

## **POVERTY STILL RIFE IN ZAMBIA**

Media Statement by Bench Marks Foundation of Southern Africa

Monday 22 September 2008

Despite the recent economic success enjoyed by the mining industry in Zambia, there has been very little to show for it, as the majority of Zambians are still living in extreme poverty.

This is one of the findings of research that will be released tomorrow by Bench Marks Foundation of Southern Africa in Lusaka.

According to the research, 67% of Zambians are living on less than US\$1 a day, despite the increase in productivity and copper prices since 2004.

The research notes that Zambia Consolidated Copper Mines Investments Holding (ZCCM-IH) is the successor to Zambia Consolidated Copper Mines Limited (ZCCM Ltd) which was privatised in 2000. The privatisation process resulted in the loss of about 8 000 jobs as the new ZCCM- IH companies embarked on retrenchment exercises. ZCCM-IH has interests in 10 mining companies situated in the mining areas in Zambia's Copperbelt and other mining regions.

The retrenchment payments were insufficient to sustain families and most retrenched miners have resorted to farming activities such as shift cultivation and small-scale mining, which leads to further environmental degradation.

According to the research, the loss of employment during the privatisation of ZCCM has far reaching consequences. It is feared that the levels of HIV/Aids might increase as women resort to prostitution, since men can no longer provide sufficiently for their families. The increase in crime levels has also been attributed to the loss of income suffered during retrenchment.

The intensive research by Bench Marks Foundation also reveals that even the lucky miners who retained their jobs are dissatisfied. This is because most mining companies have resorted to using fixed term contracts, which have less beneficial terms and conditions.

In some cases the jobs have been sub-contracted to companies that in general pay less than half the monthly wage offered to permanent workers for the same work in the same mine. The research quotes community leaders as saying contract workers get about K500 000 (R1 000) per month and this is insufficient to sustain them and their families.

Bench Marks Foundation criteria requires that in situations where corporate restructuring occurs, the company should provide the opportunity for redeployment and retraining of employees in order to offer sustainable patterns of employment.

Some of the communities interviewed by the researchers were concerned that money realised from the sale of Zambian minerals is banked outside the country and hence

communities do not fully see the fruits of their labour or of the country's natural resources.

According to Bench Marks Foundation criteria for best practices, companies should aspire to integrate the interests of all stakeholders with that of their own business goals.

The research found that mines prefer foreigners to take up management posts at the expense of locals to manage mines in Zambia: "Local people also don't get employed. The mines bring their own people, eg the Chinese bring Chinese," said members of community group.

This practice again falls short of Bench Marks Foundation criteria, which require that companies should actively recruit and employ for all positions, including management, from the local population.

---

ENDS