



Theme: Trends in Employment and Employment Relations in Africa

**Mainstreaming Decent Work in the Vulnerable Sectors of the Informal Economy . A
Zambian Perspective**

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Perspectives and Experiences

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Abstract

The paper analyses the nature of the work deficits that characterise vulnerable workers in the informal economy. The working environment of workers in the informal economy is often characterized by decent work deficits such as denial of rights at work such as belonging to unions, collective bargaining and absence of quality employment, inadequate access to social protection and social dialogue. The study reviewed the working environment of informal economy workers in the vulnerable sectors in order to establish the gaps in implementing decent work in the informal economy and explored the direct and indirect measures that Trade Unions can undertake to mainstream decent work and provide perspective of the future of work in this sector. To conclude the paper presents ideas and proposals on the extension of decent work to the vulnerable workers and how the trade unions can improve their capacity and engage in evidence based policy advocacy to improve working conditions for workers in the informal economy.

1. Introduction.

One of Zambia's main economic challenges is an ever growing informal economy. In terms of employment, the informal sector in Zambia employs the majority of the labour force, and has grown rapidly in recent years (approximately more than a million informal businesses). According to the Labour Force Survey (2014), 84 percent of the Labour Force is employed in the informal economy and 16 percent is employed in the formal economy. Whilst the economy has in the last decade been growing at average of 6 percent annually, almost 40.9 percent of the population live in extreme poverty while 13.6 percent live in moderate poverty.

The working environment of workers in the informal economy is often characterized by decent work deficits such as denial of rights at work such as belonging to unions, collective bargaining and absence of quality employment, inadequate access to social protection and social dialogue. The challenge therefore for the government has been to create a conducive environment for productive and decent work for the majority of workers in the informal economy.

In response to the challenges in the labour market, the Zambia Decent Work Country Programme (2013-2016) was designed to address the decent work deficits in the economy. However despite the introduction of the decent country work programme, the pervasive nature of the informal economy makes it difficult for the decent work deficits to be addressed. The decent work deficits are a major concern particularly for workers in vulnerable sectors who are often excluded from the rights to associate and bargain collectively and are at particular risk due to inadequate legislative protection and insufficient mechanism for promotion of their collective voice. The situational analysis has sampled some of the vulnerable sectors in need of immediate attention including; security guard companies, domestic workers, small/medium construction firms, own account workers, workers in sub-contracted firms and the hospitality industry.

The ILO during its conference in 2015 adopted Recommendation 204 which provides a framework for formalising the informal economy. The recommendation further identifies the main sectors that constitute the informal economy and provides the principles that should be taken into account when designing coherent and integrated strategies to facilitate the transition to the formal economy.

The labour movement in Zambia has recognised the importance of protecting and safeguarding the interests of and rights of workers particularly those in the vulnerable sectors who are excluded from realization of decent work in their work environment. In order for the labour movement to remain relevant in terms retaining and recruiting new members, there is need for strategies that would enable the labour movement reach out to workers in the informal economy. It is against this background that a situational analysis is being undertaken to analyse the decent work challenges in the informal economy and identify vulnerable sectors within the informal economy.

The workers organisations have recognised the need to strengthen and improve their organisation's capacity to engage in evidence-based policy discourse on issues affecting workers in the informal economy. In order for labour federations in Zambia to remain

relevant within the context of a changing and evolving environment, trade unions will need to improve capacity to organise workers in the informal economy including the vulnerable sectors, and engage in evidence based policy advocacy on a broad range of issues affecting vulnerable workers.

The labour federations need to update and innovate the service mix that they offer to all categories of workers (formal and informal, including workers in most vulnerable situations) in order to retain and recruit members and strengthen the representative capacity of the organisation. It is against this background that this consultancy is being undertaken to provide deeper insights on accessibility of decent work by vulnerable workers in Zambia's informal economy. Vulnerable employment is prevalent amongst own account workers, domestic workers and small and medium enterprises as these sectors are predominately devoid of workers' rights, social protection and decent working conditions.

The overall objective of the study was to review the working environment of informal economy workers in the vulnerable sectors in order to establish the gaps in implementing decent work in the informal economy and to make recommendations on the extension of decent work to the majority of workers in the vulnerable sectors of the in the informal economy.

2. Overview of Zambia Decent Work Country Programme

The Zambian Government in collaboration with employers and workers' organizations, which constitute the tripartite partners, and the ILO developed the second generation Zambia Decent Work Country Programme (ZDWCP) for the period 2013-2016. The priorities in the ZDWCP were aligned with a number of national strategic documents including the Sixth National Development Plan (SNDP) and took into account the key elements of ILO's Decent Work Agenda for Africa. The four priorities under the Zambia-DWCP Priorities for 2013-2016 underpin the pillars of the decent work agenda as follows:

- Priority I: Effective Application of fundamental principles and rights at work to support equitable and inclusive economic growth in Zambia
- Priority II: Effective social dialogue contributes to sound industrial relations and sustained economic growth in Zambia
- Priority III: More and better employment opportunities created, with focus on targeted groups
- Priority IV: Strengthened social protection systems including enhanced HIV and AIDS work place response.

Despite the concerted efforts to adopt the decent work agenda in Zambia, it is acknowledged that there exist challenges in realising decent work amongst the majority of workers, particularly those in the informal economy. Most workers in the informal economy are excluded from rights to freely associate and bargain collectively, social protection coverage and access to decent employment opportunities. In an effort to address the above mentioned decent work deficits, the government and its tripartite constituents undertook a review of labour laws in order to meet some of the challenges in the world of work (Kalula, 2012).

3. Overview of the Zambian Economy

Though Zambia's national output, as measured by Gross Domestic Product (GDP), has grown by an average of 6 – 7 percent annually in recent years as Table 1 shows, the country's economy is currently rebounding after a slowdown since mid-2015 which was due to an array of external and internal factors. The most significant external factor was the slump in copper prices on world market; whilst the domestic conditions such as soaring fiscal deficits adversely affected the country's ability to maintain macroeconomic stability.

Table 1: Macroeconomic Indicators

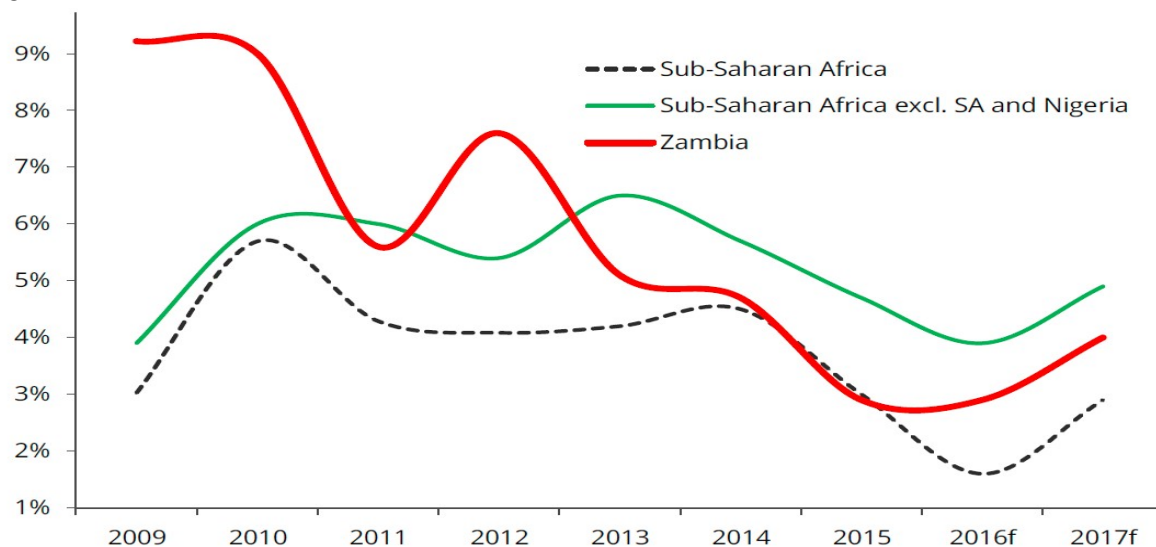
	2010	2011	2012(e)	2013(p)
Real GDP growth	7.6	6.6	7.3	6.9
Real GDP per capita growth	4.8	3.7	3.9	4.2
CPI inflation	8.5	8.7	8	8.5
Budget balance % GDP	-3	-2.6	-3.6	-3
Current account % GDP	3.6	5.4	3.6	4

Source: *Africa Economic Outlook, OECD (2012). Figures for 2012 and 2013 are projections.*

Other domestic constraints included the energy crisis particularly electricity shortage and generally high fuel prices despite reduced crude oil prices on the global market. The sharp inflation increase recorded mainly in the first half of 2016 and later declined in the last quarter of the year also affected people's real income and subsequent cost of living. Since copper is Zambia's economic mainstay, the combination of external and internal factors such as lower copper prices and electricity deficit thwarted copper production and exports, and caused job losses major economic sectors e.g. the mining and related sectors.

Ultimately, real GDP growth was 2.9 percent in 2015 and projections showed a similar GDP growth for 2016 (World Bank, 2016). In 2017, the official GDP projections, which corroborate with those of international organizations such as the World Bank, as presented in the country's national budget stand at 3.4 percent (GRZ, 2017). Therefore, Zambia's economic growth trajectory shows a general shift from the strong growth experienced at the peak of the 2008/2009 global economic slowdown to a post-2015/2016 trough in which it recorded the lowest growth in nearly a decade. The country's growth trajectory however compares favourably to that of Sub-Saharan Africa as Figure 1 shows:

Figure 1: Comparative GDP Growth trends for Zambia and Sub-Saharan Africa: 2009 – 2017f



Source: World Bank (2016): Africa's Pulse (October 2016) and World Bank projections. Note: f= forecast.

World Bank (2017: 7)

4. Conceptualization of the Informal Economy

The ILO Recommendation 204 (ILO, 2015) on the transition from informal to the formal economy provides the defining framework for the informal economy. The informal economy covers economic activities by workers and economic units that are not covered by the formal arrangements

According to this definition, workers who may be covered by statutory regulation which is either inadequate, difficult or almost impossible to implement are also categorized as informal economy workers. An example of such are domestic workers who are defined by the Convention 189 on Decent Work for Domestic Workers as any persons engaged in domestic work within an employment relationship, most of them in informal employment. Such workers account for a large share of the global workforce especially in Africa where they are estimated at 10 percent (Goursat, 2015). Economic units such as own account workers, taxi drivers, sub contracted workers account also account for a majority of workers in the informal economy.

This recommendation recognises that most workers enter the informal economy not by choice but as a consequence of a lack of opportunities in the formal economy and the absence of other forms of livelihood. This has resulted in decent work deficits such as denial of rights at work, inadequate social protection, absence of social dialogue.

In ILO Recommendation 204, the Informal Economy is defined as all economic activities by workers and economic units that are not covered by the formal arrangements. This does not cover illicit activities such as the provision of services or the production, sale, possession or use of goods forbidden by law including the illicit production and trafficking of drugs, the illicit manufacturing of the trafficking of firearms, trafficking in persons and money laundering as defined in the relevant international treaties.

From a Zambian perspective, The Central Statistical Office (Zambia) defines informal employment as comprising the following:

a) Own-account workers and employers who have their own informal sector enterprises, usually characterized by in-existence of registration with national authority, lack of contributions to social security scheme and lack of entitlement to annual paid and sick leave by workers.

b) Contributing family workers, irrespective of whether they work in the formal or informal sector enterprises.

c) Employees who have informal jobs, whether employed in the formal sector enterprises, informal sector enterprises, or as paid domestic workers by households. Employees are considered to have informal jobs if their employment relationship is not subject to standard labour legislation, taxation, social security or entitlement to certain employment benefits (advance notice dismissal, severance pay, paid annual leave, etc.) for reasons such as: non-declaration of the jobs or employees; casual jobs; employment by unregistered enterprises or by persons in households.

d) Members of informal producers' cooperatives; and Persons engaged in the own account production of goods exclusively for own final use by their household, such as subsistence farming

The high informal employment statistics in Zambia tend to consolidate the Recommendation 204 definition of informality whereby 83 percent of workers in the labour force are not covered or are insufficiently covered by formal arrangements. It is this definition which illuminates Zambia's definition of "informal employment" as defined by the Central Statistical Office as "the type of employment which is characterized by the lack of an entitlement to annual paid leave and absence of social security entitlement". Informal workers suffer several deficits in relation to lack of social security coverage and poor working conditions. Further, it is important to note that non-contributory social protection provision (social assistance) is characterised by low coverage. This has resulted in majority of workers in the informal economy being excluded from existing social protection schemes.

Recommendation 204 further defines economic units in the informal economy as ;

- (a) Units that employ hired labour
- (b) Units that are owned by individuals working on their own account either alone or the own with the help of contributing family workers
- (c) Cooperatives and social and solidarity economy units

In terms of scope and coverage, informal economy activities are found across all sectors of economy, both public and private. Workers in the informal economy can be catergorised as follows:

- (a) Those in the informal economy who own and operate economic units including
 - (i) Own account workers
 - (ii) Employers
 - (iii) Members of cooperatives and of social and solidarity economy units
- (b) Contributing family workers
- (c) Employees holding informal jobs in or for formal enterprises, or in or for economic units in the informal economy

(d) Workers in unrecognised or unregulated employment relationships

Given the high decent work deficits in the informal economy, incidences of vulnerability are quite high. The ILO defines **vulnerable employment** as:

The sum of employment status of workers who are less likely to have formal work arrangements and are therefore more likely to lack decent working conditions, inadequate social security and voice through effective representation by trade unions and similar organisations. Vulnerable employment is often characterised by low wages, low productivity and difficult conditions of work that undermine fundamental workers' rights

5. Overview of the Informal Economy

In the 2014 Labour Force Survey, the informal economy is viewed as part of a broader spectrum known as the Non-Observed Economy (NOE) in which are found activities not usually measurable by traditional means (i.e. administrative registers, enterprise-based and/or household-based surveys). The NOE is made up of three components: illegal activities; underground activities and the informal economy the informal economy obviously being the largest (CSO, 2015). By its nature of non-observability, the informal economy which encompasses the most significant part of the labour force contributes less to the country's GDP leaving a lean formal sector to contribute the largest.

Table 2: Employment and Informal Employment Data in Zambia (2005-2014)

	2005	2008	2012	2014
Total Employed Population	4,131,531	4,606,846	5,499,673	5,859,225
Formal sector employment	495,784	511,338	847,420	944,256 ^{**}
Informal sector employment	3,635,747	4,095,508	4,652,253	4,914,969
Labour force participation rate, 15+, %	84.54	74.50	75.9	77.7
Rural	79.37	81.10	79.3	80.2
Urban	59.84	63.00	71.5	74.7
Formal sector employment share of total employment	12.0	11.0	15.4	16.1
Rural	2.0	4.0	5.5	57.9
Urban	35	29	31.3	34.1

Source: Decent Work Country Profile and LFS reports (LFS 2005, 2008, 2012 and 2014)

The 2014 LFS reveals that a 16.1 percent of the labour force was employed in the formal sector - mainly employed in Central Government, Local Government and Parastatal Sectors. The overwhelming majority (4.9 million persons or 83.9 percent) of workers were in the informal sector. Table 3 above shows a glimpse in the growing trends of informal employment over the years. Ninety nine percent of all employed persons aged 15 to 19 years were in the informal sector, declining to 85 percent among those in the 30-34 years age group.

In the 2014 LFS, Zambia's labour force stood at 5,859,255. The labour force participation rate was at 77.7 percent on one hand dominated by formal and informal agricultural-related jobs which respectively accounted for 2.1 percent and 55.4 percent of all employed persons

whereas on the other hand formal and informal non-agricultural-related jobs accounted, respectively, for 9.3 and 33.3 percent of employed persons (CSO, 2014).

Informal economy employment was prevalent amongst own account workers, family owned businesses, agriculture and the construction sector. Almost the entire agricultural sector (98 per cent) was in the informal economy. The share of informal economy employment in the construction sector was equally very high at 90 per cent.

In general, the informal economy in Zambia is composed of the following sectors:

- Own Account workers (employees, employers, family owned enterprises, marketers, Casualised workers, Street vendors, Taxi and Business Drivers)
- Domestic Workers
- Workers employed by contracted firms and labour brokers
- Workers in subsistence agriculture and construction sectors
- Members of cooperatives
- Workers not classified by status

The majority of vulnerable workers are found in the above named sectors where decent work deficits such as denial of rights at work such as belonging to unions, collective bargaining and absence of decent employment, inadequate access social protection and social dialogue are predominant. For purposes of this study, the research focused on the own account, domestic workers and workers employed by contracted firms.

6. Decent Work Legislation and Deficits in the Informal Economy

Zambia, like many countries has adopted the decent work agenda in its national development frameworks. One of the nation's aspirations in the Zambia Vision 2030 is to create decent work opportunities that ensure respect for fundamental human rights. Towards this end, the Zambian Government in collaboration with its tripartite social partners and ILO developed Zambia Decent Work Country Programme (ZDWCP), with the second generation ZDWCP running from 2013-2016. The Zambian Government has put in place various policy and legal frameworks aimed at promoting decent work opportunities that ensure respect for fundamental human rights and principles. Zambia has put in place various legislation to promote decent work some of which are informed by ILO Conventions that the country has ratified. Zambia has ratified 48 Conventions comprising all 8 Fundamental Conventions, all 4 Governance Conventions and 36 of 177 Technical Conventions.¹ Zambia is yet to ratify a number of key conventions, namely Hours of Work Convention, No1, Maternity Protection Convention No 183, Social Security Convention No 102, Employment Injury Convention No 121 and Medical Care and Sickness Benefit Convention No 130.

The legal frameworks aimed at promoting decent work are presented below according to the ten substantive elements corresponding to the four strategic pillars of the Decent Work Agenda (full and productive employment, rights at work, social protection and the

¹ ILO, Ratifications for Zambia

http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_COUNTRY_ID:103264

promotion of social dialogue): employment opportunities; adequate earnings and productive work; decent hours; combining work, family and personal life; work that should be abolished; stability and security of work; equal opportunity and treatment in employment; safe work environment; social security; and, social dialogue, employers' and workers' representation.²

In spite of the existing legislation, workers in the informal sector face a number of decent work deficits. Decent work deficits that workers in the informal sector face include: weak enforcement of labour legislation; insecure and low pay; poor occupational health and safety conditions; inadequate social protection; and weak social dialogue. A number of studies on decent work in Zambia have demonstrated that the majority of workers ply their trade in the informal sector largely due to lack of formal sector employment opportunities. The studies also show that most workers in the informal economy are excluded from rights to freely associate and bargain collectively and social protection coverage.

6.1. Employment opportunities deficits

In spite of the conducive policy framework that has resulted in positive growth in the economy over the last fifteen years averaging between 5-6%, there has not been an increase in the labour absorptive capacity of the economy. This is evidenced by the high participation of the labour market in the informal sector.

The informal sector absorbs the majority of the 300,000 new entrants to the labour market each year and is dominated by women and youth. Females account for 57% of those employed in the informal sector. The sector is characterised by low productivity, high levels of underemployment and precarious work conditions. Low productivity in agriculture is a result of the seasonal nature of production and the dependency on rain-fed crop production, as well as the use of basic technologies. The informal sector is also characterised by low skills and productivity. As Shah (2012) concludes, the informal sector in Zambia would benefit from interventions designed to augment productivity, including skills training, availability of infrastructure and microenterprise lending facilities.³ The lack of decent jobs is reflected in the insignificant impact that the growth has had on poverty rates, particularly in the rural areas.

Zambia faces resource constraints that have resulted in declining investments in the social sector, particularly in technical and vocational education and training. The challenges to employment creation and the maintaining of labour standards include the important size of the informal economy and the HIV/AIDS pandemic.⁴

6.2 Adequate earnings and productive work deficits

According to the ILO study "Profile of domestic workers", 67 percent of domestic workers are reported as not being paid for their work.⁵ The other 33 percent are paid either in cash

²The legal framework presented in this section draws extensively from ILO, "Zambia Decent Work Country Profile", ILO, 2013

³ Manju Kedia Shah (2012), The Informal Sector In Zambia: Can It Disappear? Should It Disappear?, International Growth Centre, Working Paper 12/0425

⁴ZDC Profile

⁵Phe Goursat, M. and Pellerano, L. (2015) Practical Options for extension of social protection coverage in Zambia; Domestic workers, International Labour Organization, Lusaka,
http://www.ilo.org/wcmsp5/groups/public/---africa/---ro-addis_ababa/---ilo-lusaka/documents/publication/wcms_489927.pdf

or in kind. Naturally, paid workers tend to have higher education than those non-paid. The majority of the rural DWs, some of whom are relatives taken from the village to perform domestic work, are not paid. The study by Goursat and Pellerano (2015) on options for extension of social protection coverage in Zambia shows that forty two percent of domestic workers earn below the minimum wage.

Workers employed by companies subcontracted by the mines are also victims of poor pay. An impact assessment on workers' rights in the mining industry noted that there are differences in pay between workers employed by the mines and those employed by contractor firms.⁶ When hiring contractor firm services, some mining companies often pick the lowest bid, as a result these contractors cut costs and often lack the means to offer better pay or work conditions and in some cases terminate workers' contracts prematurely. Generally speaking, contractors pay very low salaries which are often no more than the general minimum wage.⁷ Unions reported that in both the North Western and Copperbelt Provinces, contractors pay average monthly salaries of around ZK 800 - ZK 1,000 (US\$ 114 - US\$ 143) with no benefits, education allowance, medical insurance or severance package. In some cases, such as cleaning and catering services, contractors may use the general minimum wage provided to shop workers as a standard.

6.3 Social security deficits

Social Security coverage is generally low among informal workers. Despite legal provisions, very few workers do benefit from NAPSA and WCF coverage.⁸ This also extends to formal sector employees. In a study of social protection in saw milling by Phe Goursat, M. and Pellerano (2015), the saw millers interviewed stated that provisions of social security are non-existent even in permanent workers' contracts.⁹ Despite the requirement that saw milling companies can only be authorized to purchase timber from the Zambia Forestry and Forest Industries Corporation (ZAFFICO) on condition that they register workers to NAPSA and WCF, very few saw millers and their employees are contributing towards the schemes. When they do, under reporting on number of staff is the norm. The saw millers are, however, becoming sensitised on the need to provide social security to their workers and are slowly registering their employees: almost 10 percent of saw millers were contributing to Workers Compensation Fund for their employees at the time of the study conducted in 2015 – a mix of permanent and casual workers.

The case is almost the same for domestic workers as demonstrated in the study by Goursat and Pellerano (2015), which concludes that domestic workers are not actually covered by the pension scheme despite legal provisions, as the pension scheme mechanisms target

⁶ Dwight Ordonez, "Impact Assessment: The effects of the mining industry on workers' rights and sustainable business practices in Zambia", ILO, August 2015

⁷ The general minimum wage is currently near ZK 800 (as a basic salary) plus small allowances for housing, transport and lunch, which adds up to be around ZK 1,100 per month (US\$ 157). In the case of shop workers, the minimum wage is around ZK 700 (US\$ 100).

⁸ Phe Goursat, M. and Pellerano, L. (2016) "Extension of social protection to workers in the informal economy in Zambia: lessons learnt from field research on domestic workers, small scale farmers and construction workers", International Labour Organization, Lusaka, http://www.ilo.org/wcmsp5/groups/public/---africa/---ro-addis_ababa/---ilo-lusaka/documents/publication/wcms_485358.pdf

⁹ Phe Goursat, M. and Pellerano, L. (2015) Practical Options for extension of social protection coverage in Zambia: Casual saw mill workers, International Labour Organization, Lusaka, 2015
http://www.ilo.org/addisababa/information-resources/publications/WCMS_489933/lang--en/index.htm

employees in the formal sector.¹⁰ One of the drawbacks identified is that the current social security enrolment and contributions payment mechanisms do not take into account the specificities of the employers. The procedures and processes for contributions that are applied to households are similar to those applied to commercial entities, a phenomenon that does not encourage domestic workers employers to register their employees. NAPSA also faces challenges in conducting inspections in private households classified as employers. In addition, the frequent change of employment makes tracing of employer difficult for the fund, especially to ascertain which employer has employed a domestic worker at particular moment. The study by Goursat and Pellerano (2015) found that the National Pension Scheme has about 3,000 domestic workers registered in their database, representing only 3 percent of the total number of domestic workers.¹¹

Equally, the vast majority of small scale farmers do not benefit from any form of social security.¹² Being self-employed, they have – by definition – no employer to share contributions with, which makes compliance with Social Security schemes costly (as they would have to cover the full cost of contribution). Most small scale farmers live in rural and sometimes remotes areas - too far away from any social security offices - have a low education level and are not reached by standard awareness campaigns on social security

In the absence of a national social health insurance scheme, private health insurance and out-of-pocket payments (through direct payment, loan or grant) are therefore the only options to meet health expenditures for the majority of Zambians. Phe Goursat and Pellerano (2015) found that 74 per cent of the domestic workers interviewed meet the total costs of health expenditures on their own. In 16 percent of cases, employers helped their workers either to meet the whole cost (8 percent) or the partial costs (8 percent) of health expenditures. Only 11 percent of domestic workers declared that their relatives are paying for them. None mentioned having subscribed to a private health insurance policy, demonstrating the inability of domestic workers to meet afford the premiums demanded. Out of the interviewed saw mill workers, 65 percent declared meeting the cost of health expenditures on their own exclusively.¹³ Among them, 4 percent borrowed money from the employers. In 35 percent of cases, employers paid either the whole cost (19 percent) or the partial costs (16 percent) of health expenditures. A higher proportion of employers (53 percent) declared bearing the total cost of their employees' health expenses.

7. Analysis of Decent Work Deficits in the Vulnerable Sector.

The study established a number of decent work deficits in the informal economy and among informal workers, especially as it relates to domestic workers, own account workers, and

¹⁰ Phe Goursat, M. and Pellerano, L. (2015) Practical Options for extension of social protection coverage in Zambia; Domestic workers, International Labour Organization, Lusaka,

http://www.ilo.org/wcmsp5/groups/public/---africa/---ro-addis_ababa/---ilo-lusaka/documents/publication/wcms_489927.pdf

¹¹ Phe Goursat, M. and Pellerano, L. (2015) Practical Options for extension of social protection coverage in Zambia: Domestic workers, International Labour Organization, Lusaka, 2015

¹² Phe Goursat, M. and Pellerano, L. (2015) Practical Options for extension of social protection coverage in Zambia: Small-scale farmers, International Labour Organization, Lusaka,

http://www.ilo.org/wcmsp5/groups/public/---africa/---ro-addis_ababa/---ilo-lusaka/documents/publication/wcms_489933.pdf

¹³ Phe Goursat, M. and Pellerano, L. (2015) Practical Options for extension of social protection coverage in Zambia: Casual saw mill workers, International Labour Organization, Lusaka, 2015

http://www.ilo.org/addisababa/information-resources/publications/WCMS_489933/lang--en/index.htm

sub-contracted firms' workers. Most of the findings corroborate with those of some previous research as highlighted in Section on "Decent Work Legislation and Deficits in the Informal Economy".

Figure 2: Summary of Core Decent Work Deficits among Domestic Workers

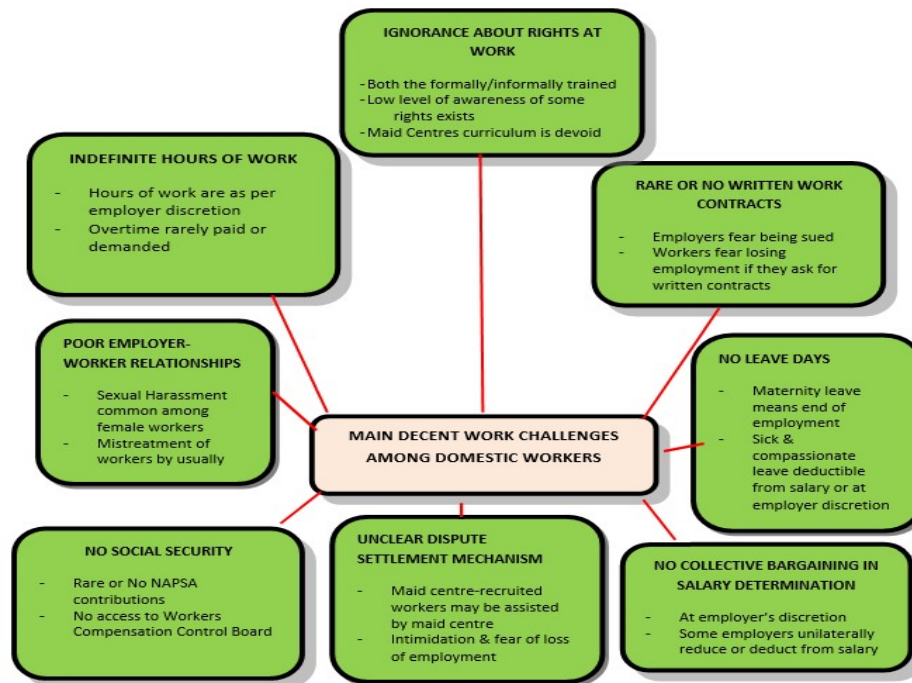
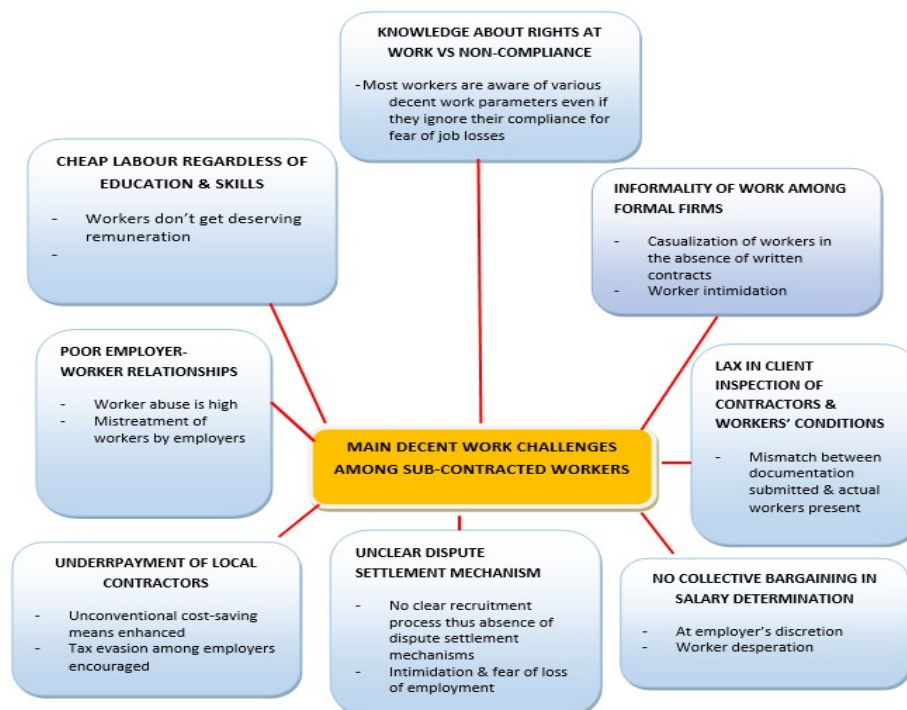


Figure 3: Summary of Core Decent Work Deficits among Sub-Contracted Workers



On the other hand, own account workers have the relative ease where mobilization and promotion of social dialogue is concerned. This is mainly because they are able to organize as associations usually through markets and bus stations where most of them are found. They are a category of workers who

have basic and most sophisticated networks locally and abroad given the fact that some of them not only trade locally but are able to buy goods and services abroad. For instance, some such workers may be involved in importing cars for sale, and may belong to a respective association such as the car importers association.

It is generally hard to talk about rights at work among own account workers who are mainly self-employed. The only time most of them discuss their rights at work being violated is in relation to the earlier discussed safe work environment which local authorities fail to provide in the various markets most such workers operate from.

8. Decent Work and Gender in the Urban and Rural Informal Economy

The similarities and contrasts in the decent work situations between the rural and urban locations generally arise from their respective backgrounds and socio-economic activities. For instance, rural areas in Zambia (just like in many other developing countries) are commonly known to be agricultural-based whereas the economies of urban areas is either driven by mining, manufacturing, or trade given the population densities constituting a readily available market. In both cases, the gender divide underpinning the economic activities and related job opportunities (or constraints thereof) is visible. Rural residents such as those in Mpongwe and Mumbwa Districts are usually working in the informal economy on the farm as cultivators, farm labourers; or off the farm as small processors at a hammer mill processing maize, involved in some handicraft or conducting some trade.

Given the high poverty level in rural areas and the need to feed the family, the burden of providing for the family in terms of farm work tends to tilt against women. For some females, the few job opportunities such as shop keeping and domestic work provide a source of livelihood. For most males, off the farm activities tend to be the main source of livelihoods, and for those with skills such as brick laying and carpentry respective activities become a viable source of livelihood. In urban areas of Lusaka and Kitwe, the bulging informal economy is mainly driven by diverse trading opportunities including skills-related activities such as tailoring, carpentry and bricklaying making many work as either own account workers or sub-contracted workers. Additionally, the presence of many workers in the formal economy creates a readily available market for domestic workers.

Table 3: Comparative urban-rural informal economy decent work situation

Decent Work Comparisons	Urban Areas	Rural Areas
Employment Opportunities	- Difficult to get jobs without references - Engagement of brokers among contracting firms has led to poor decent work conditions	- Most employment in the domestic sector is sought on door to door basis - Most workers for contracted firms from urban areas
Adequate Earnings and Productive work	- Varied degree of adequacy in wages - Workers in contracted firms are mostly subject to poor wages - There are differences in pay	- Domestic workers receives pay as low as K 150 per month - Employers don't adhere to minimum wages

	between workers employed directly by mines and those employed by contractors - Contractors pay average salaries of between K 800- K 1,000	
Decent Hours	- Domestic workers and Sub-contracted workers work long hours beyond the 48 hours stipulated in the statutory regulations. They work as early as 06:00 hours in the morning and leaving work at 17:00 hours in the evening - There are no specific hours specified for own account workers	- Women workers work longer hours to secure income for their homes. - Sub contracted workers in the farming areas are ferried to farms as early as 04:00 hours and return around 18:00 hours
Combining work, family and personal life	- Maternity leave does not extend to workers in the informal economy - The prevalence of contract employment does not allow most women to enjoy the benefits of maternity leave.	- Women married to unemployed husbands spend more time away from home - This has led to some women being divorced - Some have stopped bearing children because the family income cannot afford to provide for additional children
Work that should be abolished	- The recruitment of young children who are sourced from the village to work as domestic workers should be stopped	- The younger women who are married off early tend to work to supplement the family income
Stability and security at work	- Job insecurity is a common phenomenon due to absence of written contracts - Presence of associations helps own account workers to support each other during time of sickness or death	- Workers are deprived of time to attend to personal issues like funerals; or are threatened with dismissal for being absent due to illness
Equal Opportunities and Treatment	- In sub-contracted firms, workers are paid in the same range as entry level workers - There are incidences of abuse on Domestic workers - Female domestic workers get less than male domestic workers - They are subjected to cultural abuse by being subjected to undertake tasks that are alien to the culture ie washing under garments	- Maids are allowed to eat or bath from the home of the employers - There is preferential treatment for workers recruited from urban areas.

Safe work environment	- Most workers in the domestic sector do not have access to medical benefits - There is absence of protective clothing amongst domestic workers ie there hardly use of gloves	- Most workers are not availed protective clothing ie for construction work
Social Security	- Market leaders provide collective social security for own account members - There is a lack of trust for the national social security system - There is inadequate awareness of the requirements to join the NAPSA scheme	- Social Security coverage is low and almost non-existent in the informal economy - Very few workers from the informal economy benefit from NAPSA and Workers Compensation coverage - There is little knowledge awareness of NAPSA scheme
Social Dialogue, workers and employers representation	- There is union representation among sub-contracted employees in the cleaning sector, but the union is not decentralized - The Domestic workers union is working towards negotiating with maid centers	- Most workers in the informal economy are not unionized because their employers do not support membership to trade unions

Source: Chisupa 2017

From the Table above, it can be noted that common denominator in the informal economy whether in the rural or urban areas in the high prevalence of decent work deficits. Whether own account, domestic or sub-contracted workers, all are denied decent work conditions in the places they work. Whereas as the presence of sub-contracted workers is more dominant in urban areas, rural areas have (just like urban areas) increasing become characterized by domestic and own account workers – all seeking to earn a living and possibly lift themselves out of poverty. In general, own account work wherever it is located it seems to have great potential for profitability which could be harnessed for transition to formal and decent work to the benefit of not only the workers but the economy as well. Domestic workers’ work conditions are more of a determinant of the employers than the workers influence regardless of the location and the existence of the minimum wage for domestic workers. This suggests an approach that targets both the workers and employers would work to promote decent work among informal economy workers.

9.0 Conclusion

The stakeholders in the employment and labour sector , particularly the labour movement have a significant role to play in creating an enabling environment for decent work promotion by ensuring that the interests and rights of workers are safe-guarded. Zambia, like many countries have adopted the decent work agenda in its national development

frameworks. One of the nation's aspirations in Vision 2030 is to create decent work opportunities that ensure respect for fundamental human rights and principles. Towards this end, Zambia has put in place various legislation to promote decent work. Some of the legislation is in line with ILO Conventions that Zambia has ratified.

There are still a number of Conventions outstanding for ratification¹⁴. The laws promoting decent work include the Employment Act (286), Minimum Wage and Conditions of Employment Act, the Employment of Young Persons and Children's Act, Cap 274, the Anti-Human Trafficking Act, 2008, the Factories Act (FA) and the Mines Safety Act (MSA). Social security legislation includes the Workers' Compensation Act No. 10 of 2009 and the National Pension Scheme Act (NPS Act). Freedom of association and the right to organize is enshrined in the Constitution and the Industrial and Labour Relations Act.

Despite the existence of an enabling legal framework and concerted efforts to adopt the decent work agenda in Zambia, it is acknowledged that there exist challenges in realising decent work amongst the majority of workers, particularly those in the informal economy. The study established decent work deficits that workers in the informal sector face. These include: weak enforcement of labour legislation; insecure and low pay; poor occupational health and safety conditions; inadequate social protection; and weak social dialogue. Most workers in the informal economy are excluded from rights to freely associate and bargain collectively, social protection coverage and access to decent employment opportunities.

The study has established that Zambia has put in place a number of legislation to support decent work for workers in both the formal and informal sectors. There are nevertheless decent work deficits especially in the informal economy. There are a number of salient observations that can be concluded about the prevailing situation in Zambia's informal economy as it relates particularly to decent work deficits among domestic, sub-contracted and own account workers. These include the following:

- I. **Challenges associated with jobless economic growth:** it is recognized both in the literature and during fieldwork that Zambia's informal economy, just like for many other developing countries, is prevalent because the economic growth that the country has experienced has not yielded commensurate decent employment opportunities. This is partly because the mining sector which is Zambia's main economic driver has over the years has been progressively moving towards high mechanization and automation resulting in a steep decline in the demand for labour. Other sectors such as construction and agriculture equally driving the growth of the economy have also not been able to generate significant formal sector employment.
- II. **Work formalization challenges:** it is no doubt that not only does informality of work exist in the informal economy but also in firms which are legally or formally registered. This means the level of informality is in two dimensions:

¹⁴ The key conventions yet to be ratified include the Hours of Work No 1, Maternity Protection Convention No 183, Social Security Convention No 102, Employment Injury Convention No 121 and the Medical Care and Sickness Benefit Convention No 130.

- III. **Employer/institutional dimension:** on one hand, most formal businesses regard formalization of work as a cost to the business and reduces their profit. On the other hand, most employers in the informal economy simply perceive themselves as falling below a taxable bracket such that once they formalized their businesses the many tax obligations would impact on their livelihoods.
- IV. **Employment relations dimension:** whereas every worker in the informal economy desires employment that would provide a decent salary and related conditions, the cognisance that employment opportunities are not easy to find compels them to work in the informal sector with informal work relationships with their employers due to limited alternatives.
- V. **Knowledge and information gaps:** the informal economy is characterized by decent work knowledge and information gaps. Despite most informal economy workers knowing that in formal workplaces, workers are entitled to decent work conditions, they hardly know that the informal economy workers are equally entitled to similar conditions. Furthermore, information and initiatives to raise awareness among the workers (and their employers alike) about fundamental rights at work, social protection and social dialogue are non-existent outside the formal economy.
- VI. **State and capacity of labour offices:** there is a general absence of interactions between the labour office and informal economy economic units and workers both in urban and rural areas. In places where the labour offices are present they often suffer from a lack of infrastructural, low staffing levels and inadequate logistical capacity which impede their ability to sufficiently provide labour inspection and advisory services that would engender compliance to employment laws and regulations.
- VII. **Limited social protection packages that are inclusive of workers in the informal economy:** despite the knowledge and information gap on decent work in the informal economy, most workers desire to have social protection packages tailored to the needs and challenges they face. Informal economy workers have innovated their own informal social safety nets not linked for formal structures but the type of protection they provide is very limited. The building of national social protection floors is still in its infancy and still unknown to many informal economy workers who should be engaged in their design in order to build on existing systems and networks.

The following ideas and proposals can be considered in providing a perspective on the future of work and promoting the extension of decent work in the informal economy; - These include ratifying and implementing ILO conventions that promote decent work, strengthening labour legislation and regulations in order to safeguard rights at work , raising awareness on social protection, development of strategies that would enhance the mobilization and extension of workers in the informal economy, and incentivize the formalisation of work .

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