

2022/2023

EMPLOYMENT AND EARNINGS INQUIRY





Foreword

Zambia Statistics Agency (ZamStats) has, within the framework of the second National Strategy for Development of Statistics (NSDS2), conducted Employment and Earnings Inquiry (EEI) between December 2023 and March 2024 with a reference period of 2022 and 2023. The last EEI was conducted in 2015.

The main objective of the 2022/2023 EEI was to collect and disseminate basic statistics in respect of employment stocks and flows, indicative of the newly created jobs in the formal sector of the labour market. In addition, the EEI aimed at providing estimates of monthly earnings for workers in the formal sector. Decent work benefits are crucial elements of the formal sector that needed an assessment. The EEI also assessed the extent by which these benefits had permeated through the sector.

With the rich information in the EEI report, it is our hope that policymakers, planners, researchers, academia, and the general public finds this report valuable in the implementation of their programs.

Finally, I wish to express my appreciation to the project coordination team, provincial coordinators, supervisors, interviewers, and drivers for their active participation in this work. Above all, I appreciate the cooperation of the Ministry of Labour and Social Security (MLSS), International Labour Organisation (ILO) and the World Bank for their positive contribution towards the successful accomplishment of the Report.



Sheila S. Mudenda
ACTING STATISTICIAN GENERAL
ZAMBIA STATISTICS AGENCY

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Key Terminologies

1	Average earnings	Refers to remunerations from employer in cash or in kind. It includes direct wages/salaries for the time worked or work done, remuneration for time not worked (example, paid annual leave) as well as bonuses gratuities received.
2	Business establishment	Refers to a single physical location where business is conducted or where services or industrial operations are performed (factory, Mill, Store, Hotel, Movie's theatre, Mine, Farm or Administrative office, etc).
3	Employed population	Refers to people (currently at work or not at work) with a job hired to provide a service to produce a good, usually measured during a specified period.
4	Enterprise	Refers to an actual registered company, government business enterprise, Association, partnership, or trust.
5	Employment flows	Refers to new number of employed persons, measured as at a specified point in time.
6	Formal sector	Refers to all establishments that are registered with any tax or a licencing authority.
7	Institutional sector	Refers to a collection of entities that are, in their own rights, capable of owning assets, incurring liabilities, and engaging in economic activities and in transactions with other entities.
8	Industrial economic sector	Refers to sectors such as Agriculture, Mining, Manufacturing, construction, etc as defined in the international standard industrial classification of all economic activities (ISIC – Rev IV).
9	Employment stocks	Refers to (new and existing) number of employed persons measured as at a given date.

Note: A compendium of statistical concepts and definitions published by ZamStats provides detailed list of concepts and definitions (www.zamstats.gov.zm)

Executive Summary

In 2023, the Zambia Statistics Agency (ZamStats), undertook the Employment and Earnings Inquiry (EEI), which provides a comprehensive snapshot of employment and earnings estimates in the formal sector. This inquiry is pivotal as it generates both stocks (estimates as of a specific date) and

flows (estimates at a given point in time) of employment data, which are crucial for informed decision-making.

The total number of workers in the formal sector was estimated at 1,109,592 in 2022, and 1,190,573 in 2023. Notably, private sector employees accounted for 65.5 percent of the workforce in 2022 and 63.4 percent in 2023.

Between 2022 and 2023, a total of 80,980 workers were recruited across various sectors, with 45,413 positions filled in the public sector and 35,567 in the private sector. These numbers underscore the active recruitment efforts in response to labour market demands and economic recovery post-pandemic.

Chapter One: Survey Overview

1.1 Introduction

1.	Employment Trends:
	<ul style="list-style-type: none"> Formal sector employees increased from 1,109,592 in 2022 to 1,190,573 in 2023. Private sector employees constituted 65.5% in 2022 and 63.4% in 2023 of the total workforce.
2.	Recruitment Data:
	<ul style="list-style-type: none"> 80,980 workers were recruited between 2022 and 2023: <ul style="list-style-type: none"> 45,413 in the public sector. 35,567 in the private sector.

The Zambian economy has demonstrated notable resilience over the past decade, achieving an average annual real gross domestic product (GDP) growth rate of 4.2 percent. This stability was only disrupted during the economic shock of the COVID-19 pandemic in the 2019/2020 period. Key sectors contributing to this growth include agriculture, mining, manufacturing, construction, and tourism, with significant support from the energy, information and communication technology, and transport sectors, which contribute 2.1 percent, 12.1 percent, and 5.4 percent, respectively, to the overall

GDP. (ZamStats National Accounts Statistics).

The exchange rate remained relatively stable in the period 2021 to 2023, fluctuating between ZMW18 and ZMW24 per U.S. dollar. This stability in the real exchange rate has positively influenced the balance of payments and export earnings, significantly boosting revenue levels, which reached a record high of 2,425.8 million US dollars in 2022 (BoZ, 2022).

In the labour market, Zambia has implemented reforms aimed at improving conditions for its most vulnerable workers. These reforms include an upward adjustment of the minimum wage and the

extension of social security benefits to the informal economy. Although concerns were raised about potential layoffs due to minimum wage increases, the overall impact on employment has been minimal. Both the public and private sectors have engaged in substantial recruitment efforts, adding over 30,000 teachers and more than 10,000 health workers to the public sector workforce in 2022. The government is also focused on developing strategies to extend social protection to the informal sector, which could stabilize jobs, strengthen the formal sector, and attract investment in specialized skill areas.

To monitor the effects of these labour market reforms and job creation initiatives, the government conducts

assessments using the Employment and Earnings Inquiry (EEI). This establishment-based sample survey provides valuable quarterly data on the employed population within the formal sector. The EEI also compiles data from administrative sources, such as the Payroll Management and Establishment Control (PMEC) of the Ministry of Finance and National Planning and the Zambia Revenue Authority (ZRA), ensuring a comprehensive overview of employment statistics.

Key characteristics analysed in the EEI include gender, nationality, earnings, and the overall quality of jobs available in the market. Additionally, the EEI measures existing vacancies, highlighting hard-to-fill positions and identifying skills shortages within

the economy. Since its inception in the late 1960s, the EEI has served as a complementary source of information to the Labour Force Survey regarding new employment. However, its effectiveness was undermined by inadequate financial support, impacting its frequency and comprehensiveness.

1.2 Objectives of the Report

The report aims to analyze data collected from selected business establishments, highlighting key findings related to job recruitment. This analysis will enable stakeholders to understand labour demand, identify workforce gaps, and inform policy decisions regarding employment strategies.

1.3 Methodology

For the 2023 Employment and Earnings Inquiry (EEI), the existing business register at Zambia Statistics Agency (ZamStats) supplemented by registers from Zambia Revenue Authority (ZRA), and Patent and Company Registration Authority (PACRA) served as the sampling frame, with a total number of 154,652 business establishments. A total of 2,025 business establishments were selected based on predetermined categories corresponding to the size of the establishments, as measured by the number of employees.

The stratification (stratums) was based on grouping establishments based on the number of employees.

The stratums rank from Stratum 1 which has all establishments with 500 or more employees to Stratum 300 which has establishments with 5 or less employees.

A systematic random sampling design was employed to select establishments from each of the corresponding categories within the sampling frame on a case-by-case basis. All establishments with more than 500 employees as well as all City, Municipal and District Councils were selected using a 100 percent sampling approach to ensure comprehensive data collection from all large businesses.

The data collection for the EEI utilized paper-based questionnaires, primarily gathered through face-to-face interviews with relevant officials in the sampled establishments. However, a smaller segment of establishments with email addresses opted for electronic questionnaires distributed via email. This mixed-method approach aimed to maximize response rates and improve the accuracy of the collected data. Through this methodology, the EEI sought to provide a reliable measurement of employment trends within the Zambian business landscape for the years in question.

Table 1.1: Summary of the 2023 Sample Allocation by Stratum

Stratum	Number of Employees	Number of Establishments
Stratum 1	500+	423
Stratum 3	Councils	116
Stratum 5	100-499	181
Stratum 30	20-99	282
Stratum 150	11-19	190
Stratum 200	6-10	335
Stratum 300	5 or less	498
Total		2,025

1.3.1 Description of the Sampling Frame

At the time of the survey, the business register maintained by the Patent and Company Registration Authority (PACRA), Zambia Revenue Authority (ZRA) were deemed the most current and suitable for use as a sampling frame, as it is regularly updated. In contrast, the register maintained by the Zambia Statistics Agency

(ZamStats) was constructed from the economic census conducted in 2011 and has undergone only sporadic updates over the years.

The sampling frame was developed by matching entries from the two registers, ensuring that three conditions were met before finalization:

1. Identification of cases present in the ZRA register but absent in the ZamStats register.
2. Identification of cases present in the ZamStats register but absent in the ZRA register.
3. Identification of cases present in both registers.
4. This process led to the creation of a single working business register to serve as the sampling frame for the survey.

Ninety-seven percent of establishments in the sampling frame have fewer than five workers, indicating that only three percent are classified as relatively large establishments. The retail trade sector accounts for the largest share of the smallest establishments employing fewer than five workers. All small business establishments are randomly selected for inclusion in the sample based on probability proportional to size, which is determined by the number of workers employed. Additionally, establishments with more than 500 workers, local councils, and administrative records from Payroll Management and Establishment Control (PMEC) are included in the survey on a 100 percent basis.

A significant number of establishments in the construction, mining, manufacturing, and agriculture sectors employ relatively more workers, with the tourism sector holding potential for further employment growth.

In summary, large firms play a crucial role in determining the overall workforce in the economy; thus, any significant shifts in employment within these firms will affect the overall labour market.

Medium-sized establishments represent a portion of the three percent of establishments in the frame and have the potential to hire a considerable number of workers.

1.4 Employment in the Formal Sector

Employment statistics in the formal sector have continued to be available since 1965 when the EEI was initiated even though the survey was not conducted between 2015 and 2022. In 1986, Government conducted the first Labour force survey to measure and assess the labour market. The primary official source of formal sector employment statistics, the EEI, was designed to be conducted annually while the LFS was undertaken on a bi-annual basis.

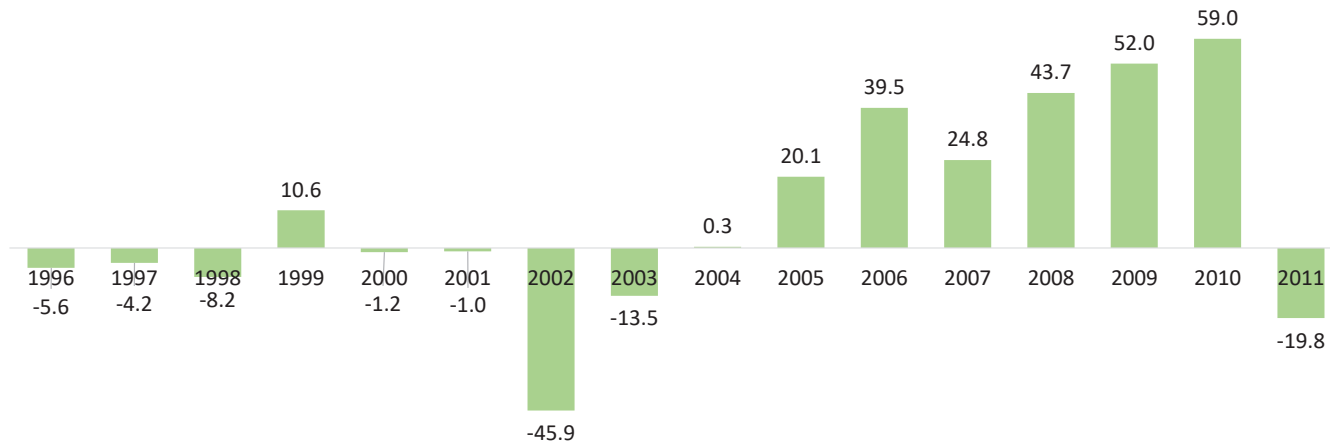
In 1964, the country's economy had an estimated 264,100 people in the formal sector employment.

Figure 1.1 shows changes in employment in the formal sector in Zambia from 1996 to 2011. From 1996 to 2003, the country recorded a reduction in formal sector

employment except in the year 1999. However, there was an increase in the formal sector employment from 2004 up until the year 2010. Of which the

highest increase in the period under review was recorded in 2010 while the worst reduction was recorded in 2002.

Figure 1.1: Changes in Employment, ('000), 1996 - 2011



Chapter Two: Key Findings

2.1 Introduction

The 2023 Employment and Earnings Inquiry results show that a total of 80,981 employees were recruited in the formal sector between 2022 and 2023, representing a 7.3 percent growth in employment. Employment in private institutions increased by 35,568 employees, while public institutions increased by 50,226 employees.

Table 2.1 presents the distribution of the employed population by industrial economic sector for 2022 and 2023. In 2023, there were 1,190,573 persons employed in the formal sector as compared to 1,109,592 in 2022.

The table further shows that, the wholesale and retail trade industry recorded a highest reduction in employment of 23,858 employees, followed by the agriculture, forestry, and fishing sector that reduced by 15,036 employees. The arts,

entertainment and recreation sector recorded the least reduction of 1,872 employees between 2022 and 2023.

On the other hand, the public administration sector recorded the highest increase in employment of 50,226, followed by human health and social work sector at 28,555 employees and the least increase was recorded in information and communication at 100 employees.

Table 2.1: Distribution of Employed Population by Industrial Economic Sector, 2022 and 2023

Industrial Economic Sector	2022	2023	Growth	% Change
TOTAL - GRZ PLUS PRIVATE SECTOR	1,109,592	1,190,573	80,981	7.3
Agriculture, Forestry and Fishing	85,799	70,763	-15,036	-17.5
Mining and Quarrying	44,505	58,077	13,572	30.5
Manufacturing	110,195	118,565	8,370	7.6
Electricity, Gas, Steam and Air Conditioning Supply	3,744	5,534	1,790	47.8
Water Supply Sewerage, Waste Management and Remediation Activities	6,347	11,314	4,967	78.3
Construction	30,387	25,259	-5,128	-16.9
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	170,188	146,330	-23,858	-14.0
Transportation and Storage	62,482	60,021	-2,461	-3.9
Accommodation and Food Service Activities	40,841	42,797	1,956	4.8
Information and Communication	11,983	12,083	100	0.8
Financial and Insurance Activities	21,499	35,539	14,040	65.3
Real estate Activities	10,291	5,977	-4,314	-41.9
Professional, Scientific and Technical Activities	17,247	26,374	9,127	52.9
Administrative and Support Services	75,030	68,498	-6,532	-8.7
Public Administration (Central Government and Local Government)	307,898	358,124	50,226	16.3
Education	41,475	45,315	3,840	9.3
Human Health and Social Work	46,852	75,407	28,555	60.9
Arts, Entertainment and Recreation	6,925	5,053	-1,872	-27
Other Service Activities	15,904	19,544	3,640	22.9
Arts, Entertainment and Recreation	6,925	5,053	-1,872	-27.0
Other Service Activities	15,904	19,544	3,640	22.9

Table 2.2 presents the distribution of the employed population by industrial economic sector for 2022 and 2023.

In 2023 the public administration accounted for the highest share of employment at 30.1 percent while the

arts, entertainment and recreation industry accounted for the lowest share at 0.4 percent.

Table 2.2: Number and Percentage Distribution of Employed Population by Industrial Economic Sector, 2022 and 2023

Industrial Economic Sector	2022		2023	
TOTAL - GRZ PLUS PRIVATE SECTOR	1,109,592	100	1,190,573	100
Agriculture, Forestry and Fishing	85,799	7.7	70,763	5.9
Mining and Quarrying	44,505	4	58,077	4.9
Manufacturing	110,195	9.9	118,565	10
Electricity, Gas, Steam and Air Conditioning Supply	3,744	0.3	5,534	0.5
Water Supply Sewerage, Waste Management and Remediation Activities	6,347	0.6	11,314	1
Construction	30,387	2.7	25,259	2.1
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	170,188	15.3	146,330	12.3
Transportation and Storage	62,482	5.6	60,021	5
Accommodation and Food Service Activities	40,841	3.7	42,797	3.6
Information and Communication	11,983	1.1	12,083	1
Financial and Insurance Activities	21,499	1.9	35,539	3
Real estate Activities	10,291	0.9	5,977	0.5
Professional, Scientific and Technical Activities	17,247	1.6	26,374	2.2
Administrative and Support Services	75,030	6.8	68,498	5.8
Public Administration (Local Government and Central Government)	307,898	27.7	358,124	30.1
Education	41,475	3.7	45,315	3.8
Human Health and Social Work	46,852	4.2	75,407	6.3
Arts, Entertainment and Recreation	6,925	0.6	5,053	0.4
Other Service Activities	15,904	1.4	19,544	1.6

Table 2.3 presents the distribution of the employed population by institutional sector for 2022 and 2023. The results indicate that private enterprises comprised the largest

proportion of employees accounting for 65.5 percent in 2022 and 63.4 percent in 2023. Central government employment represented 22.1 percent in 2022 and increased to 24.4

percent in 2023. The share of Faith-based organizations employment dropped from 1.4 percent in 2022 to 1.3 percent in 2023.

Table 2.3: Distribution of Employed Population by Industrial Economic Sector, 2022 and 2023

Institutional Sector	2022		2023	
	Number	Percent	Number	Percent
Total	1,109,592	100.0	1,190,573	100.0
Central Government	244,710	22.1	290,123	24.4
Local government	63,188	5.7	68,001	5.7
Parastatal	25,514	2.3	26,493	2.2
Private enterprise	727,237	65.5	755,134	63.4
Non-governmental organisation	33,516	3.0	34,802	2.9
Faith based	15,428	1.4	16,020	1.3

2.2 Average Earnings

Table 2.4 shows the average earnings by industry. In the formal sector, average earnings increased from

K6,960 in 2022 to K7,731 in 2023. In 2023, the mining and quarrying industry reported the highest average earnings of K14,182 followed by the Electricity, gas, steam, and air

conditioning supply industry, which recorded an average earnings of K13,607.

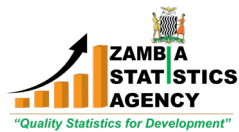
Table 2.4: Average Earnings (ZMW) by Industry, 2022 and 2023

Industrial Economic Sector	In Zambian Kwacha	
	2022	2023
Total	6,960	7,731
Agriculture, forestry and fishing	3,508	3,746
Mining and quarrying	11,084	14,182
Manufacturing	4,612	7,201
Electricity, gas, steam and air conditioning supply	12,876	13,607
Water Supply Sewerage, waste management and remediation activities	4,424	7,813
Construction	4,867	4,935
Wholesale and retail trade; repair of motor vehicles and motorcycles	3,895	4,165
Transportation and storage	6,380	5,755
Accommodation and food service activities	3,714	3,955
Information and communication	6,661	6,854
Financial and insurance activities	9,476	11,108
Real estate Activities	8,555	8,279
Professional, scientific and technical activities	15,512	12,262
Administrative and support services	4,925	6,032
Public Administration (Central Government and Local Government)	10,267	9,058
Education	9,249	9,790
Human health and social work	9,663	8,567
Arts, entertainment and recreation	4,022	4,369
Other service activities	6,155	6,176
Activities of household as employers	2,695	3,419

Key Persons Involved in the Production of the Report

Name	Designation	Institution
Sheila S. Mudenda	Acting Statistician General	ZamStats
Simushi Nasilele	Acting Assistant Director - Social Statistics	ZamStats
Frank Kakungu	IT Manager	ZamStats
Joseph Tembo	Assistant Director - Economic Statistics	ZamStats
Patrick Chuni	Assistant Director - Agriculture Statistics	ZamStats
Chola N. Daka	Chief Statistician	ZamStats
Collins C. Kaputo	Chief Planner	MLSS
Victor Chikalanga	Chief Social Security Officer	MLSS
Musadabwe Chulu	Principal Planner	MLSS
Gerson Banda	Principal Statistician	ZamStats
Chibeza Magolo	Senior Statistician	ZamStats
Dr. Barbara Muyabi Moto	Senior Systems Analyst	ZamStats
Francis K Mwinsa	Demographer	ZamStats
Oliver Chitalu	Statistician	ZamStats
Morris Mubita	Statistician	ZamStats
Mundia Muyakwa	Statistician	ZamStats
Bubala Moonga	Statistician	ZamStats
Cephas Sitali	Statistician	ZamStats
Abraham Banda	Statistician	ZamStats
Lucy Nyangu	Statistician	ZamStats
George Mhango	Senior Statistical Officer	ZamStats
Juliet Mumba	Librarian	ZamStats
Juliet Malambo	Programmer Analyst	ZamStats
Chenela Nkhowani	Programmer Analyst	ZamStats
Anthony Nkole	Desktop Publishing Officer	ZamStats

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Nationalist Road • P.O. Box 31908 Lusaka • Tel: +260 211 251377 • website: www.info@zamstats.gov.zm