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FOREWORD

Zambia has experienced various levels of socio-economic development recording most buoyant growth rates during the first decade of independence (1964 – 1974). This was primarily due to high copper production and prices that prevailed then. Copper exports generated over 90 percent of the country’s foreign exchange earnings. Post 1974 period saw the country recording declining trends in its economic performance as a result of a fall in copper prices and production coupled with increasing oil prices. Low economic performance has continued for some time leading to macro-economic problems such as high unemployment rates, high inflation rates, adverse balance of trade and above all, a huge foreign debt. This situation has resulted in increased levels of poverty in the country.

The Government of the Republic of Zambia like many other governments in the developing world has put measures in place aimed at reversing the declining trends in the economy. Within the context of the economic transformation process, Government is fully aware of the importance of labour as a factor of production. Its management, therefore, cannot be left to chance. It is indeed the oil around which all developmental efforts run. Government, therefore, is more than ready to facilitate the removal of any legal or institutional impediments to the development of a conducive environment for harmonious industrial and labour relations and improve productivity.

Among the measures Government has taken is to liberalise the Labour Market to make it more efficient and responsive to the challenges of the day. Government also recognises the fact that information plays a vital role in the operation of the Labour Market. Players on the Labour Market need timely and reliable data to enable them make accurate and informed decisions. The extent to which mobility of labour can be realised largely depends on the availability and maintenance of an efficient and effective Labour Market Information System in the country.
This policy, therefore, attempts to stipulate the role of Government in creating a conducive environment that will generate employment and ensure an effective and efficient Labour Market and articulates how it will provide policy direction that will successfully propel the Zambian Labour Market in the third millennium and to co-ordinate and monitor its operations in order to enhance productivity in the economy.

The Government shall endeavour through this Policy to provide a labour market management mechanism that will be able to respond effectively and efficiently to the demands of a liberalized market economy. Thus the objectives and strategies set forth in this policy are intended to ensure that the role of the institution with jurisdiction on labour matters in national development is streamlined to meet the aspirations of the Zambian people. My Government's commitment to liberalise the labour market is further testimony of its resolve to allow a combination of market forces and government intervention to play an active role in creating the enabling environment that will induce productivity, economic growth and improved living standards of the citizens.

The full realization of the objectives contained in this National Employment and Labour Market Policy will require the concerted efforts and co-ordination among the Government institutions concerted, social partners, cooperating partners and Non Governmental Organizations.

Hon. Lt. Col. Patrick Kafumukache, MP
MINISTER OF LABOUR AND SOCIAL SECURITY
ACKNOWLEDGEMENT

I wish to acknowledge the support and contributions of a large number of individuals and agencies to the production of this policy document. My gratitude goes to the World Bank and the United Nations Development Programme for the financial support. I would like to thank the International Labour Organization (ILO) Office in Lusaka for their consistent support towards the development of this policy.

I would like to recognize the contribution of our social partners, particularly the Zambia Congress of Trade Unions (ZCTU) and the Zambia Federation of Employers (ZFE). I also acknowledge the role played by Non Governmental Organisations (NGOs) which took part in this process.

The list is indeed long but it suffices to say all stakeholders who took part in this exercise made invaluable contributions.

Going by the level of consultation with stakeholders that has been associated with the preparation of this policy, it is my sincere hope that it will stand the test of time.

Josephine Mapoma
Permanent Secretary
MINISTRY OF LABOUR AND SOCIAL SECURITY
UP-DATE NOTE

It should be noted that since the first launch of this policy in 2005, the Government has developed a new generation of Poverty Reduction Strategies in the form of the Fifth National Development Plan (FNDP). The FNDP has dedicated a chapter on “Employment and Labour” which acknowledges the role to be played by the NELMP. Another milestone in the Labour Market is the recent completion of the Labour Force Survey whose report was launched on 17 November 2006. This will ensure that up-to-date data is available for purposes of planning, implementing, monitoring and evaluation of the NELMP. Furthermore, the ILO in Zambia in association with the Ministry of Labour and Social Security (MLSS) and the social partners is developing the Decent Work Country Programme (DWCP) which has at its core, assistance to the implementation of priority components of the NELMP.

The Government intends to convene a Sector Advisory Group around the theme of Employment and Labour as detailed in the FNDP in order to harmonise inputs from the Government and the cooperating partners.

December 2006
EXECUTIVE SUMMARY

The Government has realized that Zambia’s economic performance has been declining since the mid 1970s. Owing to the above mentioned development, the Government has decided to take measures aimed at reversing the declining trends in the economy, through among others the implementation of the National Employment and Labour Market policy.

The Government has identified labour to be one of the important factors in the production process. Therefore, in order to enhance the productivity of labour, the government has taken measures of liberalising the labour market to make it more efficient and responsive to the challenges of the day.

The Government has also realized that information plays a pivotal role in the operation of the Labour Market. This has called for extra emphasis on the availability and maintenance of an efficient and effective Labour Market Information System in the country.

Macroeconomic policies aimed at promoting economic stability, sectoral policies to promote growth and equity and crosscutting policies to deal with political, social, environmental and infrastructure issues have been put in place. Further, the Government has focused its attention and actions towards developing employment promotion policies and improve conditions under which labour is employed.

The main objective of the Employment and Labour Market Policy is to create adequate and quality jobs under conditions that ensure adequate income, protection of workers’ and basic human rights.

This policy also stipulates the existing legal framework and examines its adequacy and relevance in facilitating the effective and efficient operations of the Labour Market within the existing macroeconomic framework. It identifies the appropriate institutional framework within which, the National Employment and Labour Market Policy in Zambia will be implemented. It also articulates
the role of social partners and other stakeholders in the implementation process and addresses means and ways of financing the process. Cognisant of the fact that the successful implementation of the policy is dependent on sufficient capacity in the implementing organs, the policy has identified the capacity building needs of the relevant institutions especially those charged with the responsibility of labour market management such as the Ministry of Labour and Social Security, employers’ and workers’ Organisations.

The policy has also identified that the formal economy has been steadily diminishing as the main source of employment in Zambia. This simply means that the informal economy has become the principal source of employment and livelihood for most Zambians. However, wages and conditions of services in the informal economy are generally poor and cannot therefore adequately contribute to poverty reduction.

The policy has however identified sectors with unique potential to create employment which include agriculture, tourism, information and communication technology and education and training sectors.

The policy further addresses several issues relevant to growth and poverty reduction that cut across economic and social boundaries such as the HIV/AIDS pandemic, environmental degradation, gender and governance.

In addition, the policy highlights the strategies meant to address issues related to population and labour force, labour migration and employment creation. Other issues addressed include: safeguarding the rights at work, improving the working conditions, equality and productivity of labour, provision of social protection/security, strengthening social dialogue and the labour market information system. The Government, Non Governmental Organizations and Cooperating Partners have been identified as the principal sources of resources with which to implement the policy.
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<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>AGOA</td>
<td>AFRICAN GROWTH OPPORTUNITY ACT</td>
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<td>AIDS</td>
<td>ACQUIRED IMMUNE DEFICIENCY SYNDROME</td>
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<td>BACs</td>
<td>BUSINESS ADVISORY CENTRES</td>
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<td>CBMT</td>
<td>COMPETENCE BASED MODULAR TRAINING</td>
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<td>COMESA</td>
<td>COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA</td>
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<td>MOVEMENT FOR MULTIPART DEMOCRACY</td>
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WORKING DEFINITIONS

(a) **The Economically Active Population**

The economically active population comprises all persons of either sex between the ages of 15 and 65 who furnishes the supply of labour for the production of goods and services during a specified time-reference period.

This excludes full-time students, full-time housewives, prisoners, beggars and people who are retired, but includes the unemployed. The concept of economically active population is synonymous with the labour force.

**Figure 1: Conceptual Framework of the Economically Active Population**


(b) **Employment**

The “employed” comprise all persons between the ages of 15 and 65 who during a specified period, were in the following categories:

**Paid employment**
i. “At work”: persons who during the reference period performed some work for wage or salary, in cash or in kind;

ii. “With a job but not at work”: persons who, having already worked in their present job, were temporarily not at work during the reference period and had a formal attachment to their job.

**Self-employment**

i. “At work”: persons who during the reference period performed some work for profit or family gain, in cash or in kind

ii. “With an enterprise, but not at work”: persons with an enterprise, which may be a business enterprise, a farm or a service undertaking, who were temporarily not at work during the reference period for any specific reason.

(c) **Unemployment**

The unemployed comprise all persons between the ages of 15 and 65 who during the reference period were:

i. “Without work”, i.e. were not in paid employment or self-employment;

ii. “Currently available for work, i.e. were available for paid employment or self-employment during the reference period;

iii. “Seeking work”, i.e. had taken specific steps in the specified reference period to seek paid employment or self-employment. In Zambia, where the labour market is largely unorganised, it is relevant to include persons who did not take specific steps to seek employment in the given reference period, but would accept employment if offered.
Underemployment refers underutilisation of the productive capacity of the employed population. It relates to an alternative employment situation in which persons are willing and available to be further engaged. The most common way of measuring underemployment is with respect to time, and the persons who qualify will have to satisfy the following three criteria:

i. "Willing to work additional hours", i.e. wanted another job (or jobs) in addition to their current job to increase their total hours of work.

ii. "Available to work additional hours", i.e. are ready, within a specified subsequent period, to work additional hours, given opportunities for additional work.

iii. "Worked less than a threshold relating to working time", i.e. persons whose "hours actually worked" in all jobs during the reference period, as defined in current international guidelines regarding working time statistics, were below a threshold, to be chosen according to national circumstances.

Two other types of underemployment may be encountered: (1) “Skills-related inadequate employment” which is characterized by inadequate utilisation of occupational skills, thus signifying poor utilisation of human capital and (2) “income-related inadequate employment” resulting from low levels of organisation of work or productivity, insufficient tools and equipment and training or deficient infrastructure. Persons in this form of inadequate employment may be understood to include all persons in employment who during the reference period wanted or sought to change their current work situation in order to increase their income.
(e) **Child Labour**

*Child labour* is work being performed by children under the age of 16 that leads to the detriment and endangerment of the child's psychological, physical, social, spiritual and mental development.

The *worst form* of child labour is severe, hard and hazardous and leads to the deprivation of the children’s rights to health, education and childhood. It is constant, it involves long hours and it is illegal. *Child labour* is light occasional work within the legal framework, for instance at home, that respects the rights of the children, their health and basic education.

(f) **Decent Work**

Decent work which means:-

i. Productive work in which rights are protected

ii. Work which generates an adequate income with adequate protection

iii. Tripartism and social dialogue which guarantees participation and the democratic process.

In other words, it marks the road to economic and social development in which employment, adequate income and social protection can be achieved without compromising workers’ rights and social standards.