



CHALLENGES IN EXTENDING SOCIAL PROTECTION COVERAGE

ZAMBIA

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LFS Statistics

Employed in the Formal Economy	Employed in the Informal Economy
944,256	4,914,969

Formal Employment	Informal Employment
629,626	5,229,599

the majority of the employed population, are not covered
Contributory SP programmes



Coverage and Financing of Contributory SP Programmes

SP PROG	COVERAGE		FINANCING	
	Active Members	Sector	Employees	Employers
NAPSA	727, 833	Private & Public	5%	5%
PSPF	93,473	Civil Servants	7.25%	7.25%
LASF	4,054	Local Authorities & Utility Comp.	10%	23%
WCFCB	12,278	Private & Public (employers)	0%	Risk based
OPS	80,216	Private	Vary	Vary
Draft SHI		Private & Public	YTD	YTD
TOTAL	825,360			



Challenges

1.1. Inadequate income and atypical employment arrangements

- **Limited and irregular income.**
- **Complex informal work relations vs. linear social security design.** The social security processes were designed for formal employees.

1.2. Low awareness and demand for social security from workers

- **Lack of awareness.** Lower education groups, inadequate *Social Security communication*.
- **Lack of representation and protection.** Weak representation
- **Lack of attractiveness of long-term social security benefits.** Contributions to Social Security compete with priority needs.

Challenges (Cont...)



1.3. Low compliance with social security obligations amongst employers

1.4. Supply side factors

- **Labour cost.** many choose to maintain informal employment relationships
- **Affordability.** For MSMES, often financially constrained because of *businesses' unpredictability*.
- **Lack of information on social security liabilities.**
- **Inadequate access to social security offices.**
- **Low trust in the government and social security schemes.**
- **Weak enforcements mechanisms.**

1.5. Legal framework

No specific legislation addressing the informal economy.



THE END

**THANK YOU
GOD BLESS**