

Poverty & Equity Brief

Africa Eastern & Southern

Zambia

April 2021

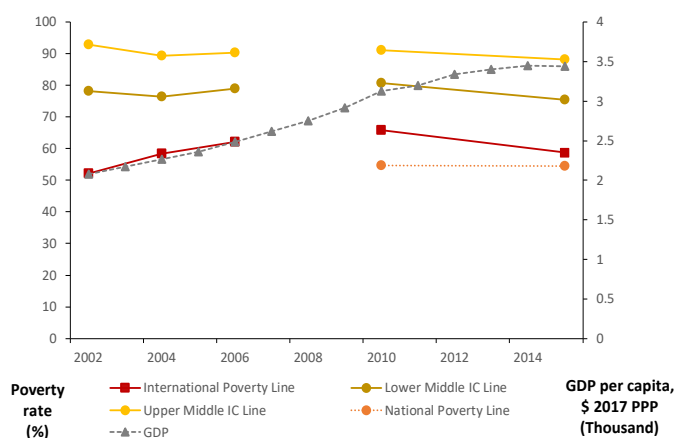
Poverty statistics for Zambia are available only up to 2015. The poverty rate at the national poverty line of ZMW 214 per adult equivalent per month remained largely unchanged at 54.4 percent between 2010 and 2015 despite real GDP per capita growing by 2 percent per year. There were, however, marked differences between rural and urban areas. In rural areas, where 82 percent of the poor live, poverty rose from 73.6 percent to 76.7 percent. 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 has constrained GDP growth, and resulted in an increase in poverty. Even prior to the onset of the pandemic, simulations suggest that consecutive years of severe drought led to an increase in the national poverty rate. Recent phone survey data suggest that a high share of Zambian households have experienced a drop in income from nonfarm businesses, and that 1 in 3 reported a reduction or disappearance of wages. There has been a considerable reduction in employment in both urban and rural areas. Job losses have been particularly severe in the tourism, manufacturing and services sectors. There has been a concerning impact on the food security of vulnerable households, with a high proportion of households reporting skipping meals or running out of food since the onset of the pandemic. The main reasons cited for being unable to purchase the household's main staple foods are price increases and a fall in household income since the start of the pandemic. These results are consistent across urban and rural areas and the national poverty rate is expected to rise by around 2.2 percentage points in 2020. Overall, consumption growth of the bottom 40 percent of the population was negative, at -0.6 percent over the 2010 to 2015 period. By contrast, the top decile experienced gains throughout the country. This resulted in a shared prosperity premium of -3.5, 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. As a result, inequality rose over the period, compounded by 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, the third highest in the world.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	8.8	54.4	2015
International Poverty Line 6.7 in Zambian kwacha (2015) or US\$1.90 (2011 PPP) per day per capita	9.3	58.7	2015
Lower Middle Income Class Poverty Line 11.3 in Zambian kwacha (2015) or US\$3.20 (2011 PPP) per day per capita	12.0	75.4	2015
Upper Middle Income Class Poverty Line 19.4 in Zambian kwacha (2015) or US\$5.50 (2011 PPP) per day per capita	14.0	88.1	2015
Multidimensional Poverty Measure		64.9	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

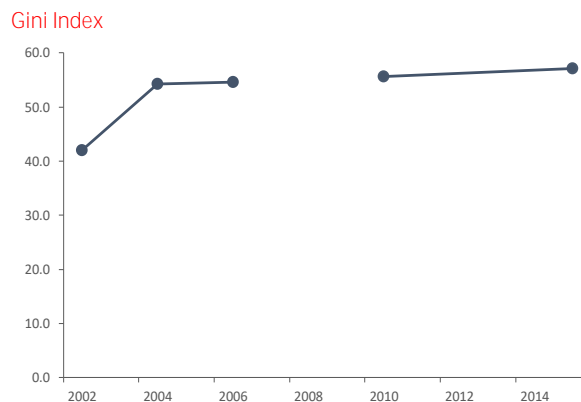
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of February 2021, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2002-2015



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

INEQUALITY TRENDS, 2002-2015



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

KEY INDICATORS

Distribution among groups: 2015	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: 2015 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	73	27	12	88	Monetary poverty (Consumption) Daily consumption less than US\$1.90 per person 58.7
Rural population	18	82	60	40	
Males	41	59	40	60	Education At least one school-aged child is not enrolled in school 30.4 No adult has completed primary education 24.4
Females	41	59	40	60	
0 to 14 years old	35	65	46	54	Access to basic infrastructure No access to limited-standard drinking water 34.4 No access to limited-standard sanitation 60.0 No access to electricity 69.2
15 to 64 years old	45	55	36	64	
65 and older	35	65	42	58	
Without education (16+)	26	74	55	45	
Primary education (16+)	25	75	52	48	
Secondary education (16+)	60	40	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 58.7 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. The population and housing census planned for 2020 has been postponed to 2021 because of the COVID-19 pandemic. This census will provide a crucial update to the national sampling frame, which will be used for the next LCMS, also planned for 2021.

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.