

Poverty & Equity Brief

October 2024

ZAMBIA

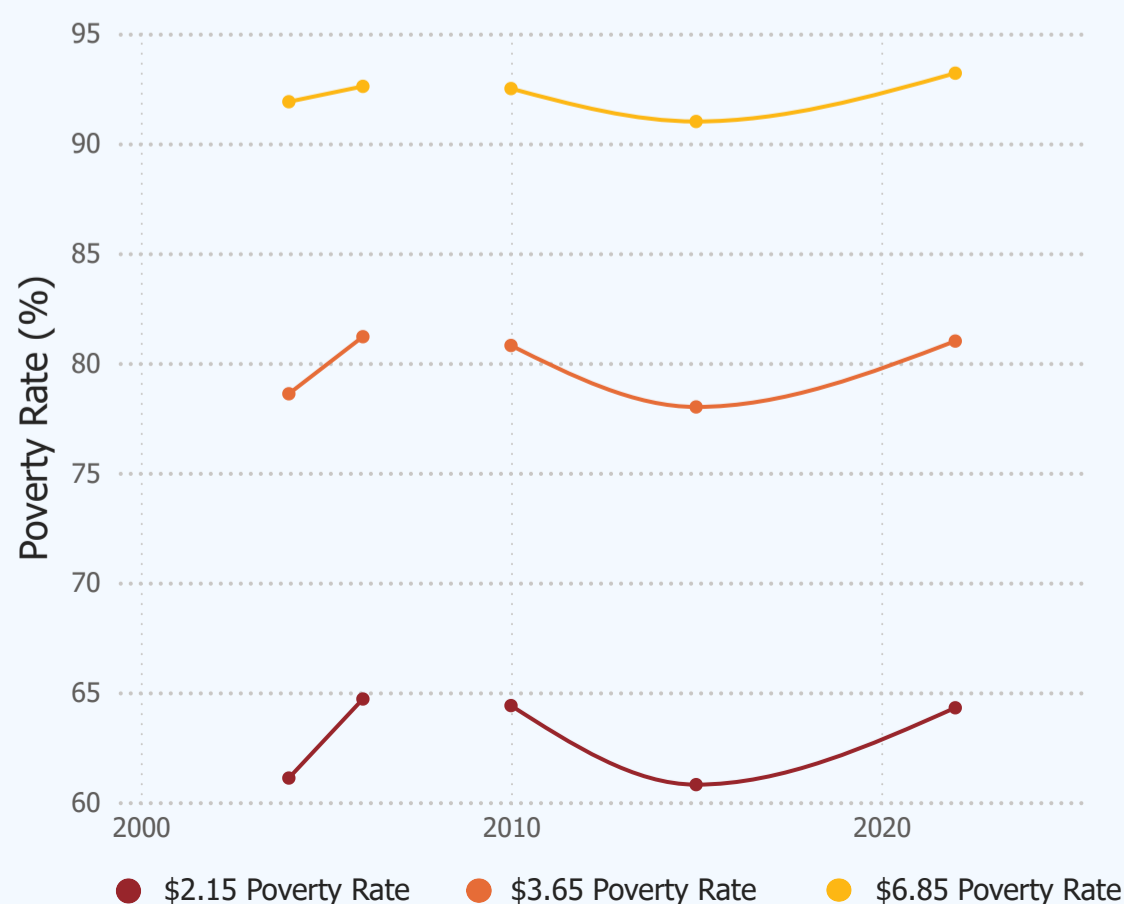
Poverty and inequality levels in Zambia are among the highest in the world. In 2022, 64.3 percent of the population—about 12.9 million individuals—was living on less than \$2.15 a day, while the Gini Index stood at 51.8. Weak links from growth to poverty reduction are reflected in an incidence of poverty that is not commensurate with the country's GDP per capita level—which is two to four times higher than countries with similar or higher poverty incidence (except for South Sudan). The Gini Index, in turn, is well above the World Bank's newly adopted high-inequality threshold of 40 and is high even when compared with the highly unequal resource-rich countries in the region.

Poverty is overwhelmingly rural and is becoming more entrenched over time. The incidence of rural poverty based on the national line has remained above 75 percent and has been on a slightly upward trend since 2010, accounting for over 80 percent of the poor. Of the 5.6 percentage point increase in poverty over 2015 to 2022, 90 percent can be attributed to an increase in extreme poverty as opposed to moderate poverty. Other than access to electricity—which increased by about 24 percentage points due to the expansion of renewable sources in rural areas—progress in non-monetary dimensions remained limited. As a result, the Multidimensional Poverty Measure remained at around 66 percent over the period. Deteriorating labor market indicators in urban areas suggest that the higher levels of urban poverty recorded in 2022 are not just the result of the multiple shocks experienced in 2020 but the result of structural barriers.

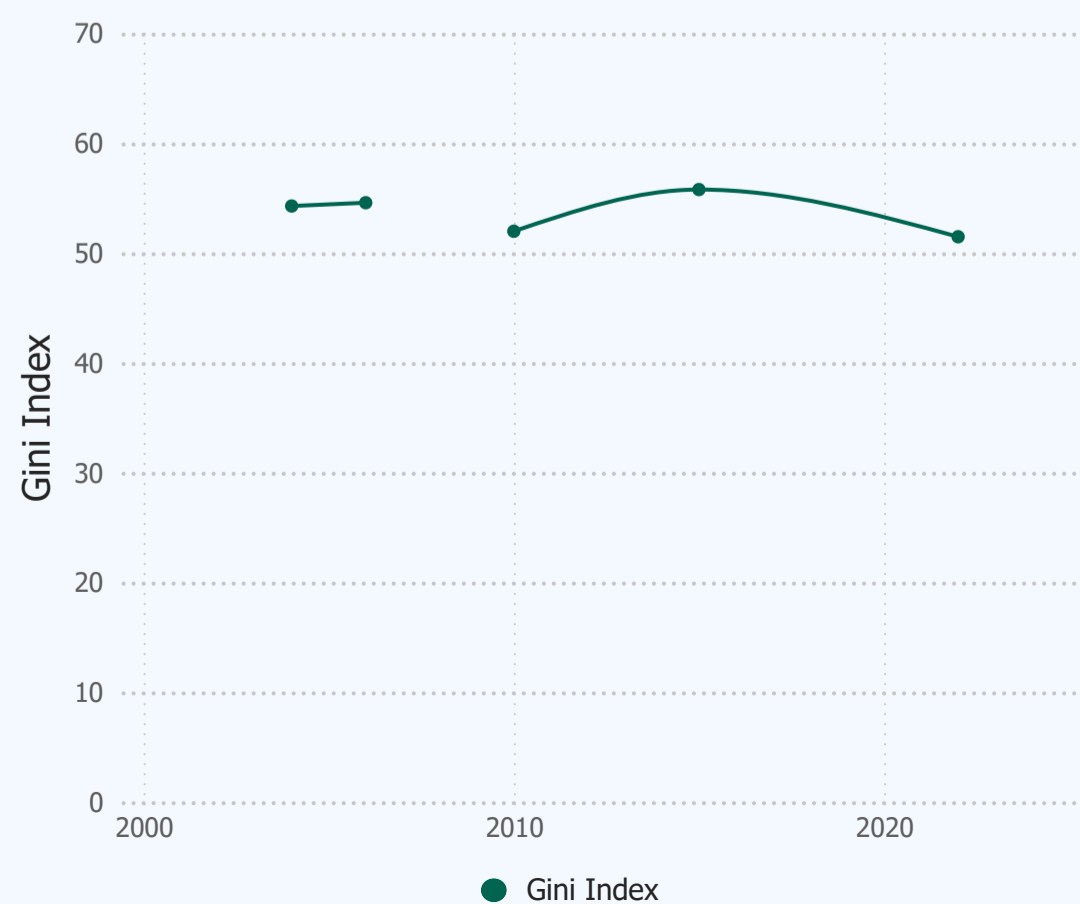
2024 evidenced the country's high vulnerability to weather shocks. During the 2023/2024 rainfall season, Zambia experienced the worst drought in the last 40 years. 84 districts (of 116) and 9.8 million (or about 50 percent of the population) were affected, with 6.6 million people needing immediate humanitarian lifesaving assistance. The drought is expected to have widespread and devastating effects on livelihoods (for example, loss of crops and livestock, high food prices), health (for example, increases in incidence of drought-related diseases and lower healthcare utilization), nutrition (for example, inadequate food consumption), WASH (for example, water shortage and unclean water), and education (lower attendance). Economic growth is estimated to have come to a halt, driven by the shock on the agriculture and power sectors, and inflation is expected to reach 14.6 percent in 2024. Despite the country's concerted drought emergency response—spearheaded by the government with support from cooperating partners—the shock is set to have long-lasting social and economic effects.



Poverty Rate



Inequality



Poverty at Different Lines

| Poverty Line | Number of Poor (Thousands) | Rate (%) | Year |
|---|-------------------------------|-------------|------|
| National Poverty Line | 11,766.5 | 60.0 | 2022 |
| International Poverty Line (\$2.15/day) | 12,881.4 | 64.3 | 2022 |
| Lower Middle Income Class Poverty Line (\$3.65/day) | 16,208.3 | 81.0 | 2022 |
| Upper Middle Income Class Poverty Line (\$6.85/day) | 18,650.5 | 93.2 | 2022 |
| Multidimensional Poverty Measure | | 66.5 | 2022 |

Group and Multidimensional Poverty

| Poverty by Group | Poverty Rate (%) | Multidimensional Poverty Components | (% of Pop.) |
|---|------------------|--|-------------|
| Urban population | 36.8 | Daily income less than US\$2.15 per person | 64.3 |
| Rural population | 82.7 | At least one school-aged child is not enrolled in school | 23.4 |
| Males | 64.3 | No adult has completed primary education | 16.3 |
| Females | 64.4 | No access to limited-standard drinking water | 26.8 |
| 0 to 14 years old | 70.7 | No access to limited-standard sanitation | 53.5 |
| 15 to 64 years old | 60.0 | No access to electricity | 45.1 |
| 65 and older | 63.9 | | |
| Without education (16+) | 81.3 | | |
| Primary education (16+) | N/A | | |
| Secondary education (16+) | 56.5 | | |
| Tertiary/post-secondary education (16+) | N/A* | | |

Note:

Data for the "Poverty by Group" table is derived from a 2022 survey and data for the "Multidimensional Poverty Components" table is derived from a 2022 survey. The rates in the "Poverty by Group" table above are shown at the \$2.15 international line.

"N/A" denotes a missing/removed value, while "N/A*" refers to a value which was removed due to having fewer than 30 observations.

Poverty Data & Methodology

Poverty and inequality estimates are based on the 2022 Living Conditions Monitoring Survey (LCMS) conducted by the Zambia Statistics Agency (ZamStats). Due to questionnaire design changes, the SWIFT methodology was used to derive comparable numbers with the previous round in 2015. Both estimates are based on the poverty methodology adopted in 2015, including the poverty line, which was simply re-expressed in 2022 values using CPI. The composition of the food basket was determined by the National Food and Nutrition Commission and the Price and Income Commission in 1991.

International poverty and inequality estimates are based on the official consumption aggregate, except for being re-expressed in per-capita terms instead of per adult equivalent terms.

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.