IGC’s work in Zambia

The International Growth Centre (IGC) works with policymakers in developing countries to promote inclusive and sustainable growth through pathbreaking research.

The IGC is a global research centre with a network of world-leading researchers and a set of country teams across Africa, South Asia, and the Middle East.

Based at LSE and in partnership with the University of Oxford, the IGC is majority funded by the UK Foreign, Commonwealth and Development Office (FCDO).

You can learn more about our work at www.theigc.org
IGC’s ongoing and recently concluded work in Zambia

Urbanisation

Policymakers across the developing world are at a critical juncture. Well-implemented, evidence-based urban policies have the potential to unlock a process of sustainable economic growth that can rapidly lift citizens out of poverty. IGC’s support on urbanisation in Zambia aims to transform cities from sites of overcrowding and congestion into engines of national growth and prosperity. For example, this has included support in drafting the under-review National Urbanisation Policy. Other examples of IGC’s work include:

Understanding the growth and needs of informal settlements in Lusaka

IGC is supporting better planning for urban expansion and public service delivery in Zambia through satellite imagery-based analysis of informal settlements in collaboration with the Ministry of Local Government. Its outcomes will fill critical knowledge gaps on the nature and future of informal settlements in Lusaka.

Over the past two decades, the number of Lusaka’s residents living in highly dense informal settlements has nearly tripled to about 1.4 million — which is nearly 62% of Lusaka’s current population, IGC research shows.

![Graph showing population growth](image-url)
This has included a collaboration with Ordnance Survey (OS) and the Commonwealth Association of Architects to create a detailed digital base map of Lusaka, focusing on the identification of informal settlements. The base map provides information regarding: (1) the location of informal settlements, their size, and the number of built structures; (2) how the formal and informal neighbourhoods are served by roads and public spaces; and (3) the density of population based upon the number of buildings.

**Measuring the impact of infrastructure improvement on urban life quality in Zambia**

An ongoing IGC funded study is analysing the socioeconomic impact of improvements in road quality between 2014 and 2018 in Zambia as part of the Link Zambia 8000 programme. This study aims to provide an additional tool for the Ministry of National Development Planning in Zambia to enhance allocative efficiency of infrastructure investment and inform policy and planning for the next five-year plan.

**Mapping the public health facilities across Zambia shows inequity in healthcare access**

In collaboration with the Ministries of Health and General Education, the IGC studied the extent to which the spatial distribution of public health and education services affects the spatial distribution of economic development. The database can be used to inform the development of new facilities, increasing service to existing facilities, monitoring spatial disease patterns, and coordinating health initiatives. One takeaway, for example, is that the median person in Zambia has an access time of approximately 30 minutes to a lab, but for 10% of the population, this time is greater than 2.8 hours.
Analysing the political economy of decentralisation in Zambia

In 2019, the IGC studied the constraints to decentralisation in Zambia. IGC researchers surveyed 153 bureaucrats across 16 councils in four Zambian provinces, complemented by interviews with elected ward councillors. The findings show:

- there is an issue with the rapid growth of local councils increasing pressure on wages, creating uncertainty, and undermining institutional memory;

- low levels of consultation with local councils and lack of autonomy in practice; and

- a mismatch between incentives of politicians and bureaucrats.

Tax

An effective tax system is the bedrock of any modern functioning state. Taxation undergirds the ability of the state to undertake the multiplicities of functions that confer statehood: provision of state security and infrastructure, effective market regulation, and all importantly the provision of public goods and services. In developing countries, these functions take on added dimensions when viewed through the lens of the developmental challenge and need to finance poverty alleviation. The IGC’s work on tax in Zambia has looked at compliance, technology, among others.
Are electronic fiscal devices effective in raising more tax revenue in Zambia?

The IGC, in working with the Zambian Revenue Authority, is currently analysing the performance of Electronic Fiscal Devices (EFDs) in increasing value-added tax (VAT) revenues in Zambia.

IGC survey showed that informal workers in Lusaka that have access to services within the markets, such as toilets, clean water, drainage, and garbage collection, they are more likely to pay taxes and fees to the relevant authorities.

The IGC conducted a survey of more than 800 informal traders and service workers located in or near 11 different markets in Lusaka during November 2017.

Examples of IGC’s work on relevant areas elsewhere

Decentralisation

The IGC has supported decentralisation in a number of countries including: in South Sudan, IGC supported fiscal decentralisation understanding through providing input on how to structure transfers and revenue collection, and how to implement this effectively with limited capacity at the local level; in Myanmar, IGC studied road infrastructure as a case study on how effective initial fiscal decentralisation reform had been; in Afghanistan, IGC provided review of the new decentralisation law from an economic perspective; in Uganda, IGC has been working on supporting fiscal decentralisation to secondary cities.

IGC is working with the Ugandan government to support effective fiscal and administrative decentralisation.

This included, most recently, a workshop in June 2021 to discuss best practice in the establishment of new cities and key policy actions for unlocking the potential for new cities to drive economic growth and development in Uganda.
Land and property taxes

IGC has provided support on developing and improving property tax systems across several countries, including Sierra Leone, Uganda, Rwanda, Pakistan, among others. For example, in Rwanda, IGC researchers analysed the potential benefits of a proposed 1% land value tax in Rwanda as an alternative to its previous land fees system. The study found such a tax would increase revenues based on then-current policies. Following from this study, the IGC is collaborating with the World Bank to develop a system using satellite data on properties and their locations to predict land and building prices. In Freetown, IGC and other partners worked with the mayor to pilot a new simplified property tax system that could quintuple revenue.

IGC and partners helped reform the property tax systems in Freetown, Kampala, Dakar, and Punjab (Pakistan). In Freetown, these reforms are set to quintuple revenue through using a simple, fair model.
Cities as engines for economic growth

Through its Cities that Work team, IGC provides targeted support to unlocking urban prosperity. A country’s ability to create productive jobs and boost living standards is inextricably linked to the way its cities are managed. The team works on four key areas that improve how cities function as engines for growth: (1) urban land-use planning, (2) firms and employment in cities; (3) urban governance and finance, and (4) Housing, infrastructure, and public services.

IGC’s Cities that Work team works to promote economic growth through effective urban policy. Most recently, the team has worked with policymakers in Uganda on informal transport reform; in Jordan, on reforming the city’s land development charges and to enhance the use of data in the city’s policymaking; and in Cape Town, the team supported the creation of the city’s Inclusive Economic Growth Strategy.

Finance Minister of Punjab (Pakistan) chairs a Cities that Work roundtable in Lahore in 2019

For further information and engagement, please contact Shahrukh Wani (s.rukh@lse.ac.uk) and Twivwe Siwale (twivwe.siwale@theigc.org).