemic is arrested while efforts are made to conserve the productivity of those who are already afflicted with the disease. HIV/AIDS is not just an epidemiological problem but also an economic, social and psychological problem. A multi-sector strategy is required to address it. Here, education is key to removing misconceptions about the disease and the resulting stigmatisation of those living with it; and to promoting safe sex and inculcating risk-minimising behaviour.

Now that a National HIV/AIDS/TB/STD Council and Secretariat have been set up, it is hoped that this is a reflection of political commitment that would help mobilise the maximum possible resources to address the problem. However, the government's efforts should be complemented by the private sector (through the formation of business coalitions to tackle the disease at the workplace), as well as by harnessing the latent capacities of communities.

Gender mainstreaming

It is commonplace that the benefits of growth as well as the consequences of decline are biased against women. In other words, women tend to receive a lower share of the benefits when growth takes place and disproportionately bear the brunt of economic decline. For instance, when formal employment expands, women gain access to the employment only with difficulty but when employment contracts, they are apt to be the first to be retrenched - a sort of last-in-first-out in the employment market.

Clearly, gender equity cannot be achieved in the absence of pro-active policies. Such policies have to be mainstreamed into every sector and programme. The various impediments that prevent women from participating fully and equitably in development have to be removed. Such impediments, as already stated earlier, are not only in terms of lack of access to land, credit, etc., but also in terms of providing equal opportunities for employment, equal pay for equal work and equal power in decision-making alongside men.

Women's initiatives in business can be strengthened through institutions such as the Zambia Federation of Women in Business, Women Entrepreneurs Development Association in Zambia, Association of Women in Mining, etc.

The workloads of women, especially in the rural areas, must be reduced. Suitable technological devices must be developed for this purpose, e.g. wood-burning stoves. Distances to facilities must also be reduced either through improved transport or by bringing the facilities closer to the homes.

Most importantly, efforts must be made to reorient traditional attitudes towards women to make them equal partners in development. NGOs like Women for Change who are engaged in such work must be supported. More generally, gender-based NGOs must be linked to those supporting informal sector activities in order to eliminate gender biases.

Enhancing community participation

As some of the foregoing case studies clearly demonstrate, sustainable livelihoods are best promoted when there is active participation by the concerned communities. Such participation not only helps in conserving resources that can otherwise get depleted, it also enables harnessing informal and indigenous knowledge systems that are crucial to the success of many development programmes.

Institutional structures must be devolved so as to optimise empowerment of communities in strategic decision-making. The districts should be made the focus of development planning and programmes, and all barriers that restrict the effective participation by local communities must be overcome.

Infrastructure development

Extensive construction and rehabilitation of roads and improved communication networks are a strong catalyst to ESL promotion. Labour-intensive methods should be encouraged. The potential of the private sector to fund and manage infrastructure projects should be tapped.

Infrastructure development in terms of feeder roads, bridges and communication networks must be assigned priority especially in the rural areas where farming, fishing and forestry activities are the main sources of livelihoods. In particular, easy links must be established between the production centres and markets that are normally located in urban areas.

Since a majority of livelihood activities are undertaken in the informal sector, more markets and premises for informal sector manufacturing and trading should be established.

Small-scale farmers are the single largest poverty group in the country and hence efforts need to be made to enhance their productivity and incomes. Community-level organisations should be set up in order to facilitate supply of inputs and access to finance, marketing, extension and veterinary services. The Rural Investment Fund can be used to fund construction of dams and irrigation facilities by small-scale farmers.

Improved/appropriate technologies, tools and equipment

In a sense, technology too is a cross-cutting issue that is relevant to both formal and informal sectors, rural and urban areas, small and large producers, and all sectors of production activity.

The productivity of formal sector firms can be improved by adopting and adapting technologies used by successful firms in developed countries. Twinning arrangements with counterpart firms in the developed countries can be worked out for this purpose. This is particularly important for firms producing export goods, notably copper, in order to enhance their competitiveness. The productivity of the informal sector can also be improved by linking them with providers of technology services. A systematic apprenticeship scheme can be developed to upgrade the technical skills of informal manufacturing.

In the agricultural sector, the promotion of animal traction technologies, of open pollinated seed varieties which can be recycled by small-scale farmers, of cross-breeding of traditional cattle and of cost-effective and quality feed among small-scale poultry keepers are some of the things that can be done.

Promotion of skills training in cutting and polishing of gemstones and in aqua-culture is another measure that can be fruitful, especially for small-scale miners and fish farmers.

Development of processing activities

The incomes from livelihood activities can be significantly enhanced if value is added to the goods produced through processing. For instance, value can be added to agricultural produce through the use of village-level processing technologies for various oil seeds such as sunflower, castor and groundnuts, and the setting up of other agro-processing industries in the rural areas. Likewise improved processing of gemstones through the setting up of lapidary facilities - especially in the small-scale mining areas, and improved methods of fish processing and storage can enhance the incomes of the concerned producers.

Improved resource management/conservation

There is scope for improved management of agricultural and natural resources. Conservation farming methods such as minimum tillage, green manure, etc.; improved knowledge and skills in animal husbandry; sustainable utilisation of grazing resources by traditional cattle owners; strict enforcement of laws prohibiting over-fishing and specific fishing methods as well as poaching in the game-protected areas - all these can contribute to a more sustainable use of resources.