

CHAPTER 3

STATUS OF POVERTY

This chapter presents an overview of the status of poverty using selected socio-economic indicators as obtained from recent surveys, census and administrative records. It attempts to bring out some of the outcome and impact indicators as agreed upon in the list of PRSP indicators. Although not all the PRSP have their outcome/impact indicators *collected and analyzed*, the available ones will give a rough idea of the direction the country is heading towards achieving the PRSP goals and targets. Ideally, the chapter should have presented the changes on the country's poverty status by using the 1998 Living Conditions Monitoring Survey as a baseline and 2003 Living conditions to measure progress. However, this could not be done because of the differences in Methodologies. As a result, the chapter does not provide measurable progress in poverty indicators such as head count of poverty, poverty gap/depth, gini-coefficient etc. Nonetheless, the chapter provides a brief analysis of progress on selected sector indicators such as education health, HIV/AIDS, tourism, mining and macroeconomic indicators. Due to very weak monitoring and evaluation system, the chapter is not able to present a clear input-output-outcome/impact model. However, the government is putting in place measures to strengthen the monitoring and evaluation systems by strengthening the sector and the provincial planning units. The sector and provincial planning units are encouraged to set up effective Information Management systems.

3.1 PRSP Monitoring Indicators

After the official launch of the PRSP in July 2002, it became clear that the original PRSP Monitoring indicators would not suffice. A more systematic elaboration of a consistent indicator system was required to be undertaken for the annual PRSP Monitoring. It was therefore decided to refer this task back to the former PRSP working groups.

As a first step, a limited number of participants from each of the PRSP working groups received methodological guidance for indicator development. The results arising from the activities of the introductory step were the basis for the refinement of indicators by the PRSP working groups. The completed indicator sets were presented and endorsed by the participants from all the PRSP working groups. These indicator sets have formed the basis for monitoring of the PRSP in Zambia in general and the first annual report in particular.

The PRSP list of indicators is verified by means of administrative data collection that is done on a routine basis by the responsible sector agencies. There are a few indicators that may require more intensive survey work such as a Living Conditions Survey. The Central Statistical Office conducts periodical surveys that could be used for evaluating poverty interventions.

3.2 Status of Statistical Poverty indicators

The headcount poverty is 73 percent as indicated in the 1998 Living Conditions Monitoring Survey II.

Box 1: Selected Statistical Poverty Indicators

- Headcount Poverty – **73% in 1998**
- Life expectancy at birth: **49.5 years in 2000**
- Children under-5 with low weight for age (%): **28.3% male/27.9% female in 2001/2**
- Children under-5 with chronic malnutrition / who are stunted (%): **47.9% Male/45.6% female in 2001/02**
- Literacy rate – Population aged 15 and above: **67.2% in 2000**

According to the 2000 Census Report, there has been an increase in Life expectancy at birth from 46.9 years in 1990 to 49.5 years in 2000. There has also been an increase in the literacy rate since 1990. The literacy rate of the population aged 15 and above has increased from 66.0 percent in 1990 to 67.2 percent in 2000.

Notwithstanding the gains in Life expectancy and Literacy rates, nutrition status of children under the age of 5 years has continued to deteriorate. According to the Zambia Demographic Health Survey (ZDHS) 2001/2002, the percentage of children under 5 years with low weight for age increased from 24.5 percent in 1996 to 28.3 percent in 2001/2 for males and 22.8 percent in 1996 to 27.9 percent in 2001/2 for females. There has been an increase of 5.1 percentage points in the proportion of low weight for age among females under 5 years compared to an increase of 3.8 percentage points among males of the same age. Further, the rate of children under 5 with chronic malnutrition has increased from 43.1 percent for males in 1996 to 47.9 percent in 2001/2 and 41.7 percent for females in 1996 to 45.6 percent in 2001/2. Unlike low weight for age, chronic malnutrition increased more among males by 4.8 percentage points compared to 3.9 percentage points among females.

3.2.1 Macroeconomic status

The PRSP set out to achieve an average annual growth rate of at least 4 percent and also to bring down inflation to single digits.

Box 2: Selected Macroeconomic Indicators

- Real annual GDP growth: 3.3% in 2002 and 4.3 percent in 2003
- Level of lending portfolio (K'millions); 1,026,209 in 2002
- Annual growth in Value of Exports: 3.6% in 2002
- Inflow of FDI (\$m): 147 in 2002
- End year Market Capitalization (K'millions): 565,870 in 2002

In the last two years, generally, there have been some improvements to the macroeconomic environment as evidenced by continued positive growth, reduction of inflation from 26.7 percent in 2002 to 17.2 percent in 2003. The current account deficit (including grants) has also improved to 5.6 percent of GDP in 2003 from 6.5 percent in 2001, with non-metal exports showing impressive growth from US \$295 million in 2001 to US \$405 million in 2003. However, the macroeconomic environment is still unbalanced and the unsustainable fiscal deficits have contributed to this situation, although exogenous shocks such as droughts, the pullout of Anglo American Corporation from its subsidiary, Konkola Copper Mines also played a part. In terms of the PRSP target, the macroeconomic performance is still well off the desired levels.

At the Lusaka Stock Exchange (LUSE), all performance indicators except the end year market capitalisation showed a declining trend. End year market capitalisation increased from K356, 362 million in 2001 to K565, 870 million in 2002. The level of lending portfolio declined from K1, 127, 481 million in 2001 to K1, 026,209 million in 2002. This level was even lower than the 2000 level of lending portfolio, which was K 1,080, 827 million. The annual growth in value of exports also declined from 18.5 percent in 2001 to 3.6 percent in 2002.

3.2.2 Status On Selected Socio-Economic Indicators

Table 3.1: Performance in Economic Sectors using Selected Indicators

Name of Indicator	2001	2002
• Real Annual Growth in Agriculture GDP	-2.6	6.3
• Mining GDP Growth Rate (percent)	14.0	16.4
• Tourism GDP Growth Rate (percent)	2.3	4.9
• Manufacturing Growth rate (percent)	5.7	5.7
• Energy growth rate (percent)	1.1	5.2
• Total of people directly employed in the mining sector No.	-	38,442
• Mineral output (zone)		
• Copper	298,773	330,600
• Cobalt	4,376	3,913
• Total value of Export from Gemstones (\$m)	-	29,558
• Growth in value of manufacture products (K'millions)	-	1,293.1
• Foreign Exchange Earnings from Tourism (US\$ M)	116.9	145.3
• No. of Tourism enterprises registered	34	
• Bed Occupancy Rate (percent)	45.9	43.6
• Room Occupancy rate (percent)	51.1	48.3
• No. of Tourist arrivals	491,992	556,043

Source: MOFNP Economic Report for 2001 and 2002

During the first year of the implementation of the PRSP, economic sector indicators did not show significant improvements.

In the Tourism Sector, there has been an increase in the number of tourist arrivals from 491, 992 in 2001 to 556, 043 in 2002. However, the room and bed occupancy rates declined from 51.1 percent and 45.6percent in 2001 to 48.3percent and 43.6percent in 2002 respectively. The reduction in room and bed occupancy rates could be attributed to preference for campsites by some international tourists.

Table 3.2: Performance in the Social Sectors using selected indicators

Selected Indicators	2001	2002
• Proportion of population with access to clean water (percent)	49.1 (2002)	
• Under 5 Mortality rate (Per 1000)	162 (2000)	168
• Infant Mortality rate (per 1000)	110 (2000)	95
• Maternal Mortality Rate per 100,000	729 (2000)	
• Number of children 12-23 months Immunised	395,765	380,352
• Malaria Incidence per 1000	393.8	375.7
• Underweight ratio for under 5s (percent)		22percent
• Pupil/Trained teacher ratio	46	46
• Gross enrolment rates (percent)	78	81
• Ratio of boys to girls in secondary schools (per 100 girls)	123.8	121.2
• Gross Enrolment rate (primary)	-	86.6 (2003)
• Gross enrolment rate (secondary)		13.56 (2003)
• Net enrolment rate (primary)		76.16 (2003)
• Net enrolment rate (secondary)		10.59 (2003)

Source: Compiled by MOFNP

Generally, the social sector indicators are showing a mixed status. In the Health Sector, the mortality indicators have been showing a declining trend. Using the census data, the infant mortality rate declined from 123 per 1000 live births in 1990 to 110 per 1000 live births in 2000. The ZDHS for 2001/2002 surveys also shows a similar trend. In 1996, the Infant Mortality rate was at 107.7 and reduced to 95 in 2001/2. However, the maternal mortality rate, which, is estimated to be 729/100,000 in 2000, is high as compared to 649/100,000 in the period between 1990 and 1996. In addition, Under 5 Mortality Rate has also shown a rising trend. In 1990, Under 5 Mortality Rate was 151 and increased 162 in 2000. (See table 3.2)

The number of new cases of malaria diagnosed is still high. The Malaria per 1000 population has risen from 387 in 2002 to 428 by 2003. With regard to immunization, the percentage of children aged 12-23 months immunized against measles by 12 months reduced from 95 percent (395,765) in 2001 to 89 percent (380,352) in 2002. The percentage of children fully immunized Under 1 year has also declined from 84 percent (350,321) in 2001 to 73 percent (312,423) in 2002. Despite the unfavorable performance in some health indicators mentioned above, the health sector has recorded an increase in the percentage of supervised deliveries from 42 percent (230,545) in 2001 to 47 percent (264,183) in 2002. The supervised deliveries have a bearing on both maternal and child health.

The education sector indicators have generally been improving. The Gross Enrolment Rate (GER) has gone up from 78 percent in 2001 to 81 percent in 2002. However, there are differentials in gross enrolment rates between primary and secondary schools. The gross enrolment rate for primary school in 2002 was 86.6 percent while for secondary school it was 13.5 percent. In both primary and secondary schools, the gross enrolment rates have increased from 86.6 percent and 13.5 percent in 2002 to 91.7 percent and 13.6 percent respectively in 2003. The net enrolment rates have equally increased from 72 percent in 2002 to 76.2 percent in 2003 for primary schools and from 10.4 percent in 2002 to 10.6 percent in 2003 for secondary schools. Further, the ratio of boys increased from 107.6 boys per 100 girls in 2001 to 108 boys per 100 girls in 2002 at primary school level while at secondary school level, it reduced from 123.8 boys per 100 girls in 2001 to 121.2 boys per 100 girls in 2002

Box 3: Cross Cutting thematic indicators

- HIV/AIDS prevalence rate (15-49): **16% in 2001/2**
- % of 15-49 years requesting for an HIV/AIDS test: **73.3% in 2001/2**
- % of persons with advance HIV infection receiving ARV combination therapy: **0.1% (155,000) in 2001/2**
- % of pregnant HIV+ women receiving ARVs: **3.09% (3,064) in 2002**
- % of infants born to HIV infected mothers: **39% in 2001/2002**
- % of women in parliament: **12.03% in 2003**
- % of budget allocation to actual disbursement on PRPs: **45.9% in 2002**
- No. of cases of human rights abuses: **1100 in 2002**
- % of reported human rights abuses prosecuted that are:
 - * Successfully Resolved: **19% in 2002**
 - * Withdrawn: **1% in 2002**
 - * Discontinued: **27% in 2002**
 - * Rejected: **28% in 2002**
 - * Referred to other Authority: **25% in 2002**

HIV/AIDS, Gender, and Environment issues were considered as cross cutting while issues of Governance were treated separately in the PRSP, though in the indicator system, they were considered as cross cutting. This section therefore treats all the four thematic issues as cross cutting. Ideally, the crosscutting indicators should have been integrated in all the sectors discussed above.

Most data on HIV/AIDS was obtained during the 2001/2002 ZDHS. However, the Ministry of Health has been collecting data on HIV prevalence among young women age 15-24 years and HIV Sero-prevalence (positive) in sexually active subpopulation using the sentinel surveillance survey that obtains its data from the antenatal care attendees. According to ZDHS 2001/2, the HIV/AIDS prevalence rate (15-49 years) is 16 percent. The HIV/AIDS Sentinel Surveillance Report also indicates that the HIV sero-prevalence in the sexually active subpopulation was 19.7 percent in 1999 and HIV prevalence among women aged 15-24 was 17 percent. The percentage of the population aged 15-49 years requesting for HIV/AIDS testing was 73.3 percent in 2001/2. The high percentage of the population requesting for an HIV/AIDS testing could be attributed to an increase in Voluntary Counselling and Testing (VCT) programmes that are being implemented. In terms of administering an ARV combination therapy, only 0.1 percent of persons with HIV infections are receiving ARV's while only 3.1 percent of pregnant HIV positive women are receiving

ARV's. The low rate could be as a result of the cost of making ARV's available and also the cost associated with administering the drug.

With regard to gender indicators especially, women in decision-making, the percentage of women in Parliament stood at 12.0 percent in 2003. This is far much below the SADC target of 30 percent.

According to the Permanent Human Rights Commission Report of 2002/2003, a total of 1,100 Human Rights cases were reported in 2002 out which, 19 percent were prosecuted and successfully resolved, 1percent withdrawn, 27 percent discontinued, 28 percent rejected and 25 percent referred to other authorities.

3.3 PRSP Implementation and the Millennium Development Goals

The implementation of the PRSP is one of the strategies for achieving the Millennium Development Goals (MDGs). The MDGs indicators are an integral part of the PRSP Monitoring Indicators. Therefore the progress in achieving the PRSP goals and targets will have an effect on the achievement of the Millennium Development Goals. The first report of the PRSP has been produced along side the first Country Report on the Millennium Development Goals. The same working groups for the PRSP have been used for the preparation of the MDG Report. However, there are plans to integrate the reporting of the MDGS into the PRSP Annual Progress Report.

Box 4: MDGs Status at a Glance

Target	Will the target be met	State of national support
• Halve, between 1990, and 2015, the proportion of people living in extreme poverty	Unlikely	Weak but Improving
• Halve , between 1990 and 2015 the proportion of people who suffer from hunger	Unlikely	Weak but Improving
• Ensure that by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	Potentially	Strong
• Eliminate gender disparity in Primary and Secondary Education preferably by 2005 and to all levels of education no later than 2015	Probably	Fair
• Reduce by two thirds, between 1990 and 2015, the Under 5 mortality rate	Potentially	Fair
• Reduce by three quarters, between 1990 and 2015, the maternal mortality ration	Unlikely	Weak but Improving
• Have halted by 2015, and began to reverse the spread of HIV/AIDS	Potentially	Fair
• Have halted by 2015, and began reversing the incidence of malaria and other major diseases	Potentially	Fair
• Integrate the principles of sustainable development into country policies and programmes to reverse the loss of environmental resources	Potentially	Weak but Improving
• Halve by 2015 the proportion without sustainable access to safe drinking water and basic sanitation	Potentially	Weak but Improving

Source: MDG Report

Based on Box 4 above, it seems likely that most of the MDGs will be attained. This therefore calls for continuous concerted efforts and scaling up of the implementation of PRSP intervention by the Government, cooperating partners and other stakeholders.