



Republic of Zambia

# NATIONAL PRODUCTIVITY POLICY

**“A productive and competitive  
nation by 2030”**

A series of seven vertical bars of varying heights, each containing a different pattern or image related to Zambia. From left to right: 1. A green and black wavy pattern. 2. A green and black wavy pattern. 3. A green and black wavy pattern with a red diagonal stripe. 4. A green and black wavy pattern with a yellow diagonal stripe. 5. A green and black wavy pattern. 6. A green and black wavy pattern. 7. A green and black wavy pattern. A large yellow eagle with its wings spread is positioned at the bottom left, overlapping the first three bars.

**December 2020**





Republic of Zambia

# NATIONAL PRODUCTIVITY POLICY

**“A productive and competitive  
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# Foreword

The Government of the Republic of Zambia recognises productivity growth as a necessary precondition for sustained socio-economic development. With the advent of globalization and the fourth industrial revolution, the need for productivity improvement is even more critical for an emerging economy like Zambia. The new paradigm demands that nations compete on the basis of creating value in an efficient, effective and innovative manner whilst ensuring sustainable returns for the economy and the environment.



Productivity growth is important because it can generate high incomes and Government revenue needed to raise living standards and rectify developmental inequalities. For this reason, productivity growth has been identified in the Vision 2030 and the Seventh National Development Plan (7NDP) as a critical enabler for inclusive socio-economic development. This policy, is therefore a mechanism for achieving accelerated social economic development and a means for translating these gains into improvements in the standard of living of the people.

Given that the primary source of productivity growth is at organizational level, the wheel of productivity growth once set in motion will spur all the sectors of the economy to higher levels of competitiveness, profitability, sustainability and enterprise growth. In the long term, this will lead to: increase in the quantity and quality of jobs; enhanced rights at work, improved safety at work and increased social security coverage.

The Policy is meant to among another other things: facilitate for a common understanding of productivity by creating awareness and building the productive capacity of individuals and organisations; act as a catalyst for a concerted effort towards raising national productivity; and provide a comprehensive coordinating framework. To ensure successful implementation of this Policy, the Ministry of Labour and Social Security will work in collaboration with other Line Ministries, the social partners and other stakeholders.

I therefore call on all Government Ministries, Provinces and Spending Agencies (MPSAs), social partners, cooperating partners, professional bodies, civil society and other stakeholders to support and collaborate with my Ministry in realizing the objectives of this policy.

Hon. Joyce Nonde-Simukoko, MP

**MINISTER OF LABOUR AND SOCIAL SECURITY**





# Acknowledgement

This National Productivity Policy is a product of extensive research and wide consultations over a period of time. The input provided by the various stakeholder institutions is highly appreciated as it contributed greatly to the depth and scope of this policy document.



It is my pleasure to pay special gratitude to the International Labour Organization (ILO) for the financial and technical support. I would also like to acknowledge the contribution of the social partners, particularly the Zambia Congress of Trade Unions (ZCTU) and the Zambia Federation of Employers (ZFE) for supporting the development of the policy. Appreciation also goes to all Line Ministries, the Policy Analysis and Coordination Division (PAC) of Cabinet Office and other key stakeholders for their contributions in developing this Policy.

Lastly, I would like to convey my deepest appreciation to members of staff in the Ministry of Labour and Social Security for their commitment in the development of this policy.

I sincerely hope this Policy will act as an effective mechanism for raising the country's productivity levels thereby contributing to improvement in the standard of living of the Zambian people.

**Chanda Kaziya**

Permanent Secretary

**MINISTRY OF LABOUR AND SOCIAL SECURITY**





# Working definitions

## **Collective Bargaining:**

Is a process of consultation between management and workers with a view to determine terms and conditions of employment.

## **Competitiveness:**

Is the ability of a nation's economy to make rapid advances and gains in living standards (GDP per capita) by producing goods and services that compete on global market.

## **Gain Sharing:**

Is an incentive designed to reward employees for their contribution to improvements in organizational performance.

## **Globalization:**

Is the growing interdependence of the world's economies, cultures, and populations, brought about by cross-border trade, technology and flows of investment, people, and information.

## **Green Investment:**

Is the investment activity which focuses on the projects or areas that are committed towards preservation of the environment such as Pollution reduction, conservation of natural resources, or any other type of environmentally-conscious practices.

## **Green Job:**

Is a job that contributes to preserving or restoring the environment, be they in traditional sectors such as manufacturing and construction, or in new, emerging sectors such as renewable energy and energy efficiency.

## **Green Technology:**

Is technology that is considered environmentally friendly based on its production process or supply chain.

## **Human Capital:**

Is the knowledge, skills, creative abilities, talents, aptitude, values and beliefs of an organization's work force.

## **Human Development Index:**

Is a statistical tool used to measure a country's overall achievement in its social and economic dimensions based on the health of people, their level of education attainment and their standard of living.

## **Job Insecurity:**

Is a condition where employees lack the assurance that their jobs will remain stable from day to day, week to week, or year to year.





<b>Labour Management Cooperation:</b>	Is the interaction between management and union that involves continuous dialogue between the two sides on various issues of common interest.
<b>Productivity:</b>	Is the efficient and effective use of resources, labour, capital, land, materials, energy, information, in the production of various goods and services.
<b>Psychometrics:</b>	Is the scientific method used to measure individuals' mental capabilities and behavioural traits to establish their suitability for a role.
<b>Tripartism:</b>	Is the involvement of government, labour and employers in labour administration.
<b>Decent Work:</b>	Is the creation of opportunities for productive work, respect for fundamental principles and rights at work, social protection and social dialogue.
<b>Employment Rate:</b>	Is the percentage of working age population (15-64 years) who are in employment.
<b>Formal Sector:</b>	Is the totality of all enterprises that are registered with a tax authority and/or a licencing authority such as ZRA, PACRA, Local authority, etc.
<b>Formal Employment:</b>	Is the type of employment where employees are entitled to paid leave in addition to having an entitlement to social security coverage, or any other such entitlement.
<b>Fundamental Principles</b>	Is the respect and promotion of principles and rights to freedom of association, collective bargaining, elimination of forced labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.
<b>Inclusive Growth:</b>	Is the fair distribution of the benefits of economic growth across society and creating opportunities for all.
<b>Informal Employment:</b>	Is the type of employment which is characterized by the lack of an entitlement to annual paid leave and absence of social security entitlement. This type of employment could be found in both the formal sector and informal sector enterprises.
<b>Labour Force (“Economically Active Population”):</b>	Is the reference to all persons above a specified minimum age who were either employed or unemployed at the time of the survey. For the purposes of the Zambia Labour Force Surveys, the minimum age used is 15 years.
<b>Labour Force Participation Rate:</b>	Is the ratio of the economically active population to the working age population expressed as a percentage.
<b>Labour Migration:</b>	Is the movement of people from one area to another for the purpose of employment.





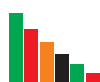
<b>Labour productivity:</b>	Is defined as output per unit of labour.
<b>Skill Mismatch:</b>	Is the type of imbalance between skills offered and skills needed in the world of work.
<b>Social Dialogue:</b>	Is the negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.
<b>Unemployed Population:</b>	Is a reference to all persons in the labour force who are completely jobless. Other attributes of unemployed population in addition to being jobless are that one is available for work and is actively looking for work.
<b>Unemployment Rate:</b>	Is the ratio of the unemployed population to the labour force expressed as a percentage.
<b>Working Poor:</b>	Refers to the proportion of employed persons who live in households below the poverty datum line.





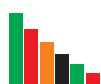
# Acronyms & Abbreviations

<b>AIDS</b>	Acquired Immunodeficiency Syndrome
<b>AfCFTA</b>	African Continental Free Trade Area
<b>CDC</b>	Curriculum Development Centre
<b>GDP</b>	Gross Domestic Product
<b>GHG</b>	Green House Gases
<b>GRZ</b>	Government of the Republic of Zambia
<b>HIV</b>	Human Immunodeficiency Virus
<b>HEA</b>	Higher Education Authority
<b>ICT</b>	Information and Communication Technologies
<b>IJCS</b>	Industrialization and Job Creation Strategy
<b>ILO</b>	International Labour Organization
<b>LFS</b>	Labour Force Survey
<b>LMI</b>	Labour Market Information
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MCTI</b>	Ministry of Commerce, Trade and Industry
<b>MDGs</b>	Millennium Development Goals
<b>MDD</b>	Management Development Division
<b>MoE</b>	Ministry of Energy
<b>MFA</b>	Ministry of Foreign Affairs
<b>MHA</b>	Ministry of Home Affairs
<b>MLGH</b>	Ministry of Local Government and Housing
<b>MLNRE</b>	Ministry of Lands, Natural Resources and Environment
<b>MLSS</b>	Ministry of Labour and Social Security
<b>MMMD</b>	Ministry of Mines and Minerals Development
<b>MNDP</b>	Ministry of National Development Planning
<b>MoA</b>	Ministry of Agriculture
<b>MoCTA</b>	Ministry of Chiefs and Traditional Affairs
<b>MoF</b>	Ministry of Finance
<b>MoFL</b>	Ministry of Fisheries and Livestock
<b>MoG</b>	Ministry of Gender
<b>MoGE</b>	Ministry of General Education
<b>MoH</b>	Ministry of Health





<b>MoHE</b>	Ministry of Higher Education
<b>MoJ</b>	Ministry of Justice
<b>MSMEs</b>	Micro, Small and Medium Enterprises
<b>MTA</b>	Ministry of Tourism and Arts
<b>MTC</b>	Ministry of Transport and Communication
<b>MWS</b>	Ministry of Works and Supply
<b>MSD</b>	Mine Safety Department
<b>NAPSA</b>	National Pension Scheme Authority
<b>NELMP</b>	National Employment and Labour Market Policy
<b>NGOs</b>	Non-Governmental Organizations
<b>NGOCC</b>	Non-Governmental Organizations Coordinating Committee
<b>OSHS</b>	Occupational Safety and Health Services
<b>PACRA</b>	Patents and Company Registration Agency
<b>PDCC</b>	Provincial Development Coordinating Committee
<b>PSMD</b>	Public Service Management Division
<b>PEES</b>	Public Employment Exchange Services
<b>PPP</b>	Public-Private Partnerships
<b>PWDs</b>	Persons with Disabilities
<b>SADC</b>	Southern Africa Development Community
<b>TCLC</b>	Tripartite Consultative Labour Council
<b>TEVETA</b>	Technical, Vocational and Entrepreneurial Training Authority
<b>TVET</b>	Technical, Vocational and Entrepreneurial Training
<b>WCFCB</b>	Workers' Compensation Fund Control Board
<b>ZAPD</b>	Zambia Association of Persons with Disabilities
<b>ZAQA</b>	Zambia Qualification Authority
<b>ZCTU</b>	Zambia Congress of Trade Unions
<b>ZCSMBA</b>	Zambia Chamber of Small and Medium Business Associations
<b>ZDA</b>	Zambia Development Agency
<b>ZDWCP</b>	Zambia Decent Work Country Program
<b>ZEMA</b>	Zambia Environmental Management Authority
<b>ZFE</b>	Zambia Federation of Employers
<b>ZIPAR</b>	Zambia Institute for Policy Analysis and Research
<b>ZRA</b>	Zambia Revenue Authority



# CHAPTER 01

## Introduction



## **NATIONAL PRODUCTIVITY POLICY**

*"A productive and competitive nation by 2030"*



# Chapter One

## INTRODUCTION

Productivity is universally recognized as a catalyst for sustained socio-economic development. It is also regarded as a crucial determinant of a country's competitiveness and ability to successfully integrate into the global economy.

Technically, productivity refers to converting resources (inputs) into products and services (outputs) efficiently, effectively and with optimum utilisation of human and other resources for the benefit of an organisation, society, the economy and the environment. Others define productivity as a state of mind, that is, the determination to improve on yesterday's performance and to do even better tomorrow.

The above definition of productivity transcends the functional aspect of producing more output for any given amount of input usually through waste reduction or other output optimization strategies. It emphasizes that distribution of the gains of productivity improvement as far as is feasible should include people (workers and society) as well as the environment. The benefit to workers is both in terms of its developmental focus on skills upgrading and promotion of decent work whereas society as a whole benefits from the resulting prosperity, such as in improved incomes, reduction in poverty, improved health and wellness, sustainable livelihoods and general improvement in the standard of living.

The National Productivity Policy is therefore meant to facilitate for a common understanding of productivity by building the productive capacity of individuals and organisations; act as a catalyst for motivating individuals and organizations in all sectors of the economy to work in a concerted manner in efforts aimed at raising national productivity levels; and to provide a comprehensive coordinating mechanism. Ultimately, the policy is a framework for attaining the twin goals of economic prosperity and improvement in the standard of living of the Zambian people.

By translating productivity into terms that are relevant to the country's socio-economic goals, the Policy seeks to ensure that productivity is embedded into the country's national strategies, national development plans and other key national policies. Given the cross-cutting nature of





productivity, a critical mass of knowledge, skills and attitudes needs to be developed to act as a foundation for sustained productivity growth. In addition, being the first of its kind, the National Productivity Policy is also meant to facilitate effective coordination of productivity improvement efforts across various sectors and institutions.

The Policy further outlines the appropriate legal and institutional framework to facilitate effective networking and co-ordination among key players in productivity improvement as it defines and clarifies the various roles and responsibilities of stakeholders in the promotion of productivity in the country.

The Policy is thus organised into five chapters. Chapter two covers an analysis of the issues that underpin the country's productivity profile, its aspirations and challenges. Chapter three outlines the vision, the rationale for developing the Policy and the values that will guide its implementation. Chapter four provides the objectives and measures meant to resolve the challenges. Chapter five describes the institutional and legal arrangements, resource mobilisation, and Monitoring and Evaluation mechanisms needed to operationalise the Policy.



# CHAPTER 02



## Situation Analysis

**NATIONAL PRODUCTIVITY POLICY**

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# Chapter Two



## SITUATION ANALYSIS

### 2.0 Introduction

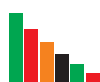
Productivity depicts the levels of output per unit of input. Productivity performance is a key driver of long-term economic growth and prosperity of a country. Sustained long-term economic growth comes from increases in overall productivity of all factors of production. The government, private sector and citizenry benefit from productivity improvement in different ways. Government benefits from better economic performance and increased revenue, whilst private sector benefit from enterprise growth, enhanced competitiveness, profitability and market share, and citizens benefit from higher-wages, increased employment opportunities and brighter career prospects.

Since Independence Zambia, has made notable progress towards promotion of productivity in the country. Some of the milestones include establishment of the Department of Productivity Development (DPD) in 1993 which was later restructured and renamed as the National Productivity Development Department (NPDD) under Ministry of Labour and Social Security in 2003. In addition, in 2013, the Ministry of Commerce Trade and Industry registered the Kaizen Institute of Zambia (KiZ) to support productivity and quality improvement in the country. However, since independence the country has been operating without a Policy on productivity.

This chapter outlines the various factors accounting for the country's inability to fully develop a productivity culture amongst the citizenry. It also demonstrates the need to urgently address these factors outlined below in order for the country to attain the Vision 2030.

### 2.1 Labour productivity trends

According to the 2012, 2014, 2017 and 2018 Labour Force Survey Reports and the accompanying national accounts statistics, labour productivity growth rate dropped by 11 percent between 2012 and 2014. The trend continued in 2017 standing at negative 7 percent. Although the year 2018 showed a positive labour productivity growth of 14 percent, which was above the 7NDP target of 7%, the average labour productivity growth rate for the period 2012 to 2018 was negative 1 percent.





Labour productivity in all sectors therefore remains low, leaving very little scope for the labour reallocations necessary for boosting aggregate productivity and sustaining economic growth. Nevertheless, there is scope for increasing productivity through robust skills development and accelerated technology uptake.

## **2.2 Competitiveness and cost of doing business**

At the Global level, the 2019 Global Competitiveness Report ranked Zambia at 120 out of 141 countries with respect to Global Competitiveness. In Sub-Saharan Africa, Zambia is ranked number 15 out of 34 countries. With regards to ease of doing business, the World Bank ranked Zambia at 85 among 190 economies in 2019, an improvement from 87 in 2018.

For Zambia to effectively compete globally and more specifically on the continent, in view of the African Continental Free Trade Area (AfCFTA), overall competitiveness and the ease of doing business ranking represent important performance measures against which appropriate strategies to improve the status quo must be formulated. In addition, sustainable improvement in the above mentioned rankings requires systematic policy and institutional reforms to strengthen the country's ability to effectively facilitate industrial growth, trade, labour migration and adoption of technology.

## **2.3 Decent Work and Productivity**

Since 2007, Zambia has been implementing the Decent Work Country Programme. Decent work contributes greatly to economic development by ensuring business growth to create jobs, promoting social dialogue, fundamental principles and rights at work, as well as providing social security for all workers. These elements together are a foundation for high productivity both at individual and enterprise level thus ensuring a productive and growing economy. An evaluation of the Zambia Decent Work Country Programme conducted in 2017 revealed that the country still had a long way in achieving decent work as the programme lacked impact, adequate coordination and was not integrated into national policies.



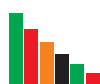


While decent work deficits are generally noted in the country, they were more prominent among Micro, Small, Micro Enterprises (MSMEs) especially those in the informal sector and in rural areas. MSMEs concern is not necessarily exhibition of low productivity, but more that low productivity entails low wages paid to workers and lower income generation for MSMEs making it difficult to support a decent standard of living. The situation leaves MSMEs and workers failing to comply with social security standards, provide safe and health workplaces, violate rights at work with no existence of social dialogue. The situation makes such enterprises unable to escape from poverty.

According to the 2018 Labour Force Survey, of the total employed population, only 31.6 percent had social security coverage with 18.5 percent in rural areas and 40.0 percent in urban areas. Females had the lowest social security coverage at 23.9 percent compared to their male counterparts at 36.4 percent.

Globally the 2019 Social Protection Report puts the percentage of workforce that is in the informal economy with little or no social protection coverage at 50 percent, in Zambia, the 2018 Labour Force Survey, indicates that 73.4 percent of the employed population work in the informal economy. This entails exposure to greater job insecurity and vulnerability with little or no access to affordable quality health care and unsafe and unhealthy working conditions. This a scenario traps working persons and their families in a vicious cycle of poverty, vulnerability and social exclusion. The 2016 Republican Constitution provides for inclusivity and equity, decentralization and prioritizing of rural areas.

Collective bargaining process is critical to decent work attainment. This provides for workers to negotiate for better wages and conditions of services. Better wages enable households to have the capacity to acquire essentials based on the capacity to purchase them. Without appropriate collective bargaining processes, wages and incomes would be low and insufficient for purchase of essentials thereby falling into poverty. The country's current collective bargaining process does not comprehensively cover issues of productivity.



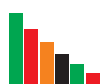


## 2.4 Institutional Arrangement to support Productivity

The Ministry of Labour and Social Security through the National Productivity Development Department is mandated to provide Policy direction on productivity and occupational assessment. In addition the Ministry is mandated to promote productivity in all sectors of the economy in order to accelerate economic growth and improve the standards of living of the Zambia people. In executing this mandate, the Department undertakes productivity awareness, conducts training, consultancy and mentorship in the application of productivity techniques. The department also carries out productivity measurement and monitoring as well as administers psychometric tests to facilitate selection decisions for employment, training or career progression.

The Ministry of Commerce, Trade and Industry is mandated to facilitate and promote the growth, development and competitiveness of commercial, trade and industrial sectors in order to enhance socio-economic development. In carrying out its mandate, the Ministry has the Trade Policy and Industry Policy both focused on providing comprehensive guidelines, and developing a sustainable globally competitive commercial, trade and industrial base in the country. To fulfil this mandate, the Ministry has established a number of quasi-governmental agencies that contribute to the promotion of productivity, standardization and quality assurance which include, the Kaizen Institute of Zambia (KiZ), the Zambia Bureau of Standards (ZABS) and the Zambia Compulsory Standards Agency ZCSA).

Currently, the National Productivity Development Department and the Kaizen Institute of Zambia serve as the country's main institutions for promoting productivity. However, lack of Policy framework has led to unclear roles and responsibilities for the two institutions. This has resulted into different interpretations of productivity and duplication of efforts. In addition, the structural setup of the two institutions have proven to be less effective. The National Productivity Development Department operates both as a policy formulation body and implementation agency whilst the Kaizen Institute of Zambia operates as an implementing agency focused on the promotion of quality and productivity based on the Kaizen philosophy. NPDD was originally established in 1993 and currently draws its mandate from Gazette Notice No. 652 of 2016 whilst the KiZ was established under the Companies Act Cap 388 of the Laws of Zambia as a company limited by guarantee whose members are the Zambia





Development Agency and Zambia Bureau of Standards under the umbrella of the Ministry of Commerce, Trade and Industry.

The two productivity institutions (NPDD and KiZ) suffer from low levels of recognition. This is compounded by institutional capacity inadequacies characterised by understaffing, skills deficits, low levels of funding and non-decentralization of their services.

Given the cross-cutting nature of productivity, there are also other Non- Governmental actors involved in the promotion of productivity. These include Trade Unions, Employer Organizations, Professional Bodies and Civil Society Organizations.

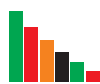
However, these institutions operate without clear guidelines on how they can effectively contribute to the country's productivity development agenda. Therefore, the lack of a well-recognized institutional framework, with a mandate to coordinate productivity matters, set productivity standards and coordinate stakeholders to undertake specific actions has resulted in the slow growth and integration of productivity across all sectors of the economy.

## **2.6 Legal Framework to support Productivity**

The following are some of the pieces of legislation relating to productivity management: the Employment Code Act No. 3 of 2019; Environmental Management Act No. 12 of 2011; the National Pensions Scheme Authority Act No. 40 of 1996; the Zambia Occupational Health and Safety Act of 2010; the Zambia Institute of Human Resource Management Act No.11 of 1997; the Gender Equity and Equality Act of 2015; the Persons with Disabilities Act of 2012; the Public Finance Act of 2018, the Zambia Development Agency (Amendment) Act, 2010, and the Citizens Economic Empowerment Commission Act No. 9 of 2006.

The above laws provide the framework for the different formal institutions participating in productivity management and the mandate for their various roles and responsibilities.

However, the laws are inadequate with regard to compelling enterprises to implement and account for productivity related initiatives and programmes. Equally the use of





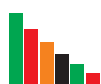
quality assurance measures such as psychometric tests in the recruitment employees and students for training purposes is not supported by legislation. In addition, the provision of data by enterprises for productivity measurement is also not mandatory yet productivity measurement in all sectors is a critical foundation for productivity improvement.

## **2.7 Environment Sustainability and Productivity**

Zambia has been experiencing the effects of climate change resulting in extreme weather conditions, such as droughts, rising temperatures and unpredictable rainfall patterns. Such changes in the weather patterns have negatively impacted on productivity in the economy and consequently on people's livelihoods. For instance, since 2014, the country has experienced a drop in hydro-power generation by 600MW due to poor rainfall patterns. The low supply of electricity has hampered growth prospects of Zambia's productive sectors of the economy, including agriculture, manufacturing, mining and services. This calls for the need to promote other energy sources as opposed to depending on hydro power.

Also as populations continue to grow, pressure is being placed on arable land, water forestry and other biological reserves to provide adequate supply of food and space for human habitation. Consequently according to the Zambia Environmental Outlook Report-4 of 2017, there is a strong relationship between population growth, widespread poverty and environmental degradation.

In an effort to address the above mentioned challenges, a number of programmes have been implemented by Government. For instance, from 2016, Government has been championing the Zambia Green Jobs Programme supporting sustainable Micro, Small and Medium Enterprises along the building construction value chain to become more productive and competitive. Adoption of green methods and technology can go a long way in fostering research and development for innovative ways of production in the face of changing climatic conditions. At the same time, such measures would help in dealing with environmental challenges. However, there is inadequate policy guidance on the promotion and adoption of alternative technologies and green productivity.





## **2.8 Technology and Productivity**

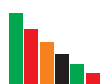
Globally, technology is changing the way work is organized and is improving productivity like never before. In developed countries, technology advancements are already displacing labour in some industries and analysts say more of this will happen soon (ILO, 2017). In Zambia, the services and mining industry are leading in terms of adopting state-of-the-art technology in their production processes. However, the pace of technological uptake is relatively slower in other industries such as agriculture and manufacturing. This is mainly due to the inadequacies in terms of technology infrastructure, skills development and research. The delay in technology uptake is limiting advances in quality goods and services, cost efficiencies and competitiveness of local firms.

## **2.9 Skills Development and Technological Changes**

Today's world of work is characterized by constant changes brought about by various drivers such as technology. This requires workers to be able to adjust in line with the new changes each time. Workers must be able to reskill and up skill if need arises. A skilled workforce coupled with the adoption of modern technologies of production and service provision improve productivity. There exist demand for a skilled workforce among firms for their enhancement of output/production. However, currently the technological advancement is not growing at the same pace as the training provision for skills in order to improve productivity. There is inadequate Information and Communication Technology (ICT) skilling among training institutions due to high costs of acquiring equipment used for training. Additionally, the cost is high for capacity building in new technologies among training institutions.

## **2.10 Productivity Measurement**

The existing productivity measurement system is not fully developed to enable the country to measure total factor productivity. Currently the Ministry of Labour and Social Security in collaboration with the Zambia Statistical Agency compiles labour productivity statistics annually. However, in order to adequately inform decision making at national, sector and enterprise levels, a comprehensive productivity measurement system is desirable encompassing all factors of production, apart from labour alone, and disaggregated by region as well as rural versus urban.



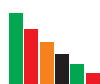


## 2.11 Gender and Disability

Gender disparities and Persons with Disabilities remain among the most persistent forms of inequality across all countries. Women and Persons with Disabilities are discriminated against in health, in education, at home and in the labour market, with negative repercussions for their freedoms. Therefore, since the mid-1990s the government has committed itself to promoting integration of gender and inclusiveness of Persons with Disabilities in all sectors of the economy. One of the major achievements by Government was the creation of the Ministry of Gender which is mandated to promote gender equity and equality as a cross cutting issue in all spheres of life and reduce discrimination in the country.

Improving capabilities across the population unleashes the productive potential of a country. Zambia has made some significant progress in reducing gender inequality in the labour market with 44.7% of women in middle and senior management positions. However, there still remains low percentages recorded in male dominated sectors such as: Construction (5.5%); Mining and quarrying (12.6%); and compulsory social security (12.7%).

Opportunities for Persons with disabilities require improved access to basic education, vocational training relevant to labour market needs and jobs suited to their skills, interests and abilities, with adaptations as needed. The Government of Zambia has adopted a number of laws and policies pertaining to People with Disabilities, including their right to productive and decent work and to basic services, workers' compensation, social security, and entrepreneurship development. These include: the Persons with Disabilities Act (2012), the Technical Education, Vocational and Entrepreneurship Training (TEVET) Act, 1998, state that the "special needs of people with disabilities will be taken into consideration" and the National Employment and Labour Market Policy (NELMP), 2018, shows the government's intentions to provide for improved care and support services to vulnerable groups, including people with disabilities. However, there is inadequate recognition of the need to dismantle productivity barriers for people with disabilities such as making the physical environment more accessible, providing information in a variety of formats, and challenging attitudes and mistaken assumptions about people with disabilities.





## **2.12 Wellness and Productivity**

The wellbeing of the workforce is a primary source of productivity growth. Zambia continues to make significant progress in the health sector and has achieved considerable improvements in the health outcomes of the population which will ultimately raise the country's productivity. At the turn of the century, Zambia suffered productivity losses resulting from the deaths of young people in their productive ages as a result of HIV/AIDS. Nonetheless, the Government with support from cooperating partners has managed to control the effects of HIV effectively eliminating the threat it posed on the economy's productivity. Currently, 84% of people living with HIV know their status, 93% of all people diagnosed with HIV are receiving antiretroviral therapy, with 89% of them having viral suppression. Further, Government established the National Health Insurance Scheme Authority in 2019 as a mechanism for facilitating access to basic health care by all. This is an important step in guaranteeing a productive workforce.

## **2.13 Youth and Productivity**


Zambia is a very youthful country with about 82% of its population aged below 35 years. The nation's socio-economic situation evident from the high poverty levels, unemployment, HIV/AIDS and other education and health related problems have for a long time been affecting the youth. To address the challenges, informed by the National Development Plans, the Industrialization and Job Creation Strategy and other Sectorial Policies, the Government has been implementing the 2015 National Youth Policy with the objective to promote the economic participation of youth in national development through employment creation and entrepreneurship development. However, in spite of the implementation of the National Youth Policy, youths have continued to face obstacles in engaging in productive activities: the educational and training system does not adequately provides them with the requisite skills required to access job or business opportunities. Hence, the youth have continued to engage themselves in among many others high risk behaviours such as drug and alcohol abuse.

## **2.14 Human Capital Development and Productivity**

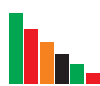
According to Human Development Report 2019, Zambia's Human Development Index for 2018 was 0.591 which put the country in the medium human development category positioning it at 143 out of 189 countries and territories. Human capital is the most



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important strategic factor for development. It is the sum of a population's health, skills, knowledge and experience. Human capital development increases the nation's capacity to produce goods and services. It also creates more job opportunities and lifts the living standards of a country through increase in income levels. In addition, human capital development can help develop an economy by expanding the knowledge and skills of its people. Further, human capital development is not only an additional input in the production formula but also is a catalyst for technical change. It contributes towards Total Factor Productivity (TFP), which is contributes directly to economic development. Therefore, increases in human capital development has a propensity to lead to increases in per capita income. Investment in the quality and quantity of human capital remains one of Zambia's main developmental aim as outlined in the 7NDP.



# CHAPTER 03



Vision, Guiding Principles  
& Rationale

**NATIONAL PRODUCTIVITY POLICY**

*"A productive and competitive nation by 2030"*



# Chapter Three

## VISION, GUIDING PRINCIPLES AND RATIONALE

### 3.1 Vision

**“A productive and competitive nation by 2030”**

### 3.2 Rationale

Productivity growth is important because it can generate high incomes and Government revenue needed to raise living standards and rectify developmental inequalities, the very core of Zambia’s long term aspirations. Productivity has been recognized in the country’s development plans as a critical enabler for inclusive socio-economic development. This brings to the fore the need for the country to have appropriate Policy to guide stakeholders in their quest to achieve sustainable productivity growth.

The National Productivity Policy provides a mechanism for facilitating consensus on the interpretation and the need for increased productivity in all sectors of the economy. It serves as a means for establishing an appropriate institutional framework for building the productive capacities of individuals and organizations. In addition, the Policy acts as a catalyst for motivating individuals and organizations in all sectors of the economy to work in a concerted manner in efforts aimed at raising national productivity levels. Further, it provides a comprehensive coordinating mechanism for stakeholders working the area of productivity.

This Policy has measures for inculcating positive mindset, facilitating skills acquisition, building technological capabilities, enhancing competitiveness, improving productivity measurement systems, and resolving decent work deficits in the country.

Therefore, realization of the objectives of this policy entails adopting productivity improvement as a driving force of accelerated economic development and ultimately enhanced standard of living of the Zambian people.





### 3.3 Guiding Principles

The implementation of the National Productivity Policy will be guided by the following principles:

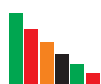
**Equity and Social Justice:** Equity and Social Justice is based on the premise that all people are entitled to the same basic rights and freedoms. The National Productivity Policy shall facilitate equal access to opportunities for training, employment and advocate for equitable distribution of the benefits of productivity improvement.

**Sustainable Development:** The National Productivity Policy shall promote innovative resource planning, sustainable renewable energies usage, adoption of green technologies and elimination of all forms of waste.

**Social Dialogue:** Social dialogue builds consensus among government, employers and workers on key issues such as rights at work, working conditions, productivity, safety at work and social protection. The National Productivity Policy shall strengthen social dialogue so as to foster a harmonious working environment.

**Equality and Non-discrimination:** The principle of equality and non-discrimination guarantees that those in equal circumstances are dealt with equally in law and practice. The National Productivity Policy shall support gender equality and the involvement of the youth and Persons With Disabilities (PWDs) in productive employment.

**Good Governance and Integrity:** Tenets of good governance such as observance of human rights, accountability, transparency and efficient and effective management of both the private and public sectors shall form

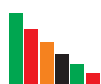




the hallmark of this policy. The National Productivity Policy shall also promote integrity as a necessary pre-condition for enlisting trust and cooperation in labour-management relations.

**Morality and Ethics:**

The National Productivity Policy shall encourage ethical and moral conduct amongst individuals and organisations in the pursuit of raising national productivity.



# CHAPTER

# 04



## Policy Objectives & Measures

**NATIONAL PRODUCTIVITY POLICY**

*"A productive and competitive nation by 2030"*



# Chapter Four

## POLICY OBJECTIVES AND MEASURES

The Policy Objectives and Measures outlined below are designed to provide a comprehensive mechanism to enhance productivity in the country in order to raise competitiveness, promote decent employment and accelerate inclusive economic growth.

### 4.0 Policy Objectives and Measures

#### 4.1 Levels of Productivity

##### 4.2.1 Objective 1

To improve the level of productivity in all sectors of the economy.

##### 4.2.2 Policy Measures:

Government shall:

- (a) Facilitate creation of awareness on the importance of productivity;
- (b) Enhance the capacities of managers in productivity management of both public and private institutions;
- (c) Develop capacity of Micro, Small and Medium Enterprises to adopt sustainable productivity improvement systems; and
- (d) Promote the usage of productivity techniques in all sectors of the economy.

#### 4.2 Decent Work

##### 4.2.1 Objective 2

To promote decent work for productivity improvement





#### **4.2.2 Policy Measures:**

Government shall:

- (a) Strengthen social dialogue mechanisms on productivity;
- (b) Promote Occupational Safety and Health standards;
- (c) Promote social security coverage in the formal and informal economy;
- (d) Promote the participation of Women, Youth and People with Disabilities in productive employment;
- (e) Promote alternative (e.g. labour based) technologies; and
- (f) Promote the future of work concept.

### **4.3 Institutional Coordination Framework**

#### **4.3.1 Objective 3**

To strengthen institutional coordination framework on productivity

#### **4.3.2 Policy Measures**

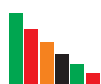
Government shall:

- (a) Strengthen oversight and regulatory mechanisms on productivity;
- (b) Strengthen institutions mandated to promote productivity; and
- (c) Strengthen stakeholder engagement and coordination mechanisms on productivity.

### **4.4 Human Capital Development**

#### **4.4.1 Objective 4**

To enhance human capital development.





#### **4.4.2 Policy Measures**

Government shall:

- (a) Promote use of psychometric tests for selection of human resource;
- (b) Strengthen career counselling and guidance;
- (c) Mainstream productivity in the entire education system;
- (d) Promote acquisition of productive skills;
- (e) Promote implementation of work-based learning programmes; and
- (f) Strengthen systems for identification of skills needs in the labour market.

### **4.5 Environmental Sustainability, Resilience and Innovation**

#### **4.5.1 Objective 5**

To promote environmentally, sustainable resilient and innovative production methods.

#### **4.5.2 Policy Measures:**

Government shall:

- (a) Promote green productivity;
- (b) Strengthen innovation for environmentally friendly production and consumption methods;
- (c) Promote sustainable agricultural practices; and
- (d) Promote research on climate change.

### **4.6 Measurement Systems**

#### **4.6.1 Objective 6**

Enhance adoption and use of productivity measurement systems

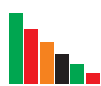




#### 4.6.2 Policy Measures:

Government shall:

- (a) Develop mechanism for measuring and monitoring productivity at all levels of the economy;
- (b) Enhance productivity measurement skills amongst firms; and
- (c) Design mechanisms for generating data for decision making on productivity.



# CHAPTER 05



## Implementation framework

**NATIONAL PRODUCTIVITY POLICY**

*"A productive and competitive nation by 2030"*



# Chapter Five

## IMPLEMENTATION FRAMEWORK

### 5.1 Institutional Arrangements

Implementation of this Policy will be coordinated by the Ministry of Labour and Social Security in line with the Gazette Notice No. 836 of 2016, which mandates the Ministry to provide policy direction on issues pertaining to productivity in all sectors of the economy. In order to promote effectiveness and synergies, the Ministry will collaborate with its Social Partners, other Government Ministries, Provinces and Spending Agencies, the Private Sector, Non-Governmental Organisations and Cooperating Partners.

To rationalize use of resources and enhance impact, the Ministry through the National Productivity Development Department, as a focal institution for promoting productivity in the country will implement the Policy in collaboration with various stakeholders and Government institutions such as the Kaizen Institute of Zambia.

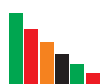
The measures adopted in this Policy cut across institutional mandates of various Government Line Ministries, Government Agencies, Local Authorities, Non-Government Organisations and Cooperating Partners and hence the need to have clear demarcation of responsibilities and roles.

Therefore, implementation of the policy will require the active involvement of the following stakeholder institutions whose responsibilities in the implementation of the Policy are outlined below:



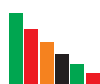


<b>INSTITUTION</b>	<b>RESPONSIBILITY</b>
<b>Cabinet Office:</b>	To provide overall oversight of Policy development, implementation and monitoring.
<b>Ministry of National Development Planning:</b>	To mainstream productivity in National Development planning.
<b>Ministry of Commerce Trade and Industry</b>	To promote innovative techniques to enhance productivity in commerce and trade across all industries in the country
<b>Ministry of Agriculture:</b>	To facilitate the adoption of productivity approaches and techniques in the Agriculture sector.
<b>Ministry of Energy :</b>	To facilitate the adoption of productivity approaches and techniques in energy and water development.
<b>Ministry of Finance:</b>	To facilitate Resource mobilisation for the promotion of productivity in the country.
<b>Ministry of Health:</b>	To promote the adoption of productivity techniques in the health sector.
<b>Ministry of Fisheries and Livestock:</b>	To facilitate the adoption of productivity approaches and techniques in the fisheries and livestock sector.
<b>Ministry of Foreign Affairs:</b>	To promote a productive culture in the implementation of the diaspora policy.
<b>Ministry of Gender:</b>	To mainstream productivity in gender programmes.
<b>Ministry of General Education:</b>	To facilitate the acquisition amongst learners of knowledge on productivity techniques and adoption of a positive work culture.



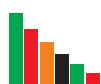


<b>Ministry of Higher Education:</b>	<ul style="list-style-type: none"><li>▪ To facilitate the acquisition amongst learners of knowledge on productivity techniques and adoption of a positive work culture.</li><li>▪ To promote research, innovation and skills transfer amongst learners and training institutions.</li></ul>
<b>Ministry of Home Affairs:</b>	To maintain order ensure security of investors' assets (fixed and movable) in order to facilitate smooth productivity in all sectors of the economy.
<b>Ministry of Justice:</b>	To facilitate development of appropriate legislation to support implementation of this policy.
<b>Ministry of Lands and Natural Resources:</b>	To facilitate the adoption of productivity approaches and techniques in the acquisition and utilisation of land and natural resources.
<b>Ministry of Local Government:</b>	To mainstream productivity in the management of local government institutions.
<b>Ministry of Infrastructure Development:</b>	To promote the use of alternative (labour based) technologies.
<b>Ministry of Mines and Minerals Development:</b>	To facilitate the adoption of productivity approaches and technique in the mining sector.
<b>Ministry of Tourism and Arts:</b>	To facilitate mainstreaming of Arts in productivity approaches.
<b>Ministry of Transport and Communication:</b>	To facilitate the adoption of productivity approaches and techniques in transport and communication sector.





<b>Ministry of Works and Supply:</b>	To promote the adoption of productivity techniques in the procurement processes and maintenance of government infrastructure.
<b>Ministry of Youth and Sport:</b>	<ul style="list-style-type: none"><li>▪ Facilitate the mainstreaming of youth in all productive sectors of the economy.</li><li>▪ To enhance the adoption of productivity best practices in the management of sport.</li></ul>
<b>Ministry of Water Development:</b>	To enhance water development, sanitation and environmental protection.
<b>Other Government institutions:</b>	To provide support in the implementation of the policy in accordance with their statutory functions and areas of their respective competencies.
<b>Zambia Congress of Trade Unions:</b>	<ul style="list-style-type: none"><li>▪ To facilitate the acquisition of positive attitudes towards work;</li><li>▪ To promote harmonious industrial relations;</li><li>▪ To support the adoption of productivities techniques amongst enterprises;</li><li>▪ To promote productivity based collective bargaining.</li></ul>
<b>Zambia Federation of Employers:</b>	<ul style="list-style-type: none"><li>▪ To facilitate sensitization of employers on productivity;</li><li>▪ To facilitate skills acquisition amongst management and workers;</li><li>▪ To promote Labour Management Cooperation;</li><li>▪ To promote the adoption of productivities techniques amongst the employers;</li><li>▪ To promote innovation and information sharing on best productivity practices amongst enterprises;</li><li>▪ Promote adoption of gain sharing mechanisms amongst enterprises.</li></ul>





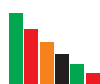
<b>Cooperating partners:</b>	To provide financial, technical and other forms of support during the implementation of this Policy.
<b>Private sector:</b>	To spearhead the adoption of productivity improvement techniques in the private sector.
<b>Academia and research institutes:</b>	To promote access to productivity information and technological acquisition; Promote research and development; Promote applied research on productivity; Promote innovative research and developments.
<b>Non-Government Organisations:</b>	To support the implementation of productivity improvement programmes.


## 5.2 Legal Framework

Government shall facilitate the development of appropriate legislation in line with the Constitution Amendment Act No. 2 of 2016 and other related laws to support the implementation of this policy. Therefore, the National Productivity Policy will lead to the enactment of the National Productivity Act which shall be in line with other existing laws and shall be reviewed from time to time in line with the changes in the policy environment.

In addition, implementation of the Policy will leverage on the following laws that have a direct bearing on labour and employment:

- (a) Employment Code No. 3 of 2019;
- (b) Industrial and Labour Relations Act, Cap 269;
- (c) Employment of Young Persons and Children's Act, Cap 274;
- (d) Minimum Wages and Conditions of Employment Act, Cap 276;
- (e) National Pensions Scheme Authority Act, No. 40 of 1996;
- (f) Pension Scheme Regulations Act, No. 28 of 1996;
- (g) Factories Act, Cap 441;
- (h) Service Commissions Act No. 10 of 2016;
- (i) Workers Compensation Act, No. 10 of 1999;
- (j) Zambia Occupational Health and Safety Act, of 2010;
- (k) Zambia Institute of Human Resource Management Act No. 11 of 1997;



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- (l) Gender Equity and Equality Act, 2015;
  - (m) Technical Education, Vocational and Entrepreneurship Training Act No.13 of 1998;
  - (n) Skills Development Levy Act No. 46 of 2016;
  - (o) Citizens Economic Empowerment Act No. 9 of 2006;
  - (p) Persons with Disabilities Act, 2012; and
  - (q) Zambia Development Agency (Amendment) Act, 2010.

### **5.3 Resource Mobilisation and Financing**

The implementation of the National Productivity Policy will be financed within Government budgetary provisions and allocation, contributions from social partners and the private sector as well as support from the cooperating partners.

### **5.4 Monitoring and Evaluation**

To this end, the Ministry shall develop a Monitoring and Evaluation Framework which will form the basis for providing timely feedback on the status of implementation of the policy through evaluation reports and consultations amongst the key implementing partners.







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