Household Expenditure and Poverty Situation In Zambia

Consumption based poverty measures

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Background

- Since 1991, the Central Statistical Office has been utilizing the cross-sectional sample data to monitor the well being of the Zambian population except in 2002/2003 LCMS.
- The surveys use a set of priority indicators on poverty, welfare and living conditions.
- CSO has so far conducted two priority surveys PSI, PSII and six LCMS , 1996, 1998, 2002/3, 2004, 2006, 2010.
- Different methodologies have been used at different times.

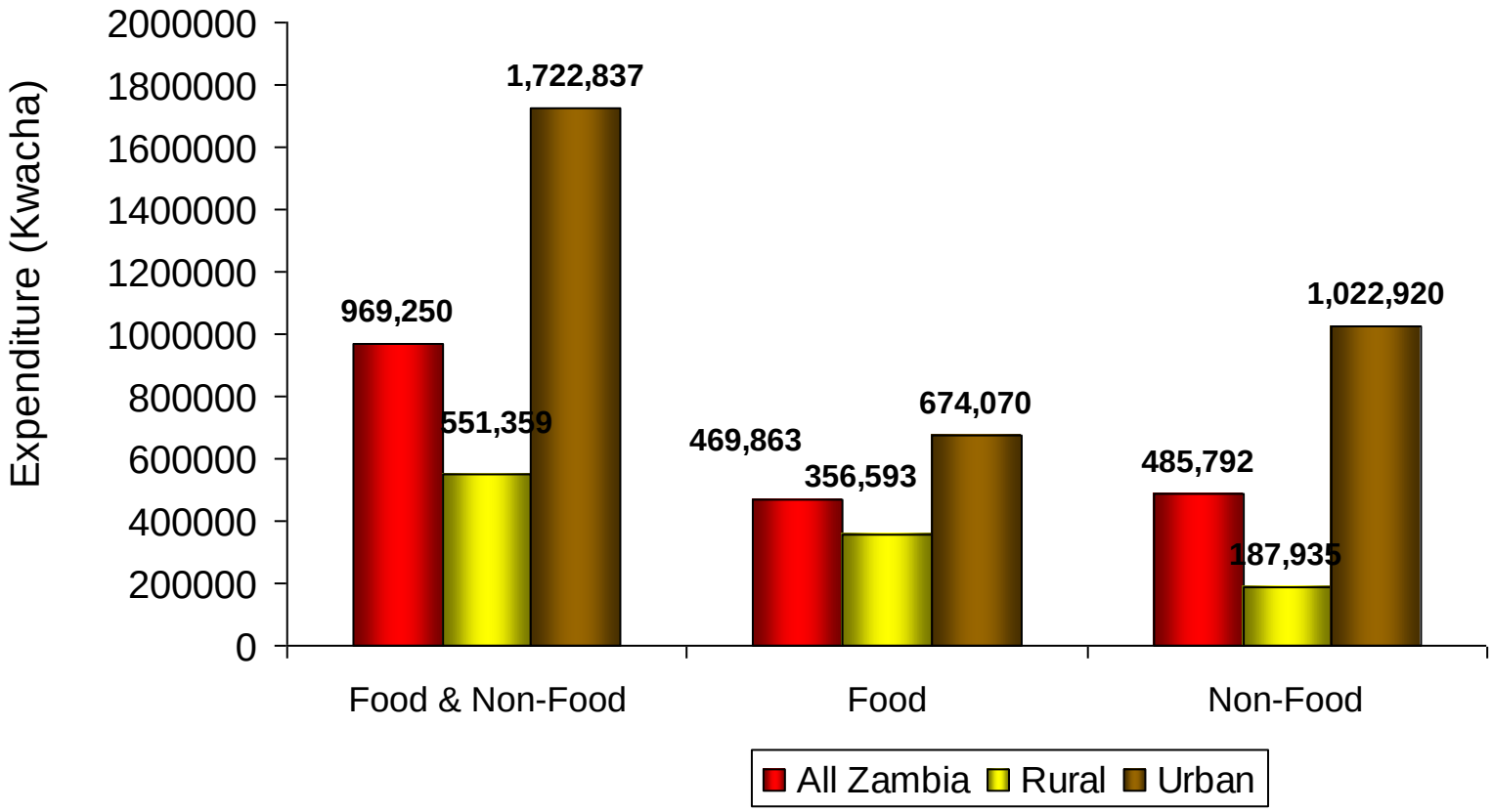
LCMS 2010

- Presentations of the LCMS 2010 highlights.

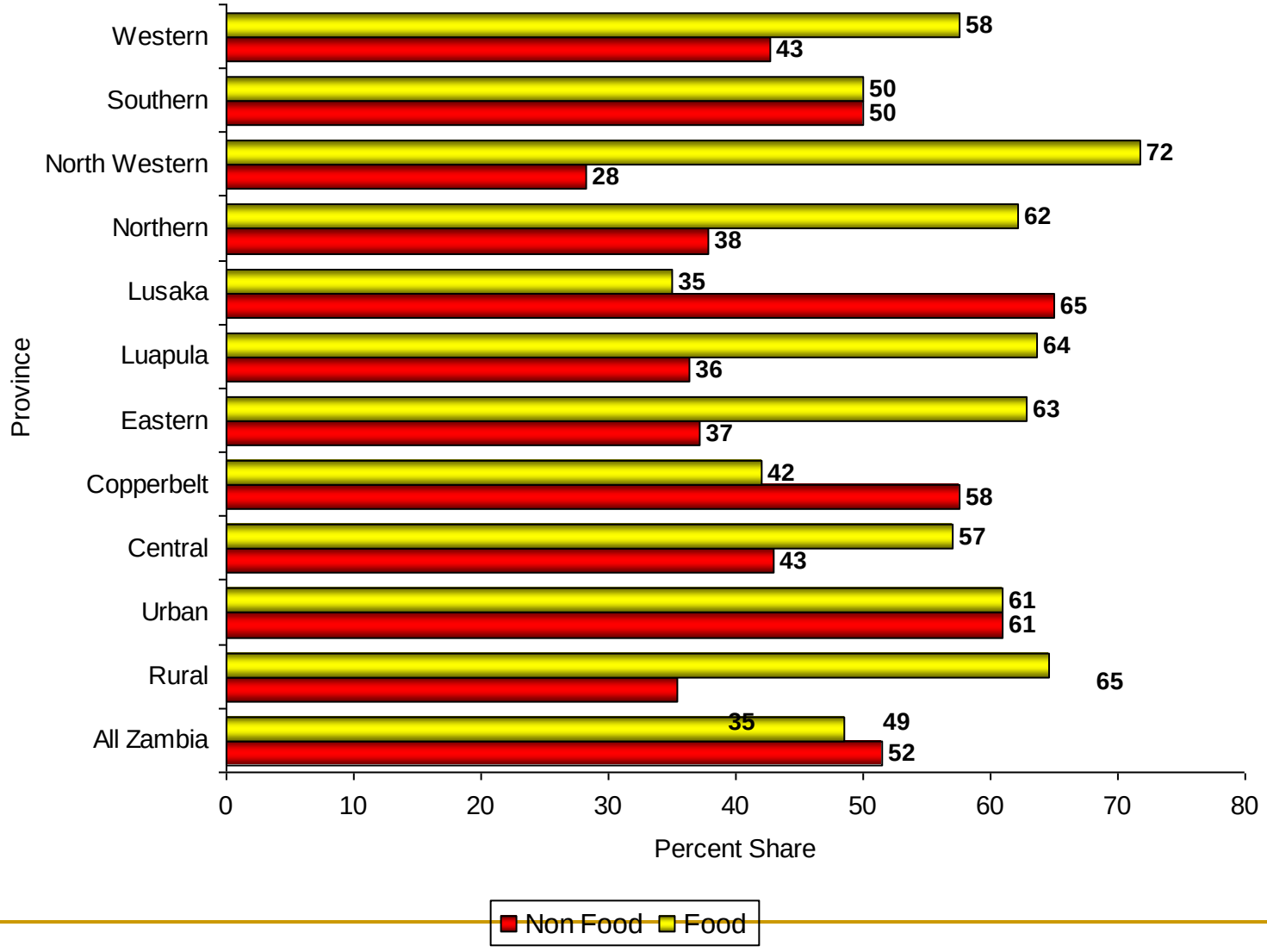
Household Consumption

- We use consumption expenditure as a measure of welfare
- Consumption expenditure consists of Food and Non food expenses
- Expenditure excludes lumpy expenses such as buying a car, insurance, buying furniture etc

Average Monthly Household Expenditure by Type of Expenditure (Kwacha), Residence , Zambia, 2010



Percentage Share of Household Expenditures to Food and Non-Food by Province, Residence, Zambia, 2010



Distribution of Household expenditure by quintile(kwacha). 2010

Quintile Group	Monthly average expenditure	Monthly Average per capita expenditure	percentage share of households	Percentage share of Expenditure	Average household size	Sample households	Estimated number of households	Estimated Number of Persons	Percentage share of persons
Lowest	186,413	60,273	20	3.9	4.2	2,829	497,024	2,088,387	16
Second	336,610	89,288	20	7.0	5.0	2,975	496,615	2,484,673	19
Third	523,392	131,073	20	10.8	5.4	3,471	496,526	2,686,614	21
Fourth	882,706	216,199	20	18.2	5.6	4,315	496,156	2,790,729	21
Highest	2,923,324	635,115	20	60.2	6.0	5,808	495,164	2,962,749	23
Total	**969,250**	**226,128**	**100**	**100.0**	**5.2**	**19,398**	**2,480,000**	**13,013,152**	**100**

What is consumption Based Poverty

- CSO uses minimum basic human needs, comprising food and non food items.
- CSO uses the household consumption expenditure data from the LCMS to measure the welfare of people.
- A poverty line uses a fixed expenditure or consumption amount derived from the food basket.

Why Consumption ?

- Why Consumption and not Income?
- Easy to capture consumption and not income
- People are free to discuss consumption and not income
- Not all people have income but all consume

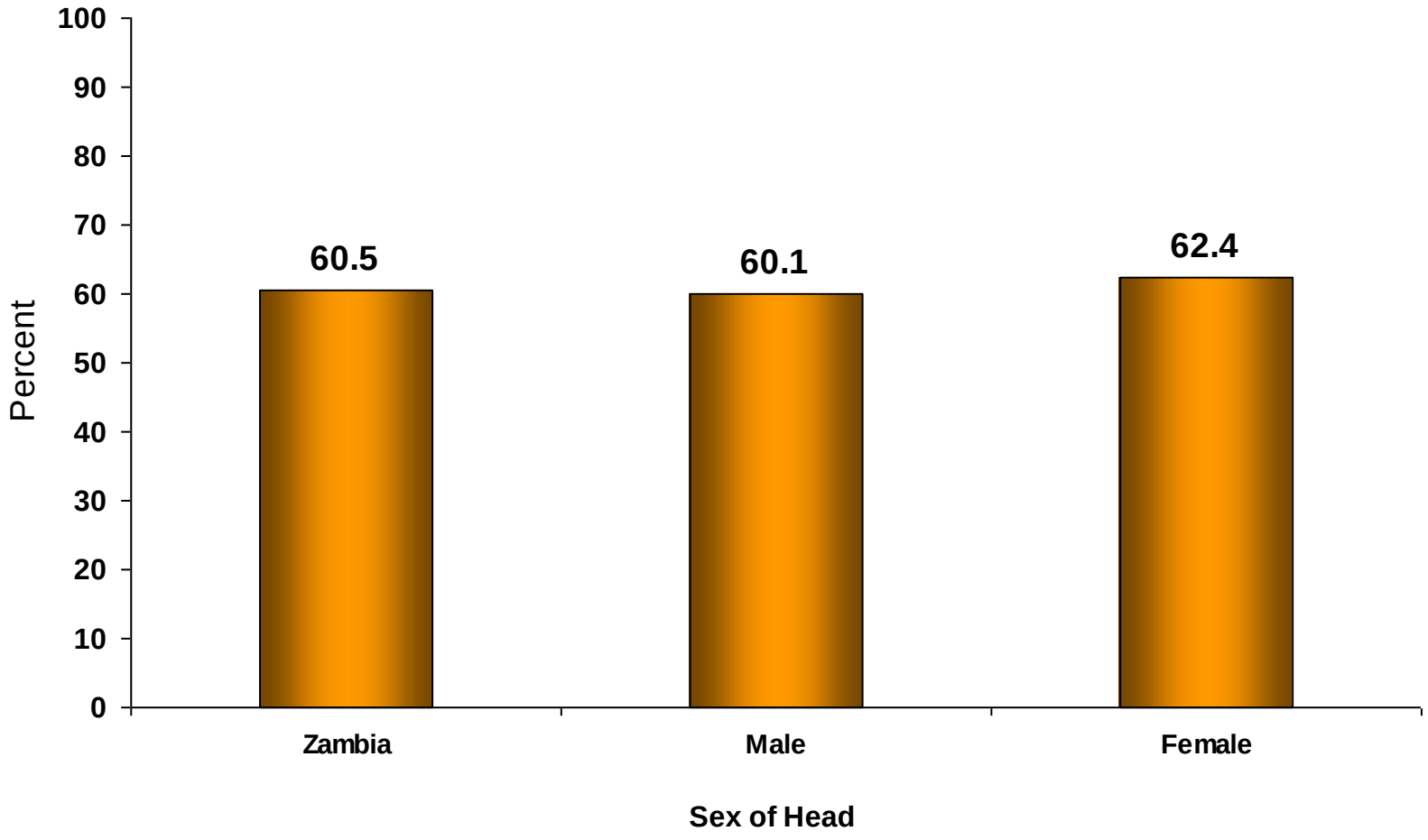
Food Basket

- This is a combinations of basic food needs that a human body needs in order to meet the calorific nutrients required to keep the body alive.
- The cost of the food items are then costed to come up with the required cost of the food basket.

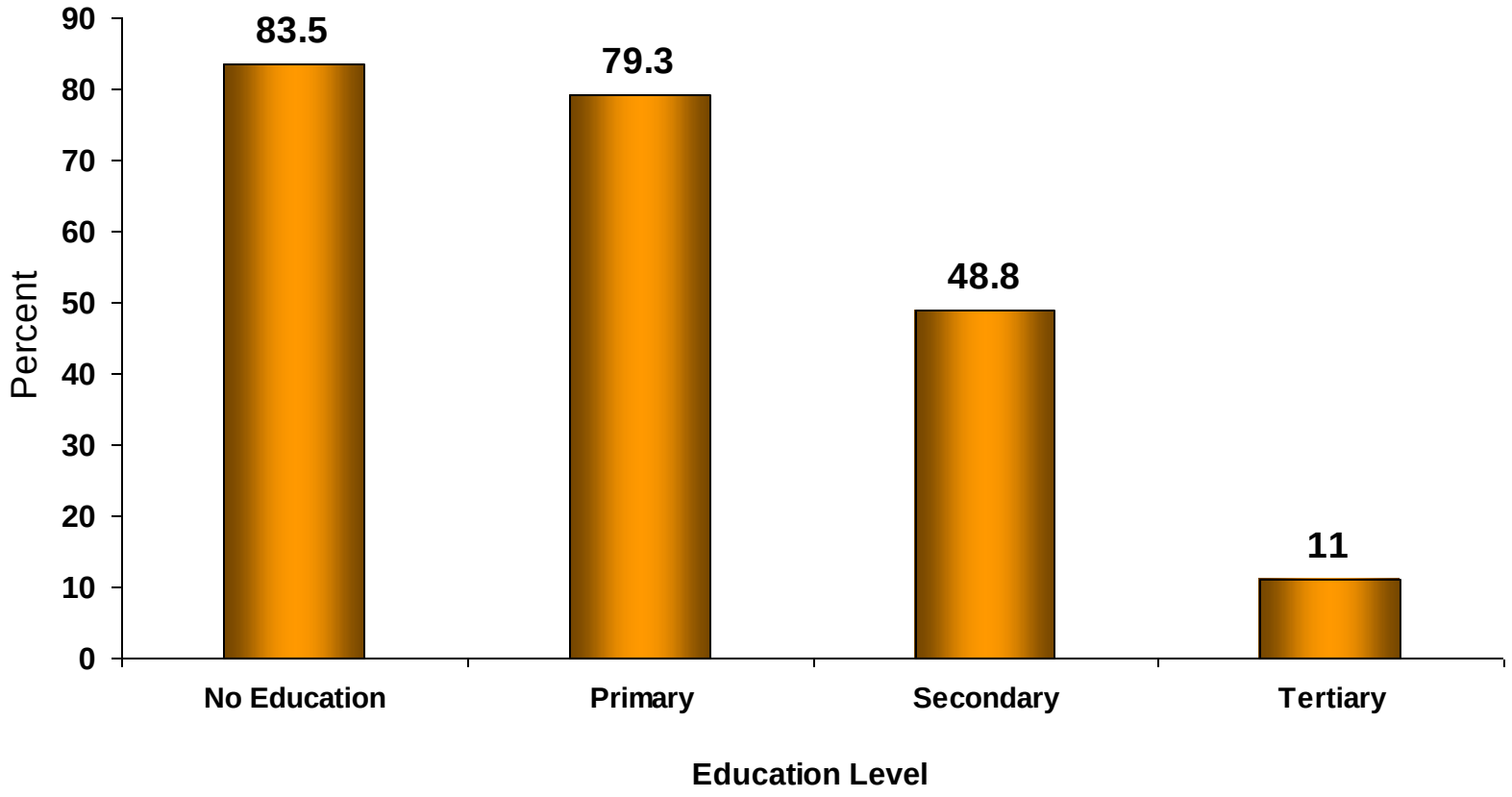
Headcount poverty estimates 2010

	National	Rural	Urban
Below overall poverty line	**60.5**	**77.9**	**27.5**
Below Food poverty line	**42.3**	**57.7**	**13.1**

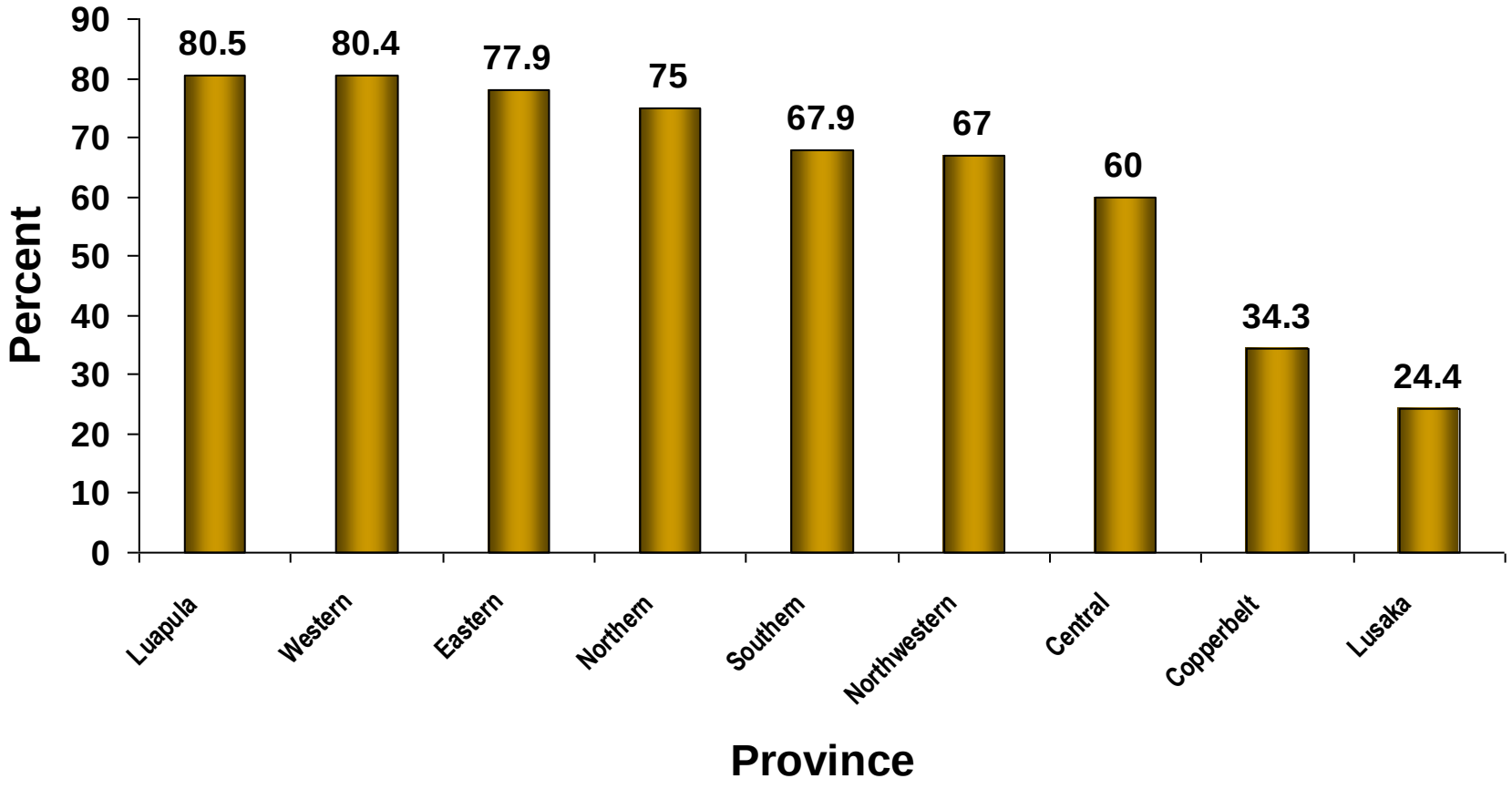
Incidence of poverty by sex of household head 2010



Incidence of Poverty by Education Status of Household Head 2010



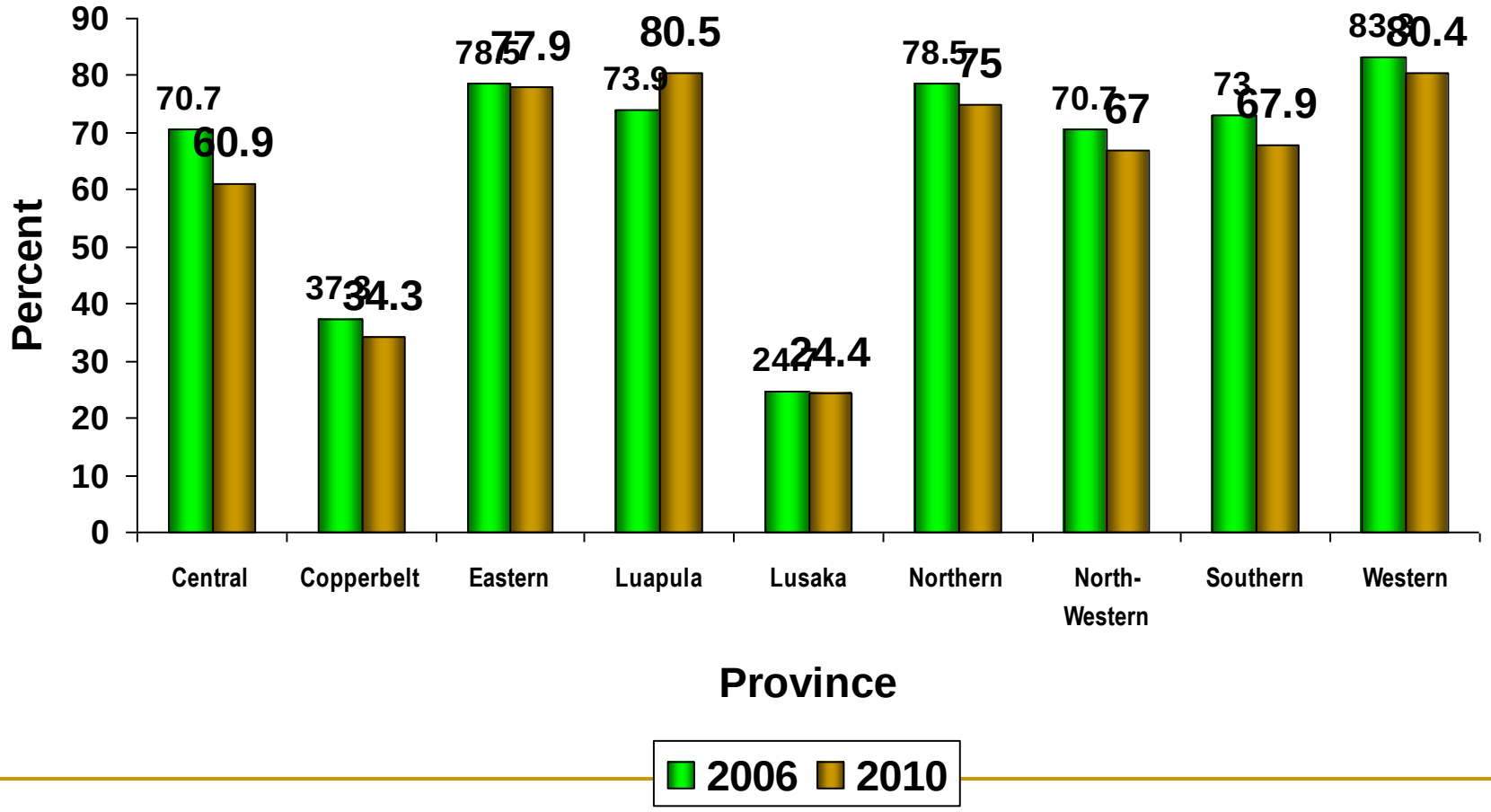
Incidence of Poverty by Province 2010



Poverty Trends between 2006 and 2010 National and Rural/urban

Year	National	Rural	Urban
2006	62.8	80.3	29.7
2010	60.5	77.9	27.5

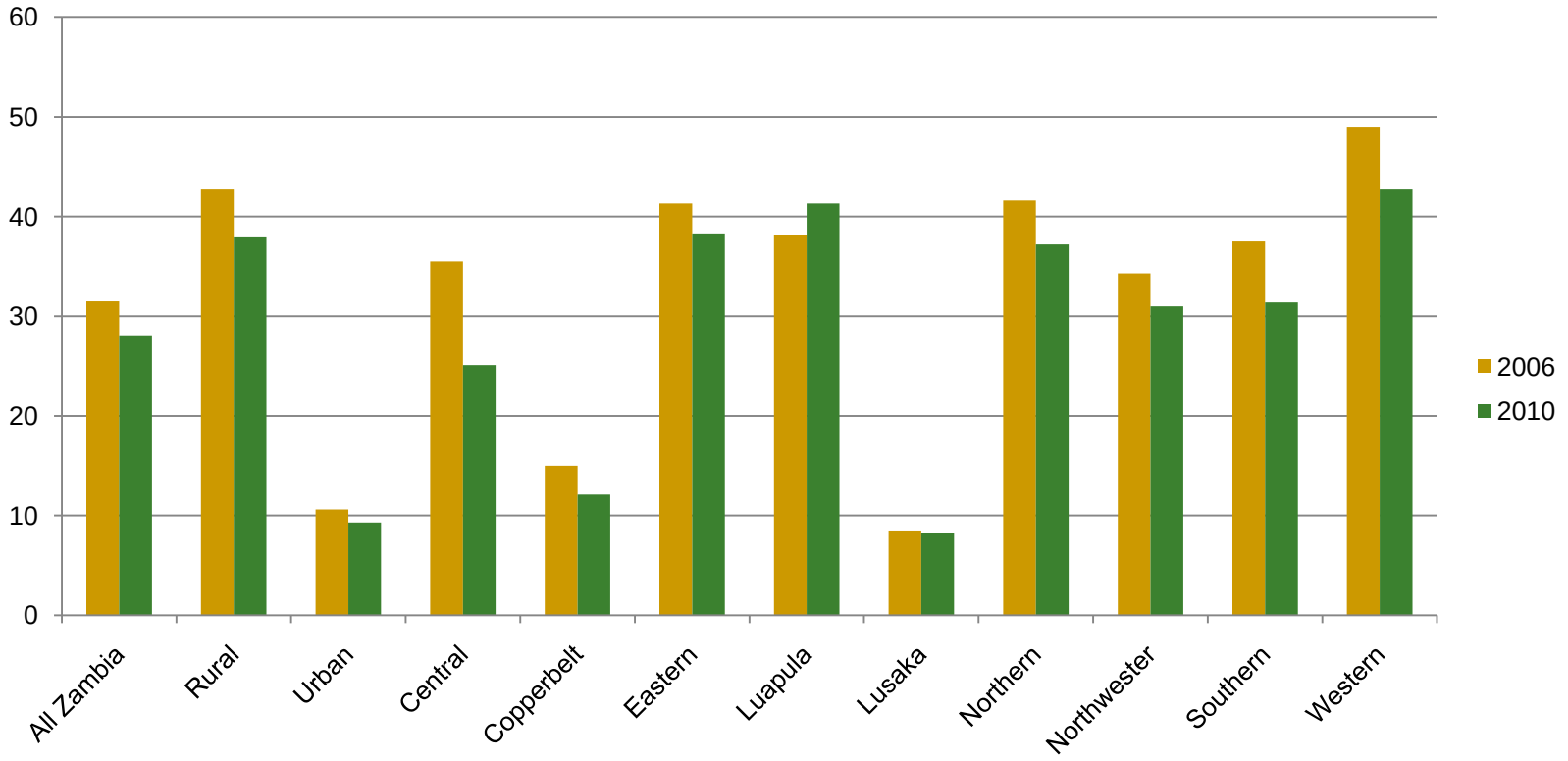
Provincial Poverty Trends, 2006 and 2010



Poverty Gap Ratio

- Also known as per capita aggregate poverty index
- It shows how far the poor are below the poverty line
- Provides an indication of resources required to bring the poor onto the poverty line

Household Poverty Depth 2006 and 2010



Gini Coefficient

- This measures Expenditure (Income) distribution using an index of inequality
- The coefficient gives the numerical degree to which the Lorenz curve diverges from the equi-income distribution line
- The Gini Coefficient ranges from 0 to 1. A coefficient of 0 represent total equality in expenditure distribution whilst a coefficient of 1 represent total inequality.
- Zambia had a coefficient of 0.55 in 2010
- This indicates that consumption is unevenly distributed in Zambia
- Rural areas reported a coefficient of 0.46, while the urban areas had a coefficient of 0.50 implying that consumption is more unevenly distributed in urban areas than in rural areas

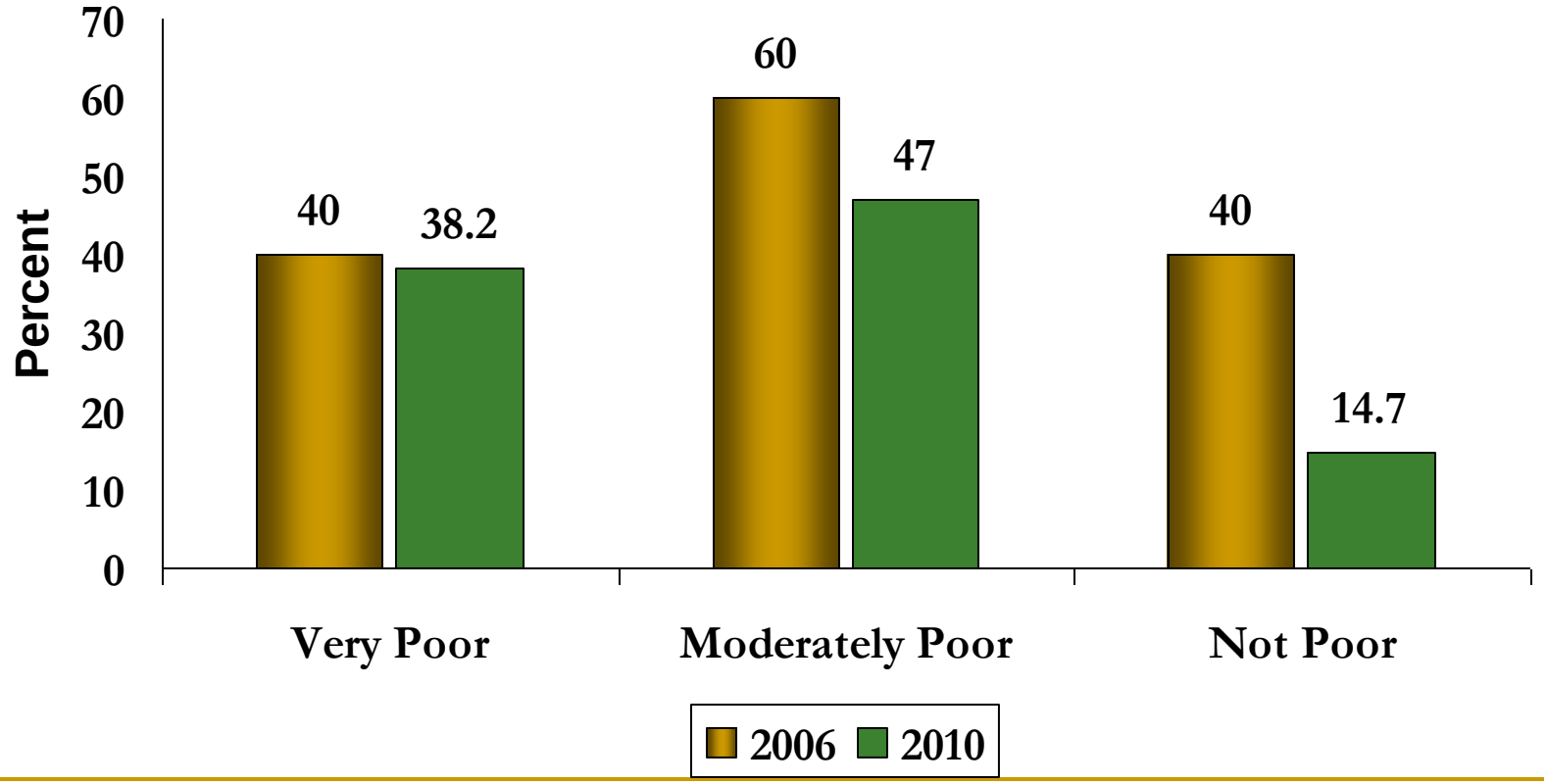
Comparability of the LCMS 2006 and 2010 with the other LCMS

- The 2010 LCMS and the 2006 LCMS cannot be compared to the 2004, 1998 and 1996 LCMS
- The methodology differ
- The older LCMS uses the same angle ratio of 70 percent while the 2010 and 2006 use year specific angle ratios.
- The 2006 and 2010 use Item prices to update the poverty line

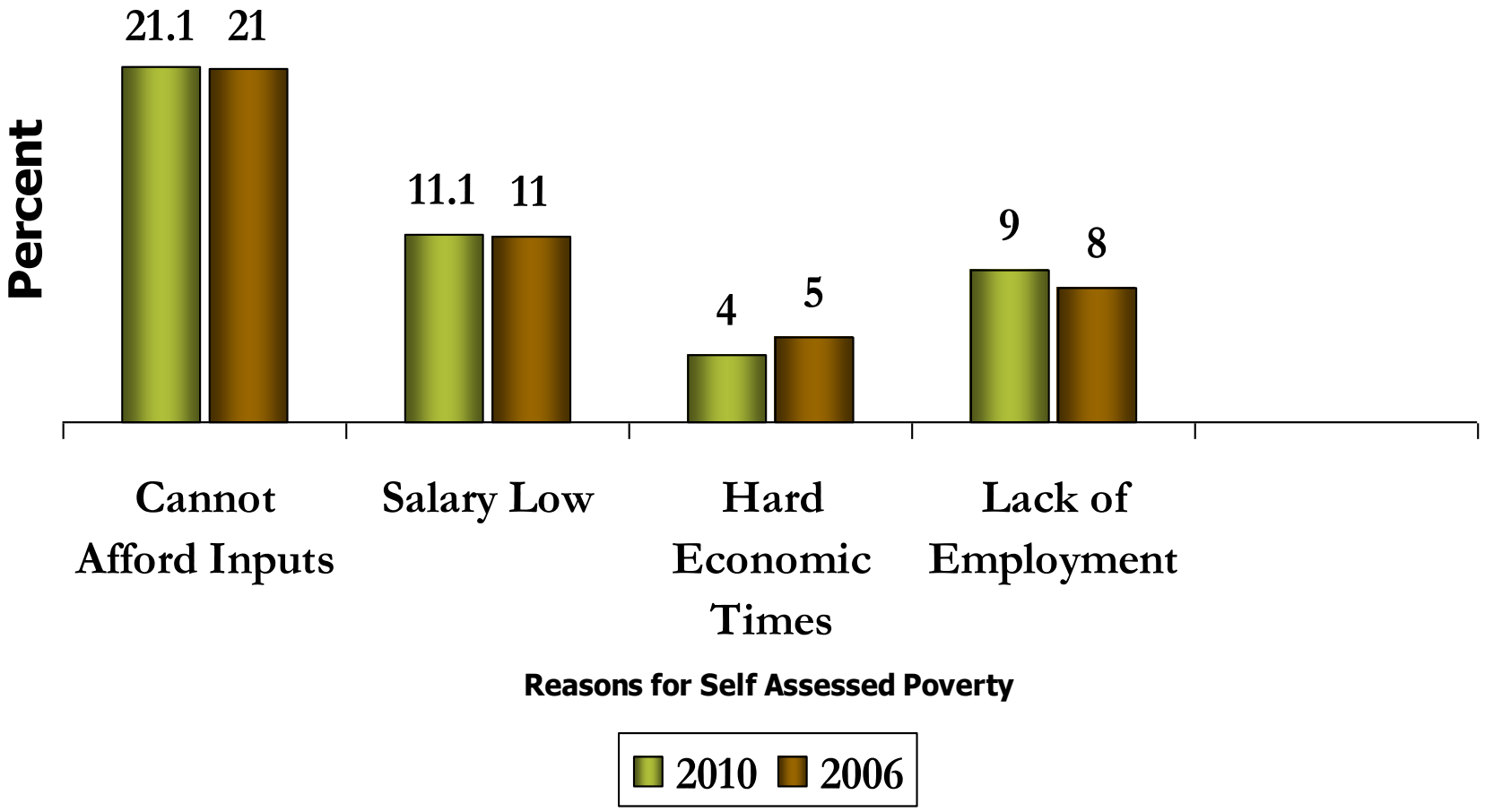
Non – Income poverty/Indicators

- Households self acc essed poverty and hunger (number of meals per day)
- Households access to safe water
- Households access to Electricity

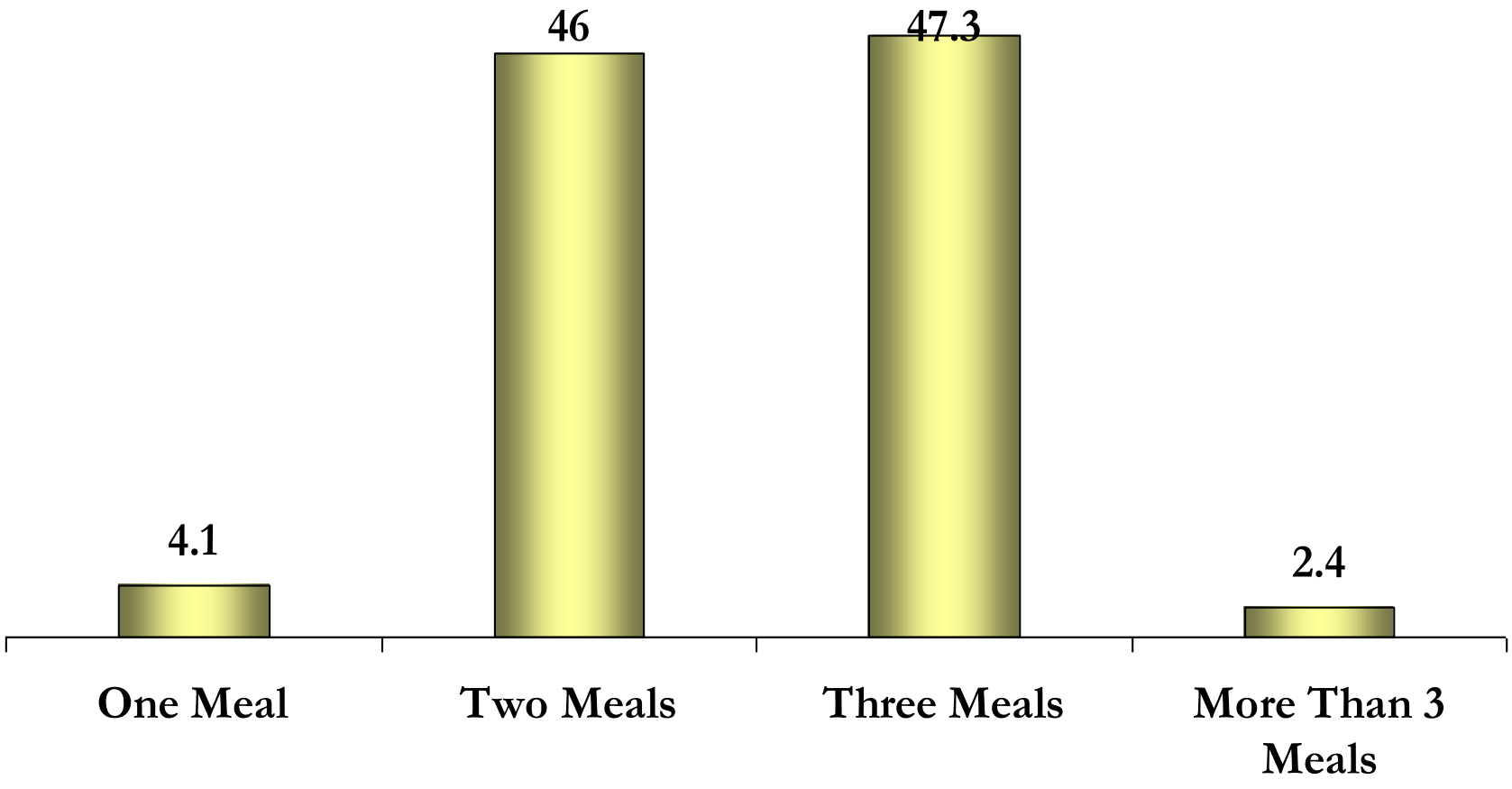
Percentage Distribution of Households according to Self perceived Poverty Status, 2006 and 2010



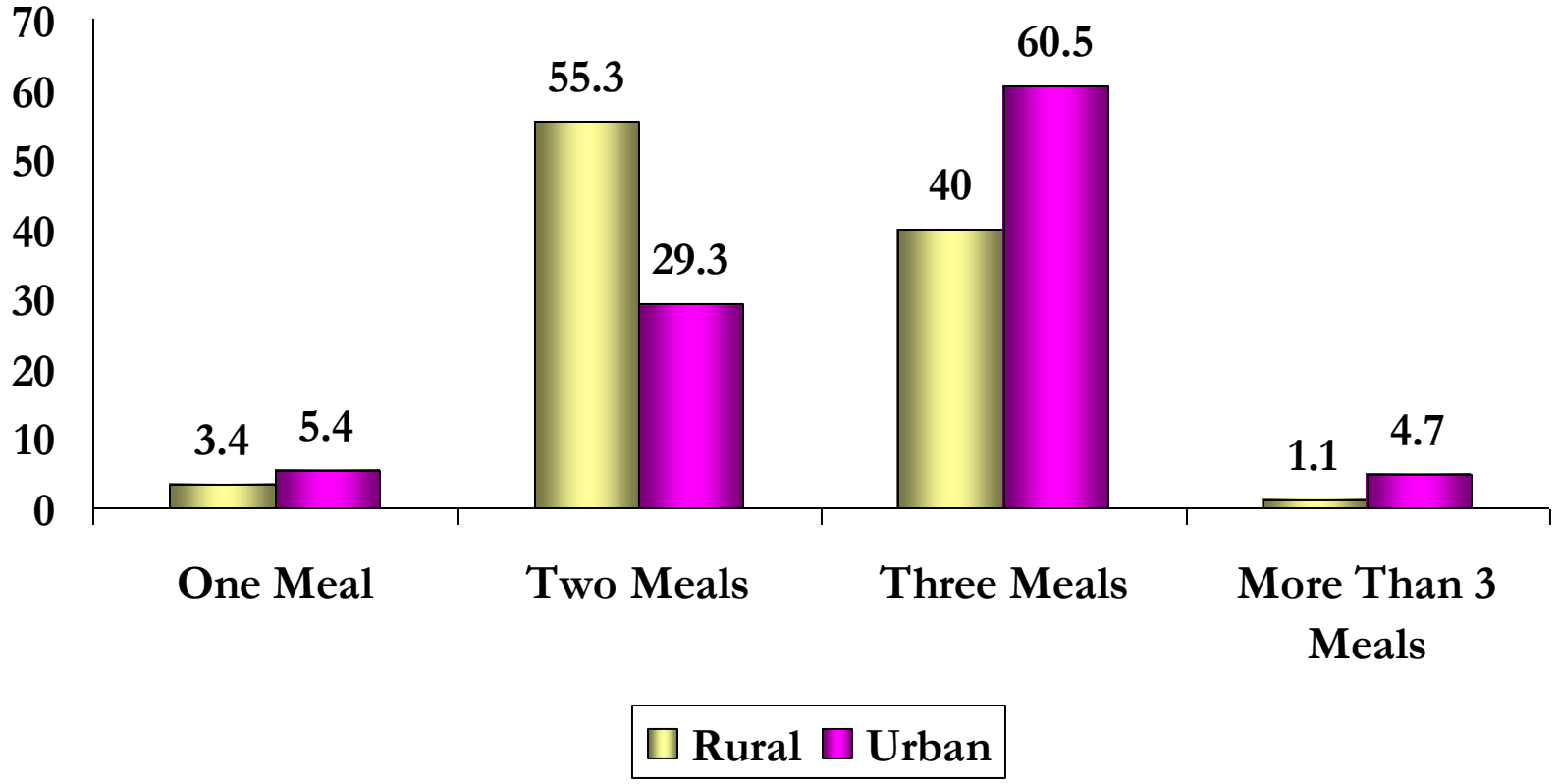
Main Reasons for Self Assessed Poverty Status in 2006 and 2010



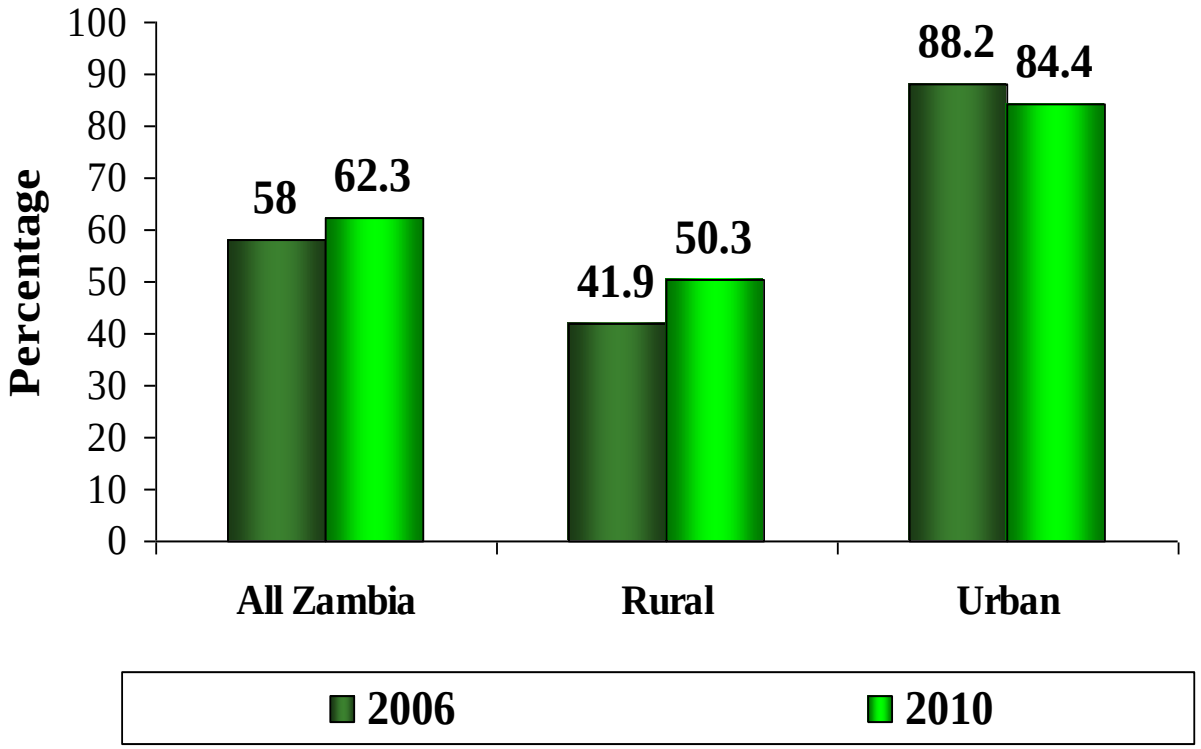
Average Number of Meals per day, Zambia, 2010



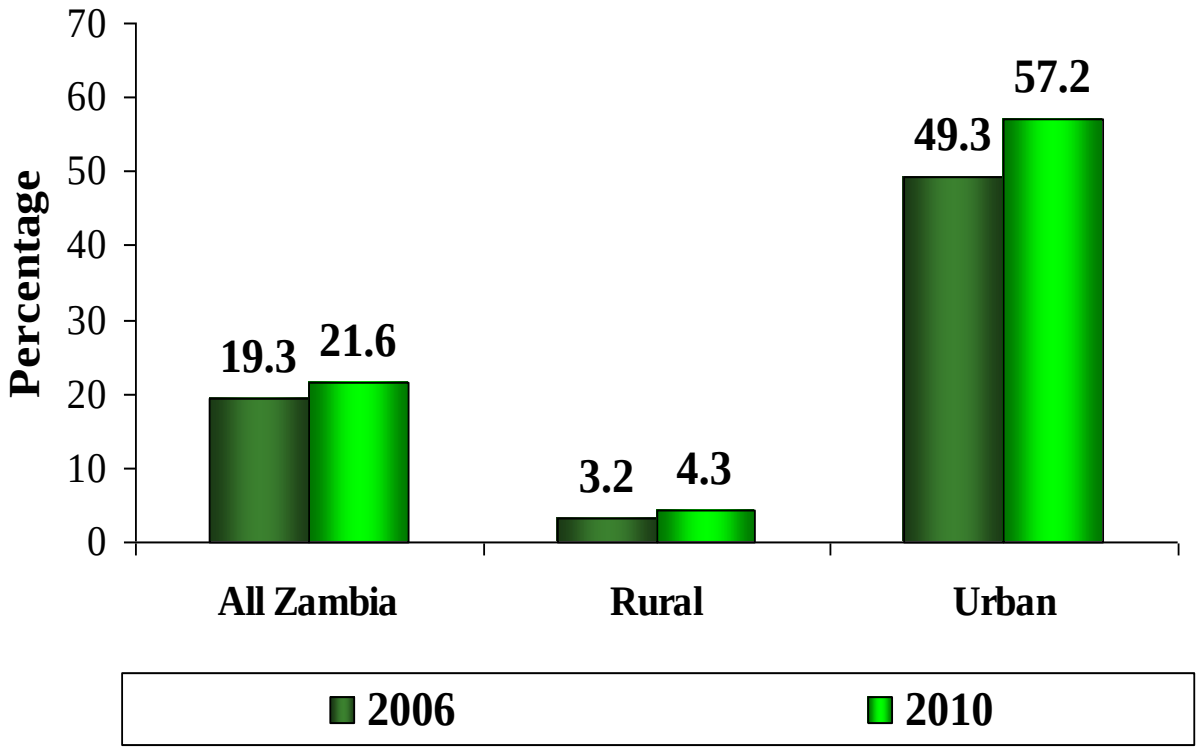
Percentage Distribution of Households by Number of Meals taken per Day by Residence, 2010



Percentage Distribution of Households Accessing Safe Water by Residence, 2006 and 2010



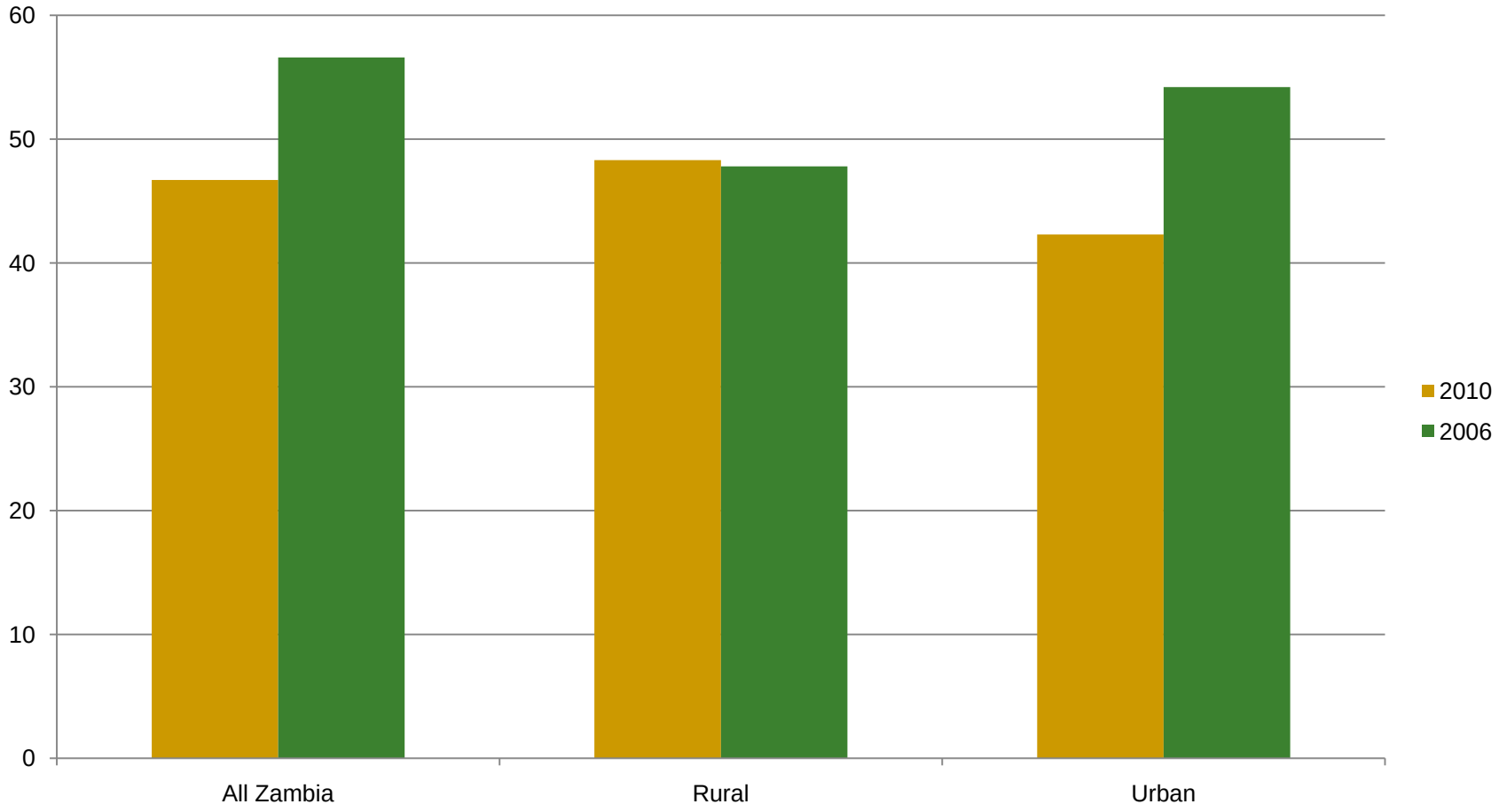
Percentage Distribution of Households Accessing Electricity by Residence, 2006 and 2010



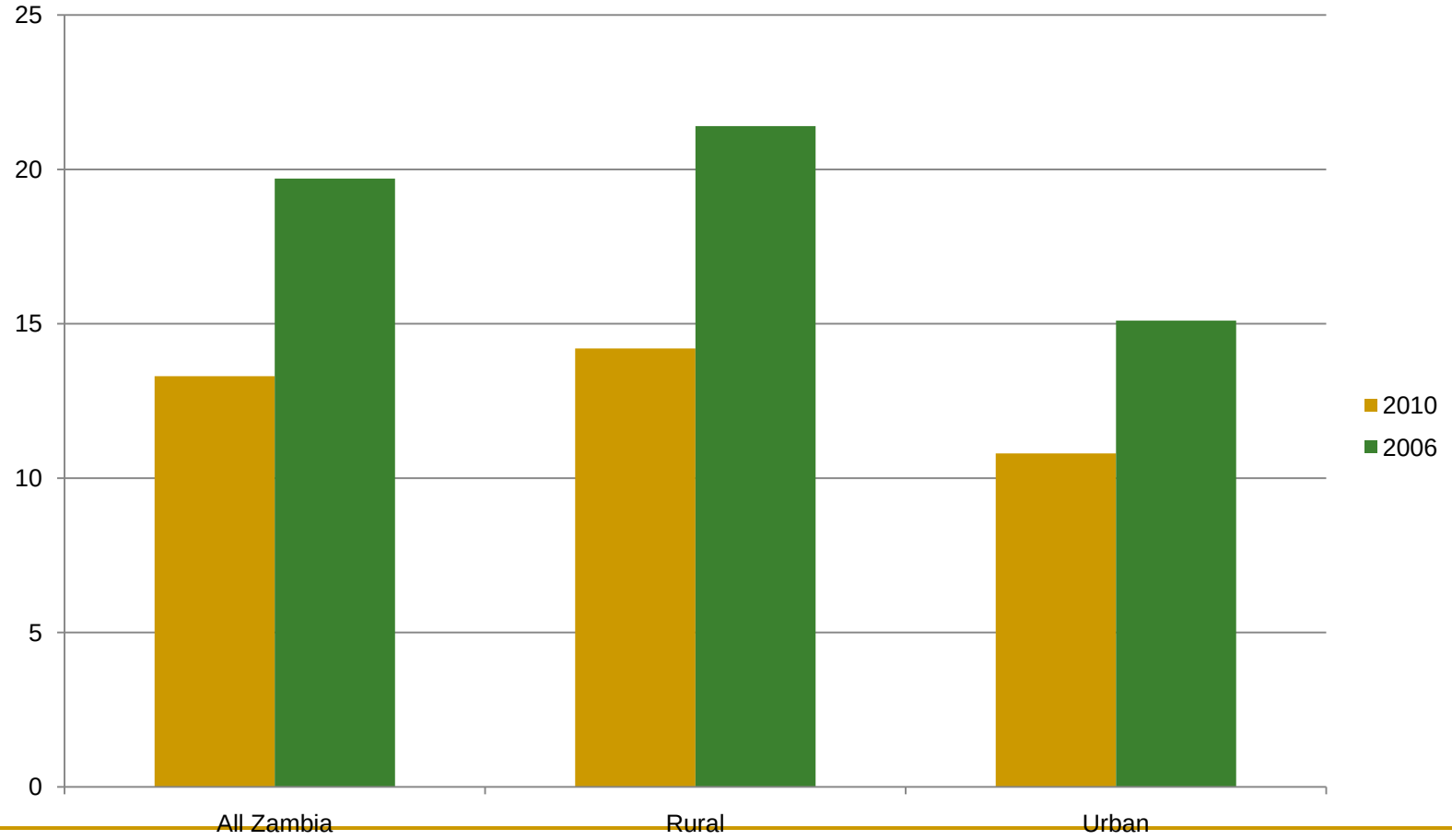
Nutritional status of Under five Children

- Stunting (height for age) is a condition reflecting the cumulative effect of malnutrition.
- Wasting (weight for height) is a failure to gain weight in relation to height. It is a short term effect and reflect a recent and severe process that has led to substantial weight loss, usually associated with starvation and or disease.
- Underweight is low weight in relation to age. It is a composite index for weight for height and height for age.

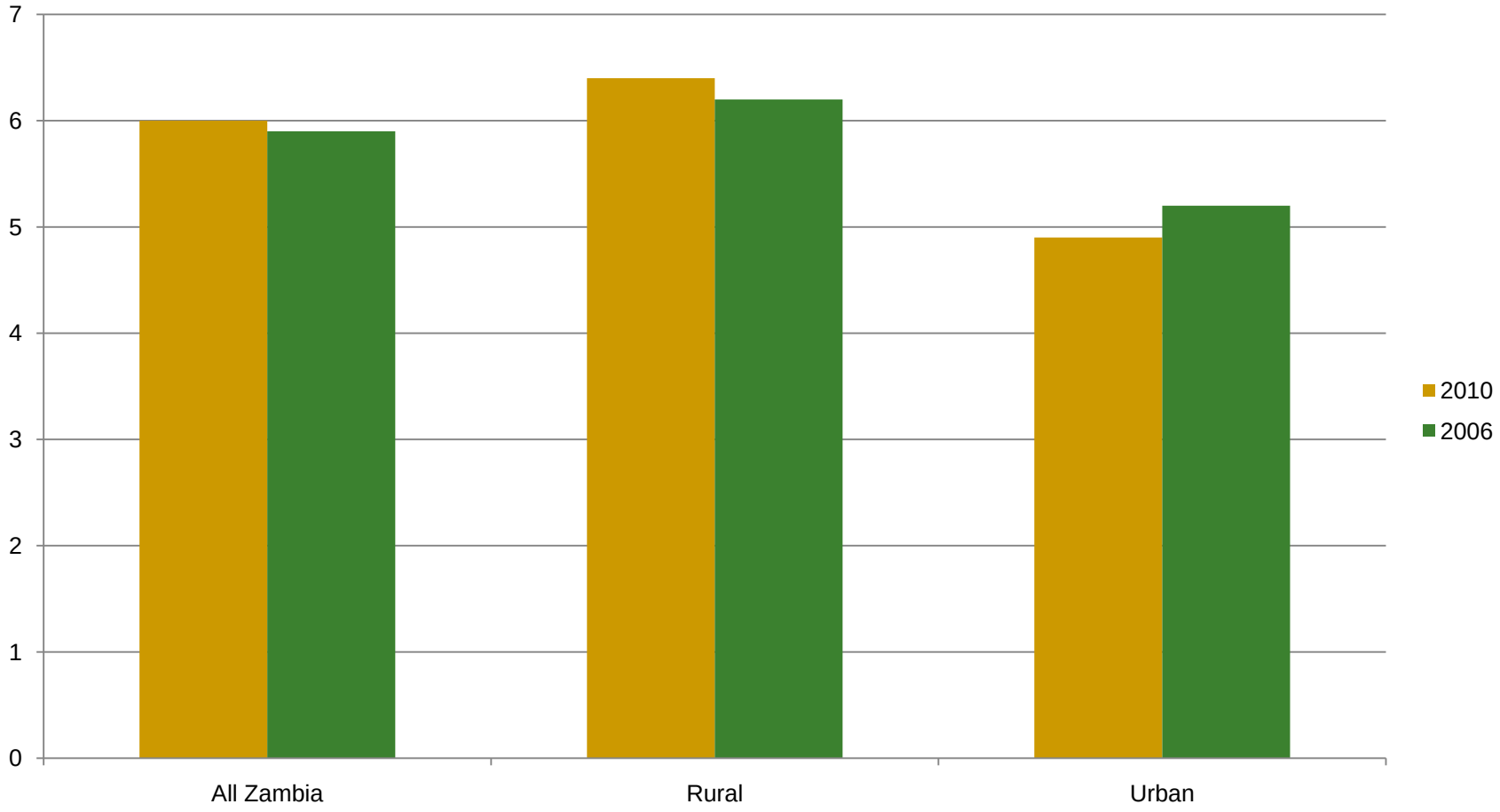
Under Five Stunting, 2010 and 2006



Under Five by Underweight Status 2006 and 2010



Under Five Wasting 2006 and 2010



End of Presentation

Thank you