

# **Government of the Republic of Zambia**

OPENING SPEECH BY HIS HONOUR THE VICE PRESIDENT OF THE REPUBLIC OF ZAMBIA, DR. GUY SCOTT, MP, ON THE OCCASION OF THE NATIONAL CONFERENCE ON A NEW ECONOMIC GROWTH STRATEGY FOR EMPLOYMENT, DECENT WORK AND DEVELOPMENT IN ZAMBIA, 21-22 MAY 2012, NEW GOVERNMENT COMPLEX, LUSAKA, ZAMBIA

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- **THE HONOURABLE MINISTER OF INFORMATION, BROADCASTING AND LABOUR, MR. FACKSON SHAMENDA**
- ♣ THE REPRESENTATIVE FROM THE INTERNATIONAL MONETARY FUND AND THE WORLD BANK
- ♣ THE INTERNATIONAL LABOUR ORGANISATION DIRECTOR FOR MALAWI, MOZAMBIQUE AND ZAMBIA
- **THE INTERNATIONAL LABOUR ORGANISATION DIRECTOR FOR THE PRETORIA OFFICE**
- ♣ THE REPRESENTATIVE FROM INTERNATIONAL TRADE UNION CONFEDERATION
- ♣ THE REPRESENTATIVE FROM THE INTERNATIONAL ORGANISATION OF EMPLOYERS
- **4** THE REPRESENTATIVE FROM THE ZAMBIA CONGRESS OF TRADE UNIONS
- **4** THE REPRESENTATIVE FROM THE FEDERATION OF FREE TRADE UNIONS
- **THE REPRESENTATIVE FROM THE ZAMBIA FEDERATION OF EMPLOYERS**
- **THE REPRESENTATIVE FROM THE ECONOMICS ASSOCIATION OF ZAMBIA**
- ♣ THE REPRESENTATIVE FROM THE YOUTH NON GOVERNMENTAL ORGANISATION
- **SENIOR GOVERNMENT OFFICIALS**
- **REPRESENTATIVES OF MEDIA HOUSES**
- **LADIES AND GENTLEMEN**

LET ME BEGIN BY WELCOMING YOU ALL TO THIS FIRST EVER CONFERENCE ON "ECONOMIC GROWTH STRATEGY FOR EMPLOYMENT, DECENT WORK AND DEVELOPMENT" IN ZAMBIA.

ON BEHALF OF THE ZAMBIAN PEOPLE, I WISH TO EXTEND MY SPECIAL WELCOME TO THOSE OF OUR COLLEAGUES WHO HAVE TRAVELLED FROM DIFFERENT COUNTRIES TO COME AND SHARE THEIR EXPERTISE AND EXPERIENCES DURING THIS IMPORTANT NATIONAL EVENT.

#### LADIES AND GENTLEMEN,

IF THERE IS A POINT I NEED TO EMPHASISE IN MY STATEMENT, IT IS ONE SIMPLE QUESTION- JUST WHY ARE WE HERE THIS MORNING?

DEAR COLLEAGUES, THE INITIATIVE TO ORGANISE THIS CONFERENCE WAS MOOTED BY THE GOVERNMENT IN PARTNERSHIP WITH THE INTERNATIONAL MONETARY FUND AND THE INTERNATIONAL LABOUR ORGANISATION. THE MOTIVATION FOR THE INITIATIVE IS VERY SIMPLE, OUR PEOPLE NEED JOBS AND WE NEED TO GENERATE THOSE JOBS THROUGH A SYSTEMATIC AND COHERENT APPROACH.

THIS OCCASION IS, THERFORE, EXTREMELY IMPORTANT FOR US AS WE SEE IT AS A FORUM WHERE WE CAN HAVE GENUINE DIALOGUE ON THE CRUCIAL ISSUE OF ECONOMIC GROWTH AND JOBS. I FIND IT GRATIFYING TO BE HERE

TODAY BECAUSE EMPLOYMENT IS ONE OF THE MOST IMPORTANT ISSUES THAT WE PROMISED THE PEOPLE LAST YEAR.

#### DISTINGUISHED PARTICIPANTS,

WE HAVE FOR A NUMBER OF YEARS HEARD REPORTS ABOUT ECONOMIC INDICATORS SHOWING THAT ZAMBIA WAS DOING EXTREMELY WELL IN TERMS OF GDP, INFLATION, INVESTMENT INFLOWS AND THE LIKE. BUT THERE HAS NOT BEEN A CLEAR VOICE ON JOBS. POLITICIANS WERE NOT BOLD ENOUGH TO STATE THAT WHILST THEY BOASTED ABOUT GDP GROWTH AND LOW INFLATION RATES, ZAMBIA'S INFORMAL SECTOR EMPLOYMENT WAS INCREASING; AND WHILE POLITICIANS BOASTED ABOUT HAVING THE ECONOMIC FUNDAMENTALS RIGHT, OUR COMMERCIAL BANKS' LENDING RATES REMAINED SCANDALOUSLY TOO HIGH FOR ANYONE TRYING TO DO BUSINESS.

#### LADIES AND GENTLEMEN,

AS GOVERNMENT, WE HAVE ACKNOWLEDGED THAT THERE HAS BEEN AN INCREASE IN ECONOMIC ACTIVITY AS MEASURED BY THE GROWTH DOMESTIC PRODUCT, BUT WE SHALL BY NO MEANS BE CONTENTED UNTIL THIS GROWTH TRANSLATES INTO TANGIBLE BENEFITS FOR THE COMMON PERSON IN MONGU, KATETE, MWINILUNGA, MONZE, IN KAPIRI MPOSHI AND MANY OTHER AREAS OF OUR COUNTRY.

AT THE MOMENT, I AM AFRAID TO SAY THAT THE GROWTH WILL KEEP ON BEING MEANINGLESS TO THE MAJORITY OF ZAMBIANS AS IT IS PERCEIVED TO REPRESENT THE GROWING GAP BETWEEN THE RICH AND THE POOR TAKING INTO ACCOUNT RECENT FIGURES WHICH SHOW THAT 64% OF OUR PEOPLE CONTINUE TO LIVE IN POVERTY.

THE CURRENT SITUATION IS THAT OF DEFICIENCY IN DECENT JOBS DUE TO THE LOW ABSORPTIVE CAPACITY OF THE ECONOMY. INFORMATION FROM THE CENTRAL STATISTICAL OFFICE INDICATES THAT THE POPULATION OF ZAMBIA HAS BEEN GROWING FROM 7,759,161 IN 1990 TO 13,046,508 PERSONS IN 2010. THIS ENTAILS THAT AN INCREASING NUMBER OF OUR PEOPLE HAVE ENTERED AND WILL CONTINUE TO ENTER THE LABOUR FORCE, THIS SITUATION REQUIRES FRESH AND GROUND-BREAKING WAYS OF ABSORBING THEM INTO JOBS.

### LADIES AND GENTLEMEN,

OUR MANIFESTO AS PF IS VERY CLEAR ON THE PROMOTION OF BROAD-BASED PRO-POOR GROWTH, WE ARE VERY CONSCIOUS THAT IF WE HAVE TO CREATE JOBS FOR OUR PEOPLE, WE NEED TO HAVE A FLOURISHING PRIVATE SECTOR. WE NEED TO HAVE INTEREST RATES THAT WILL PROMOTE PRIVATE SECTOR GROWTH. THIS IS THE CRUCIAL BATTLE THAT OUR CENTRAL BANK HAS AT THE MOMENT.

A WEEK AGO, I SHARED A STORY ABOUT, ENOCK MUNDIA, THE ZAMBIAN ENTREPRENEUR BASED IN SHANGHAI, CHINA WHO IS RUNNING A TEXTILE BUSINESS THAT HAS EMPLOYED 5,000 PEOPLE. WHEN I HAD A CHAT WITH HIM ON WHY HE CANNOT COME TO ZAMBIA, HE TOLD ME THAT HE SIMPLY CANNOT MANAGE TO RUN SUCH A VIABLE BUSINESS WITH INTEREST RATES AT AROUND 25 PER CENT. FOR US AS GOVERNMENT, IT IS STORIES SUCH AS MR. MUNDIA'S AS WELL AS OUR PERSONAL EXPERIENCES IN PF THAT KEPT OUR PASSION FOR CHANGE. WE CANNOT BOAST OF ECONOMIC STABILITY WHEN INTEREST RATES AND SIMILAR CAPITAL-RECURRENT RATIOS SUCH AS HOUSING RENTALS HAVE BEEN ALLOWED TO ESCALATE TO A POINT WHERE ZAMBIA IS ONE OF THE MOST EXPENSIVE COUNTRIES IN THE WORLD TO BORROW MONEY FROM THE BANKS AND RENT ACCOMMODATION. OUR RESOLVE IS THEREFORE TO TACKLE THE PARADOX OF GDP GROWTH AND LOW EMPLOYMENT AND HIGH LEVELS OF POVERTY.

## **DISTINGUISHED PARTICIPANTS,**

GOVERNMENT HAS A CLEAR RESPONSIBILITY TO DO WHAT IT CAN TO ASSIST BUSINESSES AND INDIVIDUALS IN CHANGING THE WAY WE WORK. THIS IS BECAUSE WE ARE CONVINCED THAT, IF WE WANT A DIFFERENT OUTCOME, WE WILL HAVE TO DO THINGS DIFFERENTLY.

FOR INSTANCE, THE AGRICULTURAL SECTOR HOLDS THE GREATEST POTENTIAL TO ADDRESS THE UNEMPLOYMENT PROBLEM IN ZAMBIA AND WE ARE DETERMINED TO APPROACH IT DIFFERENTLY TO REALISE THIS POTENTIAL.

#### DISTINGUISHED DELEGATES,

THE EMPLOYMENT CRISIS IN ZAMBIA IS REAL AND THE TIME FOR ACTION IS NOW. GOVERNMENT WILL, THEREFORE, NOT ALLOW UNNECESSARY DELAYS TO PRESENT BOTTLENECKS IN THIS PROCESS. I WANT TO TAKE THIS OPPORTUNITY TO REQUEST ALL GOVERNMENT DEPARTMENTS AS WELL AS COOPERATING PARTNERS TO ENSURE THAT WE WORK TOGETHER TO ENSURE THAT THE RECOMMENDATIONS OF THIS CONFERENCE GIVE US THAT "TIPPING POINT" IN OUR EMPLOYMENT CREATION STRATEGY.

LASTLY, ALLOW ME TO THANK OUR PARTNERS THAT HAVE BEEN INSTRUMENTAL IN ORGANISING THIS EVENT AND I WANT TO STATE THAT THIS IS ONLY THE BEGINNING. AS GOVERNMENT, WE WILL REQUIRE YOUR TECHNICAL AND FINANCIAL SUPPORT IN THE IMPLEMENTATION OF THE STRATEGIES THAT WILL BE BORN OUT OF THIS CONFERENCE.

IT IS NOT MY INTENTION TO GIVE A LONG SPEECH AND IT IS THEREFORE MY SINGULAR HONOUR TO DECLARE THIS NATIONAL CONFERENCE OFFICIALLY OPEN.

I THANK YOU.