

A Critical Review of Strategic Directions for Enhanced Employment Creation in Zambia

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Abstract

This is a critical review of the various strategic directions, measures and programmes that the Zambian Government has formulated and attempted to implement in an effort to create valuable, inclusive and sustainable job opportunities. The paper reviews the 2015 Youth Policy, the Vision 2030, the 7NDP. The paper recommends that government should religiously implement all the programmes under various strategic options aimed at achieving enhanced employment creation in the Zambian economy within the set parameters of the Medium-Term Expenditure Framework (MTEF) 2018 - 2021. In so doing, the objectives of the MTEF shall be achieved as well as employment creation.

Keywords: economic diversification, economic growth, employment, employment creation, labour force, rural unemployment, seventh national development plan, urban unemployment, youth unemployment, Vision 2030, 7NDP,

Introduction

Economic growth averaged 7.9% between 2007 and 2013, but formal sector jobs have only increased by 3.4%. Responding to this challenge is perhaps the country's biggest priority (ZIPAR, 2015). According to the Central Statistics Office's Labour Force Survey Report for the 2017 Second Quarter:

“Zambia's total population was estimated at 16,405,229 in second quarter of 2017, of which 57.5 percent lived in rural areas while 42.5 percent lived in urban areas. A larger proportion of the total population accounting for 51.1 percent were female while 48.9 percent were male.

The labour force was estimated at 3,498,847 persons while persons outside the labour force were estimated at 5,617,449. Potential labour force who are part of the population the outside labour force was estimated at 1,833,922.

The employed population was estimated at 3,100,050, giving rise to an employment-to-population ratio of 34.0 percent. Employed persons in agriculture sector accounted for 24.6 percent while employed population in non-agriculture accounted for 75.4 percent. Furthermore, the formally employed population accounted for 32.2 percent of the total employed population.

Unemployment rate was estimated at 11.4 percent. Rural unemployment rate was higher at 13.6 percent than urban unemployment rate of 9.8 percent. Furthermore, youth unemployment rate was 14.9 percent, with rural areas recording a higher rate of 16.2 percent compared to 13.9 percent in urban areas.” (CSO, LFSR, 2017)

It is worth noting that the primary objective of undertaking the Labour Force Surveys (LFSs)

is to provide data to serve as the basis for formulating and developing labour market policies and programmes. Other specific objectives include: to monitor employment and labour underutilization including unemployment; to provide data that informs the design, implementation and evaluation of social and economic policies that informs employment creation; assess participation in different forms of work among the population groups. Table 1 below indicates the results of the Labour Force Survey Report for the 2017 (2nd Quarter)

Table 1: Selected Key Indicators of the Labour Market by Sex and Rural/Urban					
Key indicators	Total	Male	Female	Rural	Urban
Population	16,405,229	8,017,270	8,387,959	9,440,263	6,964,965
Working Age Population	9,116,296	4,297,142	4,819,154	4,925,806	4,190,490
Population in the Labour Force					
Labour force	3,498,847	2,036,339	1,462,508	1,469,543	2,029,304
Employed Population	3,100,050	1,809,338	1,290,712	1,270,153	1,829,897
Unemployed Population	398,797	227,002	171,796	199,391	199,406
Youth Labour Force					
Total Youth Labour Force	1,966,074	1,149,265	816,810	843,149	1,122,925
Employed Youth Population	1,673,153	986,283	686,870	706,613	966,540
Unemployed Youth Population	292,921	162,981	129,940	136,536	156,385
Sector of Employment					
Formal sector	906,547	642,977	263,571	156,582	749,965
Informal sector	1,353,992	784,570	569,422	651,399	702,593
Household Sector	839,511	381,791	457,720	462,172	377,339
Type of Employment					
Formal Employment	999,739	703,483	296,256	243,198	756,541
Informal Employment	2,100,311	1,105,855	994,456	1,026,955	1,073,356
Time-Related Underemployment					
Time Related Underemployed Population	230,004	123,228	106,776	102,911	127,093
Agriculture/Non Agriculture Sector					
Agriculture	761,625	419,095	342,530	660,936	100,689
Non agriculture	2,338,425	1,390,243	948,182	609,217	1,729,208

Own-use production workers	1,954,586	827,408	1,127,178	1,667,399	287,187
Not in the Labour Force					
Population Outside Labour Force	5,617,449	2,260,802	3,356,646	3,456,262	2,161,186
Potential Labour Force	1,833,922	772,813	1,061,108	1,164,282	669,640
Rates					
Employment to Population Ratio	34	42.1	26.8	25.8	43.7
Labour Force Participation Rate	38.4	47.4	30.3	29.8	48.4
Unemployment Rate	11.4	11.1	11.7	13.6	9.8
Longterm Unemployment Rate	6.7	6.5	6.9	7.6	6
Youth Unemployment Rate	14.9	14.2	15.9	16.2	13.9
Time Related Underemployment Rate	7.4	6.8	8.3	8.1	6.9

Source: CSO, Labour Force Survey Report, Second Quarter, 2017

Youth Unemployment

According to the United Nations, a youth is a person 15 to 24 years of age. In Zambia, the National Youth Policy defines a youth as a person 15 to 35 years of age. Youth unemployment refers to a labour market condition in which persons 15 to 35 years of age are without work but are available and are seeking paid work or business opportunities. In Zambia, this is the most common type of unemployment since Zambia has a youth population. Table 2 shows the number and percentage distribution of unemployed youths by rural/urban and sex. The number of unemployed youths was estimated at 292,921, of which 46.6 percent were in rural areas and 53.4 percent were in urban areas. In relation to the total unemployed population, the unemployed youths (15 to 35 years) accounted for 73.5 percent.

Rural/Urban	Both Sexes		Male	Female
	Number	Percent	Number	Number
All Zambia	292,921	100	162,981	129,940
Rural	136,536	46.6	89,891	46,645
Urban	156,385	53.4	73,090	83,294

Source: CSO, Labour Force Survey Report, Second Quarter, 2017.

Youth Unemployment Rate

The youth unemployment rate by rural/urban and sex. The youth unemployment rate was

estimated at 44.5 percent. It was higher in rural areas at 50.1 percent than in urban areas at 39.5 percent. In rural areas, youth unemployment rate among the females was higher at 54.6 percent relative to 46.3 percent among the males. In urban areas, the youth unemployment rate among the female youths was higher at 48.4 percent relative to 31.5 percent among the males. (CSO, 2017).

It is evident that generally the statistics for the unemployed population are scaring and it is for this reason that the government’s 7NDP is centred on job creation. Table 3 shows the number and percentage distribution of unemployed persons by rural/urban and sex. The number of unemployed persons was estimated at 1,814,391, of which 55.8 percent were in the rural areas and 44.2 percent were in urban areas (CSO, 2017).

Rural/ Urban	Both Sexes		Male	Female
	Number	Percent	Number	Number
All Zambia	1,814,391	100.0	834,718	979,673
Rural	1,012,314	55.8	502,662	509,652
Urban	802,077	44.2	332,056	470,021

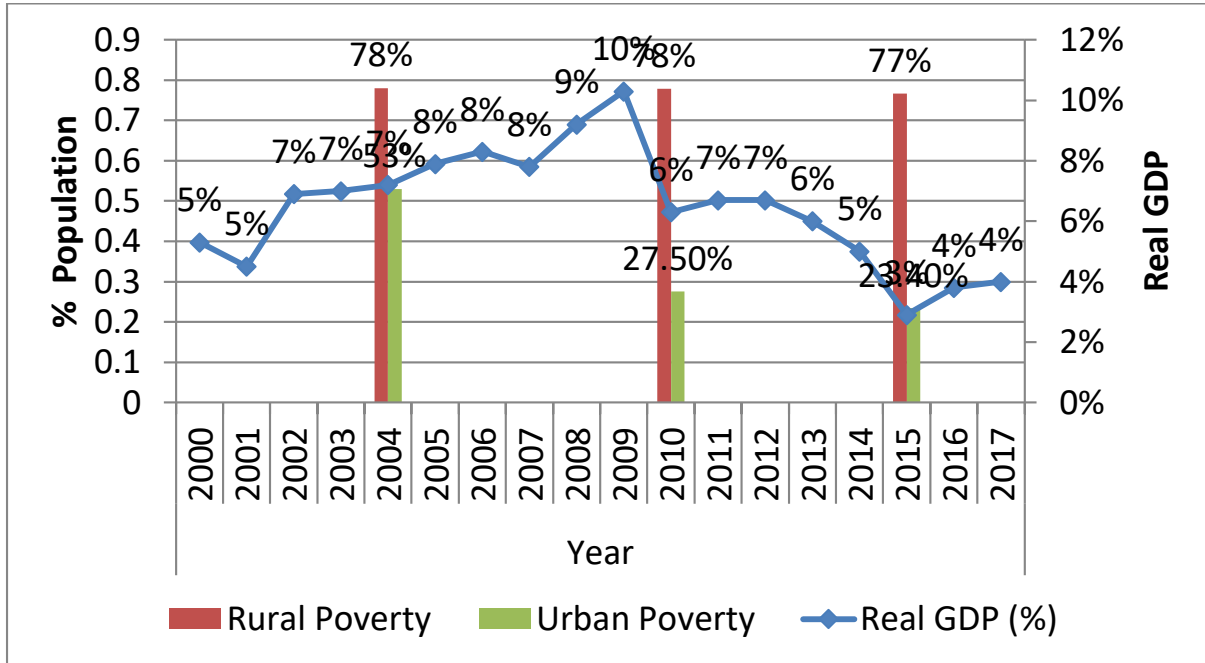
Source: CSO, Labour Force Survey Report, Second Quarter, 2017.

Key indicators	Total	Male	Female	Rural	Urban
Population	16,405,229	8,017,270	8,387,959	9,440,263	6,964,965
Working Age Population 15yrs or older	9,116,296	4,297,142	4,819,154	4,925,806	4,190,490
Population in the Labour Force					
Labour force	4,914,441	2,644,056	2,270,385	2,282,467	2,631,974
Unemployed	1,814,391	834,718	979,673	1,012,314	802,077
Youth					
Youth Population	5,813,467	2,752,116	3,061,352	3,078,991	2,734,476
Unemployed Youth Population	1,340,222	617,394	722,828	710,082	630,140
Not in the Labour Force					
Population Outside the Labour Force	4,201,855	1,653,086	2,548,769	2,643,339	1,558,516
Rates					
Labour Force	53.9	61.5	47.1	46.3	62.8

Participation Rate					
Unemployment Rate	36.9	31.6	43.2	44.4	30.5
Youth Unemployment Rate	44.5	38.5	51.3	50.1	39.5

Source: CSO, Labour Force Survey Report, Second Quarter, 2017.

Figure 1: Zambia’s Real GDP Growth Rate & Poverty Trends 2000 – 2017



Source: 2015 LCMS, CSO; 2014-2018 National Budgets

The unemployment statistics and poverty trends were far below expectation during the period of increased and sustainable real GDP growth rates. Where unemployment is higher, empirical and theoretical evidence proves that there will be increased poverty levels or low rates of poverty reduction especially if that GDP growth is not inclusive. The mismatch between economic growth and employment is a matter of concern. It is against this background that most African economies are now focusing on formulating and implementing policies that promote inclusive economic growth and development and prosperity. The present political drivers of the Zambian political and economic landscape have put their attention on economic diversification and job creation through the Seventh National Development Plan (7NDP).

According to the 7NDP (2017):

“The main goal of the 7NDP is to create a diversified and resilient economy for sustained growth and socio-economic transformation driven by agriculture, mining and tourism. The 7NDP prioritises strategies and programmes that show promise of diversifying the economy. The Plan also takes cognisance of the need to increase employment opportunities for all Zambians. Therefore, efforts have been made to not only identify sectors with growth potential, but also those that

have the capacity to add value to job creation. Further, the Plan prioritises interventions that ensure that no one is left behind as the economy grows. Thus, emphasis is placed on strengthening governance systems and institutions to ensure that growth is sustainable. Realisation of the overall goal of the 7NDP will be achieved through the following strategic objectives:

- 1. To diversify and make economic growth inclusive;*
- 2. To reduce poverty and vulnerability;*
- 3. To reduce developmental inequalities;*
- 4. To enhance human development; and*
- 5. To create a conducive governance environment for a diversified and inclusive economy.*

The objectives of the 7NDP are anchored on some of the long-term outcomes that have been derived from the Vision 2030.”

It is clear that Zambia has seen the need for a diversified economy that can it resilient to external economic shocks such the fluctuations in the prices of copper, oil and the Zambian currency (i.e. the Zambian Kwacha). Furthermore, a diversified economy that generates increased and superior quality job opportunities both in the formal and informal sector; and in the public and private sector is key to lifting most Zambians out of poverty especially if the fruits of a diversified economy are inclusive. In this way, the aspirations of the Zambian people as articulated in the Vision 2030 Shall be realised.

“The Government through the Ministry of Development Planning has developed a National Performance Framework (NPF) as a tool that will assist government implementing agencies to logically link development in a manner that leads to the realisation of the Vision 2030. The NPF has been developed to support the planning, monitoring, evaluation and budgeting of medium-term national development plans covering the period 2016-2030. The NPF identifies four strategic objectives, seven long-term outcomes and key performance indicators (KPIs), 30 medium-term outcomes and 112 national measurement indicators. To attain the Vision 2030, the four NPF strategic objectives are (7NDP, 2017):

1. To diversify and make economic growth inclusive;
2. To enforce environmentally and socially sustainable development principles;
3. To improve competitiveness and innovation; and
4. To strengthen governance mechanisms and institutional capacities for sustained development.

Analysis of the Vision 2030 through its performance framework breaks down its provisions into nine Key Result Areas with accompanying outcomes and Key Performance Indicators.

This means that if all medium-term plans until 2030 are effectively implemented.” (7NDP, 2017).

There is strong evidence that if the government religiously implements the four strategic objectives, seven long-term outcomes and key performance indicators, 30 medium-term outcomes and 112 national measurement indicators, there is increased possibility that Zambia shall turn its aspirations, that include increased quality and sustainable jobs or employment opportunities into reality by 2030. However, it is worth noting that, there are only a few years remaining before the set target for the Zambia’s Vision which is 2030. So, there is urgent need to accelerate implementation effort of the various employment creation strategies that can lead to exponential growth in employment opportunities for the youths. The Table below indicates the long-term outcomes and descriptions for the Vision 2030

Table 5: Long-Term Outcomes and Descriptions for the Vision 2030

Long-term Outcome	Description “In 2030, Zambia will...”
1. A Nation with Peace and Unity	...have become a safe and secure country that universally embraces the principles and practices of equal access to justice, peaceful co-existence, common and shared destiny, unity in diversity, patriotism and ethnic integration.
2. A Nation with Improved Governance	...have incrementally developed political systems and structures drawn from global democratic practices that help to strengthen governance mechanisms and institutional capacities necessary to promote the Vision 2030, provide an enabling macroeconomic and sustainable development environment and promote public-private partnerships to drive development.
3. A Nation without Hunger and Poverty	...have significantly reduced hunger and extreme poverty and have institutionalised measures to provide socio-economic opportunities for poor women, men, youths and children.
4. A Nation with Diversified and Sustainable Growth	...have attained the status of a dynamic, regionally and internationally integrated and environmentally-friendly upper middle-income country with a diversified, balanced and strong industrial sector, a modern agriculture sector and an efficient and productive services sector that provides decent work opportunities for all citizens.
5. A Nation with Equality and Rights	...have firmly ensured provision of livelihood and empowerment through social protection schemes, mainstreamed women’s participation and access to economic resources and enforced rights protection of the vulnerable, especially children and people with disabilities, at a level achieved by exemplary upper-middle income countries.
6. A Nation with Improved Human Capital	...have created a healthy and skilled working population that can meet the demands and challenges of upper middle-income development; that is, a technology-proficient, fully adaptive, innovative and productive labour force that also adopts exemplary work ethics, honesty, human and ethical values, quality consciousness and a quest for excellence.
7. A Nation with Social Wellbeing	...have provided its citizens with social wellbeing benefits derived from access to key public services based on the principle of people-centred development, in which citizens participate and benefit from

	the development process.
8. A Nation with a Competitive Economy and Innovative Peoplehave developed its economy to be efficient and capable to produce quality products competing favourably at international level and the costs of setting up and sustaining a business would have substantially dropped; this is expected to attract more local and foreign investments to drive the growth of the economy; new products and innovations would be entering the local and foreign markets thereby promoting efficiency and innovativeness in the economy.
9. A Nation Existing in a Sustainable Environmenthave improved its laws and regulations and institutions to promote and encourage sustainable use of environmental resources and adoption of environmentally-friendly practices to support the wellbeing of the population.

Source: 7NDP, 2017

The achievement of the long-term outcomes indicated in Table 1 is largely dependent on diversifying the Zambian economy from being an exporter of primary commodities such copper to an exporter of value addition and high foreign exchange earning manufacturing products. Consequently, employment creation and equitable, inclusive and sustainable distribution of employment opportunities will be attained.

Government Policy Efforts on Reducing Youth Unemployment in Zambia

The Ministry of Youth and Sports (MYS) has been charged with the responsibility of spearheading youth empowerment by way of driving employment creation strategies in the economy. The MYS considers that an effective youth Empowerment and Employment Strategy is expected to address the identified challenges in a more systemic and coherent approach. The Ministry envisages that this could be achieved by simultaneously expanding the growth of the formal sector, creating a youth employment- friendly policy environment, enhancing youth participation in the formal labour market through acquisition of employable skills and enhancing the performance of intermediation mechanisms.

Over the years, the strategies for youth employment focused on the expansion of direct and micro- initiatives to promote self-employment, skills training, access to micro-credit, among others, even though carried out in an uncoordinated effort to tackle youth unemployment (GRZ, 2006; MOY, 2015). These have been primarily supply-driven and short term interventions, barely dealing with the structural nature of unemployment in general and that of young women and men in particular, and have been predominantly donor driven (MOY, 2015). These strategies have however, yielded very little impact as there are numerous pitfalls. Some of them are (i) there is no direct relationship between the

Ministry in charge of youths and the Ministry of Education which is charge of entrepreneurship and education in colleges (ii) University education has not been considered in all national entrepreneurial strategies (iii) there is an inadequate budget available in either ministry to drive the policies. However, this does not mean that these employment interventions have not yielded results.

Although some employment related interventions have been successful at different times, these have benefited only a small segment of the population with youths benefiting even less. These entrepreneurial initiatives have not been replicated on a large scale since the policy environment has not been in place and investment funds have been inadequate and not strategically oriented. Furthermore, young women have been at a greater disadvantage due to the negative effects of gender discrimination that is embedded in the social and cultural norms and values, which emphasize the reproductive role of women at the expense of economic productive roles. One of the objectives of the National Action Plan has therefore been to reduce the gender disparities between young women and men in accessing employment (MoY, 2015).

These predominantly donor-driven, micro and direct interventions have operated parallel to the mainstream economic growth strategies and frameworks. For instance, there have been observations about the lack of backward and forward linkages in the economy, while large sums have been spent to promote Micro, Small and Medium Enterprises (MSMEs) with limited attention to strengthening the weak linkages. Such disconnection explains to a large extent why so many of these direct interventions are unlikely to make a significant impact on youth unemployment. This reflects the incoherency of investment, growth and employment interventions (GRZ, 2006; MOY, 2015).

It is evident that the Zambian government has made strides in formulating some policies that are aimed at creating inclusive and sustainable jobs for the youths so as to reduce youth unemployment to acceptable minimum levels. This is evidenced in the 2015 Youth Policy that outlines objectives and strategies for each thematic area (Below is an extract from the 2015 Youth Policy):

“The overall objective of the youth employment and entrepreneurship development strategy is to promote the economic participation of the Youth in national development through

employment creation and entrepreneurship development. This is overall objective is going to be achieved using the following specific objectives:

1. To reduce poverty and vulnerability among the Youth;
2. To enhance self-employment opportunities among the Youth;
3. To promote entrepreneurial education at all levels of education; and
4. To promote the expansion of sub-sectors that have relatively high employment multiplier.

The 2015 Youth Policy also provides Strategies for Youth Employability that include the following:

1. Facilitate the implementation of the National Plan of Action on Youth Empowerment and Employment;
2. Recommend the review of labour market policies, legal regulatory framework to make them more responsive to current socio-economic trends to capture youth as a priority;
3. Facilitate the certification of skills gained outside the formal skills training sector;
4. Recommend for the establishment of national apprenticeship and internship programmes to prepare youth for employment; and
5. Advocate for the development of a comprehensive Labour Market Information System.

The Youth Policy, further, provides strategies for entrepreneurship development and industrial participation. These include:

1. Promote entrepreneurial education and skills training at all levels of education;
2. Facilitate the transition of informal enterprises into the formal economy;
3. Promote the use of ICT for improved productivity, creativity and innovation in youth enterprises;
4. Enhance financial literacy programmes targeting the youth;
5. Promote the participation of youth entrepreneurs in national and international business linkage programmes and industrial clusters;
6. Establish and support business and technological hub/incubators;
7. Advocate for youth affirmative action on public procurement;
8. Engage the private sector on initiatives and linkages to promote youth enterprise development; and
9. Facilitate youth access to land for enterprise development.
10. Engage local leadership to support youth participation in local economic development.

It is undoubtedly clear that there are efforts at formulation stage to tackle the high levels of unemployment among the youths and unemployment as a whole. However, these efforts at formulation state seem not to match the efforts and resources allocation and disbursement at the operationalisation stage of the policy. This to a certain extent contributes to the high rates of youth unemployment statistics and youth unemployment rate.

According to GRZ (2006) and MOY, 2015), The employment and job creation strategy anchored in the 2013 Budget Speech and in the R- SNDP marked a major Government shift from expected employment trickledown approach and over-reliance on direct micro-interventions (“programme generated employment”) to purposefully growing the jobs out of the economic growth process (“growth mediated employment”). The primary source of new employment was therefore the growth envisioned in the R-SNDP itself, policy changes to augment the growth mediated employment. In this regard, the Government took major steps towards creating an employment-friendly policy regime by addressing the issue of inadequate aggregate demand and finding ways to stimulate employment-intensive growth through the recognition of the importance of economic growth in the employment and job creation strategy framework. This was intended to be operationalise using the strategies below:

- a) Integration of employment concerns into macroeconomic and sectoral policies: employment is now an objective of the development plan and employment outcomes are integrated into the development strategy. The 2013 Budget has set a global target of one million new jobs to be created over a five-year period;
- b) Promotion of the growth of sectors and economic activities that are employment generating: the employment and job creation strategy is embedded in the growth of six sectors with the greatest job creation potential (agriculture, livestock and fisheries; tourism; construction; manufacturing; energy and; mining);
- c) Raising the levels of investment in the targeted labour intensive sectors;
- d) Pursuing investment policies that can help in realizing the employment potential in the targeted sectors, for example adoption of labour-based infrastructural development (Pave Zambia, 2000);
- e) Reforming the labour market to create the appropriate environment for employment generation, that is: enhancement of skills development and of an effective apprenticeship system; increasing employment formalization.

Furthermore, the Government has taken an important operational step by formulating and implementing framework for growth and employment expansion through the rural industrialization strategy. This is carried out in part through Citizens Economic Empowerment Commission (CEEC) Value Chain Cluster Development Programme. Under this scheme, five priority industries will be developed in each province, based on their comparative advantages and using the value chain cluster development approach. Each fiscal year, the Government will pick up three districts per province to develop the value chain clusters. The approach is private sector driven, meaning that resources and support services are made available for small and medium sized entrepreneurship development through engaging financial and non- financial service providers as well as business development service providers. The strategy promotes an integrated package of support services including mentorship, entrepreneurship skills training, business development services and marketing support services. Employment generation is one of the key objectives of the industrialization strategy, and targets are set to match the demographic proportionality for each group with 40 percent for youth, 30 percent for women and 30 percent for other disadvantaged groups. There is further consideration for consolidating into one fund, the programmatic resources earmarked for economic empowerment and that were previously channelled through various institutions in order to facilitate the scaling up of the value chain cluster development process (MOY, 2005).

Through the rural industrialization strategy, Zambia has put in place an operational employment promotion framework based on a mainstreaming approach (including youth mainstreaming). One of the key features of this approach is the Government's drive to align its investment, growth and employment policies. In the emerging “youth employment model”, youth unemployment is addressed in a mainstream economic growth strategy (Rural Industrialization Strategy) rather than as a separate package of scattered micro interventions delinked from the growth dynamic process. The model has a territorial approach (district value chain cluster), a youth employment target (40 percent of generated employment), and promotes an integrated and innovatively delivered package of support services (Go Zambia Jobs, 2013).

However, even with high rates of economic growth and employment expansion, high rates of youth unemployment will persist if the gender and age-specific difficulties in the labour market (difficulties in school-to-work transition, institutional barriers, lack of voice and

representation, among others) are not adequately addressed. The Rural Industrialization Strategy suggests addressing “skills deficiency” and “poor work culture” as “a necessary pre-condition for any industrialization process to take-off”. Therefore, there is still need to align the Government's investment to spur growth (industrialization) and with its investment in building human capital (education and training). Such alignment means improving the return on investment in education, training, and correcting the current mismatch between labour demand and supply. It also requires that current deficiencies in labour market information systems and employment services be effectively addressed (Go Zambia Jobs, 2013; MOY, 2015).

In addition to the shift to employment and job creation strategy, and the beginning of its operationalization through strategic innovation such as the promotion of value chain clusters, the articulation of an employment strategy targeting the young women and men is also guided by the 2013 review of the National Youth Policy and the Presidential policy pronouncement of 2012, the MSME Development Policy and the National Strategy on Financial Inclusion among others (IMF, 2007; Go Zambia Jobs, 2013; MOY, 2015).

The National Youth Policy review process has generated a broad spectrum of interventions needed to boost youth development including employment for young people. The recommendations on employment and entrepreneurship, as well as on education, although not yet articulated into a coherent youth employment and job creation strategy, highlight areas for action and can be regrouped into four major interventions (MOY, 2015):

- (i) Shift in the approach,
- (ii) Addressing the demand and supply side constraints,
- (iii) Improving the governance of the labour market, and
- (iv) Enhancing the policy/programme implementation process.

Two recommendations from the Youth Policy Review are of particular interest since they call for a different approach to the way youth employment is promoted. The experts consulted during the review recommended to “mainstream youth employment related policies into all national development policies and legislation.” The young people consulted in provinces recommended “a comprehensive labour market information system starting from the district”, thus implying the need to rejuvenate local youth labour markets. This would be a major step toward the decentralization of youth employment planning.

The rural industrialization approach to employment generation and its mainstreaming of youth employment through the value chain cluster is reflective of the approach advocated in the recommendations (SNDP, 2011; Go Zambia Jobs, 2013; MOY, 2015).

The Seventh National Development Plan (7NDP)

During the period 2017 and 2021, Zambia will be implementing the 7NDP whose main theme is, “accelerating development efforts towards vision 2030 without leaving anyone behind. In the 2017 – 2021 macroeconomic framework (i.e. objectives and policies), job creation is one of them. “Specific macroeconomic objectives for the period of the 7NDP are as follows:

- a) Achieve an average annual real GDP growth rate of above 5 percent;
- b) Sustain single-digit inflation;
- c) Increase international reserves to at least 4 months of import cover;
- d) Raise domestic revenue collections to over 18 percent of GDP;
- e) Contain domestic borrowing to less than 2 percent of GDP;
- f) Reduce the budget deficit to less than 3 percent;
- g) Create productive and gainful job opportunities while improving the country ‘s competitiveness;
- h) Increase the share of earnings from non-mining exports to about 50 percent; and
- i) Improve infrastructure development in the transport and energy sectors, with emphasis on increased private sector participation.” (7NDP, 2017).

Table 6: Selected Macroeconomic Indicators – Baseline and Projections, 2017-2021

	Baseline					Projections 2021
	2011-2016	2017	2018	2019	2020	
Real GDP growth	5.0	5.9	4.0	5.2	5.4	5.5
GDP at constant prices (ZMW, millions)	122,662	134,095	140,255	147,525	155,537	164,038
Nominal GDP (ZMW, millions)	181,276	240,123	271,728	309,659	354,571	406,072
CPI inflation (end of period)	21.1	7.0	7.0	7.0	7.0	7.0
CPI inflation (annual average)	11.0	7.0	7.0	7.0	7.0	7.0
Domestic borrowing (% of GDP)	2.3	<2	<2	<2	<2	<2
Domestic revenue to GDP ratio (%)	17.5	>18	>18	>18	>18	>18
Overall fiscal deficit, including grants (% of GDP)	(5.5)	<(3)	<3	<3	<3	<3
Gross international reserves (months of current cover)	>5	1.9	1.7	>2	>5	>4
Share of non-mining to GDP (%)	79.8	>80	>80	>80	>80	>80
Current account balance, including grants (% of GDP)	2	(3.8)	<(2.4)	<(2.4)	<(2.4)	<(2.4)
Formal employment (% of total employment)	16.1	18.3	19.5	21.8	23.5	25.0
Working poverty rate (%)	37.8	35.9	35.0	34.0	33.0	32.0
Youth unemployment rate (%)	14.9	13.9	12.8	11.7	10.6	10.0

Source: 7NDP 2017-2021

The above macroeconomic objectives are interrelated and achievement and non-achievement of one of them has positive or negative multiplier effects accordingly. Therefore, increasing job opportunities in the economy is anchored on the achievement of all the objectives of the macroeconomic framework during the period, 2017 – 2021.

The Implementation of the 7NDP will be during the period for the Medium-Term Expenditure Framework (MTEF) 2019 – 2021. It is against this background that the indication of the macroeconomic objectives under the MTEF period is provided. According to MTEF 2019 – 2021:

“In the medium term, the overall macroeconomic objective will be to accelerate implementation of reforms as outlined in the Economic Stabilization and Growth Programme (ESGP) and austerity measures announced by His Excellency the President of the Republic of Zambia. The ESGP in line with the Seventh National Development Plan (7NDP), 2017 – 2021 will continue to support fiscal consolidation, debt sustainability and entrenching macroeconomic stability for broad-based and inclusive growth while at the same time protecting the vulnerable. The specific objectives for the 2019-2021 medium term will be to:

- a) Attain an average annual GDP growth rate of at least 4 percent;*
- b) Sustain inflation within the range of 6 to 8 percent;*
- c) Raise international reserves to at least 4 months of import cover by 2021;*
- d) Increase domestic revenue to not less than 19 percent of GDP by 2021;*
- e) Reduce the fiscal deficit to no more than 5.1 percent of GDP by 2021;*
- f) Prioritize the dismantling of arrears and curtail their accumulation;*
- g) Reduce the pace of debt accumulation and ensure sustainability; and*
- h) Accelerate the diversification of the economy supported by the implementation of structural reforms.*

The 7NDP has put employment creation through economic diversification as one of its main targets. “The Government aspires to deliver a prosperous middle-income economy that offers decent employment opportunities for all Zambians of different skills and background, by harnessing opportunities for economic diversification and growth. Economic diversification offers Zambians opportunities to realise additional jobs and benefits from Zambia’s vast endowment of natural and human resources. Zambians, both from rural and urban areas, will benefit from a stronger and more diversified economy that supports a strong manufacturing base. The vast raw materials in agriculture and mining offer opportunities for value addition through forward linkages to manufacturing and agro- processing, and increased production and exportation of non-traditional exports to domestic and international markets.” (7NDP, 2018).

One of the ten strategic directions and focus of the 7NDP is on employment – “Enhanced decent jobs in the economy.” According to the 7NDP (2017):

“Achieving economic diversification is a long-term development objective. Thus, the 7NDP has prioritised the implementation of strategies towards attainment of core outcomes that will support this objective by forming a building block for subsequent NDPs. The identified critical development outcomes for realising this strategic direction are as follows:

- a) A diversified and export-oriented agriculture sector;*
- b) A diversified and export-oriented mining sector;*
- c) A diversified tourism sector;*
- d) Improved energy production and distribution for sustainable development;*
- e) Improved access to domestic, regional and international markets;*
- f) Improved transport systems and infrastructure;*
- g) Improved water resources development and management;*
- h) Enhanced information and communication technology;*
- i) Enhanced decent job opportunities in the economy; and*
- j) Enhanced research and development.”*

What remains is to ensure that the set strategies and implementations programmes are realised. The realisation of these strategic options, such as, decent employment creation, bring forth a number of positive multiplier effects.

Conclusion

Zambia’s labour force increased by 14 percent from 5 million in 2008 to 5.8 million in 2012 and the 2014 Labour Force Survey estimates the labour force at 6.3 million. Total employment grew by 11.3 percent from 5.3 million in 2012 to 5.9 million in 2014, representing an employment-to-population ratio of 71.9 percent. About 4.9 million persons, representing 84 percent of the employed, were in the informal sector. The main challenge is to increase the quantity and quality of productive employment at all levels of the economy and in all parts of the country, to reduce poverty and achieve inclusive economic growth. Government, through the 7NDP plans to achieve the development outcome, enhanced decent job opportunities in the economy, through six strategies and their respective programmes. The six programmes are: promote industrialisation and job creation; facilitate micro, small and medium enterprise

development; promote cooperatives development; increase employment opportunities in rural areas; improve labour productivity; and promote entrepreneurship skills training and development.

While the government has belaboured on paper to articulate the need for employment creation, the researcher's position is that there is need put in place workable implementation strategies that will target the right youths to be supported. Youths are yet to be empowered to have an income either from entrepreneurial activities or from formal employment. Even though the Ministry of Youth and Sports (MYS) has been charged with the responsibility of spearheading youth empowerment by way of driving employment creation strategies in the economy, there seem to be low participation of youths in sustainable entrepreneurial activities.

The paper recommends that all the measures and programmes that have been planned in towards the implementation of the 7NDP need to be implemented through timely funding of programmes within the Medium Term Expenditure Framework for 2018 -2021). These programmes need to be run by highly qualified, experienced and competent persons. The implementation of all the above economic diversification measures is expected to stimulate economic production and demand in a manner that will support working people and their families. It is further expected to generate and support vibrant and vertically linked businesses that are capable of creating new jobs and sustaining existing ones, in addition to achieving horizontal diversification of products and services. During the Plan period, the Government has targeted to create at least one million jobs under various programmes identified under economic diversification as follows: in agriculture, forestry, fisheries and livestock 550,000; tourism 300,000; manufacturing 90,000; infrastructure 20,000; energy 90,000; and transport 20,000 (7NDP, 2017). To realise all this, there is need for continuous monitoring and evaluation of the measure and implementation programmes in place and appropriate action taken as and when need be. In this manner Zambia shall attain the Vision 2030 – to be a prosperous middle-

income country by 2030 as fully described by an extract below from the 7NDP.

- A diversified, private sector-driven competitive economy providing equal opportunities for employment, entrepreneurship and investment;
- A country free from hunger, poverty and other forms of deprivation;
- An educated society with a youthful, economically productive and innovative population as a major asset for the country's productive base;
- A healthy society with a low disease burden and low mortality rate;
- A peaceful, tolerant, resilient and cohesive society with positive aspirations;
- A modern country with cities, towns and provincial areas that are secure, well-planned, providing basic amenities and linked by good roads and accessible by other types of transport systems;
- A thriving democracy based on political diversity, respect for human rights and freedoms and the rule of law;
- A country served by a modern, productive, efficient and performance-oriented public service;
- A country of culturally diverse, friendly, neighbourly people well-integrated into the African and international community.

Source: 7NDP, 2017

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