

CALMING THE COPPERBELT ECONOMIC STORM



**ZIPAR "MORE AND BETTER JOBS"
DISCUSSION PAPER NO. 4**

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July 2017**



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EXECUTIVE SUMMARY

During the last five years, the Zambian economy has been slapped by a series of turbulent macroeconomic challenges. The most notable shocks were the steep drop in the global price of copper, Zambia's main foreign exchange earner, severe electricity supply constraints and a sharp weakening of the Kwacha against major convertible currencies. These and other factors led to slow economic growth which hit a trough of 2.9% in 2015 – the slowest growth since the mid-1990s.

The slowdown particularly adversely affected the Copperbelt Province, Zambia's industrial heartland with the largest concentration of copper mines. It led to the suspension of mining operations by some mining houses and postponement of investments, resulting in massive job losses affecting over 10,000 mine workers and mine service contractors. This paper assesses how the economic downturn impacted upon jobs and the labour market particularly on the Copperbelt. This information is gleaned from the 2016 Opinion Poll on the impact of the economic slowdown on the labour market in Zambia. It was a nationally representative survey which targeted 1,510 randomly selected individuals in all the ten provinces of Zambia. The face-to-face interviews were conducted between 2nd and 22nd April 2016.

KEY FINDINGS

The Copperbelt had the largest proportion of people who perceived the general economic situation to be adverse: Nationally, 79.6% of the respondents were of the view that the general economic situation had got worse. The Copperbelt, at 84.1%, had the highest proportion of the population who said that the general economic situation was worse (Lusaka, at 81.7% and other provinces, at 77.7%, had relatively lower proportions). Understandably, males on the Copperbelt were more likely than females to say the situation had got worse as the mining sector, which is the principal activity in the province, is male-dominated.

With regard to their own personal economic situation, the perceptions about adverse conditions were not as widespread: Nationally, 58.4% of the respondents viewed their personal economic situation as worse. At 52.9%, the people on the Copperbelt had the lowest proportion of those who felt their own personal economic situation had got worse. At 58.9% and 60.8%, Lusaka and other provinces, respectively, had proportions higher than the national average.

Overall, the cost of living was the biggest consideration for determining how well the economy was doing: As with other provinces, respondents on the Copperbelt placed the cost of living as the top most consideration. Copperbelt had a proportion of 45.4% compared to 65.2% in Lusaka and 55.8% in other provinces. The other major considerations were the exchange rate and unemployment.

- The Copperbelt had the highest proportion of people who thought that the value of the Kwacha is an important consideration: 42.2% of the respondents on the Copperbelt, compared to 41.1% in Lusaka and 37.1% in other provinces.
- Equally for joblessness, the Copperbelt had the highest proportion of respondents who cited this reason for determining how well the economy was doing.

The Copperbelt had the highest proportions of respondents who reported losses of jobs, reduced income and reduced hours of work:

- At 11.8%, the Copperbelt had the highest net job losses; Lusaka had a job loss of 8.4% and the other provinces had 4.1%;
- Nine in ten (89.2%) of the respondents on the Copperbelt reported reduced hours of work compared to two thirds (66.8%) in Lusaka and 48% in the other eight provinces;
- Nearly three in five (59.3%) of the respondents on the Copperbelt and 59.6% of respondents from other provinces reported a reduction in wages and salaries compared to only 31.3% of the respondents in Lusaka.

Jobs unlikely to come back, at least in the short term: Since the lows of 2015, Copper prices have been on the increase, bringing hope to the ravaged mining sector that the lost jobs will come back. Despite the recent price optimism in 2016 and the first half of 2017, world demand for copper, as well as copper prices, remain unpredictable. It is therefore unlikely that the mines will, in the short term, shift back to aggressive growth strategies and hiring of workers at the same scale as before.

KEY RECOMMENDATIONS

There is therefore need to diversify the Copperbelt economy beyond Copper by, among other things, harnessing the skills dividend in the province and developing mining tourism. Such initiatives would help bring the jobs back to the Copperbelt and help calm the economic storm that has been brewing in the province.

- a) Harnessing the skills dividend:** After Lusaka, the Copperbelt has the highest percentage share of employed persons with skills training. It also has the highest percentage share of the unemployed persons with skill training. Further, the human resource skills sets acquired in the mining sector (particularly plant and machinery operator skills) can be transferred to other sectors such as agriculture and agro-processing.
- b) Developing a mining tourism product:** Zambia has a rich mining history dating back over a hundred years. Further, it boasts of some of the largest and awe-inspiring copper mines in the world. These, coupled with recent technological advancements in mining operations, offer an opportunity for the development of a mining tourism product.

01

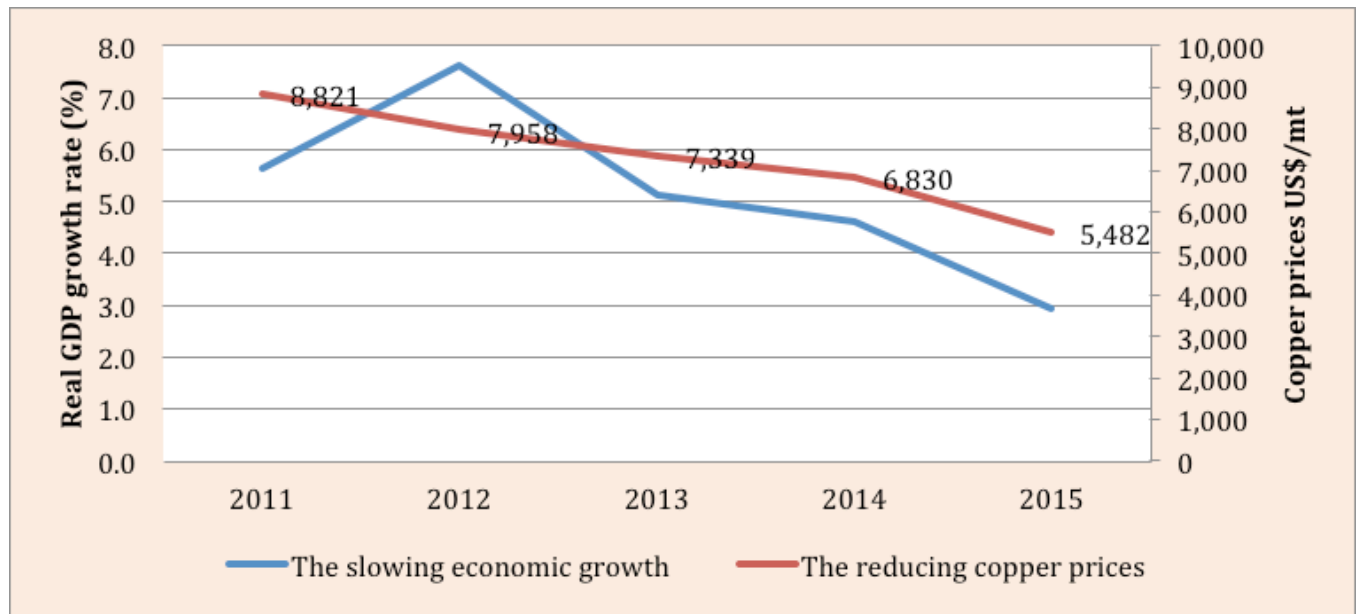
INTRODUCTION AND CONTEXT

During the last five years, the Zambian economy has been slapped by a series of turbulent macroeconomic challenges. The most notable shock was the steep drop in the global price of copper, Zambia's main foreign exchange earner, mainly as a result of the decline in Chinese demand – China consumes about 40 percent of the total global copper supply. Copper prices fell by nearly 40% between 2011 and 2015 from US\$8,821/metric tonne in 2011 to US\$5,482/metric tonne in 2015. This price fall, coupled with numerous changes in the mining tax regime, contributed to reduced foreign exchange inflows, mounting trade and fiscal deficits in Zambia.

Recently, the country has also been experiencing severe electricity supply constraints. This ensued from mid-2015 partly as a result of low water levels in the nation's dams that are used to produce electricity. This contributed to reduced output and productivity and increased costs as firms and households put in alternative strategies to cope with the crisis. According to the Zambia Association of Manufacturers, electricity rationing alone reduced industrial production by between 60–70% between June and October 2015. Given that capacity utilisation by most firms is between 40% and 60%, this situation entailed capacity utilisation was as low as 15% (Nsupila, 2015). An economist estimated that the electricity supply constraints would result in a 16% reduction in the estimated 2015 nominal GDP (Zambian Informer, 2015).

The Kwacha, Zambia's currency, weakened sharply against the major convertible currencies. Being import-dependent, the prices of most consumer goods and services sky-rocketed leading to an inflation spiral. Inflation increased from 7.7% in September 2015 to 21.1% in December 2015. It peaked to 22.9% in February 2016 before going down to 22.2% at the time of the survey in March 2016. These and other factors shaped the performance of the Zambian economy leading to slow economic growth which hit a trough of 2.9% in 2015 – the slowest growth since the 1990s. Figure 1 shows the declining economic growth and the equally reducing price of copper.

Figure 1: Real GDP growth rate and copper prices, 2011-2015



Source: Central Statistical Office; Bank of Zambia

The Copperbelt Province, the industrial heartland of the country and whose copper mines generate over 70% of the country’s export earnings, may have borne the brunt of the economic slowdown, at least with regard to employment. The slowdown led to the suspension of mining operations by some mining houses and postponement of investments. This resulted in massive job losses affecting over 10,000 mine workers. This paper assesses how the economic downturn impacted upon jobs and the labour market particularly on the Copperbelt.

In 2016, the population of the Copperbelt Province was estimated at 2.4 million, accounting for about 15% of the total national population and making it the country’s second most populous province, after Lusaka. With a land area of 31,328 square kilometres, the Copperbelt has a population density of 77 people per square kilometre, making it one of the most densely populated provinces in the country. There are more females than males in the province – with 101.9 females for every 100 males.

The Copperbelt has 83.2% of its population residing in urban areas. This makes it the most urbanised province after Lusaka which has 85.8% of its inhabitants residing in urban areas. The Copperbelt is therefore an important demand centre for consumer spending and serves as a market for rural agricultural produce. The rest of the provinces are predominantly rural with an urbanisation rate of 21.2%. The national rate of urbanisation in 2016 is 42.1%.

According to the 2014 Labour Force Survey, the Copperbelt accounts for 15.9% of the employed population in the country. At 26.3%, the Copperbelt has the second highest proportion of those employed in the formal sector (Lusaka has the highest at 28.0%). The Copperbelt also boasts of skilled labour with the highest proportion of managers and plant and machine operators and assemblers.

The Copperbelt has the highest unemployment rate at 12.7%, and the highest youth unemployment rate at 18.2%. With an average overall dependency ratio of 86 persons for every 100 persons in the working age population of 15 to 64 years, and the average household size of 5.3 persons, it can be deduced that the decision to lay off mine workers directly affected the welfare of over 50,000 people in the Copperbelt Province.

This note follows up the “In the eye of a storm” paper released by the Zambia Institute for Policy Analysis and Research (ZIPAR) in June 2016. In this paper, we use the survey data from an Opinion Poll on the impact of the economic slowdown on the labour market in Zambia (Box 1) to assess how the economic downturn has impacted upon jobs and the labour market particularly on the Copperbelt. By understanding these impacts, it is hoped that Government will use the evidence to develop effective policy responses to calm the economic storm brewing in the Copperbelt and revamp the area’s economic activity which, by 2014, was spatially the largest contributor to GDP in Zambia.



02

PEOPLE'S VIEWS ABOUT THE ECONOMY

Respondents in the 2016 survey were asked what they thought about the general economic situation in the 12 months prior to the survey (i.e. April 2015 to March 2016). Given the happenings explained in Section 1, it was not surprising that most people were of the view that the economic situation had gotten worse during that reference period. In fact, four in five people (or 79.6%) thought that the general economic situation had become worse compared to 12.8% who were of the view that the economic situation had improved and 6.9% who thought it had stayed the same. Women (80.8%) were more likely to perceive the general economic situation as worse compared to men (78.1%).

The Copperbelt, at 84.1%, had the highest proportion of the population who said that the general economic situation was worse. This was followed by Lusaka (81.7%) and the rest of the provinces (77.7%). Generally, women were more likely than men to say the general economic situation was much worse. However, for the Copperbelt, men were more likely than women to say the situation had got worse. This is perhaps due to the fact that the job losses in the male-dominated mines were predominantly more likely to directly affect men than women. This situation – where men were more likely to have been affected than women – was only observed on the Copperbelt. Lusaka and other provinces had more women reporting that the situation had got worse than men.

Box 1: Opinion Poll on the Impact of the economic slowdown on the labour market in Zambia

The opinion poll was a nationally representative survey carried out in all the ten provinces during 2–22 April 2016. It collected information from 1,510 individuals ordinarily resident in Zambia aged 15 and above using the probability proportional to size methodology. As a result, 17.8% of the respondents were drawn from Lusaka and 14.3% were drawn from the Copperbelt. More than half of the respondents (55%) were women.

Table 1 shows the distribution of perceptions on the general economic situation on the Copperbelt compared to Lusaka and the other provinces.

Table 1: Perception of the general economic situation during the 12 months prior to the survey by province and sex

		Province											
		Copperbelt			Lusaka			Other provinces			Total		
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
General economic situation	Got better	7.3%	9.2%	8.4%	9.8%	9.0%	9.4%	16.2%	14.3%	15.2%	13.5%	12.2%	12.8%
	Stayed the same	8.1%	7.2%	7.6%	11.1%	6.1%	8.2%	7.0%	5.7%	6.3%	8.0%	6.0%	6.9%
	Got worse	84.6%	83.6%	84.1%	78.5%	84.1%	81.7%	76.5%	78.7%	77.7%	78.1%	80.8%	79.6%
	Don't know	0.0%	0.0%	0.0%	0.6%	0.8%	0.7%	0.4%	1.3%	0.9%	0.3%	1.0%	0.7%
Own household's economic situation	Got better	28.5%	32.4%	30.7%	30.5%	29.4%	29.9%	24.3%	28.5%	26.5%	26.2%	29.4%	27.9%
	About the same	19.0%	13.0%	15.6%	18.9%	11.7%	14.8%	12.9%	10.7%	11.7%	15.0%	11.3%	13.0%
	Got worse	51.4%	54.1%	52.9%	50.6%	58.9%	55.3%	62.3%	59.5%	60.8%	58.3%	58.5%	58.4%
	Don't know/refused	1.2%	0.5%	0.8%	0.0%	0.0%	0.0%	0.5%	1.3%	0.9%	0.5%	0.9%	0.7%

1.1 What People Think About Their Own Household Economic Situation

The views of survey respondents' own household economic situations were negative but less adverse than those about the general economic situation: 58.4% of the total population feel the personal economic situation of their households had got worse, while 27.9% were of the view that it had got better, and 13.0% said that their household economic situation had remained about the same.

At 52.9%, the people on the Copperbelt had the lowest proportion of those who felt their own personal economic situation had got worse; 55.3% of those in Lusaka and 60.8% of those in the other provinces were of this view. Women on the Copperbelt were more likely than men to regard their own household's 2015 economic situation to be worse than a year before.

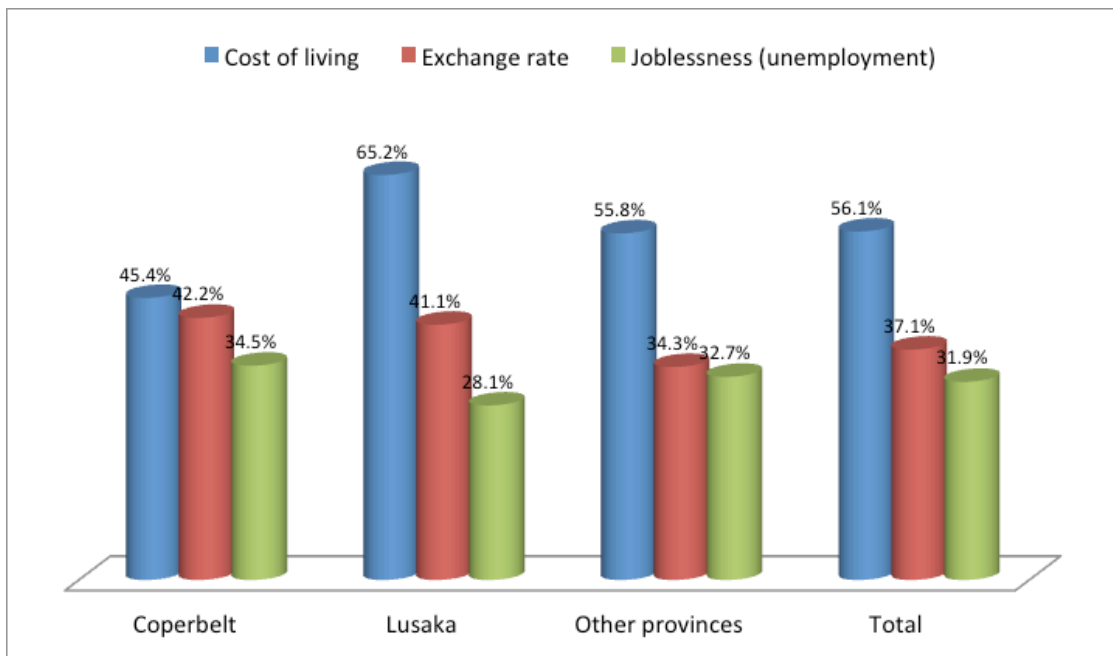
2.2 Important Economic Indicators

Respondents were asked the three most important indicators that help them personally in determining whether the economy was doing fine or not. The major determinants identified were: (i) the cost of

living and/or prices of goods and services; (ii) the value of the Kwacha against other major currencies such as the US dollar; and (iii) joblessness (unemployment).

The cost of living was the biggest consideration for determining how well the economy was doing, compared to the exchange rate of the Kwacha and unemployment. Nationally, 56.1% of the respondents placed the cost of living at the top of the most important considerations for a downturn, compared to 37.1% for the exchange rate and 31.9% for joblessness (Chart 1). As with other provinces, respondents on the Copperbelt placed the cost of living as the top most consideration. Copperbelt had a proportion of 45.4% compared to 65.2% in Lusaka and 55.8% in other provinces. This finding is understandable given the fact that the depreciation of the Kwacha had a big impact on prices and thus increased the cost of living. Equally, joblessness results in a loss of income and has an immediate impact to a person’s standard of living.

Chart 1: Three most important economic indicators that determined economic performance



Other than the cost of living [in which the Copperbelt had the lowest proportion], the respondents on the Copperbelt felt more strongly about the value of the Kwacha against major currencies and about unemployment than respondents in the other provinces.

- The Copperbelt had the highest proportion of people who thought that the value of the Kwacha is an important consideration: 42.2% of the respondents on the Copperbelt, compared to 41.1% in Lusaka and 37.1% in other provinces.
- Equally for joblessness, the Copperbelt had the highest proportion of respondents who cited this reason for determining how well the economy was doing. Table 2 shows the three most important economic indicators that determined economic performance by province and sex of respondent.

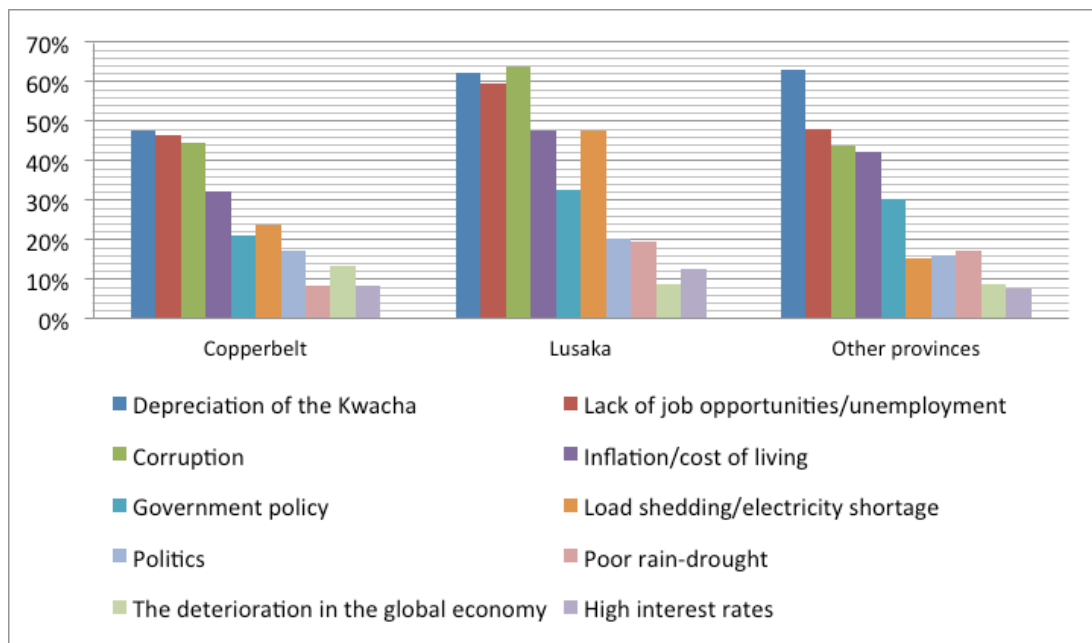
The Copperbelt is the main source of copper which is largely traded outside the country. Therefore, respondents on the Copperbelt are more likely to understand or feel the impact of an exchange rate depreciation than the other provinces as it directly relates to the copper dynamics. Due to the highly formalised nature of the copper mining industry, loss of jobs on the Copperbelt will have telling effects as these are decent jobs.

2.3 Perceptions on the 2015/2016 Economic Situation

Chart 2 shows the respondents’ perceptions about the top ten main contributors to the economic decline that occurred during the last half of 2015 and the early part of 2016. The biggest contributor to the economic decline of 2015/2016 on the Copperbelt was thought to be the depreciation of the Kwacha. Nearly half (47.8%) cited the depreciation of the Kwacha as a leading contributor to the economic slowdown.

This was closely followed by the lack of job opportunities (46.6%), corruption (44.7%), cost of living (32.2%) and load shedding (23.8%).

Chart 2: Main contributors to the deterioration of the economy by province



Respondents on the Copperbelt cited similar concerns as respondents in Lusaka and the rest of the provinces. However, based on the relatively lower proportions, the Copperbelt respondents did not feel as strongly about these conditions as did respondents in Lusaka and other provinces. **This seems to suggest that the Copperbelt respondents did not bear the biggest brunt of the effects of the slowdown.** However, an unsurprising aspect is that the Copperbelt respondents were the most concerned about the deterioration of the global economy due to the direct bearing on their personal economic situation: 13% of the respondents on the Copperbelt cited this reason compared to 9% each in Lusaka and the other provinces.

03

PERCEPTIONS ON THE EMPLOYMENT SITUATION

Copperbelt had the second highest proportion of those who reported losing their jobs during the 12 months prior to the survey: 18% of the respondents in Lusaka lost their jobs compared to 17.3% on the Copperbelt and 9.5% in the other provinces. However, at 12.4%, the Copperbelt has the highest proportion of those who reported having lost a job in the 12 months before the survey and did not find another job. Nationally, 8.2% said they lost a job and were unable to find another.

Table 2: Net job losses by province

		Province			
		Copperbelt	Lusaka	Other provinces	Total
		Column N %	Column N %	Column N %	Column N %
Experience in last 12 months	Net job losses	11.8%	8.4%	4.1%	6.3%
	Lost job, but found another one which is as well paid.	3.7%	6.1%	1.2%	2.7%
	Lost job, but found another one which is less well paid	1.2%	2.4%	1.7%	1.7%
	Lost job and not found another job	12.4%	9.5%	6.6%	8.2%
	Stayed in the same job	8.9%	22.2%	9.0%	11.8%
	Stayed in the same job, but had your wages/salary cut	4.2%	5.7%	4.3%	4.6%
	Stayed in the same job, but had your wages/salary increased	2.4%	13.7%	3.5%	5.5%
	Stayed in the same job, but had your hours of work reduced	1.6%	2.4%	0.5%	1.1%
	Stayed in the same job, but had your hours of work increased	0.7%	0.4%	0.7%	0.6%
	Had no job but now have a job	0.6%	1.1%	2.5%	1.9%
	Nothing has changed	67.0%	50.4%	69.9%	65.2%
	Don't know/refused	6.2%	8.4%	9.2%	8.6%

The survey finds that 8.2% of respondents said they lost a job in the last 12 months and were unable to find a new one. Taking into consideration the fact that 1.9% reported going from not having a job to acquiring one, the net job losses amounted to 6.3%. Based on this, at 11.8%, the Copperbelt had the highest net job losses; Lusaka had a job loss of 8.4% and the other provinces had 4.1%.

But layoffs are not the first response by employers to the economic slowdown; traditionally, firms tend to cut hours of work and make pay cuts before reducing employment. Respondents on the Copperbelt were more likely to report about reduced hours of work during the downturn than the other provinces. Combining the two categories (“reduced considerably” and “just reduced”, as shown in Table 4), nine in ten (89.2%) of the respondents on the Copperbelt reported reduced hours of work compared to two thirds (66.8%) in Lusaka and 48% in the other eight provinces.

Table 3: Three most important economic indicators that determined economic performance

		Province			
		Copperbelt	Lusaka	Other provinces	Total
Hours of work	Reduced considerably	20.5%	0.0%	23.1%	14.4%
	Just reduced	68.7%	66.8%	24.9%	49.6%
	Increased	10.8%	15.9%	39.7%	24.8%
	Increased significantly	0.0%	0.0%	4.9%	2.1%
	Don't know/refused	0.0%	17.2%	7.4%	9.2%
TOTAL		100.0%	100.0%	100.0%	100.0%

With regards to wages and salaries, respondents on the Copperbelt and other provinces were more likely to report a reduction, while those in Lusaka were more likely to report an increase in their wages and salaries. Nearly three in five (59.3%) of the respondents on the Copperbelt and 59.6% of respondents from other provinces reported a reduction in wages and salaries compared to only 31.3% of the respondents in Lusaka.

Table 4: Perceptions on wages and salaries by province

		Province			
		Copperbelt	Lusaka	Other provinces	Total
		Column N %	Column N %	Column N %	Column N %
Wage/salary	Reduced considerably	31.4%	10.7%	29.5%	22.0%
	Just reduced	27.9%	20.6%	30.1%	25.9%
	Increased	33.1%	66.7%	36.6%	48.6%
	Increased significantly	0.0%	1.9%	2.6%	2.1%
	Don't know/refused	7.7%	0.0%	1.2%	1.4%

It was also established that the Copperbelt had the highest proportion of those who lost jobs as a direct result of the economic slowdown prevailing during 2015/2016. Of the respondents who lost jobs on the Copperbelt, 68.5% lost their jobs as a direct result of the economic situation that was prevailing. In comparison, 47.2% in Lusaka and 28.5% in other provinces reported losing their jobs due to the slowdown in the economy.

Further, 41.0% of the respondents on the Copperbelt reported having had their income reduced during the 12 months preceding the survey as a result of the economic situation. This proportion was higher than the 24.6% in Lusaka and 15.4% in the other provinces.

Table 5: Perceptions on job losses, hours worked and income reduced as a result of economic downturn

	Province			
	Copperbelt	Lusaka	Other provinces	Total
Lost their job as a result of the current economic situation in Zambia (in the last 12 months)?	68.5%	47.2%	28.5%	39.0%
Had their income reduced as a result of the current economic situation in Zambia (in the last 12 months)?	41.0%	24.6%	15.4%	21.5%
Had their work hours reduced as a result of the current economic situation in Zambia (in the last 12 months)?	23.8%	17.8%	6.5%	11.7%
Lost their job as a result of the current economic situation in Zambia (in the last 3 months)?	33.9%	22.1%	10.1%	16.6%

Another aspect that seems quite evident in the data is the degree of informality. About a fifth (22.7%) of the respondents on the Copperbelt reported moving from the formal sector into informal sector jobs.

Respondents on the Copperbelt were the most likely to move from one informal sector job to another informal sector job. Over half (55.1%) on the Copperbelt compared to 48.9% in Lusaka and 40.3% in the other provinces moved from one informal sector job to another.



Table 6: Perceptions on moving in and out of formal and informal sectors by province

		Province			
		Copperbelt	Lusaka	Other provinces	Total
		Column N %	Column N %	Column N %	Column N %
New job	Previously I worked in the formal sector now I work in the informal sector	22.7%	10.2%	10.2%	12.0%
	Previously I worked in the informal sector and the new job is in the formal sector	0.0%	9.2%	2.3%	4.2%
	Previously I worked in the formal sector and the new job is also in the formal sector	17.9%	6.5%	20.2%	15.4%
	Previously I worked in the informal sector and the new job is also in the informal sector	55.1%	48.9%	40.3%	45.2%
	Don't know/refused)	0.0%	8.8%	7.0%	6.6%
	Worked in the formal sector	0.0%	4.7%	0.0%	1.5%
	Was not in any form of employment	0.0%	3.2%	4.2%	3.2%
	Retired	0.0%	0.0%	3.2%	1.7%
	Private sector	0.0%	4.0%	0.0%	1.3%
	Previously was in school	4.3%	0.0%	1.7%	1.5%
	Had no work but now works	0.0%	1.3%	5.4%	3.3%
	Got oral contract and promised to get a contract upon performance	0.0%	0.0%	3.3%	1.8%
	Found job in informal sector. piece work	0.0%	3.3%	2.2%	2.3%

The survey clearly showed that the Copperbelt Province had the highest proportions of respondents who reported losses of jobs, reduced income and reduced hours of work. The extremely weak commodity prices directly ravaged the Copperbelt’s mining companies, leading to drastically reduced revenues, production shutdowns and consequently layoffs which were likely to have broader effects in the hundreds of smaller firms that support the mining industry.

04

BRINGING THE JOBS BACK

The performance of the Zambian economy is inextricably linked to the price of Copper. Since the economic slowdown during the period April 2015 to March 2016, the Copper prices have been on the increase. This has been brought about by developments in the United States and China. Following the election of Donald J. Trump to the US presidency in November 2016, the United States plans to increase military and infrastructure spending. This, coupled with an increase in Chinese demand, albeit still subdued, and, for example, the popularisation of electric cars which need copper cables for power transmission, has improved the sentiment on copper which has broken the US\$6,000 per metric tonne barrier from less than US\$4,500 a year earlier. Mopani and Konkola mines, owned by mining giants Glencore and Vedanta, respectively, have begun rehiring laid off workers.

However, the recent price optimism is unlikely to make mines shift back to aggressive growth strategies and hiring of workers at the same scale as before. Given the scale of job losses and the slow recovery and unpredictability in prices, it remains unlikely that the labour market will bounce back fully – at least not in the short term. Government therefore needs to devise some policies targeted specifically at reviving the Copperbelt by diversifying the Copperbelt economy beyond Copper¹.

4.1 Harnessing the skills dividend to diversify into agriculture and agro-processing

After Lusaka, the Copperbelt has the highest percentage share of employed persons with skills training. Out of those that are employed and received skills training, 19.8% were in Lusaka Province, 17.1% in Copperbelt Province. This is according to the 2014 Labour Force Survey. Additionally, the Copperbelt

¹Note Just Jobs Network will publish research in the last quarter of 2017 which sets out a strategy for the how to revitalize the labour market on the Copperbelt. This builds on their previous research for ZIPAR on job-rich urbanization. The earlier report can be found here: <http://www.zipar.org.zm/newsroom/42-zambia-must-create-1-2-million-new-jobs-in-urban-areas-by-2025-new-report-highlights-the-importance-of-cities-in-tackling-the-jobs-challenge>.

had the highest percentage share of the unemployed persons with skills training at 31.7% followed by Lusaka Province at 23.8%. This means that nearly a third of those who are presently out of jobs on the Copperbelt are readily employable. Further, the human resource skills sets acquired in the mining sector (particularly plant and machinery operator skills) can be transferred to other sectors such as agriculture and agro-processing, building materials and mineral product manufacturing.

Tasks performed by plant and machine operators and assemblers usually include: operating and monitoring mining or other industrial machinery and equipment for processing metal, minerals, glass, ceramics and wood; operating and monitoring machinery and equipment used to produce articles made of metal, minerals, chemicals, rubber, plastics, wood, paper, textiles, fur, or leather, and which process foodstuffs and related products; driving and operating motor vehicles; driving, operating and monitoring mobile industrial and agricultural machinery and equipment; assembling products from component parts according to strict specifications and procedures.

Government has committed itself to empowering former miners with land for agricultural production. However, giving titled land to the miners is not enough. With the skills acquired from the mines, the former miners can be empowered to begin assembling some of the machinery and equipment used for agriculture locally. In 2015, Zambia imported US\$15.255 million of agricultural equipment (World Bank, 2016). A deliberate training programme at Ndola's Northern Technical College, for example, could be introduced by the Ministry of Higher Education to give specialised training to the ex-miners on assembling of agriculture equipment and components. In partnership with the private sector or through a loan facilitation by the Citizens Economic Empowerment Programme, an agriculture machinery assembly plant should be set up to assemble the machinery and serve as an import-substitution tool that will enable the country cut down on imports.

The mechanisation of farming will enable those who are strictly involved in farming to improve worker productivity and increase output. The farmers should be encouraged to grow crops and livestock with a focus on exports, given the province's proximity to the Democratic Republic of the Congo, Angola and the Great Lakes Region. Breaking into the export markets requires that the farmers have access to extension services from the Ministry of Agriculture. Further, their goods need to be of the high quality and standard to meet the expectations of the export markets. The Ministry of Commerce, Trade and Industry, through the Zambia Bureau of Standards, will play a crucial role to help the farmers bring their products to export standards.

The export of agricultural products should be informed by research. Evidence on the agro-processed commodities that are largely imported in these neighbouring countries and identify the ones that Zambia has the ability to produce and supply should be provided. Further, with reported deficits in wheat, rice and fish in the domestic market, the ex-miners-cum-farmers should be encouraged to grow crops or rear fish (with skills learnt from Mwekera National Development Research Centre) in order to cut down in imports of these products.

The ex-miners with skills in driving and operating motor vehicles can be empowered, through loans from CEEC or the Development Bank of Zambia, to invest in transport, storage and warehousing to transport the goods from their farming colleagues to the markets, including manufacturing firms, for further processing.

4.2 Diversifying towards mining tourism

Zambia is a prominent mining country and was, until 2013, Africa's largest copper producer. It boasts of some of the largest open-pit and underground mines in the world. Nchanga Open Pit Mine covers nearly 30 km² and is up to 400m deep; Konkola Deep mine is one of the wettest mines in the world; Bwana Mkubwa Mine in Ndola is the oldest mine in Zambia and is of major historical significance. Further, the technological advancements in the mining operations, especially during the last 15 years, are a marvel to see. It is therefore imperative that the Ministry of Tourism and Arts in partnership with the Zambia Tourism Agency, mine owners and other private sector tourism players comes together to develop a mining tourism product for the Copperbelt. This will create the win-win situation for both Government and businesses to broaden the tax base, create new services, transport, etc. and jobs which will benefit the province.

In developing mining tourism on the Copperbelt, three strategies are proposed:

- 1 Human resource development in the field of mining tourism:** The quality of tourism services largely depends on the quality of engagement, goodwill and training of human resources at all levels. Personnel must be trained specifically for the reason of being able to establish a direct contact with guests and provide them with comprehensive information on the tourism product. The Ministry of Tourism and Arts, through its Hotels and Tourism Training Institute (HTTI), should embark on developing short courses specifically for training people in mining tourism.
- 2 The use of aggressive marketing, advertising and market approach of mining tourism:** the concept of mining tourism is little talked about in Zambia. The Zambia Tourism Agency needs to partner with the mining houses to embark on an aggressive marketing strategy to highlight the mine attractions.
- 3 The creation of accompanying infrastructure that will help the development of mining tourism:** Infrastructure such as accommodation, restaurants, built-up attractions, tours and transport are primarily developed by the private sector. Government will have to put in place deliberate incentives to encourage the private sector to invest in these tourism-related infrastructure and services in the province.





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