Inequality in the Context of Structural Transformation: Zambia

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Presentation Outline

- Introduction
- Economic Inequality
- Regional Inequality
- Gender Inequality
- Conclusion
Introduction: Main Observations

- Growing concern that economic growth has not translated into poverty reduction
- A period of economic decline was associated with economic inequality decline
- Recent Period of Growth witnessed increased economic inequality
- Very high income inequality with a Gini of 0.60
- But lack of policy focus on inequality
Introduction: Inequality Trends

Gini Coefficients

YEAR
0.61 0.66 0.57 0.57 0.60 0.65

YEAR
Introduction: GDP Structure
Introduction: GDP Structure and Labour Market Structure

- Agriculture GDP Share 9%
- Agriculture Employment Share 48.9%
- Percent Earning Less than $52 per month is 38.3 percent
- Percent Earning more than $350 per month 8.8%
- Formal sector employees 4%
- Average Earning per month $136.8
Introduction: GDP Structure and Labour Market Structure II

- Mining GDP Share 10%
- Mining employment Share 1.4%
- Percent earning Less than $52 per month is 1.2%
- Percent earning more than $350 per month is 52.6%
- Formal sector employees 81%
- Average earning per month $514.8
Introduction: GDP Structure and Labour Market Structure III

- Manufacturing GDP Share 8.1 %
- Manufacturing Employment Share 3.2 %
- Percent Earning Less than $52 per month is 10.6%
- Percent Earning more than $350 per month is 11.8 %
- Formal sector employees 34%
- Average Earning per month $199.6
Introduction: GDP Structure and Labour Market Structure III

- Wholesale and Retail GDP Share 23.3 %
- Employment Share 11.8 %
- Percent Earning Less than $52 per month is 28.3%
- Percent Earning more than $350 per month 6.4 %
- Formal sector employees 16%
- Average Earning per month $130.8
Economic Inequality
## Income Inequality

<table>
<thead>
<tr>
<th>Decile</th>
<th>2010</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>0.5%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Second</td>
<td>1.1%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Third</td>
<td>1.7%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Fourth</td>
<td>2.4%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Fifth</td>
<td>3.4%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Sixth</td>
<td>4.5%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Seventh</td>
<td>6.6%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Eight</td>
<td>10.1%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Ninth</td>
<td>17.1%</td>
<td>16.7%</td>
</tr>
<tr>
<td>Tenth</td>
<td>52.6%</td>
<td>51.9%</td>
</tr>
</tbody>
</table>
Consumption Inequality
Access to Education: Highest Level Attained

![Bar chart showing access to education levels from 2010 to 2015. The chart indicates a significant increase in primary education levels from 49.89% in 2010 to 59.61% in 2015, with a smaller increase in secondary education from 42.3% to 33.33%, and a decrease in tertiary education from 6.8% to 4.83%.]
Access to Education

- Poorest: 47% Never Attended School, 53% Attended School
- Second: 44% Never Attended School, 56% Attended School
- Middle: 38% Never Attended School, 62% Attended School
- Fourth: 29% Never Attended School, 71% Attended School
- Highest: 19% Never Attended School, 81% Attended School
Health Outcomes Inequalities

![Graph showing health outcomes inequalities across different income quintiles for Infant Mortality, Child Mortality, and Under 5 Mortality. The graph indicates higher mortality rates for the poorest 20% compared to the richest 20%.](image-url)
Access to Electricity

- **Poorest**: 1%
- **Second**: 5%
- **Middle**: 16%
- **Fourth**: 44%
- **Highest**: 21%

The chart shows the percentage of not connected and connected for each category:
- **Not Connected**: 99%
- **Connected**: 1%

Legend:
- Blue: Not Connected
- Light Blue: Connected
Share in Total Electricity
Firewood Use

- **Poorest**: 16% Don’t Use, 84% Use
- **Second**: 30% Don’t Use, 70% Use
- **Middle**: 51% Don’t Use, 49% Use
- **Fourth**: 26% Don’t Use, 74% Use
- **Highest**: 8% Don’t Use, 92% Use
Access to Safe Water

- **Poorest**: 84% have access, 16% do not.
- **Second**: 72% have access, 28% do not.
- **Middle**: 62% have access, 38% do not.
- **Fourth**: 50% have access, 50% do not.
- **Highest**: 33% have access, 67% do not.

Legend:
- **Blue**: No Access
- **Light Blue**: Have Access
Rural Urban Disparities I

- Same Income Gini Coefficient for Rural and Urban Areas 0.6
- Rural Areas: Poorest 10 percent earn 0.8 % of total income compared to richest 10 percent who earn 53 %
- Urban Areas: Poorest 10 percent earn 0.5 % of total income compared to richest 10 percent who earn 48 %
Rural Urban Disparities II

![Bar chart showing consumption and population shares between rural and urban areas.](chart.png)

- **Rural**
  - Consumption Share: 21
  - Population Share: 65

- **Urban**
  - Consumption Share: 79
  - Population Share: 35

Legend:
- Blue: Consumption Share
- Light Blue: Population Share
Rural Urban Disparities III

Headcount Poverty 2010 vs Headcount Poverty 2006

- **RURAL**
  - 2010: 77.9
  - 2006: 80.3

- **URBAN**
  - 2010: 27.5
  - 2006: 28.7

- **ZAMBIA**
  - 2010: 60.5
  - 2006: 62.8
Rural Urban Disparities: Education

The bar chart illustrates the percentage of individuals who have never attended school and those who attended school, comparing rural and urban areas. The chart shows a significantly higher percentage of urban residents who have attended school compared to rural residents. The data indicates that urban areas have a lower rate of never attending school, with 25% versus 45% in rural areas.
Rural Urban Disparities: Health

Mortality Rate By Region

- **Urban**
  - Infant Mortality: 46
  - Child Mortality: 27
- **Rural**
  - Infant Mortality: 49
  - Child Mortality: 38
  - Under-5 Mortality: 85

Number of Deaths per 1000
Rural Urban Disparities: Water Access

- Rural: 75% No Access, 25% Have Access
- Urban: 47% No Access, 53% Have Access
Regional Disparities: Education

- Rural: 4.6
- Urban: 53.7 (2010) and 67.3 (2015)
Regional Disparities: Provincial Consumption Shares

Copperbelt
Lusaka
Southern
North western
Central
Northern
Eastern
Luapula
Western

Consumption Share Population Share
<table>
<thead>
<tr>
<th>Province</th>
<th>Year 2010</th>
<th>Year 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>CENTRAL</td>
<td>60.9</td>
<td>70.7</td>
</tr>
<tr>
<td>COPPERBELT</td>
<td>34.3</td>
<td>37.3</td>
</tr>
<tr>
<td>EASTERN</td>
<td>77.9</td>
<td>78.5</td>
</tr>
<tr>
<td>LUAPULA</td>
<td>80.5</td>
<td>73.9</td>
</tr>
<tr>
<td>LUSAKA</td>
<td>24.4</td>
<td>24.7</td>
</tr>
<tr>
<td>NORTHERN</td>
<td>75</td>
<td>78.5</td>
</tr>
<tr>
<td>NORTH-WESTERN</td>
<td>67</td>
<td>70.7</td>
</tr>
<tr>
<td>SOUTHERN</td>
<td>67.9</td>
<td>73</td>
</tr>
<tr>
<td>WESTERN</td>
<td>80.4</td>
<td>83.3</td>
</tr>
</tbody>
</table>
Regional Disparities: Provincial Education Distribution

Never Attended School
Attended School

- Central: 36% Never, 64% Attended
- Copperbelt: 27% Never, 73% Attended
- Eastern: 48% Never, 52% Attended
- Luapula: 46% Never, 54% Attended
- Lusaka: 25% Never, 75% Attended
- Northern: 42% Never, 58% Attended
- North Western: 46% Never, 54% Attended
- Southern: 37% Never, 63% Attended
- Western: 39% Never, 61% Attended
Regional Disparities: Provincial Distribution Water Access

- Central: 56% No Access, 44% Have Access
- Copperbelt: 59% No Access, 41% Have Access
- Eastern: 59% No Access, 41% Have Access
- Luapula: 71% No Access, 29% Have Access
- Lusaka: 51% No Access, 49% Have Access
- Northern: 74% No Access, 26% Have Access
- North Western: 72% No Access, 28% Have Access
- Southern: 72% No Access, 28% Have Access
- Western: 91% No Access, 9% Have Access
Regional Disparities: Provincial Distribution Electricity Access

- Zambia: 2010 - 22, 2015 - 31
- Western: 2010 - 4, 2015 - 6
- Southern: 2010 - 17, 2015 - 25
- North Western: 2010 - 9, 2015 - 14
- Northern: 2010 - 7, 2015 - 9
- Muchinga: 2010 - 9, 2015 - 17
- Lusaka: 2010 - 62, 2015 - 71
- Luapula: 2010 - 5, 2015 - 7
- Eastern: 2010 - 5, 2015 - 8
- Cooperbelt: 2010 - 46, 2015 - 58
Regional Disparities: Provincial Unemployment Rates

<table>
<thead>
<tr>
<th>Region</th>
<th>Unemployment Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>7.4</td>
</tr>
<tr>
<td>Copperbelt</td>
<td>10</td>
</tr>
<tr>
<td>Eastern</td>
<td>12.7</td>
</tr>
<tr>
<td>Lusaka</td>
<td>3</td>
</tr>
<tr>
<td>Muchinga</td>
<td>4.5</td>
</tr>
<tr>
<td>Northern</td>
<td>9.8</td>
</tr>
<tr>
<td>Northwestern</td>
<td>3.4</td>
</tr>
<tr>
<td>Southern</td>
<td>5.4</td>
</tr>
<tr>
<td>Western</td>
<td>3.3</td>
</tr>
</tbody>
</table>
Gender Inequalities
Gender Disparities: Education

The bar chart illustrates gender disparities in education levels. The chart compares male and female percentages across different educational levels:

- **Primary**: Male - 42.7%, Female - 47.8%
- **Secondary**: Male - 56.7%, Female - 37.2%
- **Tertiary**: Male - 8.1%, Female - 5.6%
- **Post Graduate**: Male - 1.5%, Female - 0.6%

The data suggests a consistent trend of females having a higher percentage in primary education and males having a higher percentage in secondary education. Tertiary and postgraduate education seem to have a smaller gender disparity, with females slightly trailing males in these levels.
Gender Disparities: Political Participation

- Females account for 14 percent of cabinet positions.
- Only 6% of councillors were female in local government.
- Last parliament, females accounted for 13.8 % of total seats.
Gender Disparities: Gender Wage gap

- There is a marginal gender wage gap in favour of men.
- Average monthly income for females is $212.9 compared to men’s $234.3.
- Men have a higher monthly average monthly income compared to females in the majority of provinces except Southern and Western provinces.
Concluding Remarks I

- Zambia’s among one of the countries with extremely high inequality
- High disparities in health outcomes, education access and attainment, electricity access and safe water access across socio-economic groups and regions
Concluding Remarks

- Gender gaps in access to education, labour market outcomes and political participation in favour of males
- Structure of Economy may hold key to the inequality debate
Concluding Remarks III

- Drivers of Inequalities not dealt with
- Regional inequalities are due to trade and infrastructure patterns.
- Political influence: Who determines where to have schools, roads, water.
- Lack of devolvement of resources to local levels.
- The whole set of policies that favour big firms as opposed to SMEs. (E.g. Investment incentives)
Thank you for your attention