

## Press Statement

### For immediate release

**From:** *Clement Kasonde*, Founder & Executive Director, Labour in Zambia (LIZ); Law Lecturer, Mulungushi University; Former Founder & HoD, Department of Law, Labour and Human Resource Management under School of Business Studies of Mulungushi University; Former UNICAF University Zambia Programme Coordinator (Law); PhD Research Fellow (Ghent University / Mulungushi University – North–South Sandwich Programme).

**Date:** 15 November 2025

Place: Lusaka, Zambia

Website: <http://www.liz-zambia.org/>

---

*Issue: Proposal by Hon. Sunday Chilufya Chanda, MP, to establish a sector-specific minimum wage for the mining industry in Zambia — implications and comparative lessons from Brazil*

Labour Institute of Zambia (LIZ) welcomes Hon. Sunday Chilufya Chanda's private member's motion proposing a sector-specific minimum wage for Zambia's mining sector. The motion – "*Why I am pushing for the establishment of a minimum wage for the mining sector in Zambia*" – highlights persistent challenges such as wage suppression, inequality between direct employees and contractors, and insufficient community development despite substantial mineral wealth.

This statement delivers a structured economic, legal and governance assessment of the proposal and provides comparative insight from Brazil, one of the world's leading mineral-producing economies with a deeply institutionalised minimum wage model.

---

## 1. Summary of Hon. Sunday Chanda's Proposal

Hon. Chanda advocates for a *legally binding, mining-specific minimum wage* covering:

- Direct mine employees
- Contract and subcontract labour
- Smelters, mineral processing plants, and auxiliary services
- Risk-based and skill-based differentiated wage bands
- Automatic inflation indexation
- Biennial tripartite review (Government–Employers–Unions)
- Integration with occupational health & safety (OHS) obligations

These proposals aim to correct structural inequalities in the mining labour market.

---

## 2. Implications for the Mining Sector

### Economic Implications

- **Wage Redistribution:** Increased disposable income will boost consumption in mining towns, stimulate SMEs, and expand local tax bases.
- **Firm Cost Structures:** Companies may face higher labour costs, especially those heavily dependent on contractors. Phased implementation and productivity benchmarks can cushion impacts.
- **Formalisation:** Higher wage floors reduce informality and enhance social-security contributions.

### Social & Human Rights Implications

- **Poverty Reduction:** Families in mining regions stand to benefit from a guaranteed wage floor that reflects risk and skill.
- **OHS Improvements:** Linking pay to certification encourages safer workplace cultures.

## Governance Implications

**Higher Accountability:** Establishing a statutory wage standard improves governance, transparency, and compliance within multinational and local mining operations.

---

### 3. Zambia's Legislative & Policy Context

Zambia already maintains national minimum-wage framework. The proposed mining sector wage must align with:

- Minimum wages and conditions of employment under the Employment Code Act No. 3 of 2019 of the Laws of Zambia
  - Ongoing national minimum-wage reform processes (announced Jan 2025 by Minister of Labour and Social Security)
  - Key drafting challenges include legal precedence where sectoral floors exceed national floors and enforcement in subcontracting chains.
- 

### 4. Comparative Analysis: Brazil's Constitutionally Protected Minimum Wage Model

Brazil offers advanced comparative lessons due to:

- Its status as one of the largest mineral producers globally; and
- Its constitutionally entrenched and systematically indexed minimum wage system.

The Brazilian model rests on **Article 7, IV of the 1988 Federal Constitution**, which:

- **Mandates a national minimum wage with compulsory annual adjustment**

The Constitution states that the minimum wage “*shall be adjusted periodically to preserve its purchasing power.*”

This embeds *inflation indexation* and prevents erosion of real wages.

- **Establishes minimum wage as a fundamental social right**

It is integrated within Brazil's Bill of Social Rights, obligating governments—regardless of political shifts—to maintain and periodically adjust the wage floor.

- **Serves as a reference for pensions and social benefits**

Thus, its adjustment has economy-wide implications.

### **Recent Example**

Brazil's federal minimum wage increased to **BRL 1,518 on 1 January 2025**, through a formula combining:

- Inflation indexation
- Real GDP growth adjustments

This reflects a stable, predictable and constitutionally anchored wage-setting regime.

---

### **Lessons for Zambia**

Brazil demonstrates that:

- Constitutional or statutory indexation protects workers' living standards even during economic shocks.
- Predictable, rule-based adjustments reduce investor uncertainty.
- Tripartite social dialogue strengthens legitimacy and compliance.
- Linking wage policy with social protection and productivity promotes sustainable wage gains.

These principles speak directly to the challenges Zambia faces in balancing decent work with competitiveness in mining.

---

## **5. Recommendations for Zambia's Mining Minimum Wage Architecture**

### **1. Phased Multi-Year Implementation Framework**

Smooths adjustment and safeguards employment levels.

## **2. Strong Tripartite Oversight Mechanism**

To manage wage bands, monitor compliance, and generate impact assessments.

## **3. Differentiated Wage Bands (Skill & Hazard-Based)**

Recognises the realities of underground, open-cast, and specialised technical roles.

## **4. Coverage of Contractors and Subcontractors**

Ensure principal employers bear joint liability to eliminate evasion loopholes.

## **5. Constitutional or Statutory Indexation Mechanism**

Zambia should consider a Brazilian-style indexation formula tied to:

- Annual inflation
- Productivity or GDP growth indicators

## **6. Complementary Reforms**

Including skills upgrading, OHS strengthening, and local procurement strategies.

---

## **6. Closing & Call to Action**

Hon. Chanda's proposal confronts a long-standing injustice: Zambia's mining wealth has not translated into sufficient community upliftment or decent wages for miners. A mining-sector minimum wage—designed with Brazilian-style predictability, legal robustness, and strong enforcement—can anchor fairer labour market and stimulate local and above all national development.

LIZ stands ready to collaborate with Parliament, the Ministry of Labour, employers, unions, and civil society to ensure that the final legal framework is evidence-based, constitutionally sound and socially just.

---

## References & Sources

Hon. Sunday Chilufya Chanda MP, *Why I am pushing for the establishment of a minimum wage for the mining sector in Zambia* (Private Member's Motion).

Employment Code Act, No.3 of 2019 of the Laws of Zambia

Ministry of Labour and Social Security (Zambia), 2025 Minimum Wage Announcements.

**Constitution of the Federative Republic of Brazil (1988), Article 7 (IV) – Constitutional Indexation of Minimum Wage.**

Brazil's 2025 Federal Minimum Wage Decree: BRL 1,518 (Agência Brasil).

Global Labour University (GLU) Brazil — labour market analyses and minimum-wage policy research.

**Kasonde, Clement (2013).** *Minimum Wage Policy in Zambia: An Assessment of Its Effectiveness and Policy Coherence*. Master's Thesis, Global Labour University, State University of Campinas (UNICAMP), Brazil.

Empirical studies on Brazilian minimum-wage adjustments (2003–2012) and impact on poverty, formalisation, and employment.