

# Poverty & Equity Brief

Africa Eastern & Southern

## Zambia

October 2022

According to the official statistics of 2010 and 2015, the prevalence of poverty in Zambia was high and stagnant. The percentages of the population below the national poverty line were 54.7 percent in 2010 and 54.4 percent in 2015. Inequality measured by the Gini coefficient increased from 55.6 to 57.1 over this period. Because GDP per capita grew steadily during this period, these trends imply that growth benefits did not trickle down to the bottom half of the population and inequality increased.

Since 2015 economic growth slowed down substantially and remained below population growth, resulting in a 4 percent fall in GDP per capita over 2015-2021. The COVID-19 pandemic, recurrent weather shocks, and later the Ukrainian war magnified pre-existing macroeconomic imbalances, bringing the country back to low-income status in 2022.

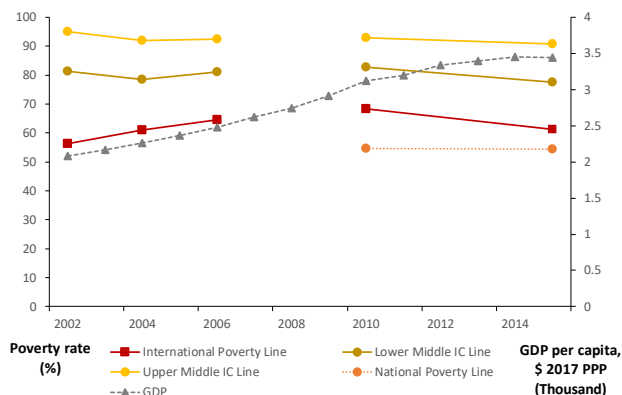
The most recent round of the High Frequency Phone surveys illustrates some of the social costs of the compounded economic shocks experienced in the last two years. In July 2022, over 50 percent of interviewed households engaged in family farms or non-farm businesses reported that income fell in the last 12 months. The significant increase in food and fuel prices further eroded household resources. Most households reported they coped with rising prices by reducing consumption (about 40 percent) and engaging in additional income-generating activities (about 15 percent). Also, there is a sign of deterioration in food security indicators since the onset of the COVID-19 pandemic. For example, the percentage of households who reported that some adult was hungry in the last 30 days decreased slightly from 39 to 36 percent in urban areas, but it increased largely from 33 to 53 percent in rural areas.

While growth resumed in 2021, it is projected to remain modest through 2024, and poverty to stay above pre-COVID levels. The government is embarking on a series of economic reforms to restore macroeconomic stability and expand social spending, but the social benefits are expected to materialize in the medium term.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	8.8	54.4	2015
International Poverty Line 7.2 in Zambian kwacha (2015) or US\$2.15 (2017 PPP) per day per capita	9.7	61.4	2015
Lower Middle Income Class Poverty Line 12.3 in Zambian kwacha (2015) or US\$3.65 (2017 PPP) per day per capita	12.3	77.5	2015
Upper Middle Income Class Poverty Line 23 in Zambian kwacha (2015) or US\$6.85 (2017 PPP) per day per capita	14.4	90.7	2015
Multidimensional Poverty Measure		66.5	2015
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		-0.59	2010-2015
INEQUALITY			
Gini Index		57.1	2015
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-3.52	2010-2015
GROWTH			
Annualized GDP per capita growth		1.96	2010-2015
Annualized Consumption Growth per capita from Household Survey		2.93	2010-2015
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		3.03	2010-2015

Sources: WDI for GDP, National Statistical Offices for national poverty rates, PIP as of September 2022, and Global Monitoring Database for the rest.

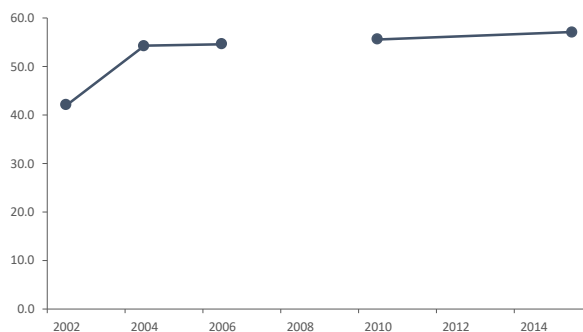
## POVERTY HEADCOUNT RATE, 2002-2015



Source: World Bank using LCMS-VII/SSAPOV/GMD

## INEQUALITY TRENDS, 2002-2015

### Gini Index



Source: World Bank using LCMS-VII/SSAPOV/GMD

## KEY INDICATORS

Distribution among groups: 2015	International Poverty Line (%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population	71	29	12	88
Rural population	16	84	60	40
Males	39	61	40	60
Females	39	61	40	60
0 to 14 years old	32	68	46	54
15 to 64 years old	43	57	36	64
65 and older	31	69	42	58
Without education (16+)	24	76	55	45
Primary education (16+)	22	78	52	48
Secondary education (16+)	57	43	22	78
Tertiary/post-secondary education (16+)	94	6	1	99

Source: World Bank using LCMS-VII/SSAPOV/GMD

Notes: N/A missing value, N/A\* value removed due to less than 30 observations

Multidimensional Poverty Measures: 2015	(% of population)
<b>Monetary poverty (Consumption)</b>	
Daily consumption less than US\$2.15 per person	61.4
<b>Education</b>	
At least one school-aged child is not enrolled in school	30.4
No adult has completed primary education	24.4
<b>Access to basic infrastructure</b>	
No access to limited-standard drinking water	34.4
No access to limited-standard sanitation	60.0
No access to electricity	69.2

Source: World Bank using LCMS-VII/SSAPOV/GMD

## POVERTY DATA AND METHODOLOGY

All estimates of poverty, shared prosperity, and inequality are based on the 2010 and 2015 Living Conditions Monitoring Surveys (LCMS) conducted by Zambia's Statistics Agency (ZamStats). The poverty line is the sum of food and non-food poverty lines. The food poverty line is obtained by updating the cost of the food basket recommended by the National Food and Nutrition Commission and the Price and Income Commission in 1991. The non-food poverty line is the average non-food expenditures of households whose total expenditure is close to the food poverty line. ZamStats improved the poverty methodology in 2015, and therefore the 2010 poverty headcount was re-estimated to preserve intertemporal comparability. For this reason, the 2010 poverty rate cited in this brief differs from the poverty rate cited in other official publications. A new population and housing census is currently under implementation, and the 2022 LCMS was just completed. These data sources will be the basis of the upcoming poverty analysis.

**Note on new global poverty lines:** Poverty data are now expressed in 2017 Purchasing Power Parity (PPP) prices, versus 2011 PPP in previous editions. As price levels across the world evolve, global poverty lines have to be periodically updated to reflect the increase of the value of the lines in nominal terms. The new global poverty lines of \$2.15, \$3.65, and \$6.85 reflect the typical national poverty lines of low-income, lower-middle-income, and upper-middle-income countries in 2017 prices. In addition to reflecting updates in nominal terms, upper-middle-income countries raised the standards by which they determine people to be poor from 2011 to 2017. Hence, the increase in the upper line is larger, and the population that does not meet the new standard is higher in most countries than it was with 2011 PPPs. See [pip.worldbank.org](http://pip.worldbank.org).

## HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 45 out of the 48 countries in the SSA region. The three countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.