



COMMITMENT TO REDUCING INEQUALITY INDEX: ZAMBIA COUNTRY PROFILE, 2025



PREFACE

We are honoured to present the Zambia Country Profile for the Commitment to Reducing Inequality Index (CRII) 2025. This flagship initiative provides an independent assessment of how governments are addressing inequality through their policy choices, particularly in relation to taxation, social spending, and labour rights.

For Zambia, this report comes at a pivotal time. The country continues to face pressing challenges of rising poverty, a high cost of living, and widening inequalities that have been exacerbated by global and domestic shocks. Yet, the findings of the CRII also point to the significant opportunities available to us: strengthening progressive taxation, prioritizing investment in health and education, and protecting workers' rights to ensure that economic growth translates into inclusive development.

The Zambia CRII is not just a scorecard, it is a call to action. It reminds us that reducing inequality is central to achieving national development aspirations and to ensuring that no Zambian is left behind. It is also a tool for dialogue, helping government, civil society, development partners, and the private sector identify practical steps that can drive a fairer and more just society.

We hope that this report will serve as both a mirror and a compass; reflecting where Zambia stands today and guiding us towards policies that put people at the centre of development.

On behalf of Norwegian Church Aid and DanChurchAid Zambia, Oxfam Southern Africa and Save the Children Zambia, I extend my gratitude to our partners and stakeholders who continue to engage constructively in this work. Together, we can translate the insights of this report into tangible progress towards reducing inequality and advancing shared prosperity.



Jonathan Lea-Howarth
Country Director
NCA-DCA Zambia

ACKNOWLEDGEMENTS

This report was authored by Jo Walker and Matthew Martin, with data supplied by David Waddock and Maria Holloway from Development Finance International. It makes extensive use of the 2024 Commitment to Reducing Inequality Index, produced jointly by Development Finance International, and Oxfam International.

The Zambia Country Profile benefited from significant comments and contributions from several organizations, including:

- Adventist Development and Relief Agency (ADRA): Musonda Kabinga
- Jesuit Centre for Theological Reflections (JCTR): Edward Musosa
- Norwegian Church Aid and DanChurchAid Zambia (NCA-DCA): Friday Mwaba, Lutangu Daisy Mwilima, and Jonathan Lea-Howarth
- Oxfam Southern Africa: Richard Kampamba
- Transparency International Zambia (TIZ): Tommy Singongi and Gift Nyambe
- International Monetary Fund Zambia (IMF Zambia)

The report was further reviewed by the Ministry of Finance and National Planning, Zambia.

This publication has been made possible with the financial support of Norwegian Church Aid Norway, Norwegian Church Aid and DanChurchAid Zambia, Oxfam Southern Africa and Save the Children International Zambia.

Design and layout were done by Caroline Nenguke (NCA-DCA) and Eric Malyangu (Oxfam SAF).



EXECUTIVE SUMMARY

Zambia faces one of the highest levels of inequality globally and in sub-Saharan Africa, with a Gini index exceeding 0.6 and stark inequalities in income and wealth distribution. The top 10% of the population controls 56% of income and 68% of wealth, while the bottom half owns just 9% and 3%. This level of inequality is severely undermining poverty reduction and economic growth. In a country with one of the highest poverty rates in the world - more than 64% of Zambians still live below the international extreme poverty line – the government must act to tackle inequality.

Zambia's performance in tackling inequality through policy is mixed, as reflected in the Commitment to Reducing Inequality (CRI) Index. While it performs relatively well in efforts related to the tax justice pillar, ranking third in Southern Africa due to its progressive tax structures on paper, actual tax collection remains below its potential, and the tax system is doing far too little to shift the dial on inequality. Public services are reducing inequality moderately; however, spending on education, health, and social protection is well below international targets, and coverage of services is low and unequal: much more progress is needed. In contrast, Zambia ranks poorly on the labour rights pillar, with a poor minimum wage, union rights, and high levels of workers not covered by any labour legislation due to high levels of vulnerable

Exacerbating the challenge are significant global constraints. Aid to Zambia has declined sharply over the last two decades, with major donors, such as the U.S. and the UK, now reducing their contributions further. Zambia increasingly turned to borrowing, which has led to a chronic debt crisis. Debt servicing is currently consuming more public funds than the combined spending on health, education, and social protection. Even after complex debt restructuring, debt-to-GDP ratios exceed 100%, and future servicing is expected to consume 45% of revenues through 2029, severely constraining the fiscal space for policies aimed at fighting inequality. IMF advised Austerity (or “fiscal consolidation” in IMF-Speak) risks deepening this crisis. While the IMF programme includes social-spending floors that safeguard education, health, and social protection, these floors potentially limit the pace at which Zambia can expand anti-inequality spending (with spending cuts of 2.3% of GDP between 2025-29), which risks deepening this crisis.

To reverse this trend, Zambia must prioritise a robust national inequality reduction plan with realistic, timebound targets, boost spending on universal public services, enforce progressive tax collection, and enhance labour protections. International actors must support Zambia with an end to austerity, debt cancellation, increased concessional financing, and support global tax reform. Many of these priorities align with Zambia's 8 National Development Plan, which calls for a phased approach to expanding public services, strengthening progressive taxation, and improving labour rights. These priorities require urgent action and must be taken further if Zambia is to tackle inequality.

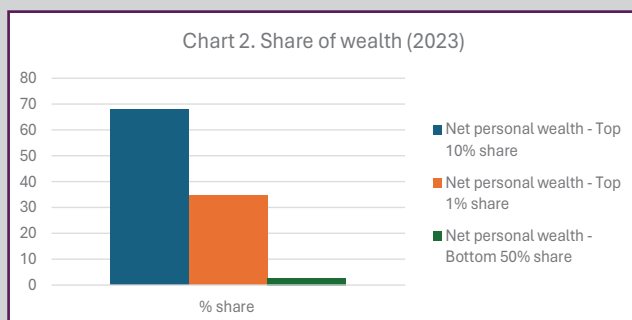
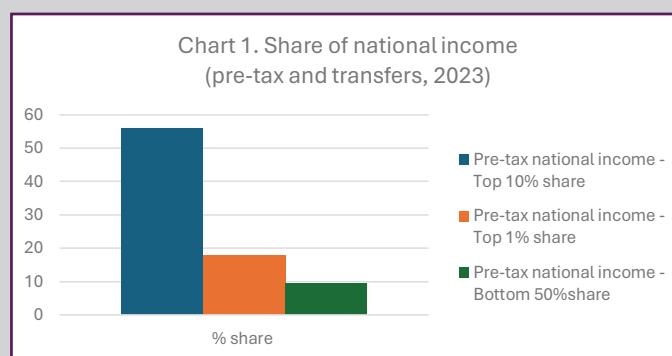
1. Background: Scale of Inequality & trends in inequality

The latest UN Sustainable Development Goals (SDG) Progress Report ranks SDG 10—Reducing Inequality—as one of the worst-performing goals.¹ Zambia has extremely high inequality globally and in Southern Africa, with a Gini Index² of over 0.6, which, using the new World Bank Inequality Indicator, is deemed “very high”³ and is one of the highest in sub-Saharan Africa and globally. Zambia’s inequality is deeply rooted in extractive structural economic models, concentrating wealth in the hands of a few⁴, while wage inequality remains a major driver of income inequality.⁵

Data from the World Inequality Database further reveals how the share of income is concentrated at the top: the top 10% control 56% of national income, the top 1% close to a fifth, while the bottom 50% earn just 9%. Inequality is even starker: the top 1% have 35% of wealth, the top 10% hold 68%, and the bottom half has only 3%.⁶

Inequality also intersects with identity and geography - women are overrepresented in unpaid and informal labour, limiting their access to decent work and social protection. Youth unemployment remains high, with many young people trapped in precarious jobs or excluded from the labour market altogether. Groups such as informal workers, youth in both

rural and urban areas, and people with disabilities face particularly acute forms of exclusion. Addressing these overlapping vulnerabilities is critical for reducing inequality in Zambia. These intersecting inequalities reinforce cycles of poverty and exclusion, particularly in rural communities.



High levels of inequality have been shown to hinder poverty reduction, economic growth, and social cohesion.⁷ This is a trend visible in Zambia, where growth over many years has not significantly reduced poverty.⁸ As of 2022, approximately 64% of Zambians (12.6 million people) lived below the international extreme poverty line, defined as US\$2.15 per day. This level is the 6th highest in the

world. This is exceptionally high in rural areas, where about 80% of the poor live in rural communities.⁹ However, urban poverty, which had been relatively low, increased from about 23% in 2015 to 32% by 2022 – a jump primarily attributed to the COVID pandemic’s impacts and ensuing economic volatility.¹⁰ Indeed, Zambia has been particularly hard-hit by the COVID-19 pandemic, which triggered a chain of high inflation and surging living costs, leaving many families struggling to afford the essentials.¹¹

At the same time, levels of inequality are also likely to impact growth. IMF research suggests that inequality hinders economic growth when the Gini Index exceeds 0.27,¹² so if Zambia were to reduce its inequality to near that level, it could sharply increase its real per capita growth rate.

Climate-related shocks are also increasingly exacerbating poverty in Zambia. In 2023–24, El Niño-related droughts had a significant impact on agriculture. As a result, an estimated 5.8 million people, or 33% of the population, faced food insecurity as of March 2025.¹³ These droughts also significantly reduced water levels in reservoirs, affecting hydropower generation, which supplies approximately 85% of Zambia’s electricity. This, in turn, contributed to sluggish economic growth, exacerbating low job growth, and driving poverty and inequality.¹⁴

Zambia’s long-term development Vision 2030 ambitiously aims to reduce poverty to below 20% of the population and cut inequality (Gini <40) by 2030.¹⁵ Yet, the country remains far from those targets. In this context, Zambia’s prospects for reducing poverty and inequality by 2030 will depend on how much it prioritises policy interventions that can fight inequality.

At the same time, Zambia’s Eighth National Development Plan (8NDP) for 2022–2026, themed “Socio-Economic Transformation for Improved Livelihoods,” places significant emphasis on reducing inequality through targeted, inclusive development. The 8NDP recognises that tackling persistent rural poverty and rising urban vulnerability requires a multi-pronged approach, combining job creation, human capital investment, and targeted social protection to reduce inequality across geographic and social divides.¹⁶

The following section examines policy measures that can be taken (on public services, taxation, and labour rights) using the Commitment to Reducing Inequality (CRI) Index data. It follows this with supportive action required from the international community on debt and aid.

Box 1. About the Commitment to Reducing Inequality (CRI) Index

Development Finance International (DFI) and Oxfam International jointly created the CRI Index to assess government efforts to tackle inequality. Rather than measuring inequality itself, the index evaluates policies that reduce inequality. It has three pillars: 1) Public services (education, healthcare, and social protection); 2) Progressive taxation; 3) Labour rights. Each of these pillars, in turn, has a set of indicators which measure: a) government policies, b) the implementation or coverage of these policies, c) the impact of both on reducing inequality. More information on the index can be found at www.inequalityindex.org. The Methodology Note that accompanies the Index is [here](#). The index, published every two years, helps track government commitments. Between editions, DFI and Oxfam work with partners to monitor progress and hold governments accountable. Over time, the CRI Index has become a key tool for policymakers, activists, and researchers.

2. Key Policies to Fight Inequality: Lessons from the CRI Index

Zambia ranks midway within the Southern Africa ranking on the CRI Index, but in the bottom third globally, and has fallen 4 places since the last CRI in 2022. Given the very high levels of inequality, Zambia can do more to reduce inequality.¹⁷ Overall, it ranks around the middle of the Southern African countries in the public services pillar. It performs well on the tax justice pillar, mainly due to the implementation of progressive taxes "on paper." However, this is undermined by low collection levels and too little tax impact on inequality. Similarly, it does very poorly on the labour policy pillar, particularly in terms of the number of workers who benefit from labour rights. Below, each of these pillars is examined in more detail.

**Southern Africa CRI Index overall ranks
(with comparisons to sub-Saharan Africa and global ranks)**

Country	Southern Africa Rank	Sub-Saharan Africa Rank	Global CRI Rank	Movement on CRI Index (Global 2022 to 2024 comparison)
South Africa	1	1	33	↓ (-6)
Namibia	2	2	49	↑ (+1)
Seychelles	3	3	52	↓ (-9)
Mauritius	4	4	53	↑ (+2)
Lesotho	5	5	54	↑ (+3)
Botswana	6	6	82	↓ (-9)
Eswatini	7	7	91	↑ (+31)
Zambia	8	12	113	↓ (-4)
Malawi	9	13	117	↑ (+2)
Angola	10	19	134	↓ (-5)
Mozambique	11	22	138	↓ (-18)
Congo, Dem. Rep.	12	26	143	↓ (-1)
Madagascar	13	30	149	↑ (+7)
Zimbabwe	14	41	160	↓ (-21)

Public Services Pillar

Public Services Pillar: Global, Southern Africa and sub-Saharan Africa (SSA) Rankings		
Southern Africa score (of 14)	SSA score (of 43)	Global score (of 164)
#8	#11	#116

In the public services pillar, Zambia ranks 8th of 14 countries in Southern Africa. It is in the top third of sub-Saharan African countries but performs relatively poorly globally. In the CRI Index, we specifically examine three social sectors – education, health, and social protection – in the global analysis outlined below. However, other areas of spending - that have become increasingly shaped by IMF advice, as we will explore later - such as energy subsidies, have also been impacting the poor, pushing up the prices of essential commodities.¹⁸

Education - Zambia allocated only 14% of its budget to education, ranking fourth from the bottom on the CRI index in the region.¹⁹ This remains far below the 20% benchmark set by the Dakar Framework and in the SDG 4 Education 2030 framework.²⁰ Meanwhile, Zambia has far to go in terms of the education completion indicator of the Index. Overall, only 3% of children from the poorest fifth of households complete school, compared to 65% for the richest fifth. Recognising these gaps, the 8NDP explicitly prioritises investment in education as a driver of human capital development. It commits to scaling up early childhood education and improving completion rates at secondary level, particularly for disadvantaged groups, but Zambia still has a long way to go to meet international commitments and ensure equitable access for all.

Health - Health spending in Zambia is also low, at just 10% of the budget, which places Zambia mid-range among Southern African countries, but well below the AU Abuja 15% budget commitment.²¹ Meanwhile, nearly half of the population (45%) lacks access to essential health services, which falls short of the SDG4 target of 100% access. In response, the 8NDP prioritises strengthening health systems under its human and social development pillar, with a focus on expanding access to primary healthcare and improving health outcomes. This will require a significant expansion of funding and services.

Social protection - Zambia has very low spending on social protection, ranking second to bottom in terms of the budget share in Southern Africa at just 5%. Less than a quarter of older people are covered (mainly with contributory pensions for the wealthier), and overall, social protection benefits cover only around one-third of those who need them. While the social protection sector in Zambia has experienced significant growth over the past few years, supported by a comprehensive National Social Protection Policy Framework²², it relies heavily on donor funding, particularly the Social Cash Transfer (SCT) programme, which will be under threat as donor aid further reduces.²³ The 8NDP identifies social protection as a cornerstone for inclusive development, calling for expanded coverage and greater domestic financing to build resilience. Yet Zambia still has a long way to go to achieve universal, sustainable social protection across the life cycle.

Zambia's Public Service Budget Allocation

Education

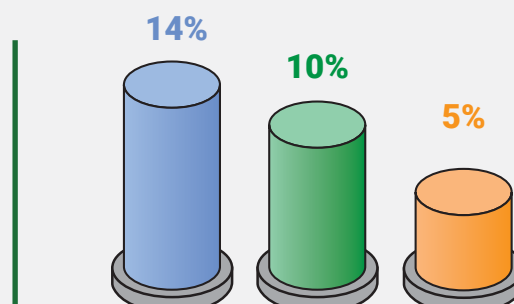
Below Dakar Framework benchmark

Health

Well below AU Abuja Commitment

Social Protection

Second lowest budget share in Southern Africa



Impact on Inequality- Public spending on health, education, and social protection moderately reduces income inequality, as measured by the Gini coefficient (it reduces this by 13%). This ranks Zambia around the middle of the Southern African countries that use public services to fight inequality. With increased spending and coverage, public services could be used even more powerfully in the fight against inequality in Zambia.

Tax Justice Pillar

Tax Justice Pillar: Global, Southern Africa and sub-Saharan Africa (SSA) Rankings		
Southern Africa score (of 14)	SSA score (of 43)	Global score (of 164)
#3	#4	#9

Zambia performs well regionally and globally on the tax justice pillar, primarily due to its progressive policies “on paper”. However, these are often not fully implemented in practice, and thus, the implementation of these policies “in reality” – the progressive level of taxes collected - lets the country down. Similarly, the low degree of inequality reduction due to taxes also lowers the country's rankings. The 8NDP highlights domestic resource mobilisation as critical to financing development priorities. Strengthening tax administration and broadening the tax base are central strategies within the plan, aligning closely with CRI recommendations on improving progressive tax collection.

Progressive Tax System -Zambia ranks relatively high in Southern Africa in this set of indicators on the tax pillar, due to a slightly higher Corporate Income Tax (CIT) rate than many neighbours (30%), along with progressive rates of Personal Income Tax (PIT). Zambia also minimises VAT's impact on low-income populations, making it less regressive, i.e., exempting basic foodstuffs from VAT and ensuring smaller traders are exempt so they do not pass on VAT costs to their consumers. However, it should also be noted that the score has reduced here in recent years as Zambia reduced its CIT rate in 2021 (from 35% to 30%). At the same time, Zambia has lowered its PIT rate – albeit by only a very marginal lowering from 37.5% to 37%.²⁴ Together, these make Zambia’s tax policies less progressive.

Additionally, Zambia does not have a wealth tax. The Tax Justice Network has estimated that a small wealth tax could raise \$300 million a year (1.2% of GDP or 7% of current revenue).²⁵ Zambia also lacks a capital gains tax, inheritance tax, and gift tax, which means that virtually no effort is made to tax wealth, providing broad opportunities for tax dodging by corporations and individuals.

Tax collection -Zambia is only collecting 45% of its potential tax revenue. Its tax-to-GDP ratio was just 16.5% in 2024²⁶, well below the government's domestic revenue target of 21%.²⁷

As a result, Zambia needs to boost revenue by collecting more of its progressive taxes. There are three priorities here:

- Zambia loses \$829 million annually to global tax abuse (a combination of tax abuse by multinational companies and individual tax evasion). This is equivalent to 3.2% of GDP and a fifth of its current revenue collection, 66% of the education budget, or more than one and a half times the size of the health budget.²⁸ The government should intensify its efforts to combat tax evasion.
- Zambia has negotiated 23 tax treaties with other countries, which force it to charge investors from their countries lower tax rates. It should review and renegotiate tax treaties which provide for unbalanced taxing rights.²⁹
- Zambia loses 3.1% of GDP annually - equivalent to 20% of its current revenue - due to tax incentives and exemptions granted to corporations and individuals.³⁰ While the publication of the 2024 tax expenditures report,³¹ which highlights these revenue losses, is a welcome step toward greater transparency, the government must take further action. Specifically, it should disclose the decision-making behind such revenue losses, particularly those related to tax incentives offered to corporations. The government is therefore urged to conduct a transparent review of tax exemptions, integrate this process into annual budget planning, and eliminate ineffective exemptions as part of that process.

Zambia's Tax Justice Performance



Progressive Tax Policies

Zambia's progressive tax policies are regionally strong with high CIT and PIT rates.



Tax Collection Shortfalls

Zambia collects only 45% of potential tax revenue, impacting domestic revenue targets.



Global Tax Abuse Losses

Zambia loses \$829 million annually to global tax abuse, affecting education and health budgets.

Impact on inequality - Taxes barely reduce inequality at all in Zambia, as measured by their effect on the Gini coefficient, which is reduced by only 0.5%. This is mainly because most of its tax revenue comes from VAT, customs and excise duties, which are not progressive. Zambia could do much more to combat inequality through taxation, notably by making a concerted effort to collect more revenue through progressive means such as income and wealth taxes.

Labour Rights Pillar

Labour Rights Pillar: Global, Southern Africa and sub-Saharan Africa (SSA) Rankings

Southern Africa score (of 14)	SSA score (of 43)	Global score (of 164)
#12	#36	#155

On the labour rights pillar, Zambia ranks near the bottom for sub-Saharan Africa, Southern Africa and globally. This is due to relatively poor labour protections in law, a large portion of the population lacking labour rights protections, and high wage inequality. In recent years, stagnant wages, high youth unemployment, and only modest minimum wage adjustments have compounded wage inequality.³² The 8NDP commits to promoting decent work, reducing youth unemployment, and extending social security to informal workers, but there is still a long way to go to translate these commitments into meaningful change.

Labour rights in law and practice - Zambia ranks only 120th in the world on the union and labour rights sub-pillar, which tracks labour laws and the right to unionise on paper and in practice, because it has weak legal protections of rights that are frequently violated. Recent research has also shown that workers in Zambia's mining industry often face intimidation and restrictions when attempting to organise and bargain collectively.³³ In the agriculture and public sectors, trade unions suffer from fragmentation, weak bargaining power, and political interference, which limits their ability to protect workers' rights.³⁴ Zambia has a minimum wage law that is woefully insufficient to address very high wage inequality. It sets multiple minimum wages for different jobs, and the lowest for domestic workers is only around half of the per capita GDP. It should switch (as Namibia has recently done) to having the same minimum wage for all workers. It also has a poor record in terms of regularly updating its minimum wage and should do so annually in the future.

In addition, Zambia falls short of the full suite of possible ways to protect women's rights in the workplace by not enforcing marital rape laws. It performs relatively well on parental leave, meeting the ILO-recommended minimum standard of 100+ days at full pay. However, it could increase this to meet

the higher ILO standard of 126 days and extend paternity leave beyond five days to alleviate the burden of unpaid care on women.

Labour rights implementation -Around 69% of workers are in vulnerable employment, and 5% are unemployed, which means that a staggering two-thirds of the population are not covered by formal labour rights and the legislative commitments above.

3. International pressures exacerbating inequality: debt, aid and austerity

The above section shows that Zambia is not implementing the necessary policies to reduce inequality. Three major global factors—the growing debt crisis, increasing austerity measures, and significant aid cuts—are also severely limiting the Zambian government's policy choices to fight inequality and poverty.

Aid flows have been declining as a proportion of Zambia's GDP for many years. Total ODA as a percentage of GNI in Zambia declined from 29% in 2004-06 to 11% in 2010-12,³⁵ and by 2022, this stood at 2.3%³⁶ – a significant reduction. Even with these reductions, several donors still play a crucial role in key sectors. Yet several of Zambia's major donors are also likely to cut their contributions in the coming years – the US, for instance, has broadly reduced its foreign aid budgets under the Trump administration. Over 83% of USAID contracts in Zambia were cancelled by March 2025. This has significantly impacted sectors like health and humanitarian assistance.³⁷

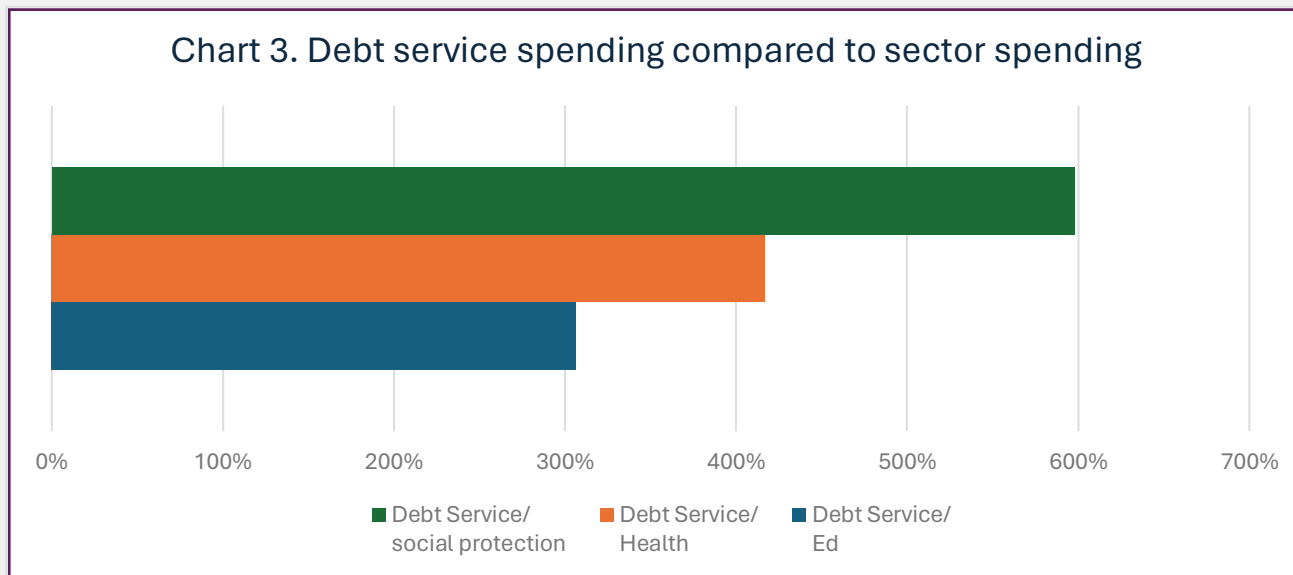
Against aid reductions, Zambia, like many sub-Saharan African nations, has also increasingly turned to commercial funding through domestic and international bond markets since 2015, a trend that was accelerated in Zambia once it gained LMIC status.³⁸

This has led to a chronic debt crisis in Zambia, with no immediate resolution in sight, forcing the government to divert funds from fighting inequality towards servicing these debts.

Amid significant debt burdens, Zambia became the first African nation to default during the COVID-19 pandemic in 2020. The country has since been engaged in complex negotiations with official and private creditors under the G20 Common Framework. The process was fraught with complex delays, as lenders took time to agree on terms,³⁹ which resulted in Zambia continuing to accumulate arrears and further increase its debt stock.⁴⁰ As of 2025, Zambia has successfully restructured more than 75% of its external public debt.⁴¹

Nevertheless, the debt relief provided has been thoroughly inadequate, leaving the country with very high burdens after relief.⁴² In 2025 the debt-to-GDP ratio is close to 100%.⁴³ Total public debt service, including both external and domestic debt, is projected to average around 50% of revenues in 2025. The post-relief service burden also offers no prospect of freeing up sufficient funds for the social spending levels required to reduce inequality sharply. Indeed, the DFI Debt Service Database has estimated that debt servicing is significantly more than the combined social spending (on education, health, and social protection) and around half of the revenues in the budget in 2025. By sector (as shown in Chart 3), this is over four times the amount spent on health, three times the amount spent on education, and six times the amount spent on social protection.⁴⁴ And while external debt service alone is lower (around 15–24% of revenues in the medium term⁴⁵), total debt service remains significantly higher and continues to crowd out social spending.⁴⁶ Future prospects are hardly any better. Average debt service is estimated to still be 45% of budget revenue in 2029, continuing to crowd out key social spending.⁴⁷

Chart 3. Debt service spending compared to sector spending



Amid the debt crisis, Zambia has been forced to seek support from the IMF. The IMF has advised spending cuts, which may add pressure on Zambia to make austerity cuts. This has failed to free up enough space for higher anti-inequality expenditure and has also limited other spending on areas such as energy subsidies. IMF forecasts made in April 2025 suggest spending cuts could amount to 2.3% of GDP over the next five years.⁴⁸ The IMF has stated that it safeguards spending on education, health, and social protection from cuts in its loan programmes through “social spending floors.” In Zambia’s case, the floors appear to cover most of the core social spending in these three areas, as well as food assistance and water. Zambia has met the IMF social spending floors in all but one review (September 2024), and the programme design has set about to safeguard these allocations. However, these have only marginally increased social spending in absolute terms and per capita US dollars.⁴⁹ This is woefully insufficient compared to international benchmarks, African targets, or the need to focus spending on tackling high and rising inequality. Furthermore, research by Oxfam reveals that, globally, social-spending floors have often been insufficient to reverse the underfunding of social sectors; Zambia’s experience reflects this broader pattern.⁵⁰

4. Recommendations and conclusions

Extreme inequality is undermining development and poverty reduction in Zambia. A perfect storm of inequality drivers—including rising debt, the escalating climate crisis, and the soaring cost of living—threatens to deepen disparities in the coming years further. The government remains way off track to meet its own goals, embedded in the 8th National Development Plan to reduce inequality.

Urgent action is needed to reverse this trend. Zambia must adopt and implement a robust national inequality reduction plan, underpinned by realistic, time-bound targets. This should include increased investment in universal public services, strengthened enforcement of progressive tax policies, and enhanced protections and minimum wages for workers.

International actors also play a critical role. They must support Zambia through meaningful debt cancellation, increased concessional financing, and commitment to global tax reforms that curb illicit financial flows and tax avoidance. The 8NDP acknowledges that unsustainable debt servicing undermines the government’s ability to deliver on its development commitments. Linking debt relief to financing the plan’s core pillars - particularly human and social development - would ensure that freed fiscal space directly contributes to reducing inequality.

In the face of looming aid cuts and unsustainable debt servicing obligations, the Zambian government must redouble its efforts to tackle inequality; ensuring that it does not derail progress on development and poverty reduction.

Recommendations to the Zambian Government

Implement realistic and time-bound National Inequality Reduction Plans (NIRPs) with annual monitoring to track their progress. This should aim to reach the goal in Zambia's long-term development Vision 2030 to reduce poverty to below 20% of the population and cut inequality (Gini <40) by 2030. In the longer run, it should aim to reduce the income Gini coefficient to less than 0.3. It should also set goals for reducing wealth inequality sharply. To ensure credibility and coherence, the NIRP must be supported by a national inequality observatory or task force to monitor and report annually, which should include CSOs, the private sector and government. It should also be fully integrated with the 8NDP's monitoring and evaluation framework—and, from 2026, the Ninth National Development Plan—with oversight from the Ministry of Finance and National Planning and the Zambia Statistics Agency. This should be backed by adequate institutional capacity and resources within MoFNP and the Zambia Statistics Agency to ensure effective implementation.

Invest in universal, high-quality public services to reduce inequality. This will require meeting the commitments in the 8NDP as urgent priorities, with a view to then achieving international targets:

- Prioritise education funding to progressively meet the 20% national budget set by the SDG 4 2030 Framework for Action, and focus that funding on scaling up education from early childhood education (ECE) to a secondary level for all, in line with the 8NDP commitments.
- Prioritise health funding, progressively meeting the Abuja Declaration's mandate of 15% of national budgets for health; given that this is presently less than half of this goal, concerted efforts will be required as aid cuts bite. Utilise this funding to expand universal, accessible, and high-quality primary healthcare, thereby improving coverage in line with the 8NDP commitments.
- Increase social protection spending to ensure universal social protection across all life stages (child benefits, maternity cover, disability benefits, unemployment support, and pensions). This should start with prioritising the government's commitments, progressively scaling up universal coverage to all categories, in line with the 8NDP's recognition of social protection as a cornerstone of inclusive development, while reducing reliance on donor funding (particularly for the Social Cash Transfer programme).

Take action to sharply increase tax collection, in line with the emphasis in the 8NDP's focus on domestic resource mobilisation, by enforcing the progressive tax policies on paper and sharply increase tax collection through a phased approach, starting with immediately implementable measures such as publishing annual tax expenditure reports, while working to introduce new progressive taxes in the medium to long term.

- Introducing a wealth tax on the wealthiest 1%, as well as capital gains, inheritance and gift taxes for the rich. These should be top priorities in Zambia, with its high-wealth Gini.
- Strengthen tax revenue authorities, especially by investing more in tax collection from large corporations and high-net-worth individuals, to increase tax collection and ensure revenues are raised progressively.
- Review and end tax exemptions and deductions for corporations and wealthy individuals, and publish a national tax expenditure (exemptions) report annually, to improve transparency on foregone revenue through exemptions. Clamping down harder on tax dodging and renegotiate its international tax treaties.

Strengthen labour policies to combat wage inequality, through a phased approach, starting with immediately implementable measures such as adjusting minimum wages for inflation and enforcing existing trade union rights, while working towards medium- to long-term reforms like establishing a national minimum wage at or above per capita GDP and extending full social security coverage to informal workers.

- Protect Trade Union and Worker Rights. Comply with ILO conventions in law and in practice to ensure the right to unionise, strike, and bargain collectively.
- Strengthen Women’s Labour Rights. Provide at least 18 weeks (126 days) of fully paid maternity leave, per ILO guidelines, and significantly expand paternity leave to reduce the unpaid care burden on women. Amend rape laws to include marital rape. Ensure legal protections explicitly recognise and criminalise marital rape, closing a critical gap in women’s labour and human rights.
- Increase Minimum Wages by setting them at levels at least equal to per capita GDP and which cover living wages (i.e. basic spending needs); by ensuring that lower minimum wages for domestic and agricultural workers converge upwards to match the higher thresholds, allowing the government to set only one minimum wage by 2030; and by uprating them annually for inflation.
- Provide Rights and Protections for Informal/Vulnerable Workers, by developing systems to bring informal and vulnerable workers under minimum regulatory protections and integrate them into social protection and insurance schemes as per commitments in the 8NDP.

Energy Reforms: Energy reforms should prioritise directing any electricity subsidies to the poor to improve equity in electricity subsidy benefits. This would require fast-track implementation of the Rural Electrification Programme to improve access to the grid, especially for the vulnerable rural population.

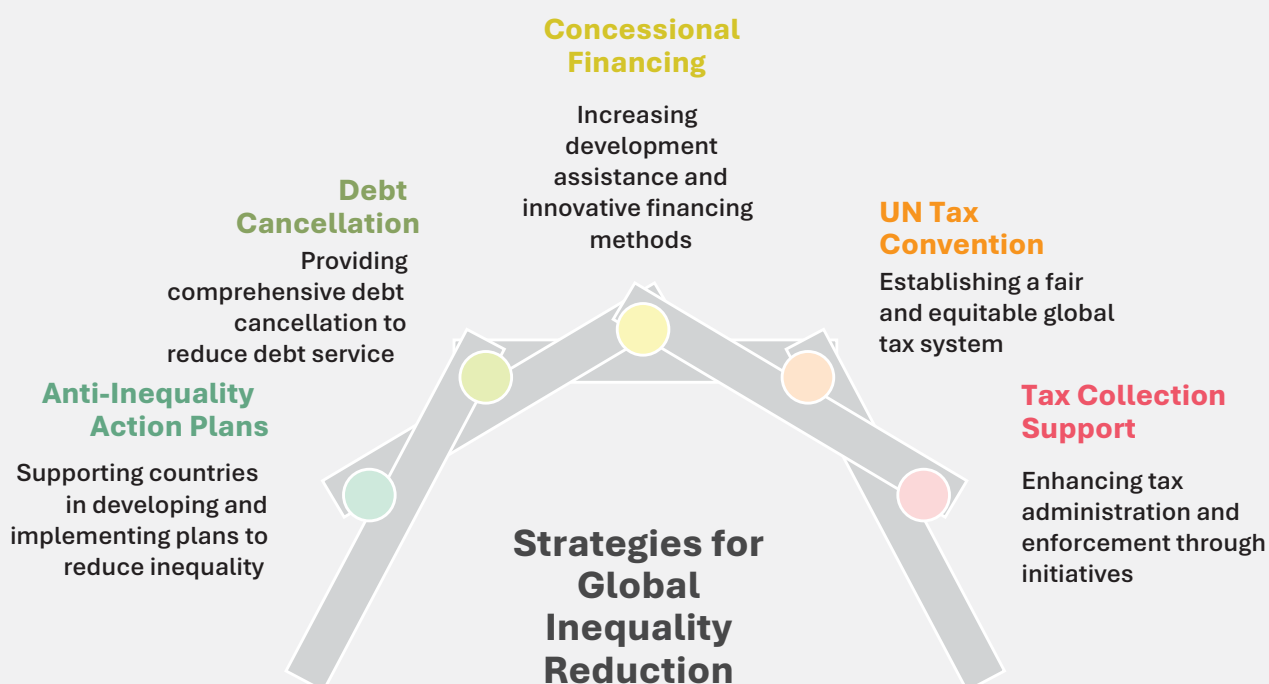
RECOMMENDATIONS TO THE ZAMBIAN GOVERNMENT



Recommendations to the international community

- **Support Zambia in designing and implementing anti-inequality action plans.** The international community must strongly support countries developing national plans to reduce inequality.
- **Provide debt cancellation on all external debt.** This includes providing comprehensive debt cancellation to Zambia covering all external creditors, and reducing domestic debt service further with the aim of bringing debt service down to HIPC-style levels of 10% of spending. Link debt relief explicitly to inequality-reduction priorities identified in the NIRP and the 8NDP, ensuring freed resources are channelled into education, health, and social protection, and is included in debt sustainability analysis and fiscal frameworks to ensure that it can be sustainably financed without generating further debt problems. Establish a multi-stakeholder task force (including the G20, IMF, bilateral creditors, and Zambia) to guarantee that debt relief supports anti-inequality spending. Redouble efforts to provide more concessional financing. This should include reversing recent cuts in development assistance, increasing South-South cooperation, issuing more Special Drawing Rights annually, selling IMF gold reserves; and introducing global “innovative taxes”, including on financial transactions, air transport, shipping and fossil fuels/carbon.
- **Advance and implement a UN Tax Convention** to ensure fair taxation of multinationals and the superrich; through the UN framework, create a more inclusive, transparent, and equitable global tax system.
- **To support improved tax collection,** Support Zambia through the Addis Tax Initiative (ATI) and Tax Inspectors Without Borders (TIWB) to improve tax administration and tax collection. These initiatives provide expertise in auditing multinational corporations, transfer pricing assessments, and tackling tax evasion. Recognising Zambia’s limited influence in global negotiations, working through regional platforms such as the AU and ATAF can also build momentum for fairer action on tax.

RECOMMENDATIONS TO THE INTERNATIONAL COMMUNITY



Endnotes

- ¹ UN SDGs. SDG Indicators: Global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development. <https://unstats.un.org/sdgs/indicators/indicators-list/>
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- ¹⁷ Several Southern African Countries, e.g. Namibia and South Africa, have similarly extremely high levels of inequality but are better in the CRI Index at using their policy interventions to reduce inequality (albeit still not enough, as no country in the region is close to doing enough).
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Country Profile

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