



Ulandssekretariatet
LO/FTF Council

Danish Trade Union
Council for International
Development Cooperation

Zambia

Labour Market Profile

2014

This Labour Market Profile is a yearly updated report that provides a broad overview of the labour market's situation and development. The report is based on the latest data available and following trends. Each section has also accesses to the sources' links that can be used to go more in-depth on selected themes. This is a revised version.



Zambia – Labour Market Profile 2014

Executive Summary

Zambia has experienced years of high economic growth rates and investment. Inflation has been brought under control, but living costs have risen steadily. The ease of doing business is relatively good; with improvements of starting a business and resolving insolvency. On the other hand, the country's good economic growth rates have not been matched by job creation or poverty reduction, largely because the growth have been driven by investments mining industries and higher copper prices, which create few jobs compared to investment.

Industrial relations are rather advanced compared to neighbouring countries. Trade unions and employers' organisations are active in bi/tripartite forums and most minimum wages are set through collective bargaining.

Many ILO conventions are ratified and fines for labour infractions are in the higher end. The country ratified five ILO Conventions (C081, C129, C155, C187, and C181) in 2013 and will enter into force in December 23, 2014. Lawful strikes are very difficult to hold due to several restrictions and conditions.

Zambia has high rates of unemployment, youth unemployment, and underemployment. It indicates considerably deficits in employment creation. As with most other Sub-Saharan African countries, youth unemployment is a precarious large problem. It is increasingly seen as creating social tensions, though most of the frustrations take form of democratic action. Since the compulsory youth service that was introduced for school leavers in 2012, vocational training increased extremely high.

Minimum wages received a substantial increase in 2012. Also in March 2013, the government announced it would devise specified minimum wages for every sector instead of leaving the task to individual employers. Many companies are applying for inability to pay the new minimum wage and they get a waiver.

In September 2013, the government increased salaries with benefits for civil servants, and some getting as high as 200% effective increase per September 1, 2013. This is mainly due to the declining real incomes as a result of rising food prices due to the government's removal of maize meal and fuel subsidy, falling exchange rates and rising interest rates are present. Average earnings tend to be much smaller in sectors with larger shares of informal employment, a clear indication that working conditions are worse in the informal 'sector'.

The scope of coverage of Social Protection is quite limited in Zambia. The predominantly informal nature of the labour market presents a major challenge to the extension of social protection coverage. The existing health care system is unbalanced in both expenditure and service delivery. The government has to some degree removed the payment of user-fees in rural areas for primary care. This has led to 50% increase in the use of medical facilities in these areas. The government has scaled up its provision of Antiretroviral Treatment (ART) in public institutions at a highly subsidized cost.

Globalization has posed a lot of challenges to the labour movement in Zambia. Effects of liberalization, privatization and the influx of foreign investors have been more unfriendly to workers, and trade unions have had their toll. There has been deterioration of conditions of work as well as parts of the private sector are out-facing secure long-term employment contracts while preferring casual and short-term contract staff that tend to provide cheaper labour.

The trade union movement has experienced a rising incidences of divisions and splinter unions due to mistrust and rising levels of suspicion. It explains indications that the membership of the two trade union federations has experienced a drop. In contrast, employers' organizations have registered a noteworthy expansion of membership of companies.

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Trade Unions

Trade unions in Zambia (2013 est.)	
Number of trade unions	48
Dues (median)	N/A
Members of trade unions	327,111
Trade union members share of labour force	5.5 %
Trade union members to waged workers	49 %
Female member share of trade unions	31 %
Members of affiliated trade unions from the informal economy (ZCTU)	26,815
Number of CBAs	176
Workers covered by CBAs	350,000
Share of workers covered by CBA	5.9 %
Labour force (2012)	5,954,000

According to the U.S. Country Reports on Human Rights Practices for 2013, freedom of association and the right to collective bargaining are generally respected. The government generally protects unions' right to conduct their activities without interference. All categories of workers except police and military were free to form or join unions. Domestic workers and shopkeepers were not unionized, though. Workers exercised most of these rights. Workers' organizations are independent of government and political parties.¹ According to the Friederich Ebert Stiftung,² Zambia Congress of Trade Unions (ZCTU) retains close ties to the Movement for Multi-party Democracy (MMD) political party. Several former union members are in the Government and the Parliament.

The total trade union membership in Zambia is around 327,100 members, which equals 5.5% of the labour force. The overall trade union density of the labour force, which includes affiliated unions from the informal economy, has been estimated at 7.5%. The ILO's Decent Work Country Profile 2012 recorded a fall of trade union actively contributing members at 8% from 2006 to 2010 and attributes it to an increase in casual labour and an exclusion of essential services workers to forming unions. There are indications that the trend has still been decreasing slightly in recent years. In comparison with data of the formal sector employment presented an increase from 475,835 to 619,000 in 2006-10, which corresponds to a much more dramatic drop of union density rates at 64% to 38%.³

ILO registered that the country had 176 collective bargaining agreements in 2010 covered with a ratio at 43% of salaried workers. It illustrates that the majority of employees have no union representatives. This is partly due to the provisions of the Industrial and Labour Relations Act, which provides for an exemption as regards the formation of trade unions at establishments that employ less than 25 workers, as well as workers of public security institutions.⁴ Data from ZCTU suggest that there are 700 signed and deposited CBAs.⁵

Zambia Congress of Trade Unions (ZCTU)⁶

The ZCTU is the largest trade union federation and covers 277,000 members. The ZCTU was formed in 1965 and represents 36 affiliated trade unions. The organizations highest authority is the Congress, held every fourth year, and beneath is a General Council, Executive Committee, Executive Board, and the secretariat. ZCTU is led by the President Mr. Leonard Hikaumba.

The mission of ZCTU is to enhance the welfare of its workers through the promotion of harmonious industrial relations and mutual cooperation with the government, employers, civil society organisations and other progressive elements in society. ZCTU has departments of Education & Training, Public Relations & International Affairs, Administration, Accounts, Organisation & Trade Union Development, Economic Research and Child, Youth & Gender

Federation of Free Trade Unions of Zambia (FFTUZ)

FFTUZ has 50,000 members. Before 1996, ZCTU was the only legal trade union federation, though often in direct conflict with the government. Only one union was also permitted per sector.⁷ After the introduction of the Movement for Multi-party Democracy (MMD), these restrictions were lifted and the FFTUZ was formed in 1998, which cited ZCTU results dissatisfaction. FFTUZ has 12 affiliated trade unions as of 2010, with the most significant being the Zambia Union of Financial and Allied Workers (ZUFIAW). FFTUZ is headed by Ms. Joyce Nonde-Simukoko. In 2014 four affiliate member unions of the FFTUZ pulled out of the federation due to controversies that have affected the federation.⁸ Some affiliated unions have argued that FFTUZ has failing to audit its books of accounts and no accountability in the usage of funds.⁹ Some have since re-joined the ZCTU.

Trade Unions in Zambia							
Members, Dues, Collective Bargaining Agreements (CBA) and Occupational Safety and Health committees							
Trade Union / Trade Union Centre	Affiliation To national trade union centre	Total Members ¹⁰	Female Members	Dues (share of salary)	Number of CBAs	Workers covered by CBAs	Number of OSH committees at workplaces
ZCTU Zambia Congress of Trade Unions		277,114		-	176	350,000	-
FFTUZ Federation of Free Trade Unions of Zambia		50,000	31% ¹¹	-	-	-	-
AAWUZA Airways and Allied Workers Union of Zambia	ZCTU	703	-	-	-	-	-
BETUZ Basic Education Teachers Union of Zambia	ZCTU	9,000	-	-	-	-	-
BUZ Bankers Union of Zambia	ZCTU	135	-	-	-	-	-
CBAU Copperbelt University Academic Union	ZCTU	220	-	-	-	-	-
COBUWU Copperbelt University & Allied Workers Union	ZCTU	200	-	-	-	-	-
CSAWUZ Civil Servants and Allied Workers Union of Zambia	ZCTU	34,973	-	-	-	-	-
HCUWZ Hotel, Catering, Tourism & Allied Workers Union of Zambia	ZCTU	9,918	-	-	-	-	-
MUZ Mine Workers Union of Zambia	ZCTU	24,245	-	-	-	-	-
NESAWU National Energy Sector & Allied Workers Union	ZCTU	3,080	-	-	-	-	-
NUBEGW National Union of Building , Engineering & General Workers	ZCTU	15,463	-	-	-	-	-
NUCIW National Union of Commercial and Industrial Workers	ZCTU	16,270	-	-	-	-	-
NUCW National Union of Communication Workers	ZCTU	3,980	-	-	-	-	-
NUPAW National Union of Plantation & Agriculture Workers	ZCTU	17,000	-	-	-	-	-
NUPSW National Union of Public Service Workers	ZCTU	11,711	-	-	-	-	-
NUTAW National Union of Transport and Allied Workers	ZCTU	3,000	-	-	-	-	-
NUTELAW National Union of Technical Lecturers & Allied Workers	ZCTU	3,000	-	-	-	-	-
RWUZ Railway Workers Union of Zambia	ZCTU	1,395	-	-	-	-	-
UHDWUZ United House and Domestic Workers Union of Zambia	ZCTU	2,000	-	-	-	-	-
UNZAAWU University of Zambia and Allied Workers Union	ZCTU	2,105	-	-	-	-	-
WUTAZ Workers Union of TAZARA	ZCTU	1,383	-	-	-	-	-
ZAGAWU Zambia Graphical and Allied Workers	ZCTU	3,406	-	-	-	-	-
ZBTWU Zambia Bus and Taxi Workers Union	ZCTU	13,150	-	-	-	-	-
ZNUHAW Zambia National Union of Health and Allied Workers	ZCTU	2,843	-	-	-	-	-
ZNUT Zambia National Union of Teachers	ZCTU	33,380	-	-	-	-	-
ZRAWU Zambia Revenue Authority Workers Union	ZCTU	1,394	-	-	-	-	-
ZUJ Zambia Union of Journalists	ZCTU	363	-	-	-	-	-
ZULAWU Zambia Local Authority Workers Union	ZCTU	15,000	-	-	-	-	-
ZUSOAW Zambia Union of Security Officers and Allied Workers	ZCTU	20,982	-	-	-	-	-
Grain & Meat Workers Union of Zambia	ZCTU	-	-	-	-	-	-
Zambia Union of Nurses Organisation	ZCTU	-	-	-	-	-	-
Judicial & Allied Workers Union of Zambia	ZCTU	-	-	-	-	-	-
Gemstones & Allied Workers of Zambia	ZCTU	-	-	-	-	-	-
Health Workers Union of Zambia	ZCTU	-	-	-	-	-	-
Mine Contractors Workers Union of	ZCTU	-	-	-	-	-	-

Zambia							
Copperbelt University Senior Administrative, Professional & Technical Staff Union	ZCTU	-	-	-	-	-	-
AZIEA Alliance for Zambian Informal Economy Association	ZCTU	26,815 (2006) ¹²	70%	-	-	-	-
ZUFIAW Zambia Union of Financial and Allied Workers	FFTUZ	5,000	-	-	-	-	-
ATPUZ Agriculture, Technical and Professional Union of Zambia	-	-	-	-	-	-	-
HWUZ Health Workers Union of Zambia	-	-	-	-	-	-	-
National Union of Agricultural and Plantation Workers	-	-	-	-	-	-	-
NUMAW National Union of Miners and Allied Workers of Zambia	-	-	-	-	-	-	-
POGAWUZ Power Generation and Allied Workers Union of Zambia	-	-	-	-	-	-	-
SESTUZ Secondary Schools Teachers' Union of Zambia	-	4,500	-	-	-	-	-
Zambia Water and Sanitation Engineering and Allied Workers' Union	-	-	-	-	-	-	-
ZATAWU Zambia Typographical and Allied Workers Union	-	-	-	-	-	-	-
AAWUZA Airways and Allied Workers Union of Zambia	ZCTU	997	-	-	-	-	-
BETUZ Basic Education Teachers Union of Zambia	ZCTU	9,000	-	-	-	-	-
BUZ Bankers Union of Zambia	ZCTU	670	-	-	-	-	-
CBAU Copperbelt University Academic Union	ZCTU	220	-	-	-	-	-
GUZ - The Guards' Union of Zambia	-	8,500	-	-	-	-	-
NUTEL National Union of Technical Education Lecturers	-	800	-	-	-	-	-
PETUZ Primary Education Teachers' Union of Zambia	-	8,628	-	-	-	-	-
ZAGAWU Zambia Graphical and Allied Workers	-	1,401	-	-	-	-	-

The update of the trade unions members is based on data from the Global Union Directory per June 2014. Calculation of trends compare this table from LO/FTF Council's Labour Market Profile 2013 of Zambia that used lists from the ITUC membership list,¹³ ILO's Decent Work Country Programme¹⁴ and a FES database on Trade Unions in Sub-Saharan Africa¹⁵ with data from 2010. The latter sources showed 310,000-350,000 members of ZCTU and 50,000 members for FFTUZ.

Employers' Organisations

Zambia Federation of Employers (ZFE)

ZFE was formed in 1966. The main objectives of the ZFE are to protect members' interests, establish, promote and maintain good relations between employers and employees throughout the country, and to be the highest central organization representing employers to the Government and the labour movement.

ILO has estimated that ZFE draws its mandate from registered membership of 292 companies in 2010 and has steadily risen from 132 in 2000.¹⁶

ZFE operates with a Board of Directors headed by newly-elected ZFE president, Mr. Bruno Chisambothe, and a Secretariat is headed by the Executive Director Mr. Harrington Chibanda.¹⁷

ZFE has on several occasions had development cooperation with ILO and the Dutch Employers' Cooperation Programme.

Other employers' organizations exist such as the Chambers of Commerce, the Zambia National Farmers' Union, and Zambia Association of Manufacturers.

Central Tripartite Structures

Mediation and Arbitration

An employee can report an employer to a labour officer. The labour officer then determines if there is a legal breach and refers the matter to a court.²¹

Collective disputes are governed by the Industrial and Labour Relations Act (ILRA).²² A collective dispute is referred to a conciliator or a board of conciliators. If conciliation fails to reach a settlement or the settlement is in contrary to the law, the dispute is referred to the Industrial Relations Court. The court is composed of a chairman, a deputy chairman and up to ten ministerial appointed members. The social partners does not nominate member for the Industrial Relations Court.

Tripartite Consultative Labour Council (TCLC)²²

The TCLC consists of an equal number of members from the trade unions, the employers and the Government, with no less than 21 members. The Council gives advice to the Government on all issues relating to labour matters, manpower development and utilisation and any other matter referred to the Council by the Government.

According to a report from the Global Network, the tripartite social dialogue structures normally do not include trade and related issues, which are a preserve

of the ministry responsible for trade or foreign affairs.¹⁸

According the ILO, outside of the TCLC, collective bargaining remains an important way of reaching comprehensive agreements on conditions of work, though this is confined to workers with membership to trade unions. Whilst the number of collective bargaining agreements grew steadily from 2006 to 2009, there was a slight decline in numbers from 2009 to 2010 (183 agreements in 2009 compared with 176 agreements in 2010).

Other bi/tripartite organs¹⁹

- Tripartite Labour Consultative Council
- National AIDS Council
- Working Group on OSH
- Creation of the Zambia Institute of OSH (under discussion)
- National Pensions Scheme Authority
- Public Service Pensions Fund
- Mukuba Pension Scheme (for miners)
- Technical Education, vocational and Entrepreneur-ship Training Authority (TEVETA)
- Alliance for the Zambia Informal Economy Associations
- Ministry of Finance and Economic Planning
- Provincial and local bargaining units
- Provincial and district planning units

National Labour Legislation

Constitution²⁰

The constitution from 1991 recognises the freedom of association, though trade unions have conditions for registration. It prohibits forced and child labour, and the state shall provide opportunity for employment, fair labour practices and safe and healthy working conditions.

A first draft of a new Constitution of the Republic of Zambia was made public in April 2012 for the purposes of allowing public consultations. The draft incorporates the right to be free from forced labour, freedom of association and the right to assemble, demonstrate, picket, lock out and petition, gender equality, rights and protection for young persons and disabled person, as well as a specific provision on labour relations. The Technical Committee has finished writing the first final draft of the Republican Constitution and it was handed over to the President in the end of 2013. The final contents have not been divulged to the public, though. The government and civil society are fighting on its adoption. There is speculation that the government is uncomfortable with key findings, i.e. 50%+1 presidential threshold, not a simple majority as well as age restriction on presidential candidates. The government did not budget for a referendum and seems to prefer parliamentary adoption, which explains the continuous by- elections in the current government.

Employment Act²¹

The Employment Act of 1965 amended in 1997, regulates individual employment relations such as hiring, firing, payment of wages and working hours. It also regulates labour inspection, employment agencies, when disputes are to be conferred to other authorities and the power of courts in labour matters.

Industrial and Labour Relations Act (ILRA)²²

The act from 1993 amended in 1997, regulates trade unions, employers' organizations, collective bargaining, strikes, lockouts, industrial disputes and establishes the Industrial Relations Court. During 2013 the ILO reported that most of the amendments to the ILRA proposed by the government in response to ILO recommendations had still not been taken into account during the labor law review process.²³

Minimum Wages and Conditions of Employment Act²⁴

The act from 1992 makes specific provision for the protection of minimum wage levels and minimum conditions of employment.

Factories Act²⁵

The Factories Act of 1966 amended in 1994, regulates working conditions and labour inspection in factories. It sets specific standards for various elements of Occupational Safety and Health in factories.

Workers Compensation Act²⁶

The Workers Compensation Act from 1999 regulates compensation to workers for disabilities suffered or diseases contracted during the course of employment.

*These acts are the most important labour legislation in Zambia. Several other legislations exists which regulates and sets standards and restrictions for the labour market.*²⁷

Zambia ratified five ILO Conventions (C081, C129, C155, C187, and C181) in 2013 and will enter into force in December 23, 2014. (See table below on ILO Conventions section).

ILO Conventions

Ratified ILO Conventions ²⁸		
Subject and/or right	Convention	Ratification date
Fundamental Conventions		
Freedom of association and collective bargaining	C087 - Freedom of Association and Protection of the Right to Organise, 1948	1996
	C098 - Right to Organise and Collective Bargaining Convention, 1949	1996
Elimination of all forms of forced labour	C029 - Forced Labour Convention, 1930	1964
	C105 - Abolition of Forced Labour Convention, 1957	1965
Effective abolition of child labour	C138 - Minimum Age Convention, 1973	1976
	C182 - Worst Forms of Child Labour Convention, 1999	2001
Elimination of discrimination in employment	C100 - Equal Remuneration Convention, 1951	1972
	C111 - Discrimination (Employment and Occupation) Convention, 1958	1979
Governance Conventions		
Labour inspection	C081 - Labour Inspection Convention, 1947	Enter into force 23 Dec 2014
	C129 - Labour Inspection (Agriculture) Convention, 1969	Enter into force 23 Dec 2014
Employment policy	C122 - Employment Policy Convention, 1964	1979
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976	1978
Up-to-date Conventions		
Wages	C095 - Protection of Wages Convention, 1949	1979
	C131 - Minimum Wage Fixing Convention, 1970	1972
	C173 - Protection of Workers' Claims (Employer's Insolvency) Convention, 1992	1998
Industrial relations	C135 - Workers' Representatives Convention, 1971	1973
	C154 - Collective Bargaining Convention, 1981	1986
	C151 - Labour Relations (Public Service) Convention, 1978	1980
	C154 - Collective Bargaining Convention, 1981	1986
Migrant Workers	C097 - Migration for Employment Convention (Revised), 1949	1964
Child Labour	C124 - Medical Examination of Young Persons (Underground Work), 1965	1967
Freedom of association	C141 - Rural Workers' Organisations Convention, 1975 (No. 141)	1978
Employment Policy	C159 - Vocational Rehabilitation and Employment (Disabled Persons), 1983	1989
Labour Administration	C150 - Labour Administration Convention, 1978	1980
Occupational Safety and Health	C148 - Working Environment (Air Pollution, Noise and Vibration), 1977	1980
	C155 - Occupational Safety and Health Convention, 1981	Enter into force 23 Dec 2014
	C176 - Safety and Health in Mines Convention, 1995	1999
	C187 - Promotional Framework for Occupational Safety and Health Convention, 2006	Enter into force 23 Dec 2014
Specific categories of workers	C149 - Nursing Personnel Convention, 1977	1980
Employment policy and promotion	C181 - Private Employment Agencies Convention, 1997	Enter into force 23 Dec 2014
<p>Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work. Equivalent to basic human rights at work.</p> <p>Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. In other words, conventions that promotes a well-regulated and well-functioning labour market.</p> <p>In addition, there are 71 conventions, which ILO considers "up-to-date" and actively promotes.</p>		

Trade Union Rights Violations

The International Trade Union Confederation (ITUC) registered several cases in 2013²⁹: There was trade union discriminations when 3,000 workers employed at Shoprite Holdings were dismissed for striking in October. The conflict was over pay and working conditions. The National Union of Commercial and Industrial Workers was informed by management that all the workers who had gone on strike were dismissed. The company stated that workers would have to re-apply for their jobs.

On the other hand, when civil service nurses went on strike for a second time demanding higher wages in late November, the government responded by dismissing about 500 nurses. It was alleged that their strike was illegal. After mandatory re-application most of them have re-admitted, but not the ring-leaders. Their union, ZUNO, alleges the strikers defied technical advice and allege that there was opposition party agitation of the nurses.

There was also anti-union discrimination in June 2013 when the Kitwe City Council engaged in disciplinary action against trade union leaders and members who had participated in a prolonged work stoppage over delayed salaries. Two trade union leaders from the Zambia United Local Authority Workers Union (ZULAWU) who were linked to the strike action, were suspended. Furthermore, ZULAWU Kitwe branch deputy secretary and another union leader were transferred to different positions in order to prevent future union activities.

ITUC also has been listed violence against trade unionists in February 2013 when the government seized Collum Mine over poor working conditions and violations of trade union rights. There has been frequent industrial unrest since the mine was privatized in 2003. In October 2010, 13 mineworkers were injured when two managers at the mine opened fire on striking workers. Charges against the two managers were later dropped by the State. A pay dispute at the mine in 2012 after government raised the minimum wage resulted in a spontaneous protest by workers during which a Chinese supervisor was killed and another was injured.

There was moreover violation of collective agreement, according to the Zambia National Teachers Union (ZNTU). The union stated that the government has not implementing a concluded collective agreement which stipulates improved working conditions. While the agreement should have been implemented in June 2013, it is still not clear when it will be effective. The union has threatened to take strike action if the government continues to disregard the agreement.

The U.S. Country Reports on Human Rights Practices for 2013 noted that while the law provides for the right to strike, most unions choose to strike illegally to circumvent lengthy procedural requirements. The government applies laws concerning strikes unevenly.³⁰

In January 2013 two Chinese managers beat and injured Zambian workers who demanded to be paid their overdue wages at Mulungushi University in Central Province. Police arrested the Chinese employers.

While the Employment Act provides that workers engaging in illegal strikes may be dismissed, the government at times intervened for political reasons when such dismissals occurred.

According to the ZCTU there have only been two legal strikes in the country. The requirements are so bureaucratic- need for the trade union to take a national vote

Zambia has 4 closed Freedom of Association cases in the ILO; and no active or follow-up cases.

ILO Complaints Procedure ³¹ Freedom of Association cases (2013)	
Active	0
Follow-up	0
Closed	4

Working Conditions

Wages and earnings			
Monthly average and legal minimum wages			
	Source	Current Zambian kwacha (ZMK)	2011 US\$
Median wage (2008)	Calculations from Labour	less than 270,000	75
Median wage without agriculture (2008)	Force Survey ³²	550,000 - 649,000	153 - 181
Minimum wage Lowest (2012)	Statutory Instrument	700,000	133
Minimum wage Highest (2012)	No. 46 of 2012 ³³	1,445,107	275
Minimum wage for a 19-year old worker or an apprentice (2014)	Doing Business ³⁴	758.696	132
% minimum wage to value added per worker (2014)		0.59	
Growth of real minimum wage (2006-2011)	Global Wage Database ³⁵	- 6 %	
<i>% of minimum wage to value added per worker denotes the minimum wage share of labour productivity. Reported as ratio of minimum wage to value added per worker in the Doing Business Report.³⁴</i>			

In 2012 the minimum wage is divided into five categories depending on sectors, with the lowest at ZMK 700,000 (US\$133) and the highest at ZMK 1.4 million (US\$275) per month. All domestic workers should be paid not less than ZMK 520,000 (US\$96) while all shopkeepers would be paid with not less than ZMK 1 million (US\$184). The minimum wage received an increase of more than 300% in 2006, when it was raised from ZMK 83,200 to ZMK 268,000. However, parts of the workforce are not covered by minimum wage and other provisions regarding acceptable conditions of work. In addition, the minimum wage actually constitutes a real minimum wage decreased at -6% from 2006 to 2011.

In March 2013 the government announced it would devise specified minimum wages for every sector instead of leaving the task to individual employers. And, in September 2013, the government increased salaries with benefits for civil servants, with some getting as high as 200% effective per September 1, 2013. It was based on collective bargaining negotiations between Government and the Civil Servants and Allied Workers Union of Zambia (CSAWUZ).³⁶ It is noteworthy that unionized workers with wage scales and maximum workweek hours

established through collective bargaining, almost all unionized workers receive salaries considerably higher than the nonunionized minimum wage.³⁷ The private sector has been challenged to improve workers' conditions of service.

The real wage increase from 2011 to 2012 was around 60%. Employers and ZFE contested the increase, maintaining that consultation had been insufficient and that it was too high compared to labour costs and would result in increased unemployment. Thus, employer compliance has been problematic, since some resisted government imposition of the minimum wage increases without stakeholder consultation during 2013. Many companies are applying for inability to pay the new minimum wage and they get a waiver.

Regarding regulation of minimum occupational safety and health standards in industry, the Ministry of Labor and Social Security conducted labor inspections during 2013. Some businesses were ordered to close when significant violations of labor laws were found. The maximum workweek was at 48 hours, which was mostly enforced, however, the enforcement of Occupational Safety and Health, was limited due to staff shortages.³⁸ The number of workers with unstable and insecure jobs declined from 2005 to 2008, but was found to remain high at 59% of all paid employees with job instability being higher among females and in rural areas.

A study using the 2008 labour force survey revealed that 8.1% of the respondents had been injured at work in the previous 12 months (10% of males, and 6.2% of females). Three out of five (61%) of those injured, stayed away from work as a result. The commonest type of injury was "open wound" (82%).³⁹ It is also notable that fines for labour infractions are among the highest in Africa.⁴⁰

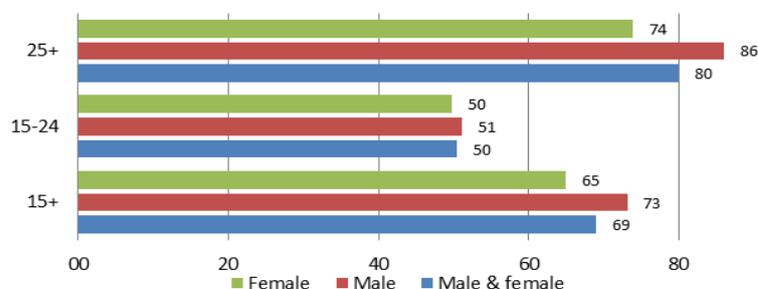
A rapport from Human Rights Watch in 2012 on Chinese-run mines recorded improvements on reducing work hours and respecting freedom of association.⁴¹ Notwithstanding, the miners continue to face poor health and safety conditions as well as threats by managers if they tried to assert their rights. The government engaged mining companies and took some steps during 2013 to improve working conditions in the mines.

Workforce

Employment rates⁴² (%)

(2012), Age and Sex distribution

Sex	Age	Employment rate
Male & female	Total	15+ 69 %
	Youth	15-24 50 %
	Adult	25+ 80 %
Male	Total	15+ 73 %
	Youth	15-24 51 %
	Adult	25+ 86 %
Female	Total	15+ 65 %
	Youth	15-24 50 %
	Adult	25+ 74 %



The total population in Zambia is 14.6 million persons and the labour force covers 6.0 million workers. ILO registered that the employment-to-population ratio (15-64 years) declined from 83% in 2005 to 69% in 2008.

The employment gender gaps are mostly in the 25+ age group with a difference at 74% for women and 86% for men, while the difference is quite minimal among youth.

Relative to Sub-Saharan Africa, Zambia has a smaller middle class. In 2010, 9% of Zambians lived for US\$2-4 a day and 6% for US\$4-20 a day, compared to Sub-Saharan Africa where 14% lived for US\$2-4 a day and 10% for US\$4-20 a day.⁴³

The latest data for working poor in Zambia were from 2006. There has actually been an increase of working poor from 61% in 2004 to 64% in 2006. The rate was also much higher as Sub-Saharan Africa's level.

Working Poor⁴⁴

Age 15+

Region	Share of workers in total employment	
	1.25 US\$ a day	2 US\$ a day
Zambia (2004)	61 %	79 %
Zambia (2006)	64 %	79 %
Sub-Saharan Africa (2004)	51 %	73 %
Sub-Saharan Africa (2006)	48 %	70 %
Sub-Saharan Africa (2012)	40 %	64 %

Working poor measures employed people living for less than US\$1.25 and US\$2 a day, as proportion of total employment in that group

Unemployment and underemployment

The latest estimation from 2012 of unemployment rate was at 7.9% of the labour force. Unemployment was much more common in urban areas than in rural. There are slightly less men than women as unemployed.

The youth unemployment is quite high at 25%. On this age group men have a higher unemployment rate than women.

Unemployment, youth unemployment and underemployment (2012) ⁴⁵			
	Un-employment	Youth Unemployment	Under-employment (2008) ⁴⁶
Total	7.9 %	25 %	70 %
Urban	15.3 %	-	36 %
Rural	3.1 %	-	83 %
Male	7.1 %	27 %	63 %
Female	8.6 %	23 %	77 %

Urban youth unemployment is a large problem. As with most other African countries, the formal sector in Zambia grows too slowly to absorb the estimated 300,000 young people entering the labour market each year. Therefore many end up in precarious and informal jobs. The unemployed youth also create political and economic tensions, e.g. unemployed youth's disillusionment is thought to be a major reason for defeat of the incumbent government in the 2011 election.⁴⁷

Underemployment is also very high. Much underemployment is due to seasonal changes in rural activity, but underemployment was also high in urban areas. The concept of underemployment does sometimes also include those who are employed below their skill-level, whereas the measure for Zambia is confined to time-related underemployment, indicating those who involuntarily worked less than 40 hours per week.

The average weekly hours worked in Zambia was 31 hours per week, in rural areas 28 and 40 in urban, and 33 for men and 29 for women.

Along with the high unemployment rate, the high underemployment rate indicates that Zambia has considerable job deficiencies.

Interpretation of the open unemployment and employment rates as indicators of a well-functioning labour market is problematic in developing countries. When unemployment is not an option where a person can survive, work of some sort has to be found, often casual and informal work. Unemployment should therefore be understood in relation to the strength of social safety nets, the prevalence of informal employment and how much of informal employment is underemployment due to few formal employment possibilities.⁴⁸

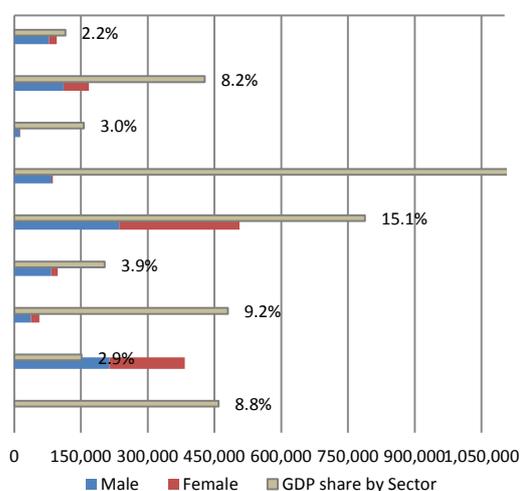
The Government revised the new Sixth National Development Plan (SNDP) 2013-2016, which focuses on inclusive growth, rural development, and job creation.

Sectoral employment

Employment (2008)⁴⁹ & GDP share (2013)⁵⁰

Sector & Sex distribution – (Graph without Agriculture)

Sector	Employment (2008)	Employment (2013)	GDP share (2013)
Mining and quarrying	78,465	17,274	2.2 %
Manufacturing	110,958	57,402	8.2 %
Electricity, gas and water	12,795	1,496	3.0 %
Construction	84,018	2,948	29.1 %
Trade, restaurants and hotels	235,969	270,086	15.1 %
Transport and communication	83,295	14,757	3.9 %
Finance, real estate and business services	37,527	19,117	9.2 %
Public administration, education & health	214,319	169,433	2.9 %
Other services	N/a	N/a	8.8 %
Agriculture	1,828,075	1,983,847	17.7 %



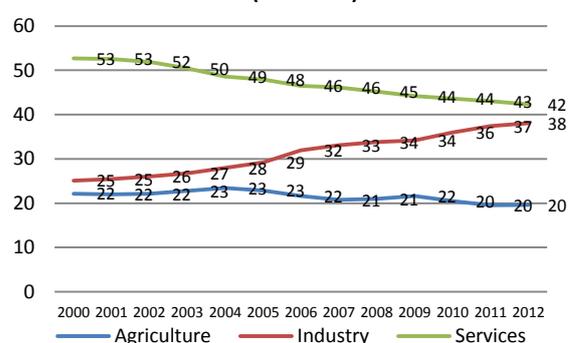
Agriculture is by far the single largest employment sector in Zambia. It absorbs around 73% of the employed, yet only contributing to around 18% of GDP. The sector has low productivity and is mostly pre-industrialised. The second largest employment sector is Trade, Restaurants and Hotels, where around 10% of the labour force is employed. Outside agriculture, women tend to find employment in trade and in public administration. Some sectors are male dominated, but otherwise there are not very apparent gender segmentations on the labour market.

The construction sector has an unusually high contribution to GDP, which is certainly because of massive construction investments in the copper mining industry. The mining and quarrying industry has comparably few employed and contribution to GDP. The few jobs created in the mining industries

compared to the investments made in construction are also apparent in this data.

The investments made in mines and the increasing global copper price is also apparent in the sector shift away from services and into industry

Sectors Share (% of GDP)⁵¹



Migration

At 0.4% Zambia receives considerably fewer remittances than the rest of Sub-Saharan Africa. With a net migration rate per year at 1 out of 1,655 inhabitants, a rate that is close to a double that of the other Sub-Saharan countries. The top three destinations for migrants are Tanzania, the United Kingdom, and Zimbabwe.⁵²

There is no national policy concerning the migrant workers at the moment and the migrant workers have no rights to organize, strike, bargain for their conditions of service.⁵³

Migration⁵⁴

Net migration (2008-2012)	Zambia	- 40,000
Net migration to average population per year (2008-2012)	Zambia	- 1 : 1,655 inhabitants
	Sub-Saharan Africa	- 1 : 2,838 inhabitants
Personal transfers i.e. remittances received, % of GDP (2012)	Zambia	0.4 %
	Sub-Saharan Africa	2.0 %

Informal Economy

Employment in the informal economy		
Total informal employment	Zambia (2008) ⁵⁵	89 %
	Zambia (2012) ⁵⁶	89 %
Share of workers employed in the non-agricultural informal sector	Zambia (2008) ⁵⁷	65 %
	Sub-Saharan Africa (2001) ⁵⁸	78 %

Out of the total employed population, 89% have informal jobs. This is largely because most people work as subsistence farmers. Out of all informal employment, 78% was in agriculture, but even among non-agricultural workers, 65% are employed in the informal sector. More women (70%) than men (61%) work in the non-agricultural informal sector.

Informal employment tends to be highest among the younger and older workers on the labour market, and lowest among the middle aged. It neatly follows an inverse bell curve, and for example the age group 20-24 and 60-64 have around 95% informal employment and the age group 40-44 has around 84%.⁵⁹

AZIRA is a coalition of informal economy associations. It organises street vendor, artisans, agricultural workers, migrant workers, among others. It has 26,815 members in affiliate organisations.⁶⁰ At the national level, Zambia includes legal protection of informal workers.⁶¹

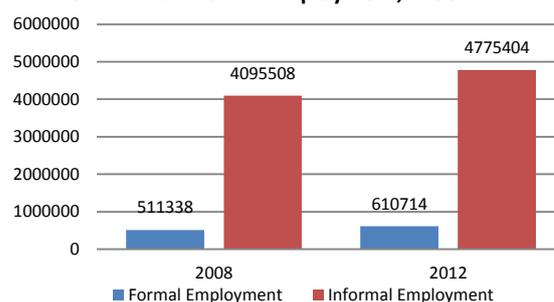
There were considerable differences between sectors in the share of informality, ranging from 98% to 51% informal employment. Gender segmentations also persisted in the informal sector, but were not necessarily the same as overall employment segmentations. The mining and quarrying informal sector for example has more females employed.

The monthly informal average wage for all Zambia has been estimated at 482,003 kwacha, and a total average wage at 723,808 kwacha, which is equivalent to about US\$134 and US\$202, respectively.

The gap between average earnings and average informal earnings will be smaller when the informal sector is larger. Even then there are large differences in average earnings and average informal earnings, which are not related to the informal sector share of employment.

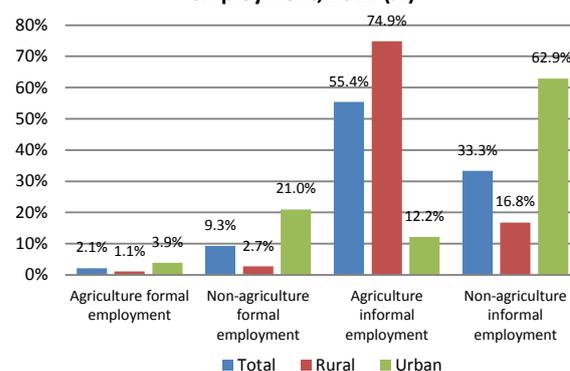
Preliminary results of the 2012 Labour Force Survey showed that formal employment has increased at 0.3% over the period 2008 to 2012.

Formal and Informal Employment, 2008-2012⁶²



The 2012 survey also illustrated that formal and informal agricultural-related jobs accounted at 2.1% and 55.4% of all employed persons, respectively. On the other hand, formal and informal Non-Agricultural jobs accounted at 9.3% and 33% of employed persons, correspondingly.

Distribution of the currently employed by type of employment, 2012 (%)⁶³



The distribution of employed persons in the informal sector is dominated in agriculture (98%), trade and whole sale (95%), and construction (90%). In contrast, electricity and gas sector has 15%, public administration 18%, and mining and quarrying 29%.

Child Labour

The Government operates with a Child Labour Policy, but lacks the enforcement of child labor laws as well as limited budgetary and human resources. The draft statute on hazardous forms of child labor has not yet been adopted into law.⁶⁴

Children continue to engage in the worst forms of child labor, particularly in dangerous conditions in agriculture and in mining. About 35% of children do some form of work, which is a slightly higher rate than the Sub-Saharan average.

Gender

In terms of Global Gender Gap Index, which is gender-based gaps rather than the actual levels of the available resources and opportunities, Zambia is ranking 113 out of 136 countries; and the 20th best performer among Sub-Saharan African countries.⁶⁷

The government operates with the Zambia National Gender Communication Strategy 2010-2015, with a goal to reduce gender imbalances all levels of socio-economic and political spheres. However, the country's progress in achieving gender equity and equality remains limited.⁶⁸ As noted elsewhere in this report: Slightly fewer girls than boys enrolled into vocational training. In the informal sector the gender segmentations are much smaller and slightly more women than men work in the informal sector.

Youth

There is the national youth policy of Zambia from 2006, which is under review. A previous policy is from 1994. A report of the state of young people in Zambia demonstrate that youth, in general, has a poor access to information on public policies and laws, especially in rural settings; and there is a limited participation in decision making by young people.⁷¹

As mentioned in previous section, youth females have a lower unemployment rate than men, and that trend has been stable. However, the youth unemployment rates have been very high in comparison with Sub-Saharan Africa.

In 2012 compulsory youth service was introduced for school leavers, which will focus on training of various entrepreneurial skills over 18 months. This has increased vocational training extremely high.

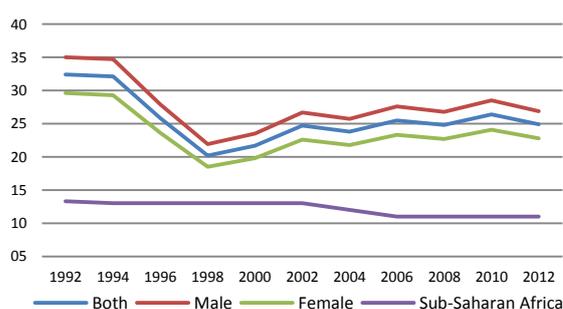
Working children			
Proportion of all children in age group			
Region	Year	Type	Proportion
Zambia ⁶⁵ (age 7-14)	2008	Children in employment	35 %
Sub-Saharan Africa ⁶⁶ (age 5-17)	2008	Children in employment	28 %
		Child labourers	25.4 %
		Hazardous work	12.7 %
<i>Children in employment include all children who conduct some kind of work, whereas child labourers are a narrower term without mild forms of work. Hazardous work is the worst form of child labour as defined in ILO C182.</i>			

According to ILO,⁶⁹ traditional gender roles mean that women end up in certain employment areas. The gender wage gap is rather high though it has decreased from 2005 to 2008, and more women are in high-status jobs. Lower education and resulting lower paid jobs, and gender segmentation of the labour market are reasons for this. More men (69%) than women (31%) were also members of Trade Unions.

An Enterprise Survey from the World Bank in 2007 reported that 37% of firms had female participation in ownership, considerably higher than the Sub-Saharan average at 29%, and that 15% of full time employees were women, less than the Sub-Saharan average at 23%.⁷⁰

For Zambia's young people, the AIDS response has seen a progress, with a significant 25% decline in HIV incidence over the last decade. However, the AIDS epidemic continues to have a huge effect on the youth, especially young women. Among others, there has been a rise in the number of young people who were tested and received their HIV test results, from 7% in 2005 to 34% in 2009.⁷²

Youth unemployment in Zambia, 1992-2012 (%)⁷³



Characteristics of the Working Age Population

Highest level attained and years of schooling in the population⁷⁴ (2010), Population 25+, Total and Female

Highest Level Attained	Total	Female
No Schooling	18.4 %	25.2 %
Primary		
Begun	16.8 %	15.8 %
Completed	29.8 %	33.3 %
Secondary		
Begun	14.2 %	11.0 %
Completed	19.2 %	13.7 %
Tertiary		
Begun	0.6 %	0.4 %
Completed	1.0 %	0.6 %
Average year of total schooling	6.7 years	5.9 years
Educational Gini Coefficient	0.37	0.42

Primary, secondary and tertiary is the internationally defined distinction of education. In Denmark these corresponds to grundskole, gymnasium & university.

The educational Gini Coefficient is similar to the Gini Coefficient, but instead of measuring the distribution of income in a population, it measures the distribution of education measured as years of schooling among the population.⁷⁵

The graph above shows the educational attainment of all Zambians above 25 years, therefore gives a glance of the human capital of the labour force.

With an average 6.7 years of schooling per capita, Zambia has a well educated population compared to other Sub-Saharan African countries. Many have completed primary education as well as secondary education.

Women are underrepresented in all types of education except those having completed primary schooling, though the gender difference is not as pronounced in Zambia as many other Sub-Saharan African countries.

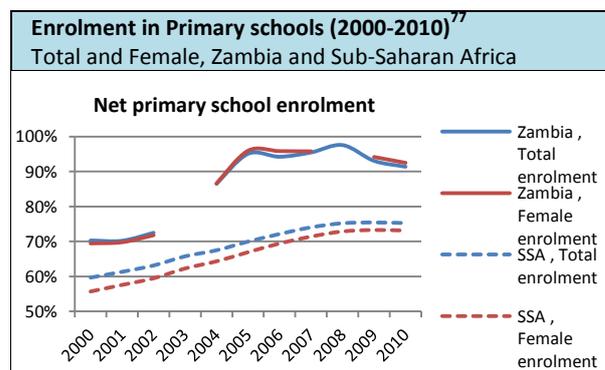
With free education up to grade seven, Zambia has high enrolment rates for primary education. Attendance rates are also rather high at 81% for boys and 82% for girls.⁷⁶ Girls have both higher enrolment

Vocational training

In 2012, 848,371 pupils were enrolled into vocational training institutes, which are 33% to a population of 15-24 year olds, which is extremely high in comparison with the average for Sub-Saharan Africa.

The government is preparing policies and reforming the system of technical education, vocational and entrepreneurship training (TEVET). Today, TVET provision is mostly done by private institutions, faith based organizations, trusts and community based institutions. In an effort to stem youth unemployment, the government re-introduced compulsory youth

and participation rates than boys. Little data exists on enrolment into higher education.



service for school leavers in 2012, which will focus on training of various entrepreneurial skills over 18 months.⁷⁸

Vocational Training ⁷⁹ (2012)		
Pupils in vocational training	Zambia	848,371
Ratio of pupils in vocational student to all pupils in secondary education	Zambia	53 %
	Sub-Saharan Africa (2011)	7.7 %
Ratio of pupils in vocational training out of 15-24 year olds	Zambia	33 %
	Sub-Saharan Africa (2011)	1.9 %

Social Protection

Public spending on social protection schemes ⁸⁰ (2011)		
Public social protection expenditure, excl. health	Kwacha	1.7 billion
	US\$	346 million
	% of GDP	1.8 %
	per capita	25.4 US\$
	% of government expenditure	8.6 %
Public health care	% of GDP	3.7 %
Health social protection coverage	% of population	8.4 %
Trends in government expenditure in health	% changes per year (2007-2011)	8.5 %

Benefits, coverage and contributions to pension schemes ⁸¹ (2009)		
Social benefits for the active age	% of GDP	0.3 %
Pensionable age receiving an old age pension (age 55+)	Proportion of total	7.7 %
Old age effective coverage as proportion of programs	Contributory	6.9 %
Active contributors to a pension scheme	15-64 years	8,8 %

Contributory social security schemes in Zambia have a long history. However, the scope of coverage is quite limited, e.g. health social protection coverage is 8.4% of the population and active contributors to a pension scheme cover 8.8% in the age group 15-64 years. A key issue in the Social Protection sector is how to extend coverage in a highly informal labour market environment.

The main employment insurance scheme is governed by the National Pensions Scheme Authority (NAPSA). It is fully contributory with employees and employers each paying 5% of the salary. Self-employed workers can voluntarily join at 10% of earnings, though the large majority of informal workers cannot join. It provides monthly paid old-age pensions at age 55, early retirement at age 50, invalidity, as well as survivor benefits and funeral grants. Workers earning less than 15,000 kwacha (US\$3) per month are exempted from NAPSA. In 1996, when the regulation was established, this was about of US\$12; in 2012 it was US\$3.⁸²

Public Service Pensions Fund (PSPF) and the Local Authorities Superannuation Fund (LASF) cover public employees. They are fully contributory with employees and employers in the PSPF each paying 7.5% of the salary. They provide monthly pensions for old-age, early retirement and survivors.⁸³ Employers can also voluntarily establish Occupational Pension Schemes providing extra benefits for their employees. In 2007, 250 of such schemes existed.⁸⁴

Occupational injuries are covered for all employed workers, but excluded for self-employed and informal workers. It is governed by the Workers' Compensation Fund Control Board (WCFCB). Employers pay the full cost through fixed annual contribution according to the occupational risks.⁸²

There are also a wide range of non-contributory programs and pilot cash transfer schemes. Regarding the former, the actual effective scope of coverage is low due to very limited available resources and low capacity. The latter cash transfers are relatively new, and so far have been implemented in five districts of two provinces. The majority of cash transfer programs are unconditional.

The existing health care system is unbalanced in both expenditure and service delivery. The system is heavily dependent of donor funding. A major constraint is the highly uneven distribution of medical staff. It is also noteworthy that the government has to some degree removed the payment of user-fees in rural areas for primary care. This has led to 50% increase in the use of medical facilities in these areas.⁸⁵

HIV/AIDS represents the greatest share of Zambia's current health burden and has been identified as a threat to the country's development. Adult HIV prevalence was estimated at 13% in 2012.⁸⁶ The government has scaled up its provision of Antiretroviral Treatment (ART) in public institutions at a highly subsidized cost. But coverage is not uniform across the country and large numbers of people are still not covered.

General Economic Performance

Key Facts ⁸⁷ (2013 est.)				
GDP	GDP per capita (PPP)	GDP real growth	HDI (2012) ⁸⁸	Gini Index (2010)
22.2 billion US\$	1,800 US\$	6.0 %	0.448	57.5
196 of 228 countries	196 of 228 countries		163 of 187 countries	9 of 141 countries

The Human Development Index (HDI) measures the average of a long and healthy life, access to knowledge, and a decent standard of living.

Gini Index of 0 represents perfect equality, while an index of 100 implies perfect inequality. In terms of the ranking, the first country has the highest inequality, while the number 141 has the highest equality.

Doing business 2014/15 ⁸⁹	Control of corruption	Government effectiveness	Rule of Law
111 of 189 countries	-0.57 (2007) -0.36 (2012)	-0.71 (2007) -0.50 (2012)	-0.57 (2007) -0.40 (2012)

A high ranking on the Ease of Doing Business Index means the regulatory environment is more conducive to the start-up and operation of a local firm.⁹⁰

The selected Governance Indicators cover the years 2007 and 2012, and ranking from -2.5 to 2.5; i.e. negative tendencies below the zero mean and unit standard deviation, score negative measurements.⁹¹

Zambia has had a long period of political stability and a strong economic growth the last decade. The country reached lower middle income status. Investor confidence has also been registered as high.⁹² The economic growth has not created significant poverty reduction, though.

The economic growth rates have been above 5% since 2003. Growth has been closely linked to international copper demand in recent years, and has fluctuated along with copper prices. Since much of the growth has been in capital intensive mining industries, few jobs have been created compared to their investment. The Lumwana copper mine, for example, created 4,700 jobs during construction, though attracting over 9% of GDP in investments.⁹³

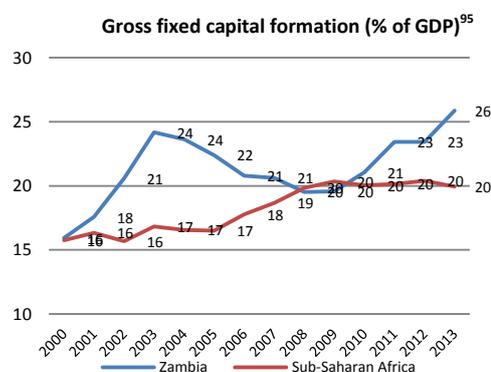
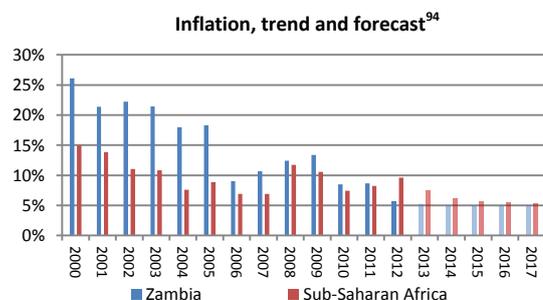
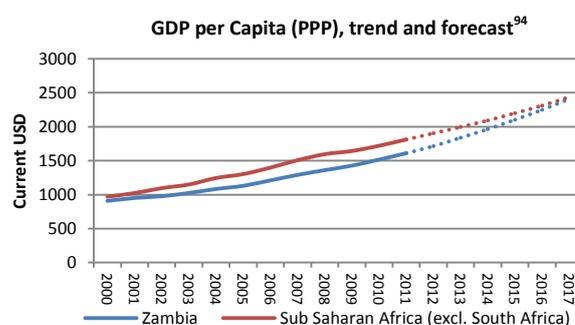
Zambia has slightly lower GDP per capita measured in Purchasing Power Parity (PPP) than the Sub-Saharan Average, but the gap is projected to narrow. From very high rates a decade ago, inflation has been brought under control and is projected to fall further.

Zambia does remain one of the least developed nations in the world on the Human Development

Index just as the latest Gini Index from 2010 ranks Zambia at 9 out of 141 countries, which signals a very unequal country.

On the other hand, the doing business indicator ranks Zambia rather medium high level at 111 out of 189 countries, stepping down on four steps on the index since 2013/14. Zambia has made progress on the three Governance Indicators in the table, at a lower medium level, with a marginal better Control of Corruption and Rule of Law.

All in all, Zambia appears to be a country where entrepreneurial opportunities exist, but there are large social disparities, and where large segments of the population are not part of the good growth performance.



Trade

Trade and Foreign Direct Investment (2013 est.)			
Exports	Imports	FDI flow ⁹⁶ (average 2008-12)	FDI Stock
8.6 billion US\$ 38 % of GDP	8.2 billion US\$ 37 % of GDP	1.1 billion US\$ 5.0 % of GDP	N/A

Trade, both exports and imports, also have a large share of GDP. The country is one of the few Sub-Saharan African countries that have higher exports than imports.

Strong increased global demand for copper is the main reason, as over 75% of Zambia's exports are in copper related products. Thus, Zambia's dependency on copper makes it vulnerable to depressed commodity prices. Due to problems of fiscal management and recent weakening global copper prices, the government revoked regulatory changes (i.e. mandating use of the kwacha for domestic transactions and monitoring foreign exchange transactions), while they were perceived as undermining confidence in Zambia's economy and currency, leading to sharp depreciation of the kwacha in March 2014.

Following the high copper demand, the government has increased mining levies. The revenue is promised to be used in infrastructure and hospitals.⁹⁷ The government has also started following a programme to diversify the country's exports.

Zambia has had a large influx of Foreign Direct Investment in later years. This has also largely been in the copper mining business, and much of it from Chinese investors.⁹⁸

Trade agreements

The Global Network has argued that Zambia's Economic Partnership Agreements (EPA) negotiations have limited labour content. The issues of labour standards and decent work have not been sufficient part of the agenda of current trade and trade related agreements.⁹⁹

Zambia is in the 2000 Cotonou Agreement on development cooperation between EU and African, Caribbean and Pacific (ACP) countries, which reaffirms commitment to ILO's Fundamental Conventions and

includes provisions on cooperation on various labour and social issues.¹⁰⁰

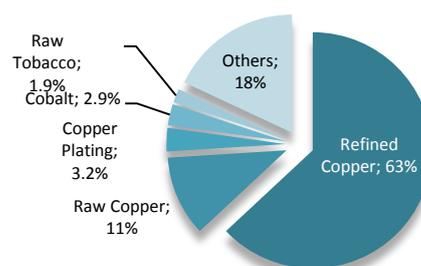
Since 2000, Zambia has benefitted from the United States' African Growth and Opportunity Act (AGOA), which is a Generalised System of Preferences. It allows duty and quota free access for some products. Zambia can be removed from AGOA, if the United States deems that Zambia among other human rights issues do not seek to uphold the ILO Core Labour Standards and have acceptable minimum wages, hours of work and occupational safety and health.¹⁰¹

Export Processing Zones (EPZ)

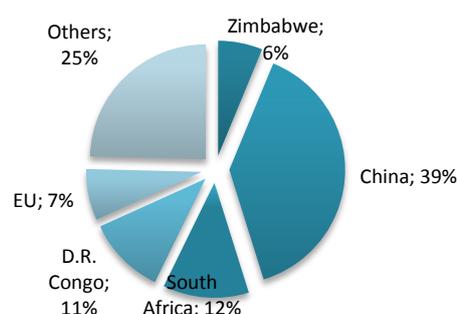
Zambia established EPZ regulation in 2001, but not until 2006 did they get created as the Multi-Facility Export Processing Zones (MFEZ). Incentives in the MFEZs are on taxes and the same labour laws apply in the MFEZs.¹⁰² Large shares of casual or day labour makes the laws less effective.

There are two established and four planned MFEZs in Zambia. The two established zones have largely been driven by Chinese investments in metal mining industries, and have so far created 5,600 jobs. The government has projected that all zones will create as many as 30,000 jobs.

Zambia's products share of main exports (2012)¹⁰³



Zambia's main export markets (2013)¹⁰⁴



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