

Poverty & Equity Brief

Sub-Saharan Africa

Zambia

April 2020

Poverty statistics for Zambia are available only up to 2015. The national poverty rate at the national poverty line of ZMW 214 per adult equivalent per month remained largely unchanged between 2010 and 2015 despite real GDP per capita growing by 2 percent per year. There were, however, marked differences between rural and urban areas. Poverty in rural areas rose from 73.6 percent in 2010 to 76.7 percent in 2015. 82 percent of the poor in the country live in rural areas. In urban areas, by contrast, poverty fell slightly from 25.7 percent in 2010 to 23.4 percent in 2015. While the increase in poverty in rural areas stemmed largely from low and deteriorating levels of agricultural productivity, the slight decline in poverty in urban areas was driven mostly by improvements in the capital-intensive mining, construction, and financial sectors all of which favorably impacted informal trade and self-employment opportunities for the urban poor.

The economic impact of COVID-19 in the country is expected to constrain GDP growth, and to result in an increase in poverty in the near future. The national poverty rate is expected to rise by around half a percentage point in 2020. Informal workers in general and service sector workers in particular are expected to be the worst effected by job and wage losses, while the effect of rising prices will also have a negative impact on the purchasing power of households.

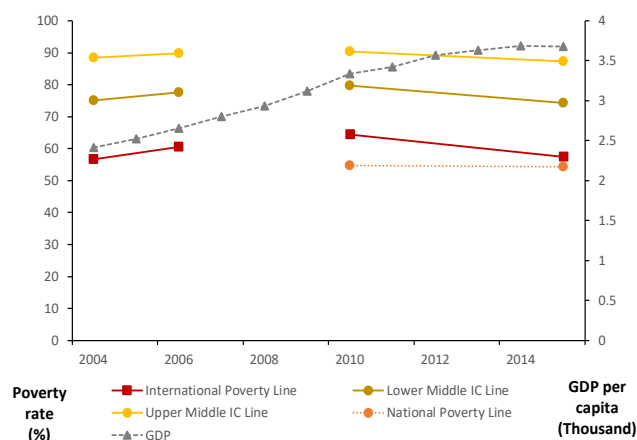
Consumption growth of the bottom 40 percent of the population was negative, at -0.6 percent over the 2010 to 2015 period. The shared prosperity premium was -3.5, implying that in contrast to the bottom 40 percent, the average person in the economy experienced some consumption gains. This contrast is mainly due to the divergence of consumption growth rates between urban and rural areas. Poor market access, increasingly erratic weather, and poorly developed rural institutions were primarily responsible for the observed negative growth in the rural sector.

Inequality rose in Zambia over the period, due to a growing rural-urban divide in consumption levels and because of unequal access to jobs in urban areas where the rural poor have increasingly migrated. At the national level, the Gini index rose from 55.6 in 2010 to 57.1 in 2015. Consumption per person declined for the bottom 40 percent in rural areas while it rose in the urban areas. The top decile experienced gains throughout the country.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	8.8	54.4	2015
International Poverty Line 6.4 in Zambian kwacha (2015) or US\$1.90 (2011 PPP) per day per capita	9.1	57.5	2015
Lower Middle Income Class Poverty Line 10.9 in Zambian kwacha (2015) or US\$3.20 (2011 PPP) per day per capita	11.8	74.3	2015
Upper Middle Income Class Poverty Line 18.6 in Zambian kwacha (2015) or US\$5.50 (2011 PPP) per day per capita	13.8	87.2	2015
Multidimensional Poverty Measure		63.7	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

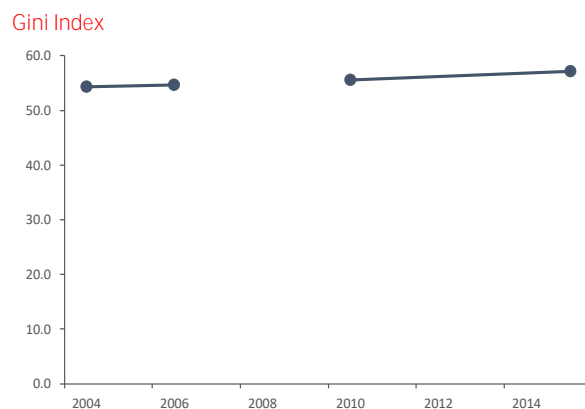
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of February 2020, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2004-2015



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

INEQUALITY TRENDS, 2004-2015



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

KEY INDICATORS

Distribution among groups: 2015	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures (% of people):	2015
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population	75	25	12	88	Monetary poverty (Consumption)	
Rural population	19	81	60	40	Daily consumption less than US\$1.90 per person	57.5
Males	43	57	40	60	Education	
Females	42	58	40	60	At least one school-aged child is not enrolled in school	30.4
0 to 14 years old	36	64	46	54	No adult has completed primary education	24.4
15 to 64 years old	47	53	36	64	Access to basic infrastructure	
65 and older	35	65	42	58	No access to limited-standard drinking water	30.7
Without education (16+)	27	73	55	45	No access to limited-standard sanitation	59.8
Primary education (16+)	23	77	57	43	No access to electricity	69.2
Secondary education (16+)	61	39	22	78		
Tertiary/post-secondary education (16+)	95	5	1	99		

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

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

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

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 Central Statistics Office (CSO). 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. The national poverty line for 2015 was estimated to be Zambian Kwacha 214.26 per adult equivalent per month. This is slightly lower than the 2015 value of \$1.9 (2011 PPP). Hence the \$1.9 (2011 PPP) poverty rate of 57.5 percent is slightly higher than the national poverty rate of 54.4 percent. Because the CSO modified several estimation procedures in 2015, the CSO re-estimated the 2010 poverty headcount applying the new procedures to preserve intertemporal comparison. For this reason, the 2010 poverty rate cited in this brief differs from the poverty rate cited in other CSO publications.

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 four 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.