Employment Promotion

Position Paper

Abstract: This paper critically examines the employment problems, and the interventions, policies and programmes that deal with employment in Zambia, and how these are linked to the overall economic development strategy. On this basis, the paper recommends a new employment strategy framework. Broadly, this entails that Zambia must adopt a direct approach to employment promotion and provide for an institutional mechanism for coordinating various sector strategies on employment. Within this employment strategy framework, at least two broad sets of policies must be emphasised. The first should focus on raising both the output and the labour absorption capacity of the national economy, while the second should aim at strengthening the employability of labour. Specific interventions for promoting employment opportunities must prioritise attention to the informal economy, the situation of women, youth and persons with disabilities and the need for decent work and the mitigation of the employment impact of the HIV/AIDS pandemic.

1.0 Introduction

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 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". One of the fundamental tasks of the National Development Plan (NDP) should therefore be to stimulate sustained and high rates of employment-creating growth in the economy. Given the background of 'jobless growth' since the early 1990s in Zambia, it is clear that 'employment-friendly' policies have to be consciously built into the growth strategy with concerted political will and direction. More specifically, an integrated employment strategy framework which gives overall direction on the way forward is needed. This framework must be part of the NDP and must guide Zambia through the short, medium and long-term.

1.1 Situation Analysis

The formal sector has been steadily diminishing as the main source of employment in Zambia. As a percentage of the total labour force, formal sector employment has been declining over the years from 75 percent in 1975 to 10.3 percent in 1999 (CSO, Selected

Socio-economic Indicators, 1999). With the decline in formal sector employment, the informal sector has become the principal source of employment and livelihood for most Zambians. In aggregate terms, the number of persons engaged in informal sector activities is approximately 3.6 million which, as a percentage of the total labour force stands at about 79 percent (CSO, Census of Population and Housing, 2000).

From a gender perspective, women have been the most affected by the erosion in formal sector employment opportunities. For instance, the male labour force participation rate is 67 percent while that for females is 45 percent (CSO, Census of Population and Housing, 2000). Besides, the 2000 Census reveals that between 1990 and 2000, there was a proportionately higher decrease in female employees in the formal sector (from 14.7 percent in 1990 to 9.0 percent in 2000) than in the male employees (from 39.0 percent in 1990 to 25.7 percent in 2000). Evidently, the share of women in formal employment has drastically reduced over the last decade while it has increased in the informal sector. A large number of women are now engaged in low paying and less productive jobs in the informal sector in urban areas, while another large group of women are engaged in small scale farming in rural areas.

Uunemployment, using the international ('narrow') definition, currently stands at about 13% in Zambia. However, recognizing that many people have been out of work for so long that they have stopped looking, broad unemployment must even be higher. The Zambian economy must generate about 400,000 new jobs in net terms per year to ensure that the unemployment rate does not rise. To absorb new entrants into the labour market the economy should generate more than 600,000 net new jobs per annum.

From a youth perspective, an observation can be made that beneath the surface of the unemployment rate is the growing phenomenon of youth unemployment in Zambia. As reported by the Central Statistics Office¹, unemployment is a more serious problem in the young age groups of 12.-14 (19.9 percent); 15-19 (22.6 percent); 20-24 (20.8 percent) and the 25-29 (13.9 percent). The peak is in the age-groups 15- 24.

Given that young people (under 25 years) in Zambia comprise about 63 percent (roughly 6 million) of the total population, youth unemployment must be a special concern in the NDP (CSO Census of Population and Housing, 2000). In fact, every year, over 240,000 school leavers are entering the labour market without hope of finding a job. Incidentally, youth unemployment in Zambia highly correlates with poverty since there's no social (unemployment) benefit system that would otherwise cushion the youth cohort from deprivation due to unemployment. Indeed, crime and other forms of juvenile delinquency can be traced to unemployment-related deprivations. Youth unemployment should therefore be a matter of special concern in the NDP. The currently underutilised infrastructure in the Zambia National Service (ZNS) provides a ready avenue for both short term "mopping up" measures as well as long-term skills training initiatives.

The growing incidence of unemployment among the disabled similarly urges for coordinated and specially targeted interventions. Pieces of legislation and international

¹ See Census of Population and Housing (2000:94).

covenants are very comprehensive in articulating what needs to be done to uplift the welfare of people with disabilities. However, implementation has been slack on account of financial constraints. For instance, the Persons with Disabilities Act No. 33 of 1996 (Zambia Disability Act) and the National Trust Fund for the Disabled Programmes are yet to be actualised.

1.2 Role of Employment in Poverty Reduction and National Development

The role of employment in poverty reduction is fairly obvious. Better employment opportunities provide people with new, and often improved, sources of income. In this way, improving the quality and quantity of employment opportunities directly links economic growth to poverty reduction. Low income households possess few assets of their own. Instead, the most abundant resource the poor have at their disposal is their labor. A development strategy that more fully employs a country's human resources and raises the returns to labour becomes a powerful tool for reducing poverty. In other words, when employment expands along with production, the benefits of economic growth will be widely shared.

A growing concern in Zambia is that employment has been relegated to the margins of economic policy. The thrust of a limited number of employment initiatives has been through the implied benefits of economic growth. However, the growing evidence of 'jobless' growth in Zambia challenges the wisdom of relegating employment to the margins of economic policy. In this context, a more direct and integrated approach to employment promotion is necessary.

1.3 Existing Policy Framework on Employment

The official policy document on employment in Zambia is the National Labour Market and Employment Policy which was developed by the Ministry of Labour and Social Security and some stakeholders in 2000. The policy document identifies the following policy areas for improving the functioning of the Labour market and promoting employment:

- Social security
- Occupational Health and Safety
- Productivity Improvement
- HIV/AIDs
- Population Growth
- Gender and employment
- Child Labour
- Labour Migration
- Labour Market information System, and
- A cluster of inter-linked sector strategies for employment creation.

The main strength of the labour and employment policy is its recognition of the need for a coordinated approach to employment promotion. The policy suggests an institutional framework for coordinating and implementing a national labour market and employment policy. Within this context, the policy addresses itself to the above identified areas for promoting employment. However, the policy remains unimplemented largely on account of financial constraints.

A related policy document that broadly deals with employment is the Poverty Reduction Strategy Paper (PRSP). However, a major weakness of the PRSP is that it has in itself no strong foundation of employment-targeted programmes. At best, employment is treated as a sector issue, linked to programmes of agriculture, tourism, industry, mining, transport, roads, energy, water, environment, HIV/AIDS, education and health. Arguably, employment in the PRSP is not assigned a major role as a means of improving access to income and lowering poverty rates. Rather, it is regarded as a by product of sector policies - which sector policies cannot address the challenge of employment by themselves. Equally, the discussion of employment is largely absent from the two PRSP themes of macroeconomics and governance. However, for these areas, employment and employability could have provided the benchmark for the success of PRSP strategies, representing a cross-cutting output for all policy areas.

Clearly, lack of coordination of employment strategies within the context of the PRSP has posed significant challenge for realizing the employment objective in Zambia. Therefore, effective coordination of employment policies and strategies must become a cornerstone of employment strategy in the NDP. The various components of employment for poverty reduction must be interrelated not separated into individual strategies. Within this context, the institutional capacity of many government bodies – at the national, regional and local levels require capacity enhancement to fully coordinate and implement the policies.

Finally, the PRSP does not adequately analyze the dynamics of the informal economy or present a well-orchestrated approach to poverty reduction for working people in informal employment. But, informal employment and subsistence agricultural activities currently account for the majority of employment in Zambia. In this regard, conditions in informal employment should be more systematically addressed within the context of a comprehensive strategy for national development.

2.0 Civil Society's Recommendations on Employment

- (i) Building on the situational analysis and inputs from stakeholders, the broad recommendation on employment is that:
- The National Development Plan must adopt a direct approach to employment promotion by designing and implementing an Employment Strategy Framework (ESF). This framework must guide the nation on job creation in the short, medium and long-term and provide for an institutional mechanism for coordinating and linking macro, meso, micro and all sector strategies and programmes on employment. Within this context, the Fifth National Development Plan must place

employment at the centre of the macroeconomic framework, and not as a residual of it. In this way, an employment strategy will become one of the most potent tools for fighting poverty.

Specific recommendations (that should constitute key components of the employment strategy framework) are outlined as follows:

- (ii) To increase the demand for labour, emphasis must be placed on raising both the output and the labour absorption capacity of the economy by:
 - a. Creating jobs directly through creation and strengthening of special employment programmes. Within this context, the following three new programmes are recommended:
 - The <u>Rural Roads Programme</u> that must involve maintenance of feeder roads along the lines of PUSH project;
 - The <u>Clean Cities Project</u> that must involve painting public building and city clean-ups and;
 - The <u>Integrated Community Home Based Care</u> for people living with HIV/AIDS. This must involve transforming voluntary to paid work for community care givers.

b. *Promoting micro and small enterprises in the informal economy*

The fact that the informal economy has become such a sizeable place of work should make it a special target for actions to reduce poverty. In this regard, special attention should be paid to:

- Coordinating efforts that offer assistance to micro and small enterprises. Within this context, access of women to credit and to land resources should be facilitated through cooperation between government and the private sector.
- Providing financial support for technical training, business development, and credit access programmes to the Small Scale Enterprise Association of Zambia and the Zambia Association on Employment for Persons with Disabilities (ZAEPD)².
- Intensifying land reform and extension services.
- Building more industrial estates and premises for small enterprise manufacturing and trading. The formation of more industrial estates such as the Chinika complex in Lusaka can help realize this in an organized way.

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² The Zambia Association on Employment for Persons with Disabilities (ZAEPD) is an association promoting supported employment for persons with disabilities.

- c. Supporting agriculture and rural development strategies: within this, special attention should be paid to:
 - The building of feeder roads, bridges and communication networks using labour-intensive methods.
 - Construction of dams and irrigation facilities using the Rural Investment Fund.
 - Supervised agriculture (e.g. out grower schemes) which must be undertaken using labour-intensive methods.
 - Setting up community level organizations (or cooperatives) in order to facilitate the supply of inputs and access to finance, marketing, extension and veterinary services.
 - Establishing more Integrated Resource Management Projects using village action groups along the lines of the Luangwa Integrated Development Project.
 - Use of village- level processing technologies for various oil seeds such as sunflower, castor and groundnuts and the setting up of agroprocessing industries in rural areas.
 - Setting up of lapidary facilities in the small-scale mining areas.
- d. Preserving jobs in the private sector by means of revising the tax regime and maintaining a constant monitoring of trade-offs in policy in order to ensure that no objective is achieved at the significant expense of another
- (iii) To strengthen the employability of labour, special attention should be paid to:
 - a. Strengthening the availability of skills by supporting a substantial increase in private sector expenditure on training, augmenting skills and infrastructural development through an Infrastructure and Employment Investment Programme and by improving the interface between labour market needs and the education system.
 - b. Improving the functioning of the labour market by establishing a Labor Market Information System (LMIS).
 - c. Youth employment and skills development; with the consideration of a compulsory six months youth national service skills development programme.
 - d. Introducing a youth learner ship wage and a youth training subsidy for companies providing youth apprenticeship programmes and on-the -job training.
- (iv) To promote decent work, emphasis must be placed on productive work in which rights are protected, which generate adequate income with social protection. Within this context, attention should be paid to:

- a. The resuscitation of the Minimum Wage Act on the basis of a Poverty Datum Line (PDL). Policy formulation of the PDL should be done through the Tripartite Council
- b. Coordinated wage bargaining
- c. Adherence to Zambian Labor laws, with particular reference to laws relating to child labor and employee safety.
- d. Periodic review of company licenses to ensure compliance with labour laws, safety regulation and anti-pollution measures
- e. Social security reform to ensure social protection for informal workers
- (v) To prevent and mitigate the impact of HIV/AIDS on employment, workplace HIV/AIDS prevention and care interventions must be enhanced. In this regard, attention should be paid to:
 - a. Work place polices that encourage the free provision of anti-retroviral drugs.
 - b. Strict observance of labour laws protecting employees from unwarranted tests for HIV or dismissal on account of HIV status
 - c. Workplace programmes aimed at AIDS prevention facilitated by Government and private sector cooperation through the formulation, adoption and implementation of a national policy framework on HIV/AIDS at the workplace.
- (vi) To promote equal employment opportunity for women, the equal opportunity policy as articulated in the National Gender Policy must be accompanied by sensitization measures to eliminate gender discrimination in the labour market. Thus, eliminating gender discrimination in the labor market must be achieved by:
 - a. Increased educational awareness campaigns on women's rights and freedoms in employment;
 - b. Removing all legal provisions that discriminate against women in employment;
 - c. Supporting programmes that increase girl child access to education and skills development;
 - d. Supporting programmes that are aimed at empowering women economically such as the Zambia Federation of Women in Business, Women Entrepreneurs Development Association, Association of women in mining, Women for Change and the Non-Governmental Organizing Co-ordinating Committee.
- (vii) To promote employment opportunities for persons with recognized disabilities, emphasis must be placed on supported employment for persons with disabilities.³. In this regard;

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³ The work of the Zambia Association on Employment for Persons with Disabilities (ZAEPD) and DISCARE provides 'best practice' scenarios

- a. The National Trust Fund for the Disabled must be capitalized;
- b. Government must guarantee markets for products made by organizations supporting persons with disabilities, for instance DISCARE⁴;
- c. Public awareness programmes on the employment and training of persons with disabilities must be stem-up;
- d. Realistic quota legislation, requiring employers to reserve a certain proportion and types of jobs for person with disabilities must be enacted;
- e. Vocational rehabilitation and workplace adaptation services for persons with disabilities must be introduced;
- f. Specialized services for individual disabled job seekers must be established.

Table 1 below summarizes the recommendations for an Employment Promotion Framework. It provides further detail in terms of objectives, strategies, programmes, input indicators and targets for employment promotion.

Table 1: Employment Promotion Framework

Objective	Strategy	Programme/ activity	Input indicators	Targets/Expected Outputs ⁵
1. To place employment at the centre of economic policy	Implement a direct and coordinated approach to employment	Employment Strategy Framework (ESF)	Adoption of the Employment Strategy Framework at the official level	600,000 net new jobs created per annum by the year 2015
	creation		Establishment of a Cabinet employment cluster committee	• proportion of labour force in formal sector employment raised from 10 % in 2005 to 50 % in 2015
			Set-up of an Institutional mechanism for coordinating employment strategies.	 labour force participation rates raised from 56 % in 2005 to 75% in 2015 official unemployment rate reduced from 13 % in 2005 to 7% in 2015

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⁴ DISCARE is an organisation specialising in supported employment for persons with disabilities through various skills training programmes with emphasis on the production and maintenance of wheelchairs and other assisting devices.

⁵The current year is taken as 2005. Statistics in this matrix are taken from the PRSP (2002 -2004: 183 - 190) and the Census of Population and Housing, 2000.

3. To strengthen	introduce special employment programmes undertake proactive agenda towards micro and small enterprises in the informal economy focus on agriculture and rural development preserve jobs in the private sector through supportive tax regime	 rural roads construction/maintenance programme clean city project integrated community home based care programme enterprise development programme industrial estate support programme accelerated land reform programme supervised agriculture / out grower scheme integrated Resource management project – extension of the Luangwa Integrated Development Project private sector 	introduction of three specially targeted employment programmes (rural roads, clean city project and integrated community home based care) set-up of eight industrial estates in the provinces - along the model of Chinika complex in Lusaka set-up of two Lapidary facilities in the Kalomo and Ndola rural gemstone mining areas organisation of small farmers in out grower schemes re-capitalisation of the rural investment fund amendment of the land act introduction of integrated resource management projects in all designed game reserve areas Private sector	 10,000 net new jobs for rural women created by 2015 10,000 net new jobs for men in rural construction created by the year 2015 5,000 net new urban jobs created through the city clean-ups programme by 2015 8,000 net new jobs for home based caregivers created by 2015 1,000 net new jobs created in lapidaries by the year 2015 1000 small enterprises registered with Small Enterprise Development Board (SEDB) number of entrepreneurs receiving training in business and technical skills raised from 100 in 2001 to 5,000 in 2015 number of small farmers organised in out growers schemes raised from 125,000 in 2015 the proportion of the workforce employed in non-agricultural industries raised from 29% in 2005 to 65 % in 2015 250,000 school
1 2	interface between labour	training subsidyyouth	training fund introduced	leavers given skills at national service every

	market needs and the educational system	apprenticeship programme • Youth National service skills development programme • Labour Market Information System	Two youth apprenticeship schemes reintroduced by TEVETA Introduction of Compulsory six months national service for school leavers and drop-outs Establishment of a Labour Market Information System funded	 year by the year 2015 150,000 youths on TEVETA managed apprenticeships every year by 2010 100,000 youth receiving private sector run on-the-job training every year by the year 2015 database of labour market information
4. To promote decent work	emphasise productive work in which rights are protected, which generate adequate income with social protection	decent work educational programme labour law reform harmonisation of collective bargaining mechanisms recruitment of labour inspectors anti-child labour campaign social security reform programme	a poverty Datum line (PDL) established minimum wage act amended existing pieces of legislation on the welfare of the child reviewed tripartite labour council meeting held four times a year factories inspectorate fully staffed operation of public and private social security systems harmonised	 living wage should become a basis for remuneration in the public sector by the year 2010 child labour in commercial agriculture and domestic work should be reduced by 50% by 2015 collective bargaining should be reestablished as principle means of wage determination nationwide by the year 2015 'casualisation' of labour should effectively be outlawed by the year 2015 occupational health and safety should become a core activity of all licence companies by the year 2015 Pension Service Pension Fund should be empowered to retrieve and retain all retiring public service workers as its members by 2015

5. To prevent and mitigate the impact of HIV/AIDS in the world of employment	Enhance workplace HIV/AIDS prevention and care interventions	A cluster of Workplace programmes on HIV/AIDS	Formulation, adoption and implementation of the national policy framework on HIV/AIDs and the World of work Implementation of Sector specific programmes on HIV/AIDS	 Reduce by three quarters, between 2005 and 2015, the proportion of the workforce dying of HIV/AIDS Eliminate completely labour market discrimination on the basis of HIV/AIDS by the year 2008 Anti-retroviral treatment freely available to all workers by the year 2010.
6. to promote equal employment opportunity for women	Effect an equal opportunity policy at the national level	Sensitisation campaigns and training programmes based on the national gender policy Special credit programmes for self-employed women	Official adoption of antidiscrimination policy Set-up of mechanisms to closely monitor and evaluate the adopted antidiscrimination policy Equal employment targets set-up Training of human resource personnel in all matters related to implementation of the antidiscrimination policy Financial support provided to credit schemes and institutions supporting selfemployed women	 Increase the Female Labour Force Participation Rate from 52.7 % in 2005 to 75% in 2015 Eliminate gender disparity in all levels of education by 2015 Increase the share of women in formal employment in the non-agriculture sector from 39% in 2005 to 50% in 2015 Raise the proportion of women in parliament from 12% in 2001 to 30 % in 2006 and 45% in 2010 Proportion of self-employed women accessing affordable credit raised by 50% in 2015
7. To promote employment opportunities for persons with disabilities.	Supported employment for persons with disabilities	 National Trust Fund for the Disabled Public awareness programmes for 	 Specialised services for individual disabled job- seekers established 	• raise the proportion of those working among the working age population of the disabled from 55% in 2000 in 75% in 2015

the employment and training of persons with disabilities	 Vocational rehabilitation and workplace adaptation services for the disabled established 	• increase the share of the disabled in formal employment in the non-agriculture sector from 19.1% in 2005 to 45% in 2015
	• realistic quota legislation, requiring employers to reserve certain proportions and types of jobs for persons with recognised disabilities introduced	 eliminate labour market discrimination on account of disability by the year 2015 all employers to reserve at least 20% of jobs for people with recognised disabilities by the year 2015
	 regulation adopted concerning workplace adjustment to accommodate disabled persons 	

3.0 Prioritization of Emerging Issues

- 3.1 *Absolute Minimum Priorities*: the following are absolute priorities:
 - Short term:
 - O A direct and coordinated approach to employment promotion that should place employment at the centre of macroeconomic policy i.e. recommendation number (i) in section 2 above. This priority is placed first because getting the policy framework right is critical to realizing the employment objective. The major weakness of the existing policy framework is that it relegates the employment objective to the margins of economic policy. Thus, getting the fundamentals right will ensure that the NDP is better placed to respond directly, effectively and coherently to the employment objective.
 - o Targeted employment programmes for raising output and the labour absorption capacity of the economy i.e. all tiers of

recommendation number (ii) specified in section 2 above. Targeted employment programmes are here considered as a second absolute minimum priority because of their labour-intensiveness and direct impact on poverty. They also can speedily respond to the employment promotion objective by significantly 'mopping up' the surplus labour force existent in Zambia.

- o Employment opportunities for women, youth and persons with disabilities i.e. all tiers of recommendation numbers (iii), (vi) and (vii) in section 2. This becomes a third absolute minimum priority because the incidence of unemployment is deep and severe among these three vulnerable groups and so urges for serious attention within the context of the National Development Plan.
- o HIV/AIDS workplace programmes i.e. recommendation number (v). This is considered an absolute fourth priority because of the telling impact that the HIV/AIDS pandemic has had on the working population urging the need for a coordinated response.

• Medium to Long term:

- o Establishing a Poverty Datum line i.e. part (a) under recommendation (iv) in section 2 is considered an absolute fifth minimum priority in the medium to long-term because of the need to ensure that jobs being created will be quality jobs that would guarantee adequate income and social protection.
- O Strengthening the availability of skills, i.e. part (a) under recommendation number (iii). Skills development is considered an absolute sixth minimum priority in the medium to long-term because unemployment in Zambia is not necessarily a question of lack of appropriate skills but generally lack of employment opportunities even for appropriately skilled cadres. So, skills development may be a necessary intervention but certainly not a sufficient short-term intervention to deal effectively with unemployment.
- 3.2 Other Important Priorities, that though may not be classified as minimum absolute priorities remain important to the realisation of the employment objective are:
 - Establishing a Labour Market Information System, i.e. part (b) of recommendation number (iii) in section 2. This will facilitate the interface between labour market needs and the educational system.

Review of relevant labour laws to guarantee decent work, i.e. parts,
 (b), (c) and (d) under recommendation number (iv)

4.0 Conclusion

The main contention of this position paper is that for interventions, policies and programmes of employment promotion to be successful they need to be closely integrated into wider socio-economic development strategies and macroeconomic policies. A useful starting point for Zambia, therefore, is to come up with an employment strategy framework that takes employment as a central issue of economic policy, not as a residual. Employment creation should become a concept of all macro and sector policies; not a sector policy. On this basis, the paper teased out a vision of how best the country can address its employment concerns. Broadly, this entailed stimulating employment-oriented growth, particularly labour intensive and placing emphasis on enhancing the quality of skills required by the labour market.

Overall, the employment strategy framework was premised on seven fundamental components: putting employment at the centre of economic policy; increasing the demand for labour by emphasizing output and the labour absorption capacity of the economy; strengthening the employability of labour, promoting decent work; mitigating and preventing the impact of HIV/AIDS on employment; promoting gender equality in the Labour Market and promoting employment opportunities for persons with disabilities. Specific cluster measures in these areas emphasized: special employment programmes; promoting micro and small enterprises in the informal economy; supporting agriculture and rural development; preserving jobs in the private sector; strengthening the availability of skills; establishing a labour market information system; promoting youth employment and skill development; effecting an equal opportunity policy; establishing a poverty datum line; supporting workplace policies for combating HIV/AIDS and placing emphasis on supported employment for person with disabilities.

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