



Republic of Zambia
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QUARTERLY EMPLOYMENT AND EARNINGS INQUIRY REPORT – 2008

September, 2008



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QUARTERLY EMPLOYMENT AND EARNINGS INQUIRY REPORT 2008

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Quarterly Employment and Earnings Inquiry that was quarter in 2008. It is specifically designed to measure and monitor employment levels and earnings estimates in the Zambian economy. The design of the questionnaire and methodology used conform to the requirements set by international bodies such as International Labour Organization.

The Labour Statistics Branch of the Central Statistical Office (CSO) was responsible for this exercise and would like to acknowledge the office of the Director of Census and Statistics and all CSO provincial staff who made it possible to produce this report. Special thanks also go to all esteemed business establishments in Zambia for their invaluable cooperation during the project. Furthermore, many thanks go to staff and management at CSO headquarters in Lusaka for their usual moral support in the routine undertakings of the branch.

It is my sincere hope that this report will provide necessary information that will be used for the operationalization of important public and private policies with the view to attaining efficient and adequate developmental targets.

A handwritten signature in blue ink, appearing to read 'Efreda Chulu'.

Ms. Efreda Chulu
Director of Census and Statistics

September, 2008

Quarterly Employment and Earnings Inquiry every undertaking that covers all formal sector establishments throughout the country by collecting employment and earnings statistics. Its main objective is to monitor the dynamics of the formal sector employment and earnings estimates in the economy.

For the purposes of monitoring employment levels and earnings estimates over time, a sample of establishments is maintained throughout a given year.

2.0 Methodology

The survey is conducted on a sample basis whose size is usually 2,000 formal sector establishments drawn from a frame of about 19,000 establishments. Establishments in the frame are categorized in strata/groups using the number of employees.

A single stage systematic stratified sampling method is applied to select establishments from each stratum. This implies that establishments in the register are first grouped in strata. The first stratum contains establishments with 500 employees or more. The second stratum contains establishments with 100 to 499 employees. The third stratum contains establishment with 20 to 99 employees. Fourth stratum has establishments with 11 to 19 employees. Fifth stratum contains establishments with 6 to 10 employees. The sixth stratum has establishments with 0 to 5 employees.

Unique random starts for each stratum are identified. Unique sampling intervals for each stratum are also computed by dividing the total number of establishments in the strata by the number of establishments to be selected. The number of establishments to be selected from each stratum is equal to the proportion of establishments for the stratum of interest in the register applied on the overall sample size – 2000.

The random start for each stratum is the first selected establishment in that stratum. Then the sampling interval is added to the random start to obtain the second selected establishment. The sampling interval is added to the second selected establishment to obtain the third selected establishment. Adding of the sampling interval to the preceding serial number of the selected establishment continues until the number to be selected within that stratum is achieved. Repeat this process in all the strata. Then the selected establishment are sorted by province for distribution.

All establishments in stratum 1 are selected. All district councils are selected for enumeration as well.

Data are collected by administering a questionnaire to each of the selected establishment. Within a period of about two weeks all the questionnaires are expected to be completed. Then they are sent to CSO Head Office for data processing. The following is the summary of the sampling methodology:

- 1 The sampling unit in this undertaking is an establishment.
- 2 The sampling technique is a single stage systematic stratified system. Systematic sampling is used, with disproportionate sampling fractions for each of the seven strata.
- 3 The sampling frame used is the Central Register of Business Establishments.

Business Establishments/frame is divided into seven strata falling in any of the nine industries i.e. Agriculture and community services.

i.	Stratum 1	500 and over employees
ii.	Stratum 3	All district councils
iii.	Stratum 5	100-499 employees
iv.	Stratum 30	20-99 employees
v.	Stratum 150	11-19 employees
vi.	Stratum 200	6-10 employees
vii.	Stratum 300	0-5 employees

A sample is selected from each stratum systematically after a random start has been identified. The following are the steps: -

1. n = A maximum sample size approximately 2,000 establishments excluding local and central governments.
2. Get n_i Which is the sample size in each stratum and is
3. Calculated as $n_i = \frac{N_{ij} * n}{N}$

Where N is the total number of establishments on the Central Register of Establishments and N_{ij} is the total number of establishments in stratum i from the register.

Then break up n into $n_{ij} = \frac{N_{ij} * n}{N}$
By employment level within a stratum.

Then calculate $K_{ij} = \frac{N_{ij}}{n_{ij}}$

4. K_{ij} is the sampling interval at one digit level by employment size within an stratum.
Select the subsequent establishments using K_{ij} after identifying the random start by adding K_{ij} first to the random start. Continue adding K_{ij} to subsequent results $\{(RS + K_{ij}), \{(RS + K_{ij}) + K_{ij}\}, \{(RS + K_{ij}) + K_{ij}\} + K_{ij}\}$ e.t.c. till n_{ij} is attained for industry i . This is repeated for all the industries so much so that when n_{ij} 's are added, they should yield n as the final sample size.
5. Each sampled stratum is then weighted to reflect the number of similar establishments on the register, which formed the sampling frame.
6. Once data have been entered and cleaned estimates are calculated using the weights



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g Statistical Package for Social Sciences (SPSS), a statistical

The total number employees which include Non-Zambians in the formal sector in Zambia was estimated at 544,339 as at June 31st 2008

Majority of employees were in the Personal and community services industry. Of the total formal sector employment, 36.3 percent worked in the personal and community services industry. These were followed by those in the wholesale and retail trade industry (16 percent) and Agricultural industry (11.1 percent).

In terms of share of employees in the formal sector, Wholesale and retail trade recorded 16 percent as at second quarter of 2008 compared to 12.9 percent as at the second of 2007, Manufacturing recorded 8.3 percent as at second 2008 compared to 10.6 percent as at second quarter 2007.

4.0 Formal Sector Employment

All registered business establishments in a country, whose operations fall within national legal and regulatory system, constitute the formal sector. Such registered establishments are bound by law to submit information to the Government of Zambia on the number of their employees, their wage bills and possibly the amount of revenue they generate.

Urban economies of developing countries absorb relatively few persons of the labourforce (i.e. economically active population) while a huge proportion of the labourforce is usually employed in the informal sector. Informal sector includes all unregistered enterprises that, usually operating on a small-scale and whose employees do not have benefits to paid annual leave, social security schemes, gratuity etc. The enterprise would normally have less than a specific number of employees.

The total number employees which include Non-Zambians in the formal sector in Zambia was estimated at 544,339 as at June 31st 2008. This is according to the results obtained from the quarterly Employment and Earnings Inquiry.

Table 1 show that this was about 0.5 percent more than the number of employees recorded at the end of the first quarter 2008. In other words, the number of jobs in the formal sector had increased by 2700 between first and second quarter 2008. Compared to second quarter of 2007, the number of employees had increased by about 43,000.

Majority of employees were in the Personal and community services industry. Of the total formal sector employment, 36.3 percent worked in the personal and community services industry. These were followed by those in the wholesale and retail trade industry (16 percent) and Agricultural industry (11.1 percent).

Analysis by quarter, results show that the distributional pattern of employees is the same since 2007. The majority of employees were in the Personal and community services industry, followed by Agriculture industry. In terms of share of employees in the formal sector, Wholesale and retail trade recorded 16 percent as at second quarter of 2008 compared to 12.9 percent as at the second of 2007, Manufacturing recorded 8.3 percent as at second quarter 2008 compared to 10.6 percent as at second quarter 2007.

Headcount Distribution by Sector, 2007 and 2008

Industry	2007 Formal sector Employment								2008 Formal sector Employment			
	1st Qtr		2nd Qtr		3rd Qtr		4th Qtr		1st Qtr		2nd Qtr	
	Employed Persons	%	Employed Persons	%	Employed Persons	%	Employed Persons	%	Employed Persons	%	Employed Persons	%
Agriculture, Fish & Cooperatives	60,063	12.2	59,030	11.8	61,937	12.0	62,123	11.8	72,246	13.3	60,265	11.1
Mining & Quarrying	41,463	8.4	48,318	9.7	57,293	11.1	53,156	10.1	53,610	9.9	47,910	8.8
Manufacturing	50,300	10.2	53,152	10.6	53,524	10.4	52,978	10.1	46,884	8.7	45,287	8.3
Electricity, Gas & Water	9,159	1.9	9,895	2.0	12,273	2.4	14,532	2.8	11,410	2.1	11,054	2.0
Construction	16,448	3.3	14,731	2.9	9,147	1.8	14,536	2.8	12,842	2.4	14,075	2.6
Trade, Whol, Reta, Bars, Rest & hotels	63,623	12.9	63,901	12.8	63,205	12.3	76,809	14.6	83,534	15.4	87,296	16.0
Transport & Communication	20,047	4.1	21,646	4.3	19,792	3.8	24,838	4.7	22,442	4.1	28,098	5.2
Business & Financial services	49,438	10.0	51,202	10.2	55,873	10.8	54,833	10.4	54,918	10.1	52,550	9.7
Personal & Community services	182,198	37.0	178,741	35.7	182,240	35.4	173,064	32.8	183,664	33.9	197,804	36.3
Total	492,739	100	500,616	100	515,284	100	526,869	100	541,550	100	544,339	100

Sources: 1) Employment and Earnings Inquiry

2) Headcount and Expenditure Report, 2008 (PMEC)



Republic of Zambia
Central Statistical Office
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The Personnel Manager,

Re: Request For Data On The Total Number Of Employees and Total Wage Bill in this Establishment-2008.

As you may be aware, the Central Statistical Office (CSO) through the Census and Statistics Act, Chapter 127 of the Laws of Zambia is mandated to collect statistical information on behalf of the Government of Zambia from any institution or establishment. The same law ensures that the information given by you is treated as STRICTLY CONFIDENTIAL. The information may only be seen by sworn employees of the Department of Census and Statistics.

Currently CSO, through its Labour and Manpower Statistics Branch is collecting data on Total Number of Employees and Total Monthly Wage Bill in all formal sector establishments throughout the country. This information is urgently required and is used for statistical purposes only.

Your favorable and quick response to this request shall be highly appreciated. Please kindly answer the questions attached.



Ms. Efredah Chulu
DIRECTOR OF CENSUS AND STATISTICS

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		ANSWER CATEGORY				
Q1	Name of Establishment					
Q2	Post Address	<hr/> <hr/> <hr/>				
Q3	Name of Street/Locality of this Establishment					
Q4	<p>In which sector is this establishment?</p> <p>[TICK WHERE APPLICABLE]</p>	<p>1. Central Government <input type="checkbox"/></p> <p>2. Council <input type="checkbox"/></p> <p>3. Parastatal <input type="checkbox"/></p> <p>4. Private <input type="checkbox"/></p> <p>5. NGOs, Churches etc <input type="checkbox"/></p>				
Q5	<p>What is the main economic activity of this establishment?</p> <p><i>(i.e. the main types of goods and/or services provided by this establishment)</i></p>					
Q6	<p>How many employees has this establishment lost between..... and2008?</p> <p><i>(i.e. through resignations, dismissals, voluntary separations, deaths, etc)</i></p>	<p>NUMBER OF EMPLOYEES LOST</p> <table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 20px; height: 20px;"></td> </tr> </table>				
Q7	<p>Number of vacancies in this establishment as at, 2008</p>	<p>NUMBER OF VACANCIES</p> <table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 20px; height: 20px;"></td> </tr> </table>				



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MENT AND WAGE BILL

No.	QUESTION	As at 31st, 2008			As at 31st, 2008		
		Male	Female	Total	Male	Female	Total
Q1	What was the total number of employees in this establishment?						
	a. Zambians						
	b. Non-Zambians						
Q2	Total basic salary paid to employees before deductions						
	a. Zambians						
	b. Non-Zambians						
Q3	Total regular allowances paid to employees						
	a. Zambians						
	b. Non-Zambians						

Name:..... Contact person's position:.....Phone No:.....

Signature: Date...../...../.....

**END OF INTERVIEW
THANK YOU FOR COMPLETING THE QUESTIONNAIRE**

**STAMP
HERE**