

UNIVERSITY OF ZAMBIA

**DEPARTMENT OF DEVELOPMENT STUDIES
SCHOOL OF HUMANITIES AND SOCIAL SCIENCES**

RESEARCH REPORT

**AN ASSESSMENT OF THE CITIZEN ECONOMIC
EMPOWERMENT FUND ON EMPLOYMENT CREATION
IN THE ZAMBIAN ECONOMY**

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DECLARATION

I declare that this report has not been previously submitted for a degree in this or any other University.

FULL NAME:

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CERTIFICATE OF APPROVAL

This report has been approved as partial fulfillment of the requirements for the award of the Master of Arts in Development Studies Degree by the University of Zambia, Lusaka.

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ABSTRACT

The empowerment of citizens is one programme that the government of Zambia has embarked on in order to empower the marginalised citizens economically. The citizen economic empowerment programme has since its inception in 2008 funded a number of projects. The study sought to measure the impact of the citizen's economic empowerment fund on employment creation in the Zambian economy. The study was done amongst the recipients of the funds in Lusaka.

The general objective of the study was to assess the impact of the Citizen Economic Empowerment Fund in terms of employment creation and performance (production/sales)

Specific objectives included:

- Establish the major changes in the companies after receiving the funds
- Assess the employment status of companies before receiving funds
- Assess the employment levels after receiving the funds
- Assess the production or performance levels after receiving the fund

Generally, the study revealed that there was a positive correlation between receiving of funds and employment creation in that the recipients of the funds had more staff after receiving the funds. Capital and expansion problems were some of the challenges experienced before receiving the funds. They also had very low employment levels before receiving the funds. However, the study further showed that after receiving the funds, the majority of the recipients recorded an increase in production/ sales and a growth in employment levels leading to further expansion of their businesses. The findings clearly show that the citizen's economic empowerment fund has had a positive impact on the economy and on employment creation.

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DEDICATION

This dissertation is dedicated to my grandmother Mrs. Everless Musonda who gave me the inspiration to embark on this research. You are indeed my mainstay. You are the vine and I am the branch, without you I cannot bear fruit. Your constant advice regarding the importance of academics has made me reach this far.

ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
BEE	Black Economic Empowerment
BBBEE	Broad Based Black Economic Empowerment
BBWJC	Broad Based Wealth and Employment Creation
CEEA	Citizen Economic Empowerment Act
CEEC	Citizen Economic Empowerment Commission
CEEF	Citizen Economic Empowerment Fund
CCA	Common Country Assessment
CSO	Central Statistics Office
FDIs	Foreign Direct Investments
FNDP	Fifth National Development Plan
FSC	Financial Sector Charter
HDI	Human Development Index
HDR	Human Development Report
HIV	Human Immune Virus
GDP	Gross Domestic Product
GRZ	Government of the Republic of Zambia
JSE	Johannesburg Stock Exchange
LCMS	Living Conditions Monitoring Survey
LTVZ	Long Term Vision for Zambia
SAG	Sector Advisory Group
SAP	Structural Adjustment
SIPA	Swaziland Investment Promotion Authority
SMME	Small, Micro and Medium Enterprise
SOE	State-Owned Enterprises
UNDAF	United Nation Development Assistant Funds
UNDP	United Nation Development Plan
VAM	Vulnerability Assessment and Mapping

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CHAPTER 1

1. INTRODUCTION

From the time Zambia attained its independence, various administrations have drafted various policies to bring about economic growth and development, and ensure that its citizenry benefit from such economic improvements. However, the country still faces major challenges in its quest to have sustainable growth in the economy that would translate into improved livelihoods of her people.

The Living Conditions Monitoring Survey (2002/3) reveals that the poverty levels, which stood at 73% in 2000, increased in 2002/3 to 80%. An examination of the Human Development Index (HDI), whose calculation has been consistent, reveals that poverty has deteriorated over the years. The country has slipped in its international ranking on the HDI. Out of 173 states Zambia ranked number 153 in 2002 before slipping further down to 163 in 2003. The latest Human development Report (2010) reveals that the country has improved its ranking to 150th from 164th position out of 177 countries in the 2005 HDR. The strategies of how to reduce poverty in Zambia still remains a huge challenge.

In order to reduce the poverty levels and ensure that the Zambian citizens are empowered, the government of the republic of Zambia with the help of various other stakeholders came up with policies to empower its citizens through various initiatives. One of the initiatives the government came up with is the Citizens Economic Empowerment Commission (CEEC), created by an act of parliament. This initiative has been welcomed by most of the citizens.

The CEE initiative is long overdue; it should have been formulated years ago. However, it is very welcome as the objective is citizen's empowerment. Care must be taken though to ensure that all eligible citizens benefit from such initiatives and not place all opportunities at the disposal of handful elite who have dominated the economic playfield in Zambia.

One hopes that the policy framework would reflect the desire for economic development with the focus on Human Resource Development in order to sustain, realize full benefits of such a policy. Dominic says:

The Citizens Economic Empowerment Act No. 9 of 2006 is principally aimed at uplifting the targeted citizens who have suffered marginalization. It is meant to level the playing field and raise the citizens to a position where they can effectively participate in the national economy. Above all, it is meant to ensure that especially the women, youth and physically challenged are empowered.

Some of the key areas of the Act include the definition of empowerment as a broad based and multifaceted strategy aimed at substantially increasing the participation of targeted citizens at all levels of the population in the economy, fostering wealth creation and significantly decreasing income inequalities.

The Act also defines targeted citizens as, "person who is historically marginalized or disadvantaged and whose access to economic resources and development capabilities has been constrained due to various factors including sex, educational background, status and disabilities".

Zambia's long-term development objective, as articulated in the Vision 2030, is "to become a prosperous middle income country by the year 2030." The associated goals call for policies that accelerate and sustain economic growth, and which enable the poor to participate in, and benefit from, the growth process. The theme of the Fifth National Development Plan is achieving Broad Based Wealth and Employment Creation (BBWJC). This program aims to contribute to this objective, in particular by:

- Stimulating investment
- Entrepreneurship
- Employment creation

The program has a mix of interventions that focus on specific sub-groups in the different sectors and emphasize on innovative tools and delivery approaches. It is grounded in a systemic enterprise development approach, which recognizes the need for interventions at all levels. The BBWJC programme aims to deliver interventions with focus particularly on the medium level in order to develop the capacity of local institutions.

The Common Country Assessment (CCA), completed in December 2000, provided a critical and analytical review of the national development situation in Zambia through a country based participatory process. The greatest challenge facing Zambia, as reflected by the CCA, is “to bring about sustained improvements in the livelihood of the majority of the population living in absolute poverty. This challenge necessitates greater targeting of development resources to the poor and vulnerable groups”. (UNDAF, 2006)

1.1 Background Information on Zambia

Zambia is a country in south-central part of Africa and covers an area of 753,000 square kilometres and has an estimated population of 13 million people. It is a landlocked country and is surrounded by Tanzania and Democratic Republic of Congo to the north, Malawi and Mozambique to the east, Zimbabwe, Botswana and Namibia to the south, as well as Angola to the west. Zambia lies between latitudes 8° South to 18° South and longitudes 22° East and 32° East (CSO: 2010).

Much of the land is plateau and is well watered by rivers such as the Zambezi, Luangwa and Kafue as well as such water bodies as lakes.

Agriculture in Zambia plays an important role in the sustenance of the country's population. With the same tropical climate, Zambia produces crops such as maize, cotton, cassava, and groundnuts among others. The high rainfall areas are the Copperbelt, Luapula, Northern, and North western provinces, while the

main agricultural centres include Southern, Eastern, Central, and Copperbelt provinces (CSO, 2001).

Though an agricultural country, Zambia's economy for many years has been supported by the mining of copper, zinc, lead, emeralds and cobalt among others. The World Bank poverty assessment of Zambia's (1994) definition of poverty has an implication on household food security and is based on the cost of a minimum food basket. The food basket contains foods eaten by an average Zambian which meets nutritional requirement of household members. Poverty is defined as expenditure less than the cost of a food basket to which 30% of that cost is added for non-food expenses, (World Bank: 1994).

From being one of the most prosperous countries of sub-Saharan Africa, Zambia has experienced a very sharp decline of its economy which has had a great adverse impact on the quality of life of its 13 million people. The decline started with the rising oil prices of the mid 1970s, which coincided with the drop in world copper prices, copper being the mainstay of Zambia's economy since independence. In addition, liberalization and Structural Adjustment (SAP) has also contributed to a twist in the Zambian economy. This has subsequently eroded many of the benefits of living and has triggered widespread poverty both in urban and rural areas. The social and economic consequences have been high prevalence rates of HIV/AIDS, high unemployment levels, and increased number of street kids and orphans. The continued decline in the economy has caused a squeeze on public expenditures and persistent government deficits. Even with GDP growth of more than 5 percent a year in recent years, the debt-to-GDP ratio still remains disturbingly high, leaving little room for maneuvering public expenditure policies without a major increase in revenues.

The Vulnerability Assessment and Mapping (VAM) of 1995, 1996, and 1997 identified two components of vulnerability to food insecurity in Zambia as the risk to a drought occurring and the ability to cope in the event of that drought. The

VAM of 1996 showed declining ability of households in all districts of Zambia to secure enough food to eat compared to 1980s. Food security is defined as access by all people at all times to the food required for a healthy life; at the household level, the issue is the household's ability to secure enough food to ensure adequate dietary intake for all of its members (Von Braun et al. 1993). Factors affecting coping ability of households included production of crops, livestock, fisheries, wages and salaries, gathering of wild foods, and food relief, (Kanguya et al 1999). The assessment found Southern and Eastern provinces to have a high risk of drought with relatively low coping ability. Hence in the event of drought, most of the households in the above provinces would face serious food shortages. Further, the assessment found that in the Northern half of Zambia, Northern, Northwestern and Luapula provinces, where rains were stable, food insecurity were due to low coping ability.

With the implementation of SAP, the Zambian Government found it necessary to monitor the effects of these policies on the welfare of households. To this regard, the Government, through the Central Statistical Office (CSO), with the assistance of The World Bank through a Norwegian grant, launched the Priority Survey in 1991 as part of the Social Adjustment Program to monitor and evaluate the impact of the social economic impact of SAP.

Administratively, Zambia is divided into nine provinces and seventy -three districts. The major towns include Lusaka (capital city), Kitwe, Ndola, Livingstone, Mongu, Kabwe, Chipata, Kasama, Solwezi, and Mansa. Zambia has been cited as one of the most highly urbanised sub-Sahara African countries with about 44 percent of the population living in the urban areas, while rural areas remain sparsely populated. (<http://en.wikipedia.org/wiki/Zambia>). During the period 2000-2009, there was high unemployment and underemployment in urban areas and a dependence on subsistence farming in rural areas.

The need for empowering citizens and improvement of people's lives is always on the government's agenda. The policy makers are always trying to find ways and means to improve people's living conditions, eradicate poverty and to bring development to all through employment creation.

At independence in 1964, Zambia inherited thriving mining economy, which then faced some unsettling turbulences such as external oil shocks and declining copper prices in the 1970s. In response to these turbulences, the government resorted to external borrowing and import substitution, anticipating stabilizing through these mechanisms. Unfortunately there were inadequate policies to strengthen domestic industries, and as a result the overall economic performance deflated, resulting in increasing poverty and declining living standards. For approximately three decades, attempts to drive development from the central government within the National Development Plans (NDP) framework were not successful.

The poor national performance led to the adoption of the Structural Adjustment Programs (SAP's) in the 1990's which aimed at progressive handing over of state corporations and services to the private sector. The SAP's were founded on fundamental reservations on the ability of the public sector to deliver development. Along this line of thinking, the government abandoned the NDP's, in agreement with the SAP's philosophy of transforming centrally planned economies into market economies.

For a decade, these hands – off approach yielded serious social consequences on the economy, mainly emanating from the absence of a framework for public investment priorities, as well as poor government coordination with donors and enlargement of the market induced social gaps which could not be netted by the private sector. Consequently, several national surveys which include the social dimensions of adjustment surveys of 1991 and 1993 and the Living Conditions Monitoring Surveys [LCMS] of 1996 and 1998 found that poverty levels worsened

during this decade, so much so that Zambia had become the poorest country (when measured in terms of income poverty) within South African Development Community (SADC). Not only that, by end of the millennium Zambia was the only country in the world whose Human Development Index (HDI) ranked lower than in 1975. By 2004, 68% of Zambians were living below the poverty line (\$US 1 a day).

According to the MDG 2013 Progress Report, the current pace of poverty reduction in Zambia is too slow for the country to achieve MDG target 1.A. The proportion of people living in extreme poverty has decreased from 58 percent in 1991 to 42.3 percent in 2010. This took 19 years. In addition, the pace has slowed down in recent years. Extreme poverty has reduced by only 0.5 percentage points in the 4 years from 2006 to 2010. Yet, it will have to decline by 13.3 percentage points in the 5 years from 2010 and 2015 to attain the MDG target. Specific accelerators are therefore required in the form of policy changes and targeted rural investments. The growth in GDP has been stable and modest in recent years as shown in the table below:

Table 1.1: GDP Growth per annum by year

Year	Annual GDP Growth (in %)
1999	2.2
2000	3.5
2001	4.9
2002	3.3
2003	5.1
2004	5.4
2005	5.3
2006	6.2
2007	6.2
2008	5.7
2009	6.4
2010	7.6
2011	6.6

Source: Ministry of Finance: 2012

The report further stresses that extreme poverty in Zambia is concentrated in rural areas. In fact it is four times higher in rural areas (57.7 percent) than in urban ones (13.1 percent). Typical rural provinces such as Luapula (64.9 percent), Western (64.0 percent) and Eastern (58.7 percent) are therefore the worst affected. Rural poverty is due to limited access to physical and social infrastructures, such as roads, electricity and medical facilities, which impede development.

This 'social crisis' of the 1990's should not be seen in isolation from the preceding decades. In fact, the cumulative heating up of the crisis is clearly traceable from the 1960's. Lack of social security nets, policy commissions and omissions, poor sequencing and pacing of structural Adjustment reforms, and endemic corruption had not only plunged Zambia deep into rampant and widespread poverty and unemployment, but also built up default systems that recycled poverty and inequality.

By the turn of the Millennium, the government had realized that social turbulences were not going to be self-adjusting without prudent policy instruments. On this realization, it embarked on repairing the social cracks, by:

- Adopting Poverty Reduction Strategy Papers [in 2000]
- Resuming to the NDP's [in 2002]
- The establishment of vision 2030 [in 2006]

The vision 2030 looks forward to facilitating Zambia's economic performance to a middle income country within two decades. These are commendable initiatives, and clear indicators which demonstrate the government's aggressive efforts to deliver development to its Citizens in line with the International Covenant on Economic, Social and Cultural Rights (ICESCR) to which the country is party to. One of the key initiatives the government came up with was through legislation, it enacted and passed the Citizens Economic Empowerment Act no.9 Of 2006 which act created the Citizens Economic Empowerment Commission.

1.2 Citizens Economic Empowerment Act

This act was assented to on 12th May 2006. It is an act to establish the Citizens Economic Empowerment Commission and to define its functions and powers; establish the Citizens Economic Empowerment Fund; promote the economic empowerment of targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies; promote gender-equality in accessing, owning, managing, controlling and exploiting economic resources; encourage an increase in broad-based and effective ownership and meaningful participation of targeted citizen, citizen empowered companies, citizen influenced companies and citizen owned companies in the economy in order to contribute to sustainable economic growth; remove social customs, statutory provisions or other practices that limit access to any particular gender to skills training that is essential for effective participation in the economic sector; promote the employment of both gender by removing structural and discriminatory constraints that hinder any particular gender from employment opportunities and in so doing ensure equitable income distribution; promote equal opportunity of targeted citizens and citizen empowered companies, citizen influenced companies and citizen owned companies in accessing and being awarded procurement contracts and other services from state institutions; promote Greenfield investment through joint ventures and partnerships between local and foreign investors in order to enhance broad-based economic empowerment; and provide for matters incidental to or connected to the foregoing.

The objectives of the Act include among others:

1. The establishment of the Citizens Economic Empowerment Commission
2. Establishment of the Citizens Empowerment Fund
3. Promoting the empowerment of targeted citizens
4. Promoting investment through fostering joint local and foreign ownership of companies.
5. Support the development of broad based empowerment programs.

The Fund is vested in the Commission and is managed and administered by various financial institutions and fund managers. The creation of the CEEC was aimed at empowering citizens through the empowerment fund. To achieve this, citizens apply through the commission in order to access the funds. The commission has since come into operation and funds have been disbursed to various individuals and companies in different sectors. The key questions include: what is the impact of the CEEF on the funded project in terms of employment creation, its contribution to the business development, which sectors are performing better as a result of the CEEF, is the CEEF being utilized accordingly by the recipient among other questions.

This study assesses the impact of the citizen economic empowerment in terms of employment creation among the funded projects in Lusaka. The first part of the dissertation is the abstract which is followed by the acknowledgement. Chapter 1 is the introduction which is followed by chapter 2 which is the literature review. Chapter 3 is the research hypothesis. Chapter 4 is the methodology while chapter 5 contains the research findings and analysis. The discussion and interpretation of the findings are found in chapter 6. Chapter 7 is the last chapter and contains the conclusion and the recommendations.

1.3 Statement of the Problem

Since its inception in 2008, the Citizen Economic Empowerment Commission (CEEC) has approved and funded a number of projects to empower the targeted citizens. Many individuals and companies have benefited from these funds. However there appears to be no known attempt to assess the Citizens Economic Empowerment Fund (CEEF) among the projects which have benefited in terms of employment creation and the general impact of the whole programme on the funded projects.

This has resulted in the growing concern among the general citizenry that there is no close monitoring or assessment of the impact of the CEEF on the beneficiaries and what contribution it is making in terms of employment creation

and whether or not the whole programme is producing the desired results on the funded projects. The general feeling is that unless the impact of the empowerment fund is measured it may be an exercise in futility.

The study attempts to assess the CEEF on employment creation and tries to provide insight into the progress or none progress there is in terms of general company performance so as to help formulate policies that support CEEF and help target viable projects.

1.4 Rationale

The evaluation of the CEE is crucial for the continued support to the beneficiaries, and successful implementation of the programme. One of the main challenges facing CEEC is the efforts to improve the implementation of the CEE programme because there has been no any direct evaluation which has been done to measure the impact of the programme this far of the different programme which has been funded. However, various literature has shown that with good implementation the programme has potential to create jobs, improve company operations and lives of the people. Therefore, there was need to obtain an understanding of the impact of CEE since it started. Through this study, more insights have been established on the impact of the CEEF in terms of employment creation, general performance of the different projects which have received the funds and whether they are contributing to economic growth. Of the three categories funded by the CEEC that is the women, disabled and the youth, all the categories were selected in order to get a majority representation of the Zambian population and thus provided a good sample for the study. The rationale is that findings of this study will contribute to policy formulation, practice or theory

1.5 Objectives

The general objective of the study was to generate knowledge and stimulate debate on how the CEEF has been implemented by analyzing the impact of the

Citizen Economic Empowerment Fund in terms of employment creation and performance (production/sales)

Specifically the study sought to address the following objectives:

- Establish the major changes in the companies after receiving the funds
- Assess the employment status of companies before receiving funds
- Assess whether employment levels increased after receiving the funds
- Assess the production or performance levels after receiving the fund

1.5.1 Research Questions

1. What are the major changes after receiving the CEE funds in terms of employment both full time and part time?
2. What are the major changes after receiving the CEE funds in terms of performance/production?
3. How do you describe the production/ performance of the company prior to and after receiving of the funds?
4. What are the employment levels before and after receiving the funds

1.5.2 Research hypothesis

- There is a positive correlation between receiving of the funds and increase in employment levels
- There is a positive correlation between receiving of the funds and increase in production/sales
- There is a positive correlation between receiving of the funds and company stability
- There is a positive correlation between receiving of the funds and increase in capital base
- There is a positive correlation between receiving of the funds and company expansion

1.5.3 Theoretical framework

The research adopted the methodology of primary research design to assess the impact of CEEF on employment creation. The assessment of CEEF's impact on employment creation was done through interviewing key organization decision makers such as (managing director, assistants director, managers, accountants among people of such cadre in organizations) of the funded projects on the levels of employment before and after receiving the funds and comparing the similar policies in other countries.

1.5.3.1 Independent variable

- Citizen Economic Empowerment Fund

1.5.3.2 Dependent variables

- Employment creation – employment levels
- Company performance
- Company stability
- Company diversification

CHAPTER 2

1. LITERATURE REVIEW

2.1 Introduction

This section of the report provides some literature on Citizen Empowerment. It begins by providing the conceptual and operational definition of Citizen Economic Empowerment (CEE). This is followed by further comparative analysis and then links CEE to the Development Frameworks. This section concludes by looking at the impact of Citizen Empowerment programmes.

2.2 Conceptual and Operational Definitions

2.2.1 Citizen

According to Johnson 1998, a citizen is defined as a person that is legally recognized as a member of a state, with associated rights and obligations; a member of a state that is not a monarchy; used as antonym to subject; a person that is a legally recognized resident of a city or town.

In this study a citizen shall mean any person who is a Zambian by birth or by renunciation of their previous citizenship and duly registered under Zambian regulations as such, regardless of gender, religious affiliation, tribe or race.

The concept of citizenship shall refer to a person's membership in a political community such as a country or city. It has different legal definitions in different countries. In countries with democratic institutions, usually only citizens are allowed to vote, or to carry a passport from that country. In this case it refers to membership of a country called Zambia either by birth or registration. This concept helps understand the difference between a citizen and a resident of a country. There are foreign citizens who are resident in Zambia whom this study does not recognize as citizen unless they are duly registered as such and are holders of a green national registration card and Zambian passport.

2.2.2 Empowerment

According to Abdalla Gergis (1999), empowerment is seen as a response to the failure of modernization and “trickle down” economics of the 1970s and the 1980s, and the widespread perception of the State’s inability to intervene successfully on behalf of the poor or other disempowered groups in the society.

In Zambia, empowerment has been understood to mean a set of policies or programmes designed to benefit a specific segment of the society. There is a widespread perception or belief that most citizens are disempowered by temporary residents from other countries who command more economic power in business in the form of investment, higher technical skills and entrepreneurship. Thus some interpret the concept of citizen economic empowerment to mean the creation of indigenous business elite to rival the more successful foreign business interests within the country.

Empowerment, however, is a complex and often misunderstood concept. It is located within the discourse of community development and is connected to concepts of self-help, participation, networking and equity. While it has acquired a considerable aura of “respectability”, even “social status” within the vocabulary of development, it has not yet acquired a socially agreed content. It is also one of those concepts whose full implications people do not realize when they use it.

Within the development community, empowerment has been used to refer to the following:

- Popular participation, a concept that has gained increased popularity within the development agenda;
- Promotion of community development through self-help with emphasis on the process, rather than on the outcome of particular development projects;
- Transformation of economies into self-reliant, endogenously developed communities; and

- Good Governance, legitimacy and creativity for a flourishing private sector.

Gergis, (1999), argues that Empowerment is as much about taking charge of the process of making decisions, as it is about the achievement of empowerment goals. Government, therefore, should not impose empowerment from above, because empowerment has to be an objective the individual must strive to achieve.

According to Rappaport (1987), “empowerment conveys both a psychological sense of personal control or influence and a concern with actual social influence, political power and legal rights”. McArdle (1989) defines empowerment as “the process whereby decisions are made by people who have to bear the consequences of those decisions”. This implies that it is not the achievement of goals, but the *process* of deciding is as much important. However, people who have achieved collective goals through self-help are empowered, as they have through their own efforts and by pooling their knowledge, skills and other resources achieved their goals without recourse to an external dependency relationship.

Clearly, there appears to be no common understanding of the empowerment concept among the various stakeholders. Furthermore, the above interpretations of citizen economic empowerment look at different factors to mean empowerment. However, in this report empowerment is defined as the process of obtaining these basic opportunities for marginalized people, either directly by those people, or through the help of non-marginalized others who share their own to access these opportunities.

2.2.3 Economic Empowerment

The Long Term Vision for Zambia (Vision 2030) states that "there is a challenge to find concrete strategies to ensure citizen empowerment and to maximize the

participation of citizen-owned companies in the economy". This implies that not every citizen can be empowered.

The most obvious candidates for empowerment among the citizens of Zambia are the marginalized, disabled, the children, the elderly, women, the poor, the unemployed. In the process of empowerment, the poor also deals with their environment. Each of those candidates is either inherently powerless (the children, the elderly and the disabled) or have been disempowered by a higher authority or circumstance (women, the poor, racial minorities, and the youth).

Consequently, economic empowerment is described as empowering of the disadvantaged sections of the population economically by providing incentives for self-sustenance and growth. It also means an integrated broad based and multi-faceted strategy aimed at substantially increasing meaningful participation of targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies in the economy and decrease income inequalities. (CEEA, 2006)

2.2.4 Citizens Economic Empowerment

Citizen Economic Empowerment is a socio-economic process through which citizen are motivated to enhance their belief in self-efficacy, to improve their abilities to control their own resources, and to unleash their creative and productive energies to achieve sustainable improvement in their living standards. This can be achieved by improving citizens' technical skills, their knowledge and their abilities to adopt modern business management techniques.

Citizens Economic Empowerment is where every citizen, not just a few influential and politically situated, must be inspired and educated to participate and be involved in the commanding heights of the national economy; that adherence to good political and corporate governance to ensure a predictable, transparent, consistent, accountable and enabling economic environment; and that empowerment is not an event, but a process. The success of citizens economic

empowerment should be judged on how effectively the program incorporates and facilitates the participation in the national economy of those citizens who have been marginalized or disadvantaged on account of race, sex, education, status and disability, and whose access to economic resources and development capacity have been constrained. (Moyo,2009)

The need for bottom – up empowerment and social inclusion is also amplified by Mohan and Stokke (2000) who argue that in its earliest incarnation neoliberalism sought to remove the state from economic life and liberate market forces and the entrepreneurial spirit. After 15 years of largely unsuccessful adjustment and liberalization, the architects of neoliberalism began to soften and conceded a more positive role for the state and, second, awareness that development is a social process whose cultural underpinnings need to be understood. The combined effect of these two changes has seen the move towards multiple stakeholder approaches to development involving partnerships between state, private capital and civil society.

Mayo and Craig (1995) also argue that what revised neoliberalism and post-Marxism share is a belief that states or markets cannot and should not be solely responsible for ensuring social equality and welfare growth. Local actors, knowledge and interventions are key features in both ‘new’ Right and ‘new’ Left conceptualizations of development.

The holders of the power of knowledge advance the view that both the market and the State have failed to provide for the poor or the powerless. Therefore, what is needed is new ideas and new leadership from the civil society to find a third alternative to capitalism and socialism. (Gergis, 1999)

2.3 Further Comparative Analysis

Developing countries have recognized that empowerment programmes are more important to national development and are a vehicle to job creation. Citizen empowerment brings a lot of benefits to implementing countries such as employment creation, reducing poverty, improved company performance among others. Further these factors contribute to building competitiveness. (Lahiri S, 2008)

The Zambian economy has recorded impressive growth over recent years, but this positive development has not yet been translated into broad-based wealth and employment creation. Wealth creation is limited to a minority of the population (particularly in urban areas) and income inequalities are rising.

The Fifth National Development Plan (FNDP) notes that “the improved economic performance since 1999 has not significantly reduced poverty”, due to weak linkages between the capital intensive sectors which have driven growth and the rest of the economy. Neither has growth translated into a commensurate increase in jobs. According to the 2007 labour force Survey report, of the 6,184,000 people in the labour force, about 700,000 are formally employed, and the remainder is either engaged in the informal economy or unemployed. These statistics reflect a pervasive lack of employment and entrepreneurial opportunities throughout the Zambian population.

The apparent breadth of the definition used by the Citizens Economic Empowerment Act (2006) to describe a ‘targeted citizen’ for empowerment underlines this. The lack of opportunities for decent employment holds back human development, perpetuates inequality, exacerbates poverty, and limits the prospects for achieving the MDGs. Such Decent Work deficits are highlighted in Government’s National Employment and Labour Market Policy; given prominence in the FNDP, and are at the core of the ILO Decent Work Country Programme, which includes employment as one of its four pillars.

These issues are particularly pronounced among certain sections of the population, notably women, young people and people with disabilities. These groups face particularly acute challenges in relation to technical and business management skills; market access and information; access to capital including collateral; and must often overcome barriers related to confidence and social status. Furthermore, in the 2007 Labour Force Survey, over half of women in the labour force are unpaid family workers, while 34% and 12% are self-employed and paid employees respectively. Of these, 77.7% of the female labour force works part-time. In contrast, 51% of the male labour force is self-employed and 22% are paid employees, and 67.4% works part-time. Under-employment among employed people is highest among the 15-19 age groups (88.8%) and female workers have higher under-employment rates than their male counterparts in all age groups.

This situation is incompatible with Zambia's long-term development objective, as articulated in the National Vision 2030, of becoming a prosperous middle income country by the year 2030. The associated goals call for policies that accelerate and sustain economic growth, which will enable the poor to participate in, and benefit from, the growth process. The focus of the FNDP is hence on pro-poor, growth-oriented sectors that create employment and income opportunities for the poor, under the theme of "*Achieving Broad Based Wealth and Job Creation*".

Private sector development initiatives by the Government of Zambia and its development partners have been designed to unlock the potential of MSME as the main engine for broad-based growth and employment creation. However, this has not yet been realized because of several other factors which affect the MSME market such as lack of capital, operational costs, operating in an informal sector. While some ongoing programmes do have a focus on MSME, few of them use labour-intensity as eligibility criteria, and few of them deliberately aim at unlocking the full potential of women entrepreneurs as a driver of growth. To enable the poor to participate in, and benefit from, the growth process in Zambia,

there must be a focus on MSME development, and within the target market to further focus on subgroups with untapped growth potential and with high employment creation potential, and on innovative mechanisms to release creative entrepreneurial energy. However, despite all these efforts, currently there is no reliable detailed database for the MSME to further programme how best this sector can best benefit from the different viable job creation ventures such as the CEE. Despite this, it should be noted that Government in partnership with the stakeholders is keenly pushing for the development of the detailed MSME database.

Existing provision of business development service (BDS) support to the MSME sector is fragmented and unstandardized, and key actors lack the necessary capacity to improve service delivery to MSME. BDS providers have generally not tailored their service offer to the specific needs of MSME or segments of the MSME market. Many BDS providers have avoided the MSME sector on the assumption that it does not provide a sufficient or lucrative market. There has been insufficient attention paid to developing the capacity of BDS facilitators and BDS providers to improve their service delivery. Some interventions in the BDS market have undermined it by competing with existing BDS providers, often at subsidised rates. This is however among some of the factors which the CEE is aimed at addressing as the Government has recognized the gaps in the other initiatives which have been put up to address empowerment challenges.

Ongoing PSD interventions have not yet fully exploited the potential of large-scale businesses as strategic partners in the development of MSME. Business linkages between MSMEs and large companies, whether foreign or domestic, can not only provide a market for MSMEs, but also opportunities for upgrading through technology and knowledge transfer have not been fully exploited because the MSMEs have not reached a certain level to partner and do not have enhanced access to finance. The CEE is designed by and large to address the established gaps.

Furthermore, these opportunities have not been fully mapped, let alone exploited. The institutional framework tends to reinforce the disconnect between efforts to attract large investors and to encourage MSME development respectively. The establishment of the Zambia Development Agency (ZDA), which incorporates the functions of the Small Enterprise Development Board as well as the Zambia Investment Centre, offers an opportunity to resolve this disconnect. However, given that investment promotion and MSME development remain in separate Divisions within the new ZDA, this will require concerted effort.

According to S K Mwenechanya (2007), Job creating economic growth, of above 7% of the GDPs of most developing economies experiencing high levels of poverty, offers the most potent strategy for eradicating poverty at a rate consistent with achieving the Millennium Development Goal, MDG, of halving poverty levels by 2015. Globally, indications are that job creation in informal economies, particularly in developing economies is growing at a much faster rate than the job creation in formal economies. Today informal sectors, in most developing economies, account for far greater numbers of jobs than those in the formal sectors. This trend is being accentuated by “the impact of globalization, liberalization, privatization, migration, industrial reorganization and macro-economic policies”

Zambia powerfully illustrates the need for poverty eradication through empowerment of informal businesses. According to the 2005 Labour Force Survey (LFS), the vast majority of Zambia’s working population is in the informal sector which accounts for 3.18 million out of an estimated workforce of 4.13 million. As a developing country with 68% of its population in poverty and 53% experiencing extreme poverty, the country’s need for new jobs is enormous if it is to meet its MDG on poverty by 2015. The 2009 Employment Inquiry Survey results showed that formal sector employment rate stood at 15%, which was 671,246 of the total labour force. This shows an increase as compared to the

2008 Labour Force Survey results which showed that formal sector employment stood at 511,338 (or 11% of the total labour force).

According to the Zambia 2010 Census Report, out of 4,259,170 persons in the labour force, 3,704,170 persons were employed, representing 87.0 percent of the labour force. Out of the employed population, 57.0 percent were male and 43.0 percent were female. The results further showed that there were more employed persons in rural areas (66.1 percent) than in urban areas (33.9 percent). In rural areas, female employment accounted for 71.9 percent while male employment was at 61.6 percent. As for the urban areas, there was higher male employment (38.4 percent) than the female employment (28.1 percent).

The dilemma for Zambia is that its entrepreneurial and productive capacities are being severely under-exploited in the informal sector while the capacity of the formal economy to generate jobs through the expansion of formal enterprises is limited. Formal sector jobs have been shrinking in relation to the nation's population growth rate.

Clearly a major challenge for the Government in addressing poverty is to facilitate job creation and increase the number of productive and sustainable jobs. As the above figures show the formal sector is not succeeding in meeting the desired levels of employment. On the other hand, the informal sector boasts a large number of struggling little businesses and a large number of "jobs" which are characterized by low productivity, low pay generally below the poverty datum line and poor working conditions. The MDG of halving poverty by 2015 and Zambia's Vision of becoming "a prosperous middle-income nation by 2030" cannot be met by strategies solely focused on the formal economy.

The lack of opportunities for decent employment holds back human development, perpetuates inequality, exacerbates poverty, and limits the prospects for achieving the millennium development goals (MDGs). Such Decent

Work deficits are highlighted in Government's National Employment and Labour Market Policy; given prominence in the FNDP, and are at the core of the Zambia Decent Work Country Programme, which includes employment as one of its four pillars.

These issues are particularly pronounced among certain sections of the population, notably women, young people and people with disabilities. These groups face particularly acute challenges in relation to technical and business management skills; market access and information; access to capital including collateral; and must often overcome barriers related to confidence and social status.

For this to happen, considerable institutional support and skills training and skills enhancement are required. Indirectly, affirmative measures in support of business activities in the informal sector have been taken legislatively. Disadvantaged Zambians are being targeted for increased business opportunities under the newly-enacted, Citizens Economic Empowerment and the Broad Based Wealth and Job Creation programme.

The CEE programme was established to improve and enhance access to finance by the target beneficiaries and the companies while the Broad Based Wealth and Job Creation programme aims to address development challenges by stimulating demand for business development services at enterprise and national level by building capacity of facilitators and providers of business development services through strengthened policy, dialogue, coordination and implementation.

2.4 Links to Development Frameworks

This programme is a direct response to Zambia's Fifth National Development Plan, whose theme is 'Achieving Broad Based Wealth and Job Creation'. It is a contribution to Zambia's long-term development objective, as articulated in the National Vision 2030, of becoming a *'prosperous middle income country by the year 2030.'*

The associated goals call for policies that accelerate and sustain economic growth, and which enable the poor to participate in, and benefit from, the growth process. The theme of the Fifth National Development Plan is achieving Broad Based Wealth and Job Creation (BBWJC). This programme aims to contribute to this objective, in particular by stimulating investment, entrepreneurship and employment creation within the micro, small and medium enterprise (MSME) sector and through pro-poor business models.

Government's position on informal sector enterprises is equivocal, to say the least. On one hand, official statistics acknowledge that the informal sector provides most of Zambia's employment and that the sector accounts for a significant proportion of economic activity in the country. (ILO Report VI, 2002)

According to the National Vision 2030, an important and highly relevant objective to informal sector enterprises is to encourage an increase in broad-based and effective ownership and meaningful participation of targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies in the economy in order to contribute to sustainable economic growth. Most informal sector operators come within the purview and objective of the empowerment legislation. According to the CEEC Act, the principal task of the Commission established under the Act is "to promote the empowerment of citizens that are or have been marginalized or disadvantaged and whose access to economic resources and development capacity has been constrained due to various factors including race, sex, educational background, status and disability.

This is a fitting description of most business operators in the informal sector. With the possible exception of the race factor, informal sector enterprises are populated by citizens marginalized through sex, educational background, status and disability. A CEE Fund is established under S.29 as a source of funding for supporting the development of broad based economic empowerment

programmes. Among other purposes, the Commission will use the funds to render development services to companies within its statutory scope so as to enable them access financial resources.

As a way of promoting the development of indigenous investments, the development of the MSME policy was initiated while the Citizen Economic Empowerment Commission (CEEC) was operationalized in order to facilitate citizens' contribution to the economy in 2007. The Citizenship Economic Empowerment Commission (CEEC) and the Triangle of hope have been established. The focus of the Triangle of Hope is on consolidation of all developmental funds through creation of a specialized and dedicated fund in order to promote local entrepreneurship, investment and with particular relevance to informal sector enterprises. (S.K Mwenechanya, 2007). The programme relates in particular to the Employment and Labour chapter of the FNDP, and to the Private Sector Development (PSD) Reform Programme, which is described in the FNDP as the main instrument for improving the business and investment climate in Zambia during the FNDP period.

Of the various PSD reform areas, the programme relate most closely to Citizen's Empowerment, whose objective is to "unlock the growth potential of citizens through business development support and empowerment initiatives." Further, the main purpose of the Empowerment Policy and legislation is to provide a durable and sustainable foundation for achieving a significant level of citizen participation in business and the economy in general so as to contribute to the attainment of the desired sustainable and balanced economic growth. (Economic Report, 2008)

This CEEC is a direct response to Zambia's FNDP, whose theme is 'Achieving Broad Based Wealth and Employment Creation'. It is a contribution to Zambia's long-term development objective, as articulated in the National Vision 2030, of becoming a 'prosperous middle income country by the year 2030' (Economic

Report, 2008). The CEEC further relates to a particular Employment and Labour chapter of the FNDP, and to the Private Sector Development (PSD) Reform Programme, which is described in the FNDP as the main instrument for improving the business and investment climate in Zambia. (FNDP Annual Progress Report, 2010)

Of the various Private Sector Development reform areas, the program relates most closely to Citizens' Empowerment, whose objective is to "unlock the growth potential of citizens through business development support and empowerment initiatives." Further, the FNDP notes that the "main purpose of the Empowerment Policy and legislation is to provide a durable and sustainable foundation for achieving a significant level of citizen participation in business and the economy in general so as to contribute to the attainment of the desired sustainable and balanced economic growth." (FNDP Annual Progress Report, 2010)

Empowerment has been at the center of a shift in thinking about economic development as a response to the failure of modernization and trickledown economics. To be empowered, it is important to be aware of one's own capabilities and creative energies. Empowerment is as much about taking charge of the process of making decisions, as it is about the achievement of empowerment goals.

The programme is also in line with the Zambia Development Agency (ZDA) Act, particularly Part V (Micro and Small Businesses). The programme works closely with the ZDA as its internal structures and capacities are defined and developed, in order to maximize synergies between the ZDA's various elements and service offers. In particular, the programme seeks to build alliances between the current MSE Division and the Investment Division in relation to business linkages and by supporting a structured approach to pro-poor investment promotion and facilitation.

The programme supports the implementation of aspects of the Citizens Economic Empowerment (CEE) Act (2006). The programme work closely with the CEE Commission to ensure all programme activities are aligned with the framework of the CEE Act; monitor the impact of the Act on the MSME sector through collaboration with business associations including ZCSMBA, identifying and recommending measures to enhance impact; and develop the capacity of the Commission through the provision of policy advice, drawing on international best practice.

The programme is further in line with the Ministry of Labour and Social Security (MLSS)'s National Employment and Labour Market Policy, which highlights promotion and support to MSMEs, and identification and support for job and business opportunities for men and women. Furthermore, the programme will contribute to the development of a labour market information system, which has been recognised as a priority by MLSS. (Economic Report, 2008)

Bennett (2002) defines social development as “development that enables poor people to take actions to help themselves. This implies that development strategies begin with poor people’s aspirations and needs and focus on supporting institutions (including markets) that are inclusive not only of those with money and power, but also of the poor and marginalized.”(2002). The CEEA defines targeted citizens as including those that are marginalized.

From the above it is simple for one to deduce that the CEEC was formulated partly with the view to empower the marginalized in order to bring about economic growth through Employment creation by broadened citizen participation.

The World Bank has also recognized the need to empower citizens and to ensure that those that have been economically and socially excluded are brought on board in order to assist them to have access to the resources of the nation.

The recognition of the CEEC does not only end with the key institutions but also the end beneficiaries have also welcomed the initiative.

“I agree that the CEEC is long overdue but we thank the current administration for such an initiative. Indeed if well implemented it will surely contribute to Zambia’s economic performance and probably help the country achieve the target of 7% rise in economic performance. It will help a great deal if the CEEC presents more information on how the ordinary citizen, and not just the few elite, can access this empowerment.”
(Makasa 2008)

There is emphasis on the need to empower the citizens but what has been observed from the reviewed literature is that there is a question of what is the impact of the CEEF in terms of its contribution to economic growth through Employment creation. The fact that the CEEF has been implemented for a while and a number of projects in the different sectors have benefited, there is a gap in terms of the existing literature of what exactly has been the impact of the CEEF since its inception in terms of its contribution to economic growth and its employment creation. The table below shows the total number of projects which have been funded in the different sectors.

Table 2.1: Number Projects and Approved and Funded by Sector

Sector	Number of companies
Agriculture	102
Manufacturing	99
Trading	92
Tourism	58
Services	30
Transport	20
Education	18
Construction	13
Inform & technology	10
Forestry	10
Energy	6
Engineering	6
Health	5
Mining	2
Arts & culture	1
Total	472

Source: CEEC Report 2010

This is a major challenge especially when it comes to making decisions of its continuity and whether exactly it's achieving its purpose. The gap that exists between the implementation of the CEE and other empowerment projects is the issue of how exactly CEEF has impacted on the marginalized.

According to the Zambia 2010 Census, the national youth policy defines a youth as any person aged 15- 35 years. The youth population in the labour force was 2,487,764 representing 58.4 percent of the total labour force. Of these, 56.9 percent were male while 43.1 percent were female. In terms of rural-urban residence, 61.9 percent were in rural areas and 38.1 percent in urban areas. Out of the 2.5 million youths in the labour force, 16.7 percent were unemployed. The highest youth unemployment rate was in the age group 20-24 years at 23.5 percent while the lowest rate was for youth population in the age group 30-35 years at 10.2 percent.

2.5 Impact of Empowerment Programmes

Since the 1990s, there has been a new paradigm shift in development thinking. Empowerment has been at the center of this paradigm shift and the attempt to re-conceptualize development and development strategies aimed at poverty alleviation, particularly in the developing nations. It has been widely acknowledged that development from the human paradigm is the way forward for developing countries.

In line with this new thinking, the Human Development Report [UNDP 1993:1] states that *“development must be woven around people, not people around development – and it should empower individuals and groups, rather than dis-empower them”*. This rethinking has been brought about by the fact that despite decades of development assistance accompanied by growth in some instances, the number of people who are in absolute poverty continues to increase

This section of the report examines the impact of the empowerment programs on employment creation and the contribution of the economic empowerment among

its citizens. There seems to be a gap in the measurement of the impact of the CEEC on employment creation in Zambia as earlier mentioned. Therefore, most of the illustrations given under this section are drawn from other countries which have implemented similar policies or programs to measure the impact of the programs.

Citizen empowerment is becoming increasingly more important to national development. Citizen empowerment is seen to bring more benefits to citizens such as employment creation (both direct and indirect), a revamp of local business, profitability among other benefits. Further all these factors contribute to business competitiveness (Lahiri 2008)

Asiedu and Esfahani (2008) concluded in their research that citizen empowerment has become the main source of developmental capital for small and medium enterprises. In the same context, South Africa, has implemented a major national broad based programme known as the Black Empowerment (BEE) in an attempt to correct imbalances caused in the apartheid regime where the majority of the population were systematically excluded from political and economic participation (Mandla 2009).

BEE is an expansion and codification of the 1990s-era policy of the African National Congress (ANC) to promote black capitalism primarily through the transfer of corporate ownership. In practice, however, black economic empowerment's original focus on corporate ownership benefited only a small number of well-known and politically connected individuals, while the vast majority of blacks continued to be disadvantaged and corporate ownership remained mostly white. In addition, issues of transparency have stymied efforts to determine the true extent of black ownership, even for Johannesburg Stock Exchange (JSE)-listed companies. BEE seeks to move beyond the simple substitution of black owners and workers for white ones by restructuring economic institutions comprehensively and focusing on direct and indirect

empowerment and human capital development. Although corporations are concerned about the prospect of black economic empowerment becoming too widespread, they have acknowledged its importance and, as the main drivers of economic growth, have had a considerable hand in shaping BEE. The programme is directly linked to expansion of the economy base and the restructuring of the society. Rather than being a cost, BEE has become the new driver of economy growth.

There are a variety of forms of BEE enterprises which have forever altered the anatomy of a typical South African transaction whether it involves local or external companies operating in the republic. These are as follows:

- Black Owned and Black Controlled Enterprise
- Black Empowered Enterprise
- Strategic Partnerships
- Black Women-owned Enterprise
- Broad-based Empowerment

The different categories indicate the different thresholds which qualify a company as being “empowered”. Certainly a company doing business in South Africa cannot avoid its equity obligations under the BEE Act or a plethora of other laws dealing with employment equity. A company operating in South Africa therefore finds itself faced with a social responsibility in spite of its over-arching intention to make a profit. There have been comments comparing BEE Charter requirements to those of India in the 1970s during which period the socialist government feared that the country’s economy would be dictated by multinational companies.

Based on constitutional principles and statistical figures the BEE laced transactions and companies are not a hindrance but rather a positive development for investment and the lofty aspirations of reducing poverty and inequality. First, the South African empowerment charters are not nearly as

severe as the Indian regulations of the 1970s. The main objective of South Africa's equity laws is to reverse the inequalities of the past. The concerns over vagueness and lack of clarity and consistency with regard to BEE Charters and Regulations are obviously justified.

Broad Based BEE is recognized as the greatest strategic issue in the South African business environment. It presents at the same time opportunities, threats and challenges to companies of all sizes and in all sectors. (Balshaw and Jonathan, 2008)

Creating new employment leads to more citizen economic empowerment than providing preferential treatment for citizens in filling existing employments. South Africa has, despite its numerous policy-making commitments, emphasized and prioritized the need to include BEE partners in strategic economic processes, such as the restructuring of state-owned enterprises (SOEs 2009). Consortia for major concessions, procurement contracts and privatizations are all needed to include a Black empowerment component in the bids to qualify.

Indeed, this provision for involvement by black stakeholders has been a crucial mitigation of neoliberal macroeconomic policies for a socialist movement that has been forced by globalization to accept the model of a smaller state role. This outcome has, however, had consequences for other stakeholders.

In particular, the measurability of equity ownership has encouraged an emphasis on ownership rather than on the 'softer' but equally important issues of skills transfer, employment equity (a set of targets that inform affirmative action programs) and small, micro and medium enterprise (SMME) procurement and development when assessing BEE criteria. (Interestingly, the Department of Public Enterprises, in charge of the restructuring of SOEs, is placing increasing emphasis on employee shareholding as a means of ensuring broad based beneficiaries.)

According to Stephen Gelb (2008), the impact and nature of citizen empowerment, is profoundly important to understand when shaping appropriate policy responses. Probably of greatest importance, the survey and cross-country findings suggest citizen empowerment policies or program is not likely to be a panacea for problems such as unemployment. The survey was informed by the responses of 162 respondents. The positive finding, however, was that employment growth had increased, albeit off a low base. One third of firms, doubled in size. Increased employment levels could possibly be explained by the relatively good scores on introduction of the BEE.

Figures were also disappointing. Almost 40% of firms had less than US\$1- million of capital stock in 2000, and a further 30% between \$1m and \$5m. This is despite positive findings on profitability and revenue – 46% of firms felt their expectations in this aspect had been ‘all or mostly’ met, 43% viewed these areas as ‘partially’ met and only 11% ‘hardly’ met.

In terms of black economic empowerment, equity was the least important component – 6% of firms had an empowerment shareholding at the time of entry, which had doubled to 12%, while 46% of companies have more representative executive management and 52% of firms employ black professionals.

As BEE extends into all parts of the South African economy, it redirects existing investment capital and creates new impact investment opportunities and employment. It creates opportunities to finance equity transfers to blacks to expand diversity and equality in corporate ownership, and supports the growth of black-owned businesses of all sizes through procurement. (Balshaw and Jonathan, 2008)

The publication of BEE scorecards help investors to identify companies that have positive social impacts, and companies with high scores are likely to benefit from

preferential business agreements with the government. Further, individual industry transformation charters have their own collateral investment impacts, as the Financial Sector Charter (FSC) does by focusing on increasing access to financial services in underserved and disadvantaged black communities. Many companies in South Africa that do not rely on government contracts or licenses have not met BEE requirements because there is no impetus for them to do so.

In Swaziland as elsewhere in many African countries, unemployment has been and is still a major constraint. In response to the unemployment situation in Swaziland, the term economic empowerment is used often nowadays by government officials. This is because of the earnest desire by the government to reduce unemployment and poverty among the people.

In response to the unemployment situation in the country, the Government of Swaziland formulated a National Development Strategy which focuses on the various possibilities of employment creation and poverty reduction in the kingdom (Ministry of Economic Planning and Development, 1999).

To implement some of the strategies, Swaziland Investment Promotion Authority (SIPA) was established under the Ministry of Enterprise and Employment with the main aim of attracting, encouraging, promoting, and facilitating local and Foreign Direct Investments (FDIs) in the country (SIPA, 2005). An analysis was done based on a survey data. Understanding the actual contribution made by the empowerment program. The empirical results showed that the industry created employment for 64% of the sample, most of them females. It also enhanced the general welfare of the people by improving family expenditures on education, health and ensuring food security. Consequently, it can be concluded that the industry has the potential to contribute significantly to the economic empowerment of the Swazi people.

Economic empowerment is a cornerstone of every country and a useful ground test to determine the effectiveness of existing developmental strategies. Both multilateral development banks and bilateral donors have significantly increased their investments in economic empowerment in recent years. It is increasingly acknowledged that investing in citizens becomes even more important in the context of the current global challenges. Evidence indicates that economic empowerment and citizens as agents of change, together with increased equality, are elements of the solution to the crises.

In Uganda, while commitments exist on citizen economic empowerment, progress in implementation has been slow. Concerns were raised about lack of accountability in implementing commitments already made on citizen empowerment and the threat of regression in some areas. The need to focus on all the elements of empowerment, such as education and health, was acknowledged.

In the literature there are some controversies about the impact of citizen empowerment programmes. However most of the authors recognize citizen empowerment programmes as being immensely important for employment creation and economic development. Empirical studies have found a positive correlation between citizen empowerment programs and Employment creation. (Lahiri, 2008)

Countries have identified the benefit to citizens among those, Employment creation, increased performance, and company stability and therefore are developing policies and incentives aimed at supporting citizen empowerment programmes.

In this competitive environment, Zambia has implemented its CEEC policy which is the greatest strategic issue in Zambian business environment today. The CEEC included instruments to determine ownership of companies, The Citizens

Economic Empowerment (CEE) initiative represents one of the most viable and realistic chances at effecting tangible income re-distribution in the economy and tackling poverty. In line with this, a fund called CEEF has been provided by CEEC. CEEF is a fund that was established under the CEE Act to support the development of broad based economic empowerment programmes such as skills development, capacity building, expansion projects, and start up business. The funds are provided by the commission for productive investments and are accessed at a cost. The interest charged is slightly lower than the market rate and charged between the inflationary and Treasury bill rate.

The CEE is a unique programme which has understandably brought excitement and raised many hopes among the citizenry all over Zambia. Much has been said about the CEE program since its inception. However, it is not that unique in that many countries have implemented different models of empowering their citizen as illustrated in the above literature. The common lesson for Zambia to note is that for economic empowerment programmes to work an economy has to grow, therefore Zambia should pay much attention on economic growth and key problems affecting the nation.

Reviewing the literature, it is possible to identify that there is a direct relation between Employment creation and CEEC instruments. However, there is a gap in the literature to describe the impact of CEEC on Employment creation in Zambia. This study was aimed at contributing to closing the gap by analyzing the impact of CEEC among the funded companies in terms of Employment creation amongst the funded projects in Lusaka.

CHAPTER 3

3.1 RESEARCH METHODOLOGY

The way in which research is conducted may be conceived of in terms of the research idea subscribed to, the research strategy employed and so the research instruments utilized (and perhaps developed) in the pursuit of a goal – the research objective(s) - and the quest for the solution of a problem - the research question. The study has outlined the research objectives and questions in Chapter 1. The purpose of this chapter is to:

- Discuss the research strategy, including the research methodologies adopted;
- Introduce the research instruments that were developed and utilized in the pursuit of the study objectives.

Superficially the research process appear to be relatively simple - if you carry out the basic steps methodically and carefully, then one should arrive at useful conclusions. However, the nature of research can be very complex

3.1.1 Research Design

There are two types of strategies used in research which include qualitative and quantitative methodology though desk research is one key other approach used in data collection. Many writers on methodological issues find it helpful to distinguish between, qualitative and quantitative research. The status of distinction is ambiguous, because it is almost simultaneously regarded by some writers as a fundamental contrast and by others as no longer useful or simply a false (*Layder, 1993*). However, there is little evidence to suggest that the use of the distinction is abating even though there is considerable evidence that its continued use is immaterial. The qualitative does not employ measurement while as the quantitative distinction does. Quantitative deals more with the numerical numbers which can be quantified while the qualitative is more of exploratory in nature.

3.1.2 Approaches

There is no consensus about how to conceptualize the actual undertaking of research. There are, however, two main traditions of approaching a research topic – **quantitative** and **qualitative**. Each approach demands different research methods. Therefore, the approach used contained both quantitative questions which were closed ended and qualitative which were open ended question. This implies that a semi – structured questionnaire was used during the study.

3.1.2.1 Quantitative research

The quantitative approach usually starts with a theory or a general statement proposing a general relationship between variables. With this approach it is likely that the researchers will take an objective position and their approach will be to treat phenomena as hard and real. They will favour methods such as surveys and experiments, and will attempt to test hypotheses or statements with a view to generalizing from the particular. This approach typically concentrates on measuring or counting and involves collecting and analyzing numerical data and applying statistical tests. Quantitative approach was for the closed ended questions which were quantified in terms of numbers during the analysis. This formed the core approach of the study.

3.1.2.2 Qualitative research

The alternative tradition is the qualitative approach. Here the investigator views the phenomena to be investigated as more personal and softer. He or she will use methods such as personal accounts, unstructured interviews and participant observation to gain an understanding of the underlying reasons and motivations for peoples' attitudes, preferences or behaviours. With this approach, the emphasis is more on generating hypotheses from the data collection rather than testing a hypothesis. This approach was used to gather data which was qualitative in nature. This approach was used to get more insight of particular questions. The main reason why this approach was used was to complement the quantitative data by giving some more explanation to some numbers.

3.2 Data collection method

This section outlines the methodology which was used in collecting data for the study. The researcher used tri – layered approach which included quantitative, qualitative methods and desk review through primary and secondary data collection respectively. A semi structured questionnaire was used which incorporated both close and open ended questions.

3.2.1 Desk Review

As part of the process, literature review to interrogate and formally report on the existing set of information that fits into the objective of the study was used. This acted as a reference point for verification of the information which was sought from during primary data collection.

Zikmud (2003) identifies many advantages of using desk research through secondary data review among them speed and lower costs. The secondary data used in the study was sourced from international reports and institutions which are recognise for high level data.

3.2.2 Quantitative and Qualitative research

Looking at the nature and objective of the study, a dual primary data collection methodology incorporating both quantitative and qualitative approaches was used during the study. This was largely due to the varying nature of the information to be sought, that is, the information needed from the target respondents was to be verified with some company document for cross referencing.

The qualitative phase used to gather information from targeted/specific individuals through open ended questions with key organization decision makers from the selected companies which received CEEF. The study further required quantifiable data such as number of workers which were measured quantitatively.

3.3 Rationale for the dual approach

It was imperative that the research provides evidence-based insight upon which to advance decisions and generalise the impact of the CEEF on employment creation. The information thus required needed to be detailed, diverse and credible. Collecting such comprehensive information called for exhaustive irreproachable process. The tri - layered integrated approach adopted in the overall design, together with analysis model incorporating qualitative feedback and data verification through desk research was considered a robust methodology to deliver such results.

This method was further preferred also because it was straightforward and the researcher knew that the respondents chosen had the characteristics typical of the target group under study.

3.4 Sampling of respondents

The respondents and the companies which were visited were collected from CEEC list and these were companies which had received the funding from CEEC. All the programmes which received funding were part of the sampling frame and considered to be the sample universe as this sample was purposive.

Therefore, the study entailed the involvement of the entire programmes that received the funding, however, due to limited time and resources; the sample size was restricted to Lusaka, as capital city of Zambia only. Lusaka was further considered because it had more programmes which received funding and of its centrality and its huge measure of economic activities.

A total sample of 25 interviews with companies who have received funds was proposed at the time of designing the study as shown in table 6.1 below. In deciding the sample size, care was taken to triangulate the type of information and analysis, confidence levels and the costs. As stated a sample size of 25 companies which had received the funding was therefore proposed. The sample achieved at total column allows for good analysis.

Table 3.1: Proposed sample against achieved

	Proposed Sample Size	Total number of achieved interviews
Number of companies	25	20
Total	25	20

3.5 Data Analysis

Analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of highlighting useful information, suggesting conclusions, and supporting decision making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, in different business, science, and social science domains. (*Saunders et al: 2000, 67*)

Data mining is a particular data analysis technique that focuses on modeling and knowledge discovery for predictive rather than purely descriptive purposes. Business intelligence covers data analysis that relies heavily on aggregation, focusing on business information. In statistical applications, some people divide data analysis into descriptive statistics, exploratory data analysis, and confirmatory data analysis.

Descriptive statistics include measures of central tendency (averages - mean, median and mode) and measures of variability about the average (range and standard deviation). These give the reader a 'picture' of the data collected and used in the research project.

All quantitative studies have some descriptive statistics, as well as frequency tables. For example, sample size, maximum and minimum values, averages and measures of variation of the data about the average. In many studies this is a first step, prior to more complex inferential analysis. Quantitative data was analyzed using Statistical Package for Social Scientists (SPSS). This software is preferred because it is user friendly hence its selection as a data analysis tool. The data was first entered in excel and later exported to SPSS for easy analysis.

The qualitative part was analyzed using content analysis where responses were grouped in similar thematic areas for easy aggregation and understanding of the trend of the data. Matrices were created to help identify patterns in the data. The matrices were created for the open ended questions for all respondents. Each row in each matrix represented one respondent. The matrices were useful in grouping the different responses within each theme, discerning differences and similarities between groups within themes, and making connections broadly between themes.

3.6 Study limitation

The basis for the sample was companies which had received funding from CEEC and they were based in Lusaka, as such the sample was **targeted** and not designed to be representative of the companies which had received funding in Zambia. This must be borne in mind when reading and interpreting the main findings of the survey and in the design of the sample.

A number of challenges were encountered during the implementation of the study:

- The list that was used to select companies for interview lacked important contact details and some of information was not updated. As an inevitable result, a number of companies were unable to be contacted, the achieved sample size therefore is somewhat lower than in the original proposal
- The focus of the Survey was companies which had received some funds in Lusaka - a limited number to choose from. Although this was taken account of in the designing of the sample and questions to administer to answer the objectives, it should be acknowledged that some respondents (especially those who may have something to hide) declined to be interviewed hence reducing on the response rate.

- Because of the nature of study and type of respondents to be interviewed that is the Managing Directors, Chief Executive Officer, these are busy people, this also contributed to the low response rate.
- Other respondents thought that they were being audited after receiving the funds thus were very uncooperative and unwilling to participate.

CHAPTER 4

4 RESEARCH FINDINGS AND ANALYSIS

4.1 Demographic Data

The majority of the respondents were males represented by 85% with only 15% being females. There were more (50%) of the respondents in the 41+ age groups followed by those in the 36 – 40 years age group (30%). One fifth of the respondents were in below the age of 30 as shown in table 5.1. According to Economic Empowerment through MSME Development: 2008, “Sex of the owner-manager, the program applies affirmative action towards female entrepreneurs”. These findings do not to some level represent the principles of the CEEC which is aimed at supporting the women and youths as the result shows the exact opposite in that more women and youths have not accessed the funds. There could be also two possible explanations to these findings that is, firstly, very few women and youths have applied for the funds so far or that the proposals submitted by women and youths do not meet the expected standards for funding.

Figure 4.1: Sex of Owners of the company

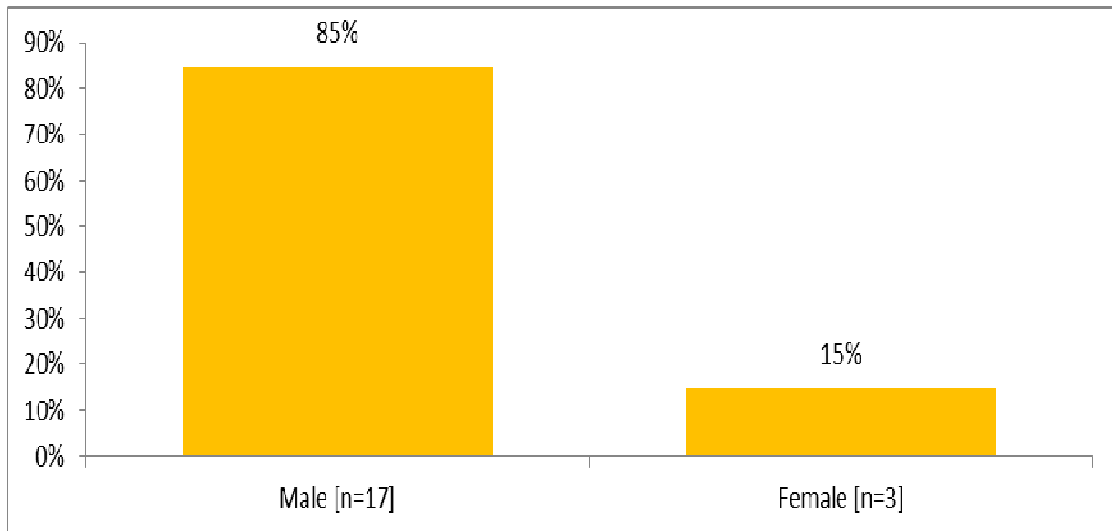
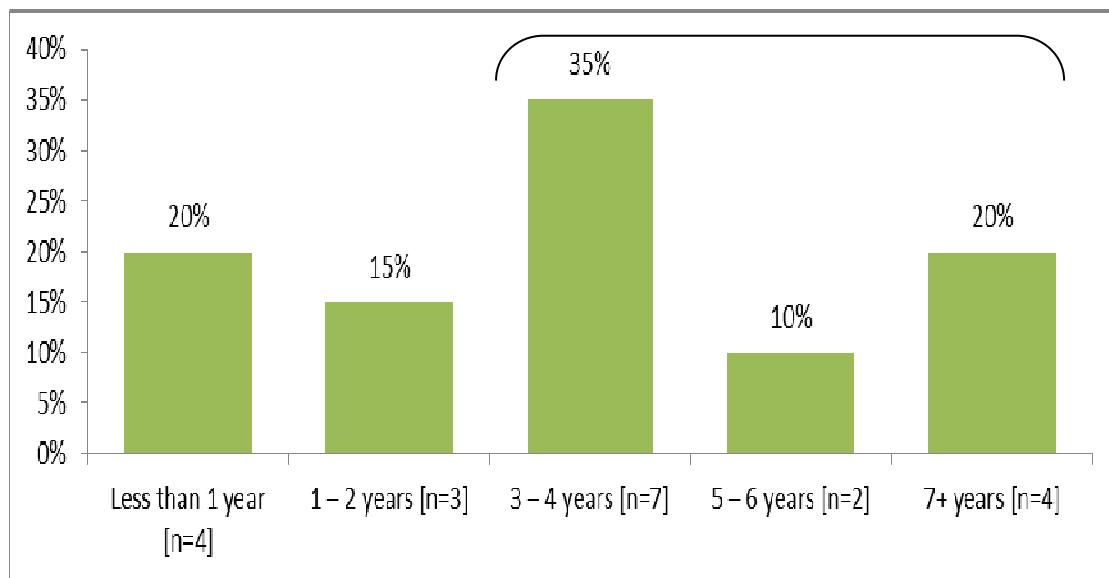


Table 4.1: Age of respondents

Age	Frequency	Percent
18 - 25 years	2	10%
26 – 30	2	10%
36 – 40 years	6	30%
41 +	10	50%
Total	20	100%

The respondents were asked how long their businesses have been in operation. There was an even distribution in terms of the years the companies have been operating. For those who have operated for less than 1 year and those who have operated for more than 7 years. Slightly over a third, who were more, indicated that their businesses have been operating between 3 to 4 years. In principle the majority (65%) of the companies had been operating for at least 3 years as shown in figure 4.2.

Figure 4.2: Period the company has been operating



The respondents were asked what position they were holding in their respective companies; the majorities (90%) of the cadres were either Chief Executive Officers or Directors of the companies. This was followed by those who indicated that they were managers and assistant manager with a partly 5% each. This was

good for the survey as the information required for the survey needed to be more accurate and reliable. This type of information can only be sought from such type of respondents who are more like representatives of the organization and have more information about the company they work for.

One of the overarching purposes of the CEEC is to empower the local Zambian with the objective of promoting the empowerment of targeted citizens. The findings of the survey did not depart from this general objective in that all the companies surveyed were locally owned by Zambians.

Table 4.2: Years the company has been operating, Position in the company and Type of ownership

Years working with the company	Frequency	Percent
Less than 1 year	3	15%
1 – 2 years	2	10%
3 – 4 years	10	50%
5 – 6 years	2	10%
7+ years	3	15%
Position in the company	Frequency	Percent
CEO/ Director	18	90%
Manager	1	5%
Assistant Manager	1	5%
Locally owned	20	100%
Total	20	100

4.2 General Information about CEEC

4.2.1 Definition and Role of CEEC

The Citizens Economic Empowerment (CEE) initiative represents one of the most viable and realistic chances at effecting tangible income re-distribution in the economy and tackling poverty. It is a unique program which has understandably raised many hopes and excitement among the citizenry all over Zambia. Much has been said about the CEE program and at the same time there is high level of awareness among the citizens in both private and public sector. As one of the

recipients of the funds, it was imperative that one understands what CEEC is all about. In trying to establish some levels of knowledge about the CEEC, the respondents were asked what their general understanding of the CEEC was. As expected 85% of the respondents had either “very good” or “good” definition of CEEC with 10% have a “fair definition” and a partly 5% with a poor definition.

Figure 4.3: Definition of CEEC



Below are some of the illustrations of what was defined as either a “very good” or “good” or a “poor”.

“Government institution set up by the act of parliament to empower the marginalized individuals to uplift their living standards and grow their business.” (very good)

“Citizen economic empowerment commission is a government agency responsible for empowering citizens economically” (good)

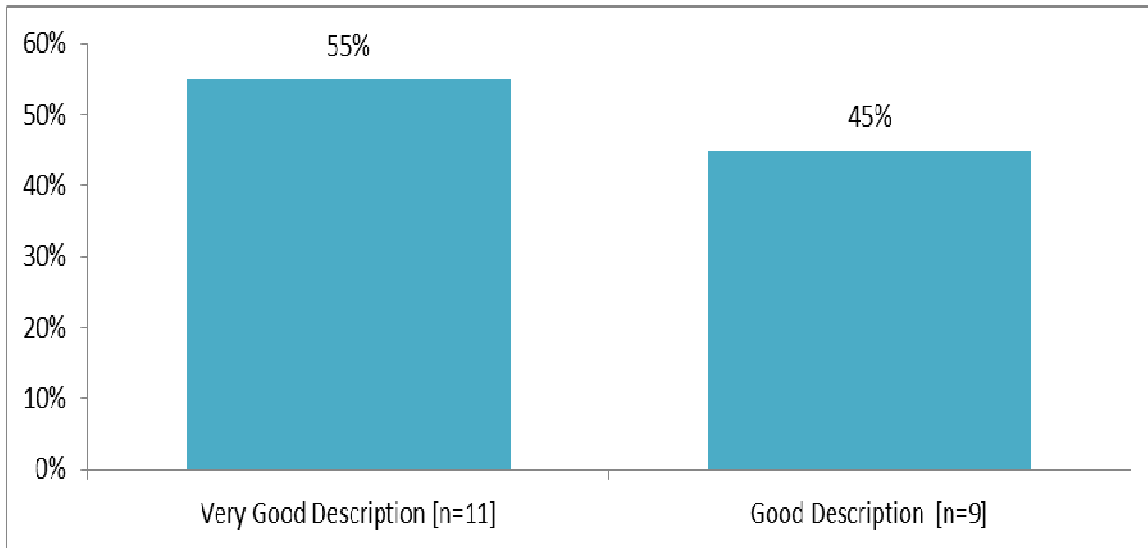
“The commission was established by the government to provide loans” (fair)

“This is an organization which empowers existing companies” (poor)

However, it was somewhat surprising that the respondents were able to state what the role of CEEC is looking at the rating of either “very good” or “good” in terms of with none being rated “fair” or “poor” as shown in figure 4.4. There could be several probable reasons about the respondents having the right explanation

of the role of CEEC, but the explanation could be that the respondents are inclined to know the objective than a definition.

Figure 4.4: Description of the role of CEEC



The statement below illustrates what is “very good” and “good” in terms of the role of the CEEC.

“The role of CEEC is to empower the Zambian citizen through accessing funds to especially the marginalized groups, women, youths, disabled” (very good)

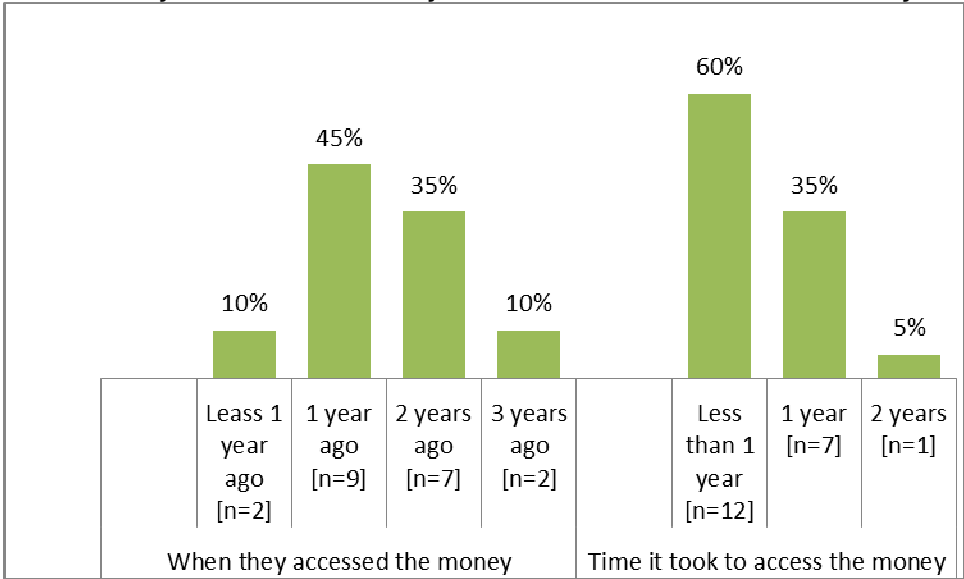
“Give loans to deserving applicants for investment or expansion of business” (Good)

4.2.2 Time they received the funds

The impact of the CEEC can be determined by several factors, one of two main ones are the period when the funds were accessed and the amount accessed. However, because of the sensitivity in discussing the issues of finances, often times, respondents are not comfortable to discuss the issue of finances during surveys, the study sought to establish the time it took the companies to receive the funds.

Slightly less than half (45%) of the respondents indicated that they accessed the money 1 year ago prior to the survey followed by those who accessed the money 2 years ago with 35%, 10% less than a year and 10% accessed the money 3 years ago as shown in figure 4.5. Most interestingly was that the companies that accessed the money in less than a year had a 60% representation. This clearly points to the fact that there is no or less bureaucracy in accessing the funds. This is perfectly good for such programs which are aimed at empowering the citizens to reduce corruption and frustrating procedures.

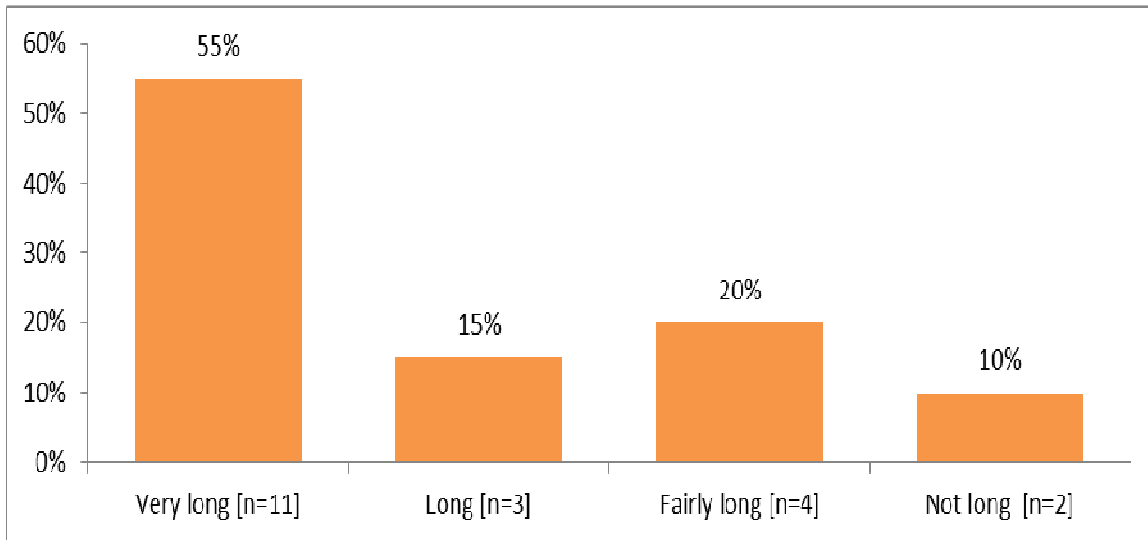
Figure 4.5: Time they accessed the money and time it took to access the money



4.2.3 Perception over the process

The respondents were further asked to describe the process of applying and receiving of the funds through up to receiving the funds. Despite the majority of respondents having indicated that they received the funds in less a year, the majority (70%) described the process as either being “very long” or “long”. One fifth of the respondents described the process as being “fair” with 10% indicating that the process is not long.

Figure 4.6: Perception of the process of applying and receiving the funds



The statement below illustrates what is “very long”, “long”, “fairly long” “not long” in terms of the process of acquiring the process.

“The process was very tedious because there was no clear instruction of what is required from the applicants; we had to move from place to place.” (Very long)

“There are some procedures involved which include compilation of the business proposal and a lot of documents are required before accessing the funds” (fairly long)

“As long as you have what is required, it is a very easy process” (Not long)

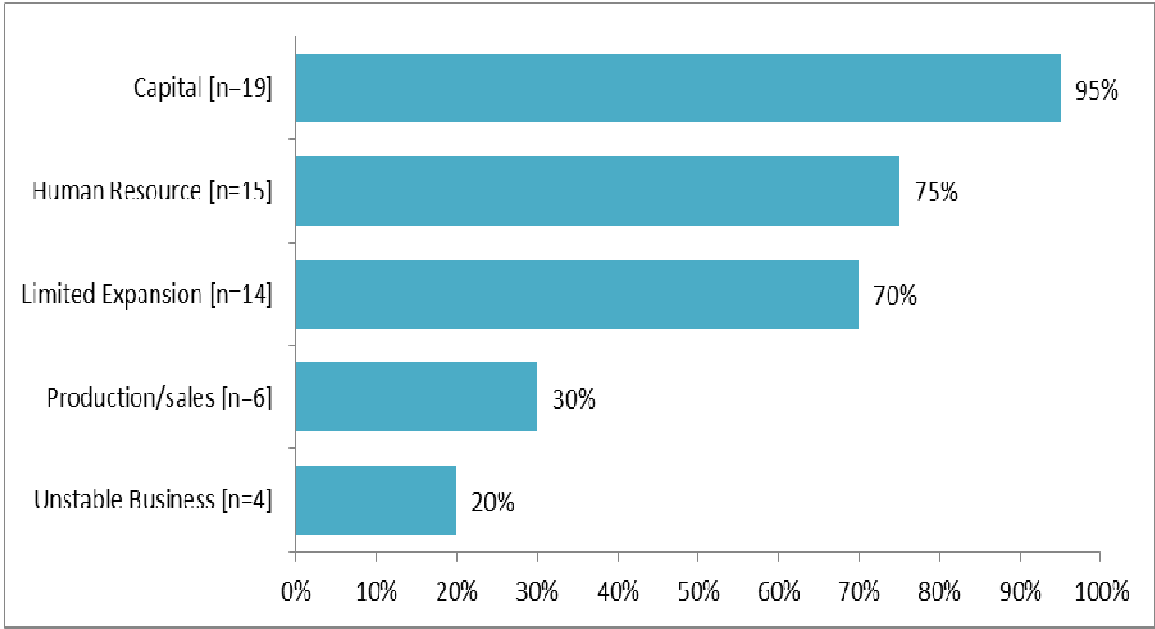
4.2.4 Challenges before receiving the CEEF

The CEEC was established to promote the economic empowerment of citizens, in particular, targeted citizens whose access to economic resources and development capacity has been constrained due to various factors. The creation of the CEEC was aimed at empowering citizens through the empowerment fund. To achieve this, citizens apply through the commission in order to access the funds.

One of the primary objectives of the study was to establish the major changes the companies had after receiving the funds. To achieve this, two questions were asked of respondents in the study and data has been derived for five key indicators. The questions were designed to measure challenges faced before receiving the funds and after receiving the funds in terms of capital, human resource, company expansion, production/sale and stability.

The respondents were asked what challenges they faced before receiving the CEEC funds. Top of list was capital with 95% followed by human resource and no expansion with 75% and 70% respectively. The findings of the study to a larger extent predict the natural habit that people in business will apply for loans/funds to increase their capital base or expansion purposes. Unstable business was not all that a key driver to apply for the funds with only 20% mentioning it as one of the reasons for applying for the funds.

Figure 4.7: Challenges faced before receiving the funds

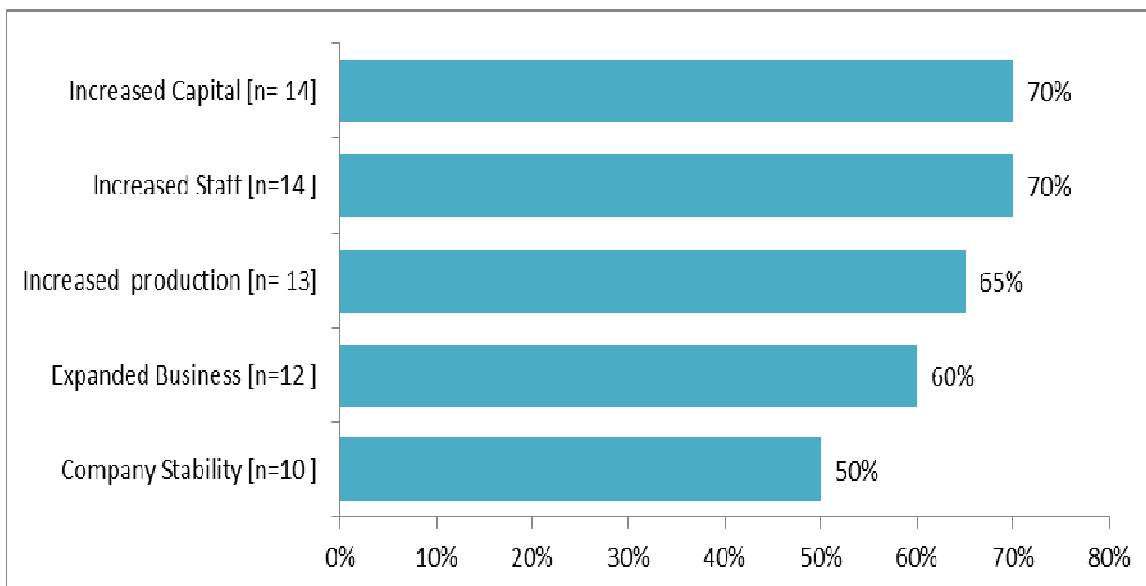


4.2.5 Major changes after receiving the funds

One of the natural expectations is that, to every action there is an equal and opposite reaction. The findings of the study proved this assumption correctly. The respondents were asked what changes they noticed after receiving the funds. At least 50% of the respondent noticed some positive change in there companies. The majority of the respondents indicated that after receiving the funds they noticed that they had increased capital and increased the number of staff with 70% each. The impact of the CEEC can therefore be viewed to have had a positive impact among the recipients of the funds because they have experienced some positive change in their companies. Most interesting was the fact that 70% indicated that they increased their staff base which means new employments were created after receiving the funds.

- Increased Capital [n= 14] 70%
- Increased Staff [n=14] 70%
- Increased production [n= 13] 65%
- Expanded Business [n=12] 60%
- Company Stability n=10] 50%

Figure 4.8: Major changes after receiving the funds



4.3 Employment level

One of the objectives of the CEEC is employment creation is employment creation and the second key objective of the study was to establish reliable measures on the company employment levels before and after receiving the funds. To yield these indicators questions were asked about the number of staff the company had before and after receiving the funds.

The respondents were asked to compare the number of staff before and after receiving the funds. The majority 80% indicated that they had more permanent staff after receiving the funds with 20% saying the number of permanent staff was the same before and after receiving the funds.

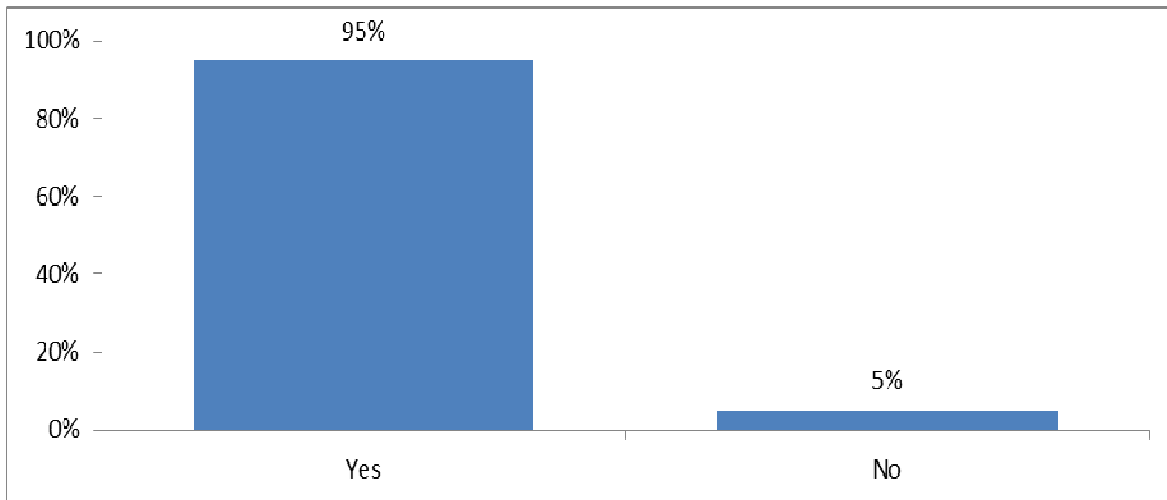
In terms casual workers, slightly over two thirds (65) of the respondents indicated that they had more casual staff after receiving funds. However, 10% indicated that the number of casual staff was the same before and after receiving the funds with just 5% who mentioned they had less casual staff before receiving the funds. One fifth of the respondents indicated that they did not have casual staff even after receiving the funds.

Table 4.3: Staff levels after receiving the funds

Type of employment	Before Receiving Funds	
Permanent	More [n=16]	80%
	Same [n=4]	20%
Casual	More [n=13]	65%
	Same [n=2]	10%
	Less [n=1]	5%
	Nil [n=4]	20%

- This can further be evidenced by an overwhelming 95% of the respondents who indicated that they have plans to employ more staff in future.

Figure 4.9: Intentions to employ more staff in future

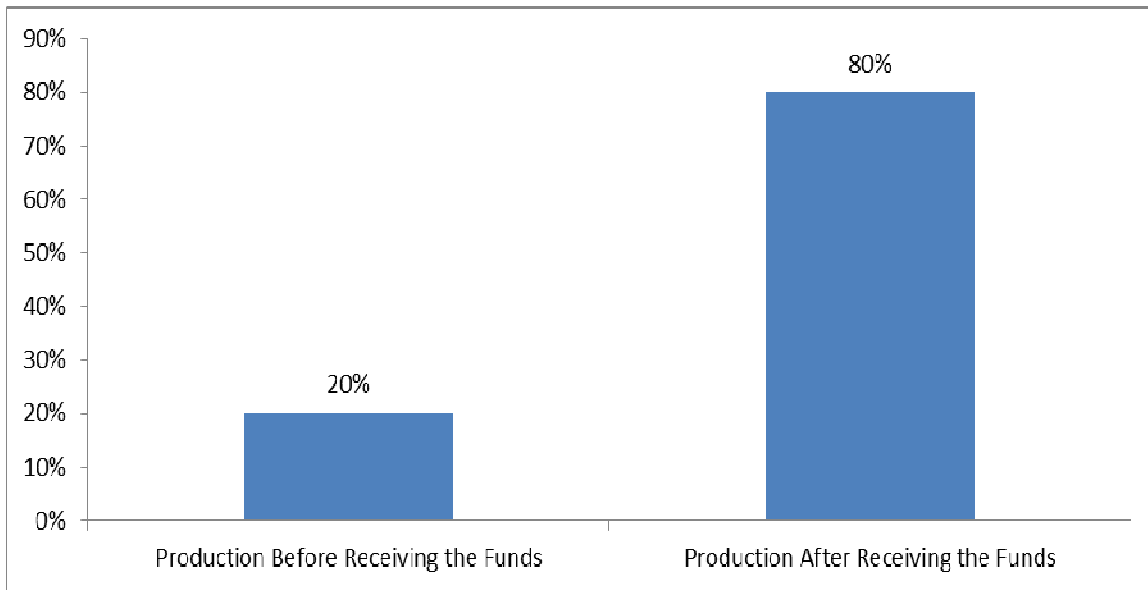


The finding clearly indicates the positive impact of the CEEC among the companies which received the funding in terms of employment creation. With the high unemployment levels in the country, this program calls for consented efforts and support to reduce the high unemployment levels and therefore needs to be supported.

4.4 Company production/performance

Increase in the company production/performance was one of the key objectives the study. The respondents were asked how they rate their current production/performance after receiving the funds. Interesting enough 80% of the respondents indicated that their current production/performance has increased. This is another clear evidence of the positive impact CEEF has on company production/performance. If company's production/performance increases, there is a likelihood of employment creation. This could be the main reason why the majority of the respondents indicated that they had an increase in both permanent and casual workers after receiving the funds.

Figure 4.10: Production before and after receiving the funds



4.5 Company stability

One other objective of the survey was to establish the company stability before and after receiving the funds. The main purpose for this was that, there is a positive correlation between company stability and employment creation. Over half (55%) of the respondents indicated that their companies were not stable before receiving the funds. There was decline in companies who indicated the same after receiving the funds to 20% as shown in table 4.4. Slightly less than half (45%) indicated that their companies were stable before receiving the funds compared to two – thirds (60%) who indicated the same after receiving the funds. None of the respondents however indicated that their companies were very stable before receiving the funds, but 20% indicated that their companies were very stable after receiving the funds.

The findings of the survey undoubtedly vindicates the assumption that there is a direct relationship between company stability and employment creation, because the more stable the company is the more likely the company will create employment.

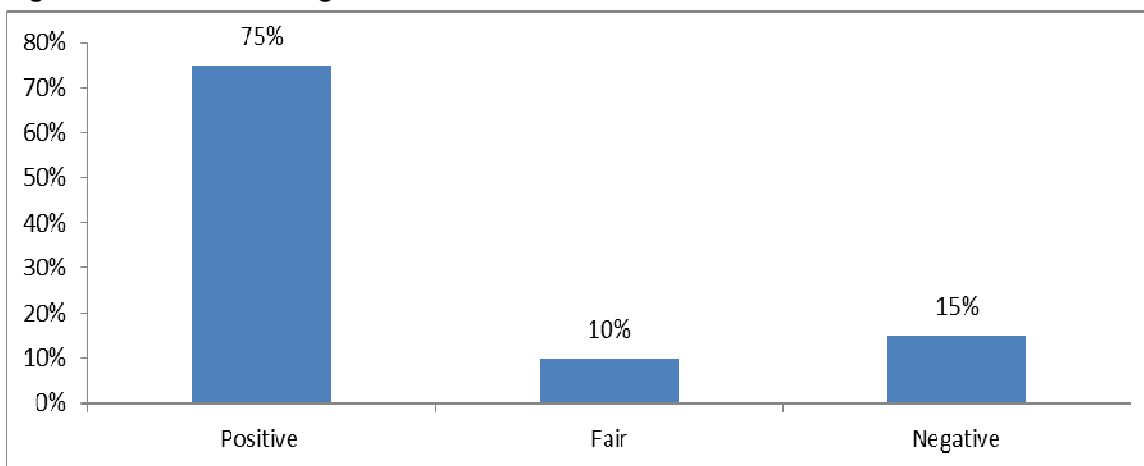
Table 4.4: Rating of the company stability before and after receiving the funds

How do rate your company stability before receiving the funds and after receiving the funds <i>[Base n=20]</i>		
	Company stability before receiving the funds	Company stability after receiving the funds
Not Stable	55%	20%
Stable	45%	60%
Very Stable	-	20%
Total	100%	100%

4.6 Overall rating of the impact CEEC

Based on their experience with the CEEC funds, respondents were asked to give their opinions on the overall rating of the impact of CEEC, the majority of the respondents (75%) indicated that the CEEC fund has had a positive impact on their businesses with 10% saying it has had a fair impact. The main reason which could be advanced for this rating can be drawn from the above findings which showed that companies increased their capital, human resource, expanded their business, and increased production and company stability. 15% had not noticed any change due to reasons that their projects have not yet taken off.

Figure 4.11: Overall rating of CEEC



CHAPTER 5

5 CONCLUSION AND RECOMMENDATIONS

Employment and labour issues are at the core of the Zambian economy, and they affect the operations of every sector and the workings of every ministry. At the highest level of Government, Zambia is committed to Decent Work. The Vision 2030 states that employment creation will be a priority if Zambia is to become a middle income country by 2030.

In addition, the Employment and Labour chapter of the Fifth National Development Plan indicates that the Decent Work Program will be given priority during the period 2006-2011. To this end, the Government has established a Sector Advisory Group (SAG) with a focus on Employment and Labour. To complement the recent Labour Force Survey, and the just launched process for Zambia's first Economic Census, Zambia also needs regular and up-to-date information on the labour market. The focus on employment creation for women, young people and people with disabilities is most needed and to this effect through the Act of Parliament the Government of Zambia established the CEEC. The Citizens Economic Act No. 9 of 2006, is principally aimed at uplifting the targeted citizens who have suffered marginalization. It is meant to level the playing field and raise the citizens to a position where they can effectively participate in the national economy above all; it is meant to ensure especially the women, youth and physically challenged are empowered economically.

This far, a number of companies have benefited from the CEEC and the aim of the study was to assess the impact of the CEEC in terms of employment creation among the recipients of the funds.

One of the key strategies of the CEEC is to target women and youths, however, the survey showed that very few women and youths have benefited from the CEEC this far.

Further the study findings have showed that the companies which have received funding from CEEC have increased their capital, human resource, company stability, production/performance. All these indicators points to the positive impact of the CEEC in general. The findings of the study demonstrate the great potential of the CEEC program in terms of employment creation and reducing the high unemployment levels. Therefore, there is great need to support this program. It is easy to predict the impact of CEEC, not only regarding the types of employment that will be created, but also its contribution to national economy. The findings of this study however still show that there is need to improve on the process of accessing the funds and reduce the time it takes to get the funds from the time one applies.

The need to improve on time it takes to get the funds cannot be over emphasized, the more time it takes to get the funds the more unlikely that the beneficiaries will reap positive results as a number of factors are always at play in the market such as inflation, rise in the cost of material and machinery, devaluation and revaluation of currencies from the time of the application. These factors lead to poor performance of companies and have a negative effect on employment creation.

The amount disbursed at any given time to any one recipient has an effect on employment creation. From this study it can be deduced that the amount of money received had a positive correlation with increased employment creation and thus needs to be encouraged.

6 RECOMMENDATIONS

Following the findings of the survey the following are the recommendations:

- There is need to focus particular attention on the target beneficiaries which include the women and the youths.
- The government needs to support the CEEC program to enable more citizens to have access to the funds.
- Small and Medium Enterprises (SMEs) are beginning to play a key role in the economic development of the country and as such, they will need to be a key target for operators.
- There is need to have a good monitoring process of the recipients of the funds and ensure they are putting the funds to good use.
- There is need for a more rigorous and extensive survey on the general impact of the CEEC and its contribution to economy.
- Government needs to undertake more extensive CEEC awareness campaign in collaboration with civil society through organizations such as women's group, Federation for the Disabled. A joint strategy could be developed to undertake CEEC advocacy using both private and public media such as television and community radio.
- There is need to increase the number of beneficiaries as the fund increases to capture as many citizens as possible
- Reduce on the bottle necks in accessing of the funds

- Increase the amounts that are disbursed to citizens at a given time.
- Repayments should be structured according to the nature of business, size of business, sector and so on as some businesses are seasonal and others are startup businesses.

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8 APPENDIX 1 - QUESTIONNAIRE

QUESTIONNAIRE ON CITIZEN ECONOMIC EMPOWERMENT FUND

Dear Respondent,

Thank you for accepting to answer this questionnaire. The questionnaire has been sent to you because you possess the necessary information that is critical to the survey on the impact of the CEEC in terms of employment creation. As one of the recipients of CEEF, you were selected randomly to participate in this survey. Your contribution will not only assist in appreciating the impact of CEEC, but also its contribution to employment creation in the different sectors and also to form a basis for policy decision making on which sectors have made some impact as a result of the programme. The information that shall be provided in the questionnaire will be held in the strictest confidence and will only be used for academic purpose of this survey. Kindly be as truthful as possible.

SECTION A BACKGROUND INFORMATION

Q	Question	Code
A.1	Sex of respondents 1. Male 2. Female	
A.2.	Age of respondents 1. 18 – 25 years 2. 26 – 30 years 3. 31 – 35 years 4. 36 – 40 years	

	5. 41 +	
A.3.	<p>Years the business has been in operation:</p> <ol style="list-style-type: none"> 1. Less than 1 year 2. 1 – 2 years 3. 3 – 4 years 4. 5 – 6 years 5. 7+ years 	
A.4.	<p>Years you have been with the company:</p> <ol style="list-style-type: none"> 1. Less than 1 year 2. 1 – 2 years 3. 3 – 4 years 4. 5 – 6 years 5. 7+ years 	
A.5	<p>Position in the company:</p> <ol style="list-style-type: none"> 1. CEO/ Director 2. Manager 3. Assistant Manager 4. Other specify _____ 	
A.6	<p>Sector of operation:</p> <ol style="list-style-type: none"> 1. Technology 2. Trade 3. Service 	
A.7	<p>What is the nationality of the owner of the company?</p> <ol style="list-style-type: none"> 1. Zambian 2. Foreigner 	
A.8	<p>What type of ownership is this company?</p> <ol style="list-style-type: none"> 1. Local 2. Foreign 	

SECTION B
GENERAL INFORMATION ABOUT CEEC

Q	Question	Code
B.1	What do you understand about CEEC?	
B.2	What is the role of CEEC?	
B.3	When did you get the funds? 0. less than 1 year 1. 1 year ago 2. 2 years ago 3. 3 years ago 4. 4 years ago 5. 5 years + ago	
B.4	How long did it take you to access the funds? 0. less than 1 year 1. 1 year ago 2. 2 years ago 3. 3 years ago 4. 4 years ago 5. 5 years + ago	
B.5	How would you describe the process of applying and receiving the funds?	

B.6	<p>What challenges did you face before receiving the CEE funds in running your business? Multiple response</p> <ol style="list-style-type: none"> 1. Capital 2. Human Resource 3. Unstable business 4. Limited expansion 5. Unstable business 6. Competition 7. Other specify 	
B.7	<p>What was the main purpose for applying for the funds?</p> <ol style="list-style-type: none"> 1. Capital 2. Human Resource 3. Unstable business 4. Limited expansion 5. Unstable business 6. Competition 7. Other specify 	
B.8	<p>What major changes have occurred after receiving the funds?</p> <ol style="list-style-type: none"> 1. Expanded business 2. Increased staff 3. increased production 4. increased capital 5. Company stability 6. Other specify 	
B.9	<p>Have you diversified/ expanded your business scope in terms of the activities you have been doing after receiving the funds?</p> <ol style="list-style-type: none"> 1. Yes 2. No 	
	<p>Why ask for yes or no?</p> <p>.....</p> <p>.....</p> <p>.....</p>	

	
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SECTION C EMPLOYMENT LEVELS AND COMPANY PERFORMANCE

Q	Question	Code
C1	How many employees did you have before receiving the funds? Permanent <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> Part – time <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/>	
C2	How many employees did you currently have? Permanent <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> Part – time <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/>	
C.3	How do you rate the company performance before receiving the funds? 1. Low 2. Medium 3. High	
C.4	Why do you say so?	
C. 5	How do you rate the company performance after receiving the funds? 1. Low 2. Medium 3. High	
C.6	Why do you say so?	

	<p>.....</p> <p>.....</p> <p>.....</p>	
C.7	<p>Did you have any plans to employ new staff?</p> <p>1. Yes</p> <p>2. No</p>	
C.8	<p>What impact has the funds have on the performance of the business?</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	

SECTION D

COMPANY STABILITY AND CHALLENGES

D.1	<p>How do you describe the company stability before receiving the funds?</p> <p>1. Not stable</p> <p>2. Stable</p> <p>3. Very stable</p>	
D.2	<p>Why do you say?</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	
D.3	<p>How do you describe the company stability after receiving the funds?</p> <p>1. Not stable</p> <p>2. Stable</p> <p>3. Very stable</p>	
D.4	<p>Why do you say?</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	

D.5	In your own words, what challenges are there in the repayment CEEF?	
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