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ANALYZING EFFECTS OF EMPLOYMENT CONTRACT TYPE ON HOUSEHOLD ECONOMIC SITUATION: A CASE STUDY OF LUSAKA

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ABSTRACT

Globally, the impact of employment contract types on household economic stability is a significant concern, reflecting broader trends of economic inequality and job insecurity. In many developed countries, permanent, full-time positions are associated with higher income stability, access to benefits, and better overall economic well-being compared to temporary or casual work. This research analyzes effects of employment contract type on household economic situation: a case study of Lusaka. The research is guided by the following objectives; To analyze economic effects of employment contract types on household income distribution and financial stability. To evaluate effects of employment contract type on household economic welfare (savings, financial security, household expenditure, investment behaviours). To analyze effects of employment contract type of household poverty situation. 50 respondents were randomly selected. The research uses both qualitative and quantitative methods. The research concludes that employment contract type significantly influences household economic situations, particularly in relation to food security, access to utilities, housing affordability, and overall financial stability. The analysis shows that households with permanent or formal employment contracts generally experience greater financial security, allowing them to afford essential services and maintain a more stable standard of living.

Keywords: Contract, Employment, Household, Economic.

I. INTRODUCTION

1.1 Background

Globally, the impact of employment contract types on household economic stability is a significant concern, reflecting broader trends of economic inequality and job insecurity. In many developed countries, permanent, full-time positions are associated with higher income stability, access to benefits, and better overall economic well-being compared to temporary or casual work (OECD, 2023). Conversely, in developing economies, informal and precarious employment often lacks job security and benefits, exacerbating poverty and economic instability (ILO, 2023).

The type of employment contract held by individuals is a critical determinant of household economic well-being, particularly in developing countries like Zambia. Employment contracts, whether permanent, temporary, or casual, significantly influence job security, income stability, access to benefits, and overall economic resilience of households. In Lusaka, the capital city of Zambia, the disparities in contract types have become more pronounced due to the growing informal sector, which has a considerable impact on the economic conditions of households. Lusaka, as Zambia's economic and political hub, presents a unique labor market characterized by a blend of formal and informal employment. The formal sector, which traditionally offers more secure employment with better benefits, is often contrasted with the informal sector, where contracts are more likely to be temporary or casual. This dichotomy is important as the type of employment contract can have far-reaching implications on household economic stability. For instance, permanent contracts typically offer job security, regular income, and benefits such as health insurance and pensions. In contrast, temporary and casual contracts often lack these securities, exposing households to economic vulnerability (ILO, 2018).

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Furthermore, the economic impacts of employment contract types are not limited to income stability. They also affect access to credit, housing, and the ability to accumulate wealth. Households with members on permanent contracts are more likely to secure loans and mortgages due to their predictable income, while those on temporary or casual contracts may find it challenging to do so, limiting their ability to improve their living conditions (Chirwa & Zuze, 2019).

1.2 Statement of the problem

Lusaka province has an average annual labour force growth rate of 5.8%3. According to the labour force survey 2012, Lusaka province labour force participation rate was 72.8%, a 7.2% increasing from 65.6% in 2008. In terms of employment by sector, the majority 65.7% depend on the informal sector for employment while the remaining 34.3%4 are engaged in the formal sector (Chintu 2018). The economic well-being of households in Lusaka is profoundly impacted by the type of employment contracts held by their members. In Lusaka, many workers are engaged in informal or precarious employment, such as temporary and casual contracts, which generally offer lower income stability and limited access to benefits compared to formal, permanent contracts (International Labour Organization, 2018). This discrepancy leads to heightened economic vulnerability, making it difficult for households to achieve consistent living standards and effectively plan for the future. The rise in informal employment is largely due to economic pressures and a lack of sufficient formal job opportunities, which result in irregular incomes and limited access to essential services like healthcare and education. This economic instability not only exacerbates poverty but also perpetuates social inequality, affecting long-term financial stability, including access to credit and housing. Gender disparities further complicate the issue, as women are disproportionately represented in informal employment and face additional economic disadvantages. Despite the clear link between employment contract types and economic outcomes, there is a notable lack of comprehensive research addressing this issue specifically in Lusaka. Understanding how different employment contracts impact household economic situations is important for developing effective policies and interventions. Thus, this study aims to bridge this gap by analyzing the effects of various employment contract types on household financial stability and overall well-being in Lusaka.

1.3 Objectives

- To analyze economic effects of employment contract types on household income distribution and financial stability
- To evaluate effects of employment contract type on household economic welfare (savings, financial security, household expenditure, investment behaviours)
- To analyze effects of employment contract type of household poverty situation

1.4 Research questions

- What are the effects of employment contract types on household income distribution and financial stability?
- What are the effects of employment contract type on household economic welfare (savings, financial security, household expenditure, investment behaviours)?
- What are the effects of employment contract type of household poverty situation?

1.5 Theoretical framework

Job Quality Theory

The guiding theory for this study is the Job Quality Theory as its primary theoretical framework to investigate the effects of different types of employment contracts on household economic situations in Lusaka. Job Quality Theory, as articulated by Kalleberg (2011), focuses on the multifaceted nature of job quality, emphasizing that the impact of employment on economic well-being extends beyond mere job presence to include factors such as job security, income stability, working conditions, and access to benefits.

Job Quality Theory distinguishes between the quantity and quality of employment. While traditional measures often focus on employment rates, Job Quality Theory highlights the importance of job characteristics that affect workers' economic stability and overall life satisfaction. High-quality jobs are (Afonja, 2012) typically characterized by permanent contracts, offering job security, consistent income, and access to comprehensive

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benefits such as health insurance and retirement plans (Cappelli, 2004). In contrast, low-quality jobs, which often involve temporary or casual contracts, are associated with greater job insecurity, irregular income, and limited access to social protections. The theory posits that the quality of employment plays a crucial role in shaping economic outcomes for individuals and households. High-quality jobs provide financial stability and opportunities for economic advancement, while low-quality jobs can lead to economic insecurity and limited upward mobility. This distinction is particularly relevant in the context of Lusaka, where a significant portion of the workforce is employed informally or in precarious positions.

Job Quality Theory provides a valuable lens for understanding these issues. Workers in informal employment typically experience lower job quality compared to those in formal, permanent positions. The lack of job security and benefits associated with informal contracts contributes to economic vulnerability, making it difficult for households to maintain consistent living standards and plan for future needs. Research by Moser and Barrett (2006) indicates that informal sector workers are more likely to experience economic hardship and face greater difficulties in accessing basic services, highlighting the impact of job quality on household well-being.

II. LITERATURE REVIEW

According to the resource based theory, employees are the foundation of competitive advantage for the organization (Davis, 2017). Fairness or equity is needed from recruitment up to tenure to lead to enhanced performance. Employment contract type determines income level, social benefits, social security benefits and pension coverage (Yeosun and Heejung 2015). That was supported by Lass and Wooden (2017) found that wages distribution show gap between temporal and permanent worker. Employees are categorized as top management and other normal employees. The position is linked to types of contract and incentives. Steinbach (2017) analyzed contingent theory of incentive alignment and found that the top management team incentive heterogeneity is linked to the investment of employees in contributing positively or negatively considering incentive of TMT as high or low when judging as unfair or injustice which affect performance. The fairness is subjective subsequently there is a parity of bargaining power between employer and employee even at the starting when negotiating for employment contract.(Chirwa, E., & Zuze, 2019)

Workers with permanent contracts typically experience more stable and predictable incomes compared to those on temporary or casual contracts. This stability provides a reliable financial foundation that supports consistent saving habits. With a steady paycheck, individuals can more easily establish and maintain regular savings plans, such as setting aside funds for emergency savings, retirement, or future investments (Kalleberg, 2011). The structured nature of permanent employment often includes salary increments and potential performance bonuses, which further enhance the capacity for savings. Additionally, permanent employees frequently have access to employer-sponsored retirement plans, which encourage long-term saving and contribute to overall financial security (OECD, 2013).

The predictability of income from permanent contracts enables workers to budget more effectively and allocate resources towards savings goals without the frequent disruptions caused by income variability. This stability supports a disciplined approach to financial planning, allowing for systematic savings contributions and better management of financial priorities.

McDonald (2021) provides a comprehensive analysis of how different employment contracts affect household poverty in developing countries. The study finds that informal and temporary contracts are strongly associated with higher poverty rates. These types of contracts often lack job security, regular income, and access to social benefits, contributing to economic instability for households. The lack of job permanence means that individuals with such contracts are more vulnerable to economic shocks and may struggle with irregular income, which exacerbates poverty levels. McDonald's research emphasizes the need for policy interventions aimed at improving job security and extending social protections to mitigate the adverse effects of informal and temporary employment on household poverty. Kuecker, Elliott. (2021)

And employment generation provides a direct channel for distributing the benefits of economic growth broadly throughout the population (ILO & UNDP, 2004). It is evident from the experiences of many countries1 in the world that the greater the employment focus, the more effective economic growth becomes in reducing or

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obliterating poverty and in paving the way for sustainable development (ILO & UNDP, 2004). It is regrettable to observe at this point that global unemployment rate and poverty incidence have been significant over the years (Jahan, 2005; World Bank, 2009). Sub-Saharan Africa is apparently one of the worst hit regions with regard to unemployment and poverty (World Bank, 2009; ILO, 2012). Even the rapid and unprecedented wave of globalization - which is said to have enriched the world economically, culturally and scientifically - has not sufficed in significantly reducing the unemployment rate and poverty incidence in Sub-Saharan Africa.

III. METHODOLOGY

The researcher's overarching strategy or strategy for carrying out the study is referred to as the research design. It describes a study plan that is created to help the investigator identify worthwhile ways to learn what is happening to seek new insights. According to Yin (1989), research design "deals with a logical problem and not a logistical problem. This study will employ a mixed-methods methodology, which enables both a comprehensive analysis through quantitative data and a more in-depth comprehension through qualitative interviews. This strategy will offer a thorough understanding of how different work contract forms impact Lusaka households' economic circumstances.

The target population for this study comprises households in Lusaka with at least one working-age adult (18-65 years) employed under various contract types, including permanent, temporary, casual, and informal arrangements. To capture a broad spectrum of economic realities, the study will focus on households across different socioeconomic statuses, covering diverse employment sectors such as public, private, and informal. The population will include a variety of household compositions, from single-person to extended families, with an emphasis on those who have resided in Lusaka for at least one year (Kabulonga, Hellen Kaunda and Mtendere areas).

The study will employ a stratified random sampling design to ensure a representative and comprehensive analysis of households in Lusaka. The population will be stratified based on key variables: employment contract type (permanent, temporary, casual, informal) and socioeconomic status (low, middle, high). Within each stratum, households will be randomly selected to participate, ensuring proportional representation across different groups. This will help to generate meaningful comparisons between subgroups, minimizes selection bias, and ensures that the sample accurately reflects the diverse economic realities of Lusaka's households.

A sample size, as defined by Mugenda & Mugenda (2003), is the total number of respondents selected for interviewing from the research population. The population size, demographic heterogeneity, needed accuracy, possibility of sample division, and available resources all influence sample size (Bailey 1994). This study used a sample size of fifty people.

The study uses both primary and secondary sources of information. The primary methods of data collection for the researcher will be surveys and interviews. To collect primary data, structured questionnaires were employed. At the convenience of the respondents, the researcher will interview both individuals and groups of respondents.

The responses to the questionnaire will be categorized and examined. Frequency distribution tables will be used to summarize the respondents' data. The data will be analyzed using data analysis tools like STATA. In order to categorize the replies, the information from the interviews will be recorded. To aid comprehension and interpretation, the analyzed data will thereafter be shown in frequency distribution tables and figures.

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IV. RESULTS/FINDINGS

4.1 Presentation of results

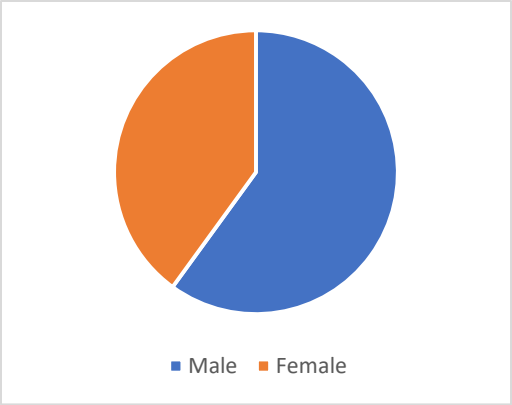

Figure 1. Gender

Figure 1 provides a breakdown of respondents by gender. Of the 50 participants, 60% are male, while 40% are female. This indicates a higher representation of males in the sample, with males comprising the majority of the respondents.

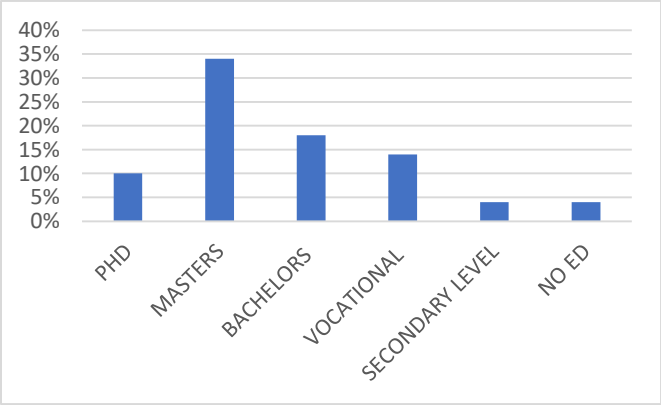

Figure 2. Demographic Characteristics of the respondents according to Education levels

Figure 2 provides an overview of the highest level of education attained by the respondents. The largest group, 17 respondents (34%), have a Bachelor's degree, followed by 9 respondents (18%) with Vocational/technical training. 7 (14%) reported having Secondary education, while 5 respondents (10%) have attained a Master's degree. The group with No formal education comprises 8 respondents (16%), and 2 respondents (4%) have Primary education or a PhD.

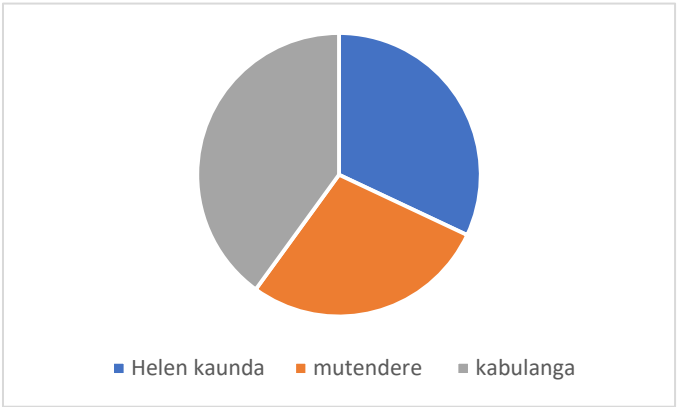

Figure 3. Area of Residence

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Figure 3 presents the distribution of respondents by area of residence. Out of 50 participants, the largest group (40%) resides in Kabulonga, followed by 32% in Hellen Kaunda and 28% in Mtendere. This suggests that the majority of respondents are from Kabulonga, contributing to a cumulative percentage of 72% when combined with Hellen Kaunda. Mtendere makes up the remaining 28%, bringing the total to 100%..7465%

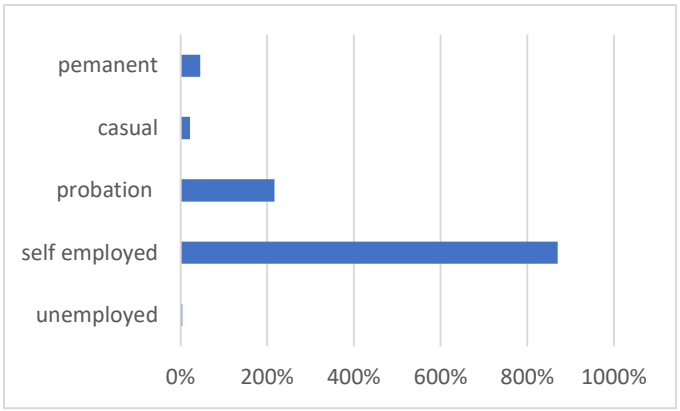

Figure 4. Employment contract type

Figure 4 presents the distribution of respondents' current employment contract types. The majority of respondents are employed on permanent contracts (45.65%), followed by those on casual contracts (21.74%) and temporary contracts (17.39%). A smaller proportion of respondents are self-employed (8.70%), while probationary contracts account for just 2.17% of the sample. A minority of respondents are unemployed (4.35%).

Further, respondents were asked to state how long is/was their current employment contract. According to the data set, the most common contract durations are 1 year and 6 months, each reported by 6 respondents, representing 14.29% of the sample. Following these are contracts lasting 5 years, which account for 11.90% of the respondents. Contracts of 2 years are reported by 9.52% of the respondents, while 3 years contracts make up 7.14%.

A smaller proportion of respondents have shorter-term contracts, such as 3 months and 4 months, each indicated by 4.76% of the sample. There are also more extended contracts, including 15 years, noted by 4.76% of respondents. Additionally, the data reviewed one respondent each for contracts lasting 1.6 years, 10 years, 8 years, and permanent terms. Interestingly, permanent contracts or contracts extending to retirement age, such as “permanent up to 60 years,” “till retirement,” and similar variations, were reported by some respondents, each representing 2.38% of the sample.

4.2 Economic Effects Of Employment Contract Types On Household Income Distribution And Financial Stability

```
. oneway exactmonthlyincomebeforetaxes whatisyourcurrentemploymentcontr

                        Analysis of Variance
    Source              SS         df      MS            F     Prob > F
------------------------------------------------------------------------
Between groups      3.7033e+09      5    740663807       2.93     0.0240
 Within groups      1.0110e+10     40    252745394
------------------------------------------------------------------------
    Total           1.3813e+10     45    306958551
```

Figure 5. The analysis of variance (ANOVA) between types of employment contracts (like permanent, casual, self-employed, etc..) and monthly incomes.

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As show on Figure 5, the analysis of variance (ANOVA) was conducted to assess whether there are significant differences in exact monthly income before taxes across different employment contract types. The ANOVA results show: F-statistic = 2.93 and p-value = 0.0240

At an alpha level of 0.05, the p-value is less than the threshold (0.0240 < 0.05), indicating a significant difference in monthly income before taxes between the different employment contract groups. This implies that the type of employment contract significantly affects income levels.

Additionally, Bartlett's test for equal variances was performed, yielding: chi-square= 33.4141 and p-value = 0.000

Since the p-value is very small (p < 0.05), it indicates that the variances between groups are not equal, which suggests a violation of the homogeneity of variances assumption in ANOVA.

What is the nature of your employment contract?	How often do you receive salary increments or performance bonuses					
	Annually	Nil	Once a ..	Once in..	Yearly	Total
Formal	1	12	17	0	1	31
	0.6	16.4	12.0	1.3	0.6	31.0
	3.23	38.71	54.84	0.00	3.23	100.00
Informal	0	14	2	2	0	18
	0.4	9.6	7.0	0.7	0.4	18.0
	0.00	77.78	11.11	11.11	0.00	100.00
Total	1	26	19	2	1	49
	1.0	26.0	19.0	2.0	1.0	49.0
	2.04	53.06	38.78	4.08	2.04	100.00

Pearson chi2(4) = 13.4970 Pr = 0.009

Figure 6. Chi-Square test on nature of employment contract and salary increments or performance bonuses (Income Distribution)

The aim of this chi-square test is to determine whether there is a significant association between the nature of the employment contract (formal or informal) and the presence of salary increments or performance bonuses.

Based on the data presented in figure 6, we can set up the following hypothesis test to analyze the relationship between nature of employment contract and salary increments or performance bonuses

Hypothesis

1. Null Hypothesis (H_0): There is no significant association between the nature of the employment contract (formal or informal) and the frequency of receiving salary increments or performance bonuses.

2. Alternative Hypothesis (H_1): There is a significant association between the nature of the employment contract (formal or informal) and the frequency of receiving salary increments or performance bonuses.

Conclusion

With a Pearson chi2(4) = 13.4970 and a p-value of 0.009, which is less than the significance level of $\alpha = 0.05$, we reject the null hypothesis. This indicates that there is a significant association between the nature of the employment contract (formal or informal) and the frequency of receiving salary increments or performance bonuses.

Chi-Square test on respondent's current employment contract type and monthly income

Hypothesis:

Null Hypothesis (H_0): There is no significant association between respondents' current employment contract type and their exact monthly income before taxes.

Alternative Hypothesis (H_1): There is a significant association between respondents' current employment contract type and their exact monthly income before taxes.

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Using Alpha = .05

Test statistics of the data set computed using STATA

Pearson chi2(45) = 43.9189 Pr = 0.518

The result of the Pearson Chi-square test shows a chi-square value of 43.9189 with a p-value (Pr) of 0.518. This p-value is greater than the chosen significance level (alpha = 0.05), meaning that we fail to reject the null hypothesis.

Conclusion

Since the p-value (0.518) is greater than 0.05, we do not have enough evidence to suggest that there is a significant association between the respondents' current employment contract type and their exact monthly income before taxes.

Therefore, we accept the null hypothesis, which states that there is no significant association between these two variables. This indicates that employment contract types do not have a statistically significant impact on the exact monthly income before taxes for the respondents in this dataset.

4.3 Effects Of Employment Contract Type On Household Economic Welfare (Savings, Financial Security, Household Expenditure, Investment Behavior).

The data on monthly investments revealed significant variability among individuals. On average, people invest 1189.80 each month, but the standard deviation of 3661.06 shows a wide range in investment amounts. While some individuals do not invest at all (minimum of 0), others make substantial investments, with the highest recorded monthly investment being 20,000. This suggests that investment behavior varies greatly across the sample.

```
. oneway monthlyinvestments contracttype

                        Analysis of Variance
    Source              SS         df      MS            F     Prob > F
------------------------------------------------------------------------
Between groups        232469947      9   25829994.2       2.30     0.0374
 Within groups        392240053     35   11206858.6
------------------------------------------------------------------------
    Total             624710000     44   14197954.5

Bartlett's test for equal variances:  chi2(1) =  58.7646  Prob>chi2 = 0.000
```

Figure 9. The analysis of variance (ANOVA) between employment contract type and house monthly savings

The Analysis of Variance (fig 9) results indicate that there is a statistically significant difference in monthly investments across different employment contract types (p-value = 0.0374, less than the significance level of 0.05). The F-statistic of 2.30 suggests that the variation in monthly investments between contract types is larger than the variation within groups. Furthermore, Bartlett's test for equal variances shows that the assumption of equal variances is violated (p-value = 0.000), indicating that the spread of investments differs significantly across employment types. This suggests that employment contract type influences the level of monthly investments.

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What is the nature of your employment contract?	Household monthly savings							
	1200	2000	2500	3000	5000	8000	14000	Total
Formal	0	4	1	4	2	0	1	31
	0.6	2.5	0.6	2.5	1.9	0.6	0.6	31.0
	0.00	12.90	3.23	12.90	6.45	0.00	3.23	100.00
Informal	1	0	0	0	1	1	0	18
	0.4	1.5	0.4	1.5	1.1	0.4	0.4	18.0
	5.56	0.00	0.00	0.00	5.56	5.56	0.00	100.00
Total	1	4	1	4	3	1	1	49
	1.0	4.0	1.0	4.0	3.0	1.0	1.0	49.0
	2.04	8.16	2.04	8.16	6.12	2.04	2.04	100.00

Pearson chi2(15) = 27.7725 Pr = 0.023

Figure 10. Chi-Square test on nature of employment contract and Household monthly savings.

The aim of this chi-square test is to determine whether there is a significant association between the nature of the employment contract (formal or informal) and the household monthly savings.

Based on Figure 10 above, We set Hypothesis for Chi-Square Test on Nature of Employment Contract and Household Monthly Savings

Null Hypothesis (H0):

There is no significant association between the nature of the employment contract (formal or informal) and the household monthly savings.

Alternative Hypothesis (Ha):

There is a significant association between the nature of the employment contract (formal or informal) and the household monthly savings.

Conclusion

With a Pearson chi-square value of 27.7725 and a p-value of 0.023, which is less than the significance level of 0.05 (Alpha = 0.05), we reject the null hypothesis. This indicates that there is a significant association between the nature of the employment contract and household monthly saving.

4.4 Effects of Employment Contract Type on Household Poverty Situation

Household meals per day	Freq.	Percent	Cum.
1 Meal	7	14.00	14.00
2 Meals	19	38.00	52.00
3 Meals	24	48.00	100.00
Total	50	100.00	

Figure 11. How many meals does your household have per day?

Figure 11, the data on household meals per day indicates that most households have three meals a day, with 48% of respondents reporting this. A smaller proportion, 38%, have two meals per day, while 14% of household report having just one meal per day. This suggests that the majority of households in the sample prioritize having at least two meals per day, with a significant number still managing to maintain a three-meal daily routine. Only a few households, about 14% (7), have a less frequent meal pattern, which could indicate challenges related to food security or income.

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What is your current employment contract type?	Household meals per day			
	1 Meal	2 Meals	3 Meals	Total
Business owner	0	1	1	2
	0.3	0.7	1.0	2.0
	0.00	50.00	50.00	100.00
Casual	4	6	0	10
	1.5	3.7	4.8	10.0
	40.00	60.00	0.00	100.00
Permanent	1	6	14	21
	3.2	7.8	10.0	21.0
	4.76	28.57	66.67	100.00
Self employed	0	2	0	2
	0.3	0.7	1.0	2.0
	0.00	100.00	0.00	100.00
Temporary	1	2	6	9
	1.4	3.3	4.3	9.0
	11.11	22.22	66.67	100.00
Unemployed	1	0	1	2
	0.3	0.7	1.0	2.0
	50.00	0.00	50.00	100.00
Total	7	17	22	46
	7.0	17.0	22.0	46.0
	15.22	36.96	47.83	100.00

Pearson chi2(10) = 21.1599 Pr = 0.020

Figure 12. The Pearson chi-square test between employment contract type and the number of household meals consumed per day.

To establish if there is any association between employment contract type and the number of household meals consumed per day, The Pearson chi-square test was performed as below and conclusion was using Alpha = 0.05

The data presented in figure 12 highlights the relationship between employment contract type and the number of household meals consumed per day. The Pearson chi-square test (χ^2 = 21.1599, p = 0.020) indicates a statistically significant relationship between the type of employment contract and meal frequency, suggesting that employment status plays a role in determining household food security. Permanent employees are more likely to have three meals per day (66.67%), suggesting greater financial stability compared to other contract types. Temporary workersalso have a substantial portion (66.67%) consuming three meals per day, though some only manage one or two meals. Casual workersshow a more precarious situation, with 40% consuming only one meal per day, while none have three meals, reflecting the insecurity of irregular work. Self-employed individuals and business owners mostly consume two meals.

Using an alpha level of 0.05, we compare the p-value to the alpha level to determine significance. Since the p-value (0.020) is less than the alpha level of 0.05, we reject the null hypothesis, which suggests that there is no association between the employment contract type and the number of meals consumed per day. This result indicates a statistically significant relationship between these two variables. In other words, the type of employment contract a household has is associated with the number of meals they consume daily.

To what extent has employment status and nature of contract affected the following

Food and groceries, Utilities, Housing, Health and medical expenses, Sanitation, Education and Transportation Very High (100%), High (75%), Moderate(50%), Low (25%), Very Low (0%)]

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4.2 Discussion

Gender-wise, the sample is skewed towards males, with 60% of the respondents being male, which is important in understanding gender-related economic patterns. The age distribution reveals a diverse range of respondents, with the mean age being approximately 36.63 years, suggesting that the study encompasses individuals in both early career and later stages of employment. Regarding household size, the average household size is 4.5 members, with the smallest household having one member and the largest having 11, pointing to varied living arrangements across the sample.

Educationally, the majority of respondents hold a Bachelor's degree (34%), followed by those with vocational/technical training, suggesting a well-educated sample, which could influence employment opportunities and income levels. In terms of employment status, 58% of respondents are employed, while 28% are self-employed, highlighting the prevalence of formal and informal work arrangements.

The contract types show that the majority (45.65%) are on permanent contracts, with casual contracts (21.74%) and temporary contracts (17.39%) being less common, which may imply a preference for job security among respondents. Contract durations vary, with a significant portion reporting one-year and five-year contracts, while some respondents also have longer contracts, including permanent terms. The contract benefits show that most respondents (61.22%) do not receive gratuity, which may affect their financial security post-employment.

Economic Effects of Employment Contract Types on Household Income Distribution and Financial Stability.

A key aspect of this analysis involves understanding the variation in monthly income levels across different contract types. The mean monthly income reported by respondents is 13,804.08 ZMW, with a high standard deviation of 17,356.18 ZMW. This indicates that there is a considerable variation in earnings among the sample population, reflecting differences that may be attributed to employment contract types, industry sectors, or individual circumstances. The reported income range from 0 ZMW to 70,000 ZMW highlights significant income inequality among households, which could be reflective of different job roles, qualifications, or economic conditions.

The results from the ANOVA test, which shows a significant difference in income levels between different employment contract types (F-statistic = 2.93, p-value = 0.0240), reinforce the idea that the type of employment contract plays a role in shaping household financial outcomes. Permanent contracts, which provide more stability and benefits, tend to offer higher income levels, while casual or temporary contracts may result in lower earnings. This disparity could be attributed to the job security and additional benefits associated with permanent contracts, which often include health insurance, bonuses, and retirement plans. On the other hand, temporary and casual contracts tend to offer fewer benefits and less job security, leading to lower income levels for individuals in those categories.

Effects of Employment Contract Type on Household Poverty Situation

The findings from the analysis reveal significant insights into the effects of employment contract types on household poverty, with a particular focus on basic needs such as meal frequency, food quality, access to utilities, and housing affordability. The data suggests that the type of employment contract plays a crucial role in determining household well-being, as evidenced by meal frequency and food quality. Figure 38 shows that while most households (48%) manage to have three meals per day, a notable percentage (38%) consume only two meals, and a small but concerning 14% survive on just one meal per day. This disparity highlights the variation in food security levels among households, likely influenced by employment status. Those with more stable employment, such as permanent employees, tend to have better meal frequency, reflecting greater financial security, while casual workers, who experience more precarious work conditions, are more likely to have fewer meals. This indicates that employment contract type directly affects food access and security, with irregular or less secure employment leading to greater food insecurity. Further supporting this point, the Pearson chi-square test (Figure 39) reveals a statistically significant relationship between employment contract type and the number of household meals consumed per day ($p = 0.020$). Permanent employees are more likely to have three meals per day, signifying greater financial stability. Casual workers, on the other hand, are more

vulnerable, with a significant proportion consuming only one meal per day, which points to the financial challenges associated with informal and insecure employment. This relationship underscores how critical employment stability is in ensuring consistent access to food, thereby linking employment types to household poverty.

V. CONCLUSION

The research concludes that employment contract type significantly influences household economic situations, particularly in relation to food security, access to utilities, housing affordability, and overall financial stability. The analysis shows that households with permanent or formal employment contracts generally experience greater financial security, allowing them to afford essential services and maintain a more stable standard of living. These households are more likely to have three meals per day, highlighting their ability to prioritize consistent food consumption. In contrast, households with casual or temporary employment contracts face more precarious economic conditions, often resulting in reduced meal frequency and lower food quality. Households with more stable employment are better positioned to afford housing, while those with casual or temporary employment are more likely to struggle, highlighting the economic insecurity faced by workers in informal sectors. Similarly, access to utilities, including electricity and water, is closely tied to employment contract type, with households in more stable employment conditions enjoying greater access to these services. This underscores the direct link between employment security and the ability to afford and maintain essential living conditions.

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