

ZAMBIA FEDERATION OF EMPLOYERS

**ADDRESS BY DR G. GEORGE CHABWERA, PRESIDENT,
ZAMBIA FEDERATION OF EMPLOYERS ON THE OCCASION
OF LABOUR DAY CELEBRATIONS – 1ST MAY, 2009 AT
FREEDOM STATUE, INDEPENDENCE AVENUE, LUSAKA**

**YOUR HONOUR, THE VICE PRESIDENT – MR GEORGE KUNDA,
M.P. AND MINISTER OF JUSTICE; HON. A C LIATO – M.P. AND
MINISTER OF LABOUR AND SOCIAL SECURITY; MR LEONARD
HIKAUMBA – PRESIDENT, ZAMBIA CONGRESS OF TRADE UNIONS;
MR GERRY FINNEGAN – DIRECTOR, INTERNATIONAL LABOUR
ORGANIZATION OFFICE FOR ZAMBIA, MALAWI AND
MOZAMBIQUE; HONOURABLE MINISTERS; DEPUTY MINISTERS;
PERMANENT SECERTARIES; AMBASSADORS; HIGH
COMMISSIONERS AND HEADS OF MISSIONS ACCREDITED TO
ZAMBIA; YOUR WORSHIP THE MAYOR OF LUSAKA,
DISTINGUISHED LABOUR DAY PARADE PARTICPANTS;
LADIES AND GENTLEMEN,**

1.

ALLOW ME, YOUR HONOUR TO CONGRATULATE YOU ON YOUR APPOINTMENT AS VICE PRESIDENT OF THE REPUBLIC OF ZAMBIA. YOU BRING A WEALTH OF EXPERIENCE TO THIS HIGH OFFICE WHICH WILL BE OF BENEFIT TO THE ZAMBIAN PEOPLE. LET ME ALSO TAKE THIS OPPORTUNITY TO CONGRATULATE HON. AUSTIN LIATO, M.P. ON HIS APPOINTMENT AS MINISTER OF LABOUR AND SOCIAL SECURITY. I AM SURE THIS APPOINTMENT IS FITTING CONSIDERING YOUR BACKGROUND AS A TRADE UNIONIST.

YOUR HONOUR, DISTINGUISHED INVITED GUESTS; LADIES AND GENTLEMEN – THE THEME FOR LABOUR DAY THIS YEAR IS , “ECONOMIC RECOVERY THROUGH RESPECT FOR WORKERS RIGHTS AND JOB SECURITY”.

BEFORE I CAN ADDRESS THE THEME OF THIS YEAR’S AUGUST OCCASION, LET ME MAKE REFERENCE TO THE MATTER THAT IS EVERYBODY’S CONCERN, THE WORLD ECONOMIC SITUATION.

IN MY ADDRESS LAST YEAR, I HAD WARNED THAT THE CONSEQUENCES OF THE FINANCIAL CRISIS WHICH WAS EVOLVING IN THE UNITED STATES OF AMERICA AT THE TIME DID NOT PORTEND WELL FOR DEVELOPING ECONOMIES SUCH AS ZAMBIA'S. REGRETTABLY, TODAY WE FACE THE FULL IMPLICATIONS OF THAT CRISIS.

FOR ZAMBIA, THE CRISIS IS MOST FELT IN THE DOWN TURN IN THE LABOUR MARKET AND THE WEAKNESS OF THE KWACHA AGAINST OTHER CURRENCIES. CONFIDENCE IN THE ECONOMY IS AT ITS LOWEST EBB. WHILE THE ABILITY TO SHED JOBS HELPS PROTECT COMPANY PROFITS, IT IS A NEGATIVE FOR THE ECONOMY AND HENCE LOW CONFIDENCE. SO WHILE COMPANIES MAY SAVE ON LABOUR COSTS, THE SAVINGS DO NOT GO INTO THE ECONOMY, THEY JUST BUILD COMPANY BALANCE SHEETS.

THE PLUNGE IN MANUFACTURING IS BECAUSE FACTORIES HAVE LARGE STOCKS OF RAW MATERIALS WHILE CONSUMER DEMAND IS WEAK AS A RESULT OF INADEQUATE CREDIT.

WHILE MANUFACTURING WILL REBOUND, COMPLETION OF RAW MATERIAL STOCKS WILL TAKE LONGER TO PICK UP BECAUSE AFTER THIS, THE WHOLE WORLD FINANCIAL ARCHITECTURE WILL CHANGE. THIS WILL DEPRESS THE ECONOMY SOME MORE. SOME ECONOMIES IN THE DEVELOPED WORLD WILL STAND THIS BETTER THAN US IN THE DEVELOPING WORLD BECAUSE OF GOVERNMENT INTERVENTION. WE IN THE DEVELOPING WORLD DO NOT HAVE THE RESOURCES TO ENABLE OUR GOVERNMENTS TO STIMULATE DEMAND ALTHOUGH OUR MINING INDUSTRY HAS BEEN GRANTED RELIEF. HOWEVER, THAT BUSINESSES OFFERING CONSUMER CREDIT ARE WORST HIT AS THE BORROWERS DO NOT HAVE THE CAPACITY TO REPAY THESE LOANS AND THE GOVERNMENT CAN NOT HELP THEM. THIS STATE OF AFFAIRS, THEREFORE, RAISES THE QUESTION: WILL THE ECONOMIES RECOVER?

ECONOMIC RECOVERY

THE SIGNS ARE MIXED BUT HOPE REIGNS ETERNAL. IN THE DEVELOPED WORLD, SHARE PRICES HAVE IMPROVED IN THE

LAST SIX (6) WEEKS, ACCORDING TO THE "THE ECONOMIST". BUT WE ARE WARNED THAT SUCH DEVELOPMENTS ARE BUT FLASHES IN THE PAN. THERE ARE SIGNS THAT THE CHINESE ECONOMY IS RECOVERING AND THE GLOBAL MANUFACTURING SECTOR APPEARS TO BE RECOVERING. WHILE THE RECOVERY IN THE CHINESE ECONOMY GIVES A RAY OF HOPE TO PRIMARY PRODUCERS SUCH AS ZAMBIA, OVERALL THERE ARE CONCERNS THAT THIS MAY NOT SPELL WORLDWIDE ECONOMIC RECOVERY.

IN FACT, FOREIGN COMMENTATORS THINK THIS IS EXAGGERATED AS A RESULT OF INVENTORY ADJUSTMENT WHICH APPEARS TO IMPACT FALLING FOREIGN DEMAND ON THE BASIS THAT THE CHINESE GOVERNMENT HAS MONEY AND IS DETERMINED TO SUPPORT LOCAL SPENDING. AND SO, WE HAVE HEARD THAT THERE ARE CHINESE COMPANIES INTERESTED IN OUR MINING ASSETS.

BUT YOUR HONOUR, DISTINGUISHED INVITED GUESTS, LADIES AND GENTLEMEN, ELSEWHERE IN THE DEVELOPED WORLD, THIS OPTIMISM IS QUICKLY BEING CHECKED.

THERE IS A SCHOOL OF THOUGHT THAT THIS IS JUST A SIGN THAT THE CRISIS HAS PEAKED. AND THIS IS BECAUSE GOVERNMENTS IN THE DEVELOPED WORLD LED BY THE UNITED STATES OF AMERICA HAVE POURED LOTS OF MONEY IN THEIR ECONOMIES AND THE REALIZATION TO LOOK AT THE SITUATION WITH LESS PANIC AND SENSE OF DESPAIR.

YOUR HONOUR, DISTINGUISHED INVITED GUESTS, LADIES AND GENTLEMEN;

ALTHOUGH WE KNOW THE WORLD ECONOMY WILL REBOUND AS IT MUST, WE SHOULD NOT MISLEAD OURSELVES THAT THE WORST IS OVER AND IT WILL SOON BE BUSINESS AS USUAL. IT IS NOT AND WILL NOT BE FOR SOME TIME. WE MUST PROCEED AT FULL SPEED TO RESTRUCTURE OUR ECONOMY. THE ZAMBIA FEDERATION OF EMPLOYERS IS LOOKING FORWARD WITH GREAT ANXIETY TO THE IMPLEMENTATION OF SOME OF THE RESOLUTIONS PASSED AT THE RECENT NATIONAL INDABA.

AND TO ENSURE ECONOMIC RECOVERY, WE MUST BE SERIOUS ABOUT OUR AGRICULTURE.

AGRICULTURAL DEVELOPMENT REQUIRES REFORM OF THE LAND TENURE SYSTEM, LAND ALIENATION PROCEDURES, AFFORDABLE CREDIT, INFRASTRUCTURE DEVELOPMENT/ IMPROVEMENT, IMPROVED CROP HUSBANDRY PRACTICES, GOOD SEEDS AND READY AGRICULTURAL MARKETS OFFERING COMPETITIVE PRICES.

YOUR HONOUR, LADIES AND GENTLEMENT, UNLESS THESE ISSUES ARE AGRESSIVELY ADDRESSED, OUR ECONOMIC REVIVAL THROUGH AGRICULTURAL DEVELOPMENT WILL REMAIN A PIPE DREAM. LET US AS A NATION CELEBRATING THIS LABOUR DAY, REDEDICATE OUR EFFORTS TO DIVERSIFYING OUR AGRICULTURE AND MAKE IT THE MAINSTAY OF OUR ECONOMY. AND POSTERITY WILL THEN SAY THAT WAS ZAMBIA'S FINEST HOUR.

WORKERS RIGHTS

AS WE CONCENTRATE OUR EFFORTS ON DIVERSIFYING OUR ECONOMY BY WAY OF AGRICULTURE, CONCERNS OF WORKERS RIGHTS WILL BE AT THE CORE OF OUR ISSUES AGENDA.

YOUR HONOUR, INVITED DISTINGUISHED GUESTS, LADIES AND GENTLEMEN,

SINCE THE INDUSTRIAL REVOLUTION, AS THE WORLD ECONOMY GREW, SEVERAL INITIATIVES HAVE BEEN INTRODUCED TO PROTECT WORKERS. IN FACT, SINCE 1919 WHEN THE INTERNATIONAL LABOUR ORGANIZATION WAS SET UP, EMPLOYERS AND GOVERNMENTS HAVE CONCERNED THEMSELVES WITH SOCIAL PROTECTION. THESE INITIATIVES WERE TO IMPROVE THE TREATMENT OF WORKERS WHO, DURING THE INDUSTRIAL REVOLUTION WERE, TO SAY THE LEAST, VERY BADLY TREATED.

IN ZAMBIA, UPON THE ABOLITION OF SLAVERY AND THE SLAVE TRADE AND MUCH LATER, WHEN MINING ACTIVITIES BEGAN, A NEW DISPENSATION FOR IMPROVED WORKERS RIGHTS WAS AN IMPERATIVE.

ON INDEPENDENCE, THE YOUNG NATIONALIST GOVERNMENT WENT WAY OUT TO PASS LEGISLATION TO PROTECT WORKERS AND TO GIVE THEM NEW RIGHTS AT THE WORK PLACE.

THIS WAS A PAY BACK TO THE WORKERS WHO HAD CONTRIBUTED A GREAT DEAL TO ZAMBIA'S INDEPENDENCE STRUGGLE. FURTHER, THIS WAS AS IT SHOULD BE AS ZAMBIA'S ECONOMIC POLICY WAS COMMANDIST AS ARTICULATED THROUGH THE STATE ENTERPRISE ECONOMIC POLICY.

HOWEVER, SINCE ECONOMIC LIBERALIZATION AND THE DEBUNKING OF COMMANDIST SOCIALIST POLICIES, QUESTIONS HAVE BEEN RAISED REGARDING THE EFFICACY OF WORKERS RIGHTS. AND RECENT EVENTS AT SOME WORK PLACES HAVE RAISED THE QUESTION AS TO WHETHER THE NEW ECONOMIC DISPENSATION OF FREE ENTERPRISE, WILL HAVE ADEQUATE SAFE GUARDS FOR WORKERS RIGHTS.

YOUR HONOUR, LADIES AND GENTLEMEN, THE ZAMBIA FEDERATION OF EMPLOYERS HAS READ PRESS REPORTS OF WORKERS BEING DENIED THEIR RIGHTS AT PLACES OF WORK. OBVIOUSLY, IF THESE ARE TRUE, THEY ARE CAUSE FOR CONCERN. BUT LET ME HASTEN TO SAY THAT THE FEDERATION HAS RECEIVED NO FORMAL COMPLAINTS AND, IN ADDITION,

EMPLOYERS CARRYING OUT SUCH MALPRACTICES ARE CERTAINLY NOT OUR MEMBERS.

HOWEVER, IT SHOULD BE POINTED OUT THAT WHILE THE FEDERATION IS IN GENERAL, IN SUPPORT FOR WORKERS RIGHTS, IT MUST ALSO BE UNDERSCORED THAT WORKERS MUST UNDERSTAND THEIR RESPONSIBILITIES. IT DOES NOT AUGUR WELL FOR PRODUCTIVITY WHEN WORKERS ARE CONSTANTLY ABSENT RUNNING PERSONAL ERRANDS THAT HAVE NOTHING TO DO WITH THEIR WORK. IT DOES NOT PUT WORKERS RIGHTS IN GOOD STEAD WHEN WORKERS ARE IN THE FOREFRONT PERPETRATING MALPRACTICES AT THE WORK PLACE.

YOUR HONOUR THE VICE PRESIDENT, INVITED DISTINGUISHED GUESTS, LADIES AND GENTLEMEN, WORKERS RIGHTS ARE MEANINGLESS IN THE CIRCUMSTANCES OF DIMINISHING WORK ETHIC.

MANY WORKERS IN ZAMBIA TODAY, NEED TO REDEDICATE THEIR EFFORTS TO PERFORM THEIR DUTIES RESPONSIBLY.

THAT IS WHY, WE CELEBRATE LABOUR DAY.

JOB SECURITY

**YOUR HONOUR THE VICE PRESIDENT, INVITED GUESTS, LADIES
AND GENTLEMEN,**

**SINCE WORK WAS INVENTED IN EGYPT 3000 YEARS AGO, MANY
WHO HAVE JOBS HAVE YEARNED FOR SECURITY. WITH THE
INDUSTRIAL REVOLUTION, JOBS WERE PERCEIVED TO LAST A
LIFE TIME. AS ECONOMIES GREW, IT WAS TAKEN FOR GRANTED
THAT JOBS WOULD BE SECURE FOR LIFE. HOWEVER, AS
ECONOMIC DOWN TURNS BECOME MORE REGULAR AND
CREATIVE DESTRUCTION BECAME PART OF ECONOMIC
GROWTH, JOB SECURITY HAS PROVED ELUSIVE. AS A RESULT
OF THE CURRENT FINANCIAL CRISIS, THE INTERNATIONAL
LABOUR ORGANIZATION HAS ESTIMATED THAT ABOUT 53
MILLION PEOPLE WILL LOSE JOBS BEFORE THE WORLD
ECONOMY RECOVERS AND HAVE CALLED FOR A JOBS SUMMIT
LATER THIS YEAR.**

HERE IN ZAMBIA, A NUMBER OF JOBS HAVE BEEN LOST. PRELIMINARY FIGURES INDICATE THAT CLOSE TO 30,000 FORMAL SECTOR JOBS HAVE BEEN LOST. AS A RESULT, THE SURVIVAL OF WHOLE COMMUNITIES IS THREATENED.

YOU JUST HAVE TO GO TO KAFUE, LUANSHYA AND OTHER TOWNS TO SEE THE CONSEQUENCES OF JOB LOSSES ON THE COMMUNITIES. MORE JOBS WILL BE LOST AS A RESULT OF LOCAL FINANCIAL INSTITUTIONS DECLINING OF REQUESTS FOR FUNDING FROM COMPANIES. INDEED, A NUMBER OF COMPANIES HAVE HAD REQUESTS FOR RENEWING EXISTING FACILITIES TURNED DOWN.

TIME IS NOW TO RETHINK A WHOLE NEW NATIONAL SALVATION PLAN. WE CAN NOT CONTINUE WITH – BUSINESS – AS – USUAL APPROACH WHEN MANY OF OUR PEOPLE IN FORMAL EMPLOYMENT ARE THREATENED WITH THE PROSPECT OF LOSING JOBS.

WHILE IT IS A FACT THAT, WHILE OLD JOBS ARE LOST, NEW ONES SHOULD BE CREATED. INDEED SOME NEW JOBS IN THE INFORMATION TECHNOLOGY SECTOR HAVE BEEN CREATED. BUT FOR ZAMBIA, THIS IS NOT THE CASE AS WE HAVE LOST IN A VERY, VERY BIG WAY.

YOUR HONOUR THE VICE PRESIDENT, DISTINGUISHED INVITED GUESTS, LADIES AND GENTLEMEN,

SINCE INDEPENDENCE, THERE HAS BEEN NO VALUE – ADDING TO OUR MINING ACTIVITIES. WHILE WE STILL HAVE A PROPENSITY TO CONSUME WHITE GOODS, FOR EXAMPLE, THAT USE OUR COPPER, THERE IS NO LOCAL MANUFACTURING OF THE SAME.

YOUR HONOUR THE VICE PRESIDENT, LADIES AND GENTLEMEN, I DO NOT NEED TO REMIND THIS AUGUST LABOUR DAY THAT NEITHER ITALY NOR JAPAN HAVE COPPER MINES AND YET ZAMBIA CONTINUES TO IMPORT WHITE GOODS MADE IN THOSE COUNTRIES AND MANY OTHERS.

BECAUSE WE HAVE NOT DONE MUCH TO ADD VALUE TO OUR METALS AND, THEREFORE, , OUR CAPACITY TO CREATE NEW JOBS IS THUS LIMITED IN THE SAME WAY.

ZAMBIA MUST NOW DECIDE TO ADD VALUE TO THE METALS THAT WE MINE. WHAT HAS HAPPENED TO THE COPPER FACTORIES THAT ZAMBIA HAD IN FRANCE AND NIGERIA? WE NEED THESE FACTORIES TO CREATE JOBS FOR ZAMBIANS!

IN THE MEANWHILE, WE PROPOSE THAT, WHILE IT IS NO LONGER POSSIBLE TO SECURE JOBS FOR LIFE, THERE SHOULD BE TAX INCENTIVES GIVEN TO COMPANIES WILLING TO OFFER TRAINING OPPORTUNITIES TO THEIR EMPLOYEES TO HELP SUCH EMPLOYEES SECURE ALTERNATIVE JOBS. THAT WAY, ZAMBIA WILL SECURE CONTINUED EMPLOYMENT. THIS IS A TIME FOR NEW THINKING, NOT NEW CONTROLS LIKE THE PROPOSED INTRODUCTION OF A NEW ECONOMICS POLICE.

WE NEED NEW IDEAS TO MOVE OUR COUNTRY FORWARD. BECAUSE AFTER THIS FINANCIAL CRISIS, THE WORLD ECONOMY

WILL CHANGE FOR GOOD!

**I WISH TO THANK YOU ALL FOR YOUR ATTENTION AND GOD
BLESS YOU.**

THANK YOU