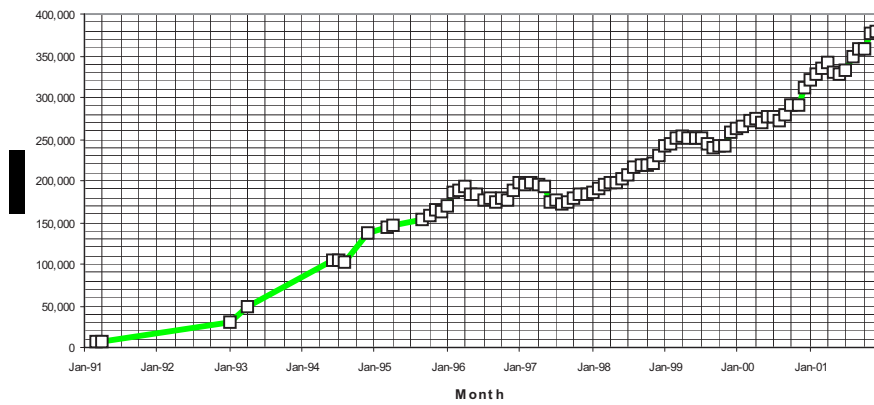


**JESUIT CENTRE FOR THEOLOGICAL REFLECTION  
Social Conditions Research Project**

**The JCTR *Basic Needs Basket***

**JCTR *Food Basket* (1991-2001)**  
(Cost of Basic Items for Family of Six in Lusaka)



**A Comprehensive Overview**

**February 2005**

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## 1.0 Introduction

First and foremost, the JCTR asks that you think of the following pages as the instruction manual for the *Basic Needs Basket* (BNB). In other words, the intention of this Comprehensive Overview is both to compel and empower you to go out and effectively use the BNB for its intended purpose: to promote a more just and human Zambia. In **Section One** you will be told the story of the JCTR Basket as it slowly evolved from the Lusaka *Food Basket* into its current form of the *Basic Needs Basket*. Also, subsequent paragraphs in the first section explore in more depth the mission of the JCTR, the purpose of the *Basic Needs Basket* and the limitations of the BNB exercise. **Section Two** attempts to demystify the methodology and scope of the JCTR Basket in all of its past, present and future formats and locations across Zambia. Finally, **Section Three** unpacks the advocacy strategy of the BNB and suggests its usefulness to the numerous strategic stakeholders.

Attached to this instruction manual for the *Basic Needs Basket*, located in **Appendices C and D**, you will find the “product” offered by the JCTR: the 1991 to 2001 Lusaka *Food Basket* Data and Graphs, the 2002-Present Lusaka *Basic Needs Basket* Data and Graphs, the 2003 Lusaka *Basic Needs Basket* Data and Analysis, the 2004 Lusaka *Basic Needs Basket* Data and Analysis and the 2005-Present Expanded Urban *Basic Needs Basket* Data and Graphs. Once again, the intention of this manual is to clarify the purpose, limitations, methodology and advocacy strategy of the BNB to encourage appropriate and effective usage of the *Basic Needs Basket* monthly data and historical statistics. And please remember, the only purpose of reading an instruction manual is to learn how to use a product: we implore that you utilise the BNB in any imaginable capacity so long as it is in promotion of a more just and equitable world!

### 1.1 The JCTR Basket: History in the Numbers

Since the early 1990s the *Jesuit Centre for Theological Reflection* (JCTR) has been keenly monitoring the rising cost of living in Lusaka through a simple monthly price survey of a “basket” of essential food and non-food items. Indeed, it is through the popularity of this basket survey that many in Zambia have come to know of the work of the JCTR and its struggle to achieve *a society where faith promotes justice for all, in all spheres of life, especially for the poor*.

The *Jesuit Centre for Theological Reflection* was founded in 1988 in order to examine the Zambian reality from a theological perspective and undertake appropriate research and action in the spirit of a faith that seeks justice. One of the initial projects of the JCTR was the Economic and Social Development Project that worked “to promote economic and social justice through exposing the plight of the poor.” Furthermore, “the aim of the project (was) to gather facts through research and to use those facts to advocate for change in policies and/or practices that inhibit attainment of sustainable livelihoods.”

#### **The Foundation of the JCTR *Food Basket***

In the spirit of exposing the plight of the poor and with the realisation that the average person was struggling to afford even the most basic of monthly commodities, the Economic and Social Development Project conducted its very first “Food Basket” survey in March of 1991. There was concern among church groups within Livingstone and the Copperbelt about the wages that

the Catholic Church was paying to its employees, and the JCTR took up the challenge of assessing a basic cost of living through this initial survey. It was determined that a family of six living in Lusaka at that time needed only 6,375 Kwacha (K) to afford a month-long supply of basic items including mealie-meal, meat, vegetables, bread, charcoal and soap. It was not so long ago that you could pay for a loaf of bread with the loose Ngwee in your pocket!

The Lusaka *Food Basket* survey was conducted just one more time in 1991 and seemingly forgotten amidst the flurry of activity surrounding the first years of Fredrick Chiluba's presidency. It was the year 1992 that Zambia began embracing aggressive liberalisation of the economy under the Structural Adjustment Programme (SAP) prescribed by the International Monetary Fund. The reforms included reduction in protective tariffs (e.g. textiles, batteries), removal of subsidies of basic goods (e.g. agricultural inputs, mealie-meal), and abolishment of price and exchange rate controls.

The effects of liberalisation were harsh and instant as evidenced through the rapid depreciation of the Kwacha and skyrocketing inflation levels in the country. To help evaluate how the SAP was affecting the standards of living of ordinary Zambians, the JCTR returned to its *Food Basket* survey again in 1993 to discover that the basic commodity basket had drastically jumped in cost to K31,075 by January and K49,360 by April of that year.

From a purely historical perspective, the JCTR Basket speaks to the dramatic story of how living conditions have rapidly deteriorated in Zambia in relation to the deteriorating economic situation. The regularly recorded statistics directly correspond with the defining events of the past fourteen years, including the many economic shocks, the internal political changes, the external wars, the successful and unsuccessful governmental policies, the collapse of industries and banks, the varying quantity of rainfall to support agriculture, etc.

However, the hidden characters in this story told by numbers are the Zambian people who have faced immeasurable hardships in response to the rising costs of living and simultaneously declining opportunities to access decent employment, healthcare, education and other social services. The freedom of people within a society to afford basic needs is essential to the promotion of dignity within the human person. The JCTR basket has been used extensively in this dramatic period of Zambian history to expose how families are struggling to afford human lives; more importantly, the JCTR Basket has been used extensively to advocate for prudent socio-economic and political decisions and just relationships between employers and employees in order to help create more human conditions for the people of Zambia. *It is in this way that the JCTR Basket transforms from a pure statistical record of history to an active protagonist in the living drama.*

The *Food Basket* survey was conducted four times in 1994 and another six times in 1995. In May of 1995 the Economic and Social Development Project organised a team of UNZA students to carry out basic interviews in the compounds of Lusaka to explore the perplexing question: "With food alone costing almost K150,000, how are families making ends meet?" The article, appearing in the JCTR 2<sup>nd</sup> Quarter Bulletin of 1995, offers a glimpse of life on the ground both then and now.

For example, many families indicated that two meals a day of nshima and relish is the standard when money is available, yet skipped meals are very common. Also, many indicated that a

“family of six” is misleading with the number of children and other dependents commonly exceeding ten per family. The conclusion of the impressionistic yet insightful report was that even a basic standard of living had become impossible for the average Lusaka family, and that the unfortunate result of the Structural Adjustment Programme was the structural adjustment of the family.

### **The Monthly *Food Basket***

By January 1996 the Lusaka *Food Basket* had reached K170,592, and it was this year that the Basket became a monthly staple of JCTR activities. A lot of time and energy has been spent over the past nine years talking with families, visiting markets, speaking with marketeers, weighing vegetables with a portable scale and recording the prices of essential goods that include mealie meal, charcoal, cooking oil, vegetables, bread, tea, soap, etc. The JCTR continues to invest in regular monthly monitoring of the cost of living for many reasons on two primary levels.

Monthly research into the changes in cost of living helps the JCTR and its many stakeholders remain connected to the *present* living situations of the people, to understand the reasons for changes in prices from *month-to-month* and to respond accordingly to the *immediate* conditions in the country. At a separate level, the recording of monthly data also helps the JCTR and its major stakeholders to analyse how cost of living varies over *intervals of time*, to understand the reasons for trends in price changes over *seasons or years* and to make recommendations for policy-change to create the *future* socio-economic climate that allows people to afford a decent standard of living.

### **On the Ground**

By January of 1999 the cost of basic food items in Lusaka had risen to K240,920, and it was this year that the JCTR began to vocally address the cost of living on a *month-to-month* basis by issuing press statements commenting on the present issues affecting cost of living and the immediate actions to be taken by government, international organisations, employers or other groups of people. To read the nearly sixty press releases is to take a walk through time to revisit all the major events of the past six years. Please see **Appendix A** for a summary of each press release and for the press releases (only in soft copy) from January 1999 up to the present.

The following headlines help illustrate the point: “Lower Food Prices But Not Higher Food Consumption” (September 99), “Widening Gap Between Food Basket and Salaries: What Do Political Party Manifestoes Have to Offer?” (August 2000), “High Cost of Living Should be an Essential Focus For Political Campaigns, Says JCTR” (November 2001), “*Basic Needs Basket* Challenges the 2002 National Budget” (February 02), “People’s Hardships Heightened: Basic Needs Costs a Million, Says JCTR” (January 03), “JCTR Links Cost of Living Issues with War in Iraq” (March 03), “Nutrition Should be Central to AIDS Treatment Discussions, Says JCTR” (April 2004). Income is the primary means for people to access decent standards of living, and the monthly press statements relate income and cost of living to other contemporary issues facing the people.

## Promotion of Human Wages

The January 2000 Lusaka *Food Basket* brought an important new dimension to the JCTR's examination of rising living costs: the *comparison* of the cost of food to the take-home wages of a variety of employees. At that time the *Food Basket* cost K263,370; however, the average monthly take-home pay was just K135,000 for a primary teacher, K200,000 for secondary school teacher, K150,000 for a secretary in the civil service and K160,000 for a nurse.

This explicit comparison of wages to food costs illustrated the non-particular nature of the poverty that continues to spread across the nation: even the few remaining formal-sector employees are unable to afford basic food costs! A new category of poor has emerged: "the working poor." And what does this mean for the small farmers, the traders, the marketeers, the stone-crushers and the majority of Zambians who live without a regular income? And what about the additional costs of housing, water, education, health-care, clothing and other items not included in the Food Basket? How are families managing to make ends meet?

Between March and June of 2000 the JCTR explored these quality of life questions in relation to the situation of primary school teachers in the country. The researcher undertook a detailed field study of teacher living conditions in Lusaka Province, specifically examining the average take home pay of teachers in comparison to cost of living as measured by the BNB, the relationship between living conditions and teacher performance, and the policies and practices that prevent primary educators from achieving sustainable livelihoods.

The primary conclusion of the study was that teachers could not afford the barest minimum necessities from their salaries alone, but the provision of government housing in addition to the wages helped a minority of the teachers to provide for their needs and devote more energy to teaching. As noted by the report, the majority of teachers resorted to survival strategies that include "private tuition, vending, reducing the number of meals per day, asking for help from friends and relatives, and borrowing, both formal and *kaloba* (an informal borrowing with exorbitant interest rates, often exceeding 100 percent). Many of these strategies have negative ramifications on the quality of education, as they are likely to distract the teachers from concentrating in their work."

The report recommended that teachers be paid higher wages in accordance with real costs of living, that non-wage benefits such as accommodation, healthcare and transportation should be offered to boost teacher performance and that conditions of service should offer teachers free education for their children and produce from the self-help farms in rural areas. The findings of the report were useful not only to struggling teachers across the nation, but also to other groups such as nurses and civil servants facing the same challenges.

The JCTR Basket in one form or another will always have a primary usefulness to unions and those in the formal sector to negotiate for wages that respect the notions that each person has inherent dignity, that work is essential to the promotion of the full human person and that work must be compensated justly. However, the impact of the basket goes far beyond wage negotiations from within the formal sector.



## **Analysis, Research and Advocacy**

Particularly since 2000 the JCTR has also analysed the changes in cost of living over *intervals of one-year*, in order to form policy-recommendations to improve people's access to more human standards of living in the *future*. In December of that year, as the *Food Basket* climbed to K312,695, the Economic and Social Development Project issued its first annual "year in review" press statement. Expressing great concern over the 30% inflation rate for 2000 that resulted primarily from rapid depreciation of the Kwacha and increases in fuel and mealie meal, the JCTR made the following three policy recommendations: 1) Government must take preventative measures to mitigate spikes in cost of living, particularly through strategic grain and oil reserves. 2) There is need for the 2001 budget to be pro-poor. 3) Special attention must be paid to the agricultural sector in order to dampen annual increases in food costs.

The strong emphasis for 2001 was that government needed to develop a prudent and holistic agricultural policy, for rises in living costs could be attributed to nothing else but poor agricultural planning. Furthermore, with the poor rains during the beginning of that growing season the prediction was that things would grow much worse during 2002. The headline of the December 2002 press release strongly confirmed the prediction: "Year 2002 Characterised by Disturbing Social Challenges, Observes JCTR." The shortage of maize resulted in the most drastic increase in food prices ever recorded by the basket, and 2002 was also the year that Anglo-American pulled out of the ZCCM copper mines without considering the real cost on the lives of Zambian families.

In December of 2003, the end of year message pointed out the positive effects on cost of living brought about by ample maize production, yet also warned government that the "sacrifices" made in the name of reaching the Highly Indebted Poor Countries (HIPC) completion point should not affect the poor already struggling to afford basic needs. The December 2004 press statement contains exceptional analysis of the living situation in Zambia and highlights six priority issues to address in order to "move people from less human conditions to more human conditions – a truer definition of development than abstract GDP figures." The six strong demands include responsive and responsible leadership, education for future development, a holistic health-care system, total debt cancellation for poverty reduction, sustainable agricultural practices that will benefit the small-scale farmer in the long-term, and a clear strategy for employment creation.

A new commitment of the JCTR is to disseminate the basket statistics over years of time, and in a simple format, so that families, NGOs, employees and employers, marketeers, members of parliament and other stakeholders can make well-informed actions to promote better living conditions amidst rising costs of living. Furthermore, the measure of cost of living over the past fourteen years provides a very valuable resource to researchers ranging from students at the University of Zambia, economists at the World Bank and social scientists at the United Nations Development Project (UNDP).

### **Unveiling the *Basic Needs Basket***

Over a period of ten years, the JCTR measured the cost of basic food items (also including charcoal, soap, wash soap and Vaseline) for a family of six living in Lusaka using the same composition of the *Food Basket* and a relatively consistent methodology for data collection. But

in January of 2002, the JCTR unveiled a new and improved basket with a new composition and fresh name: the *Basic Needs Basket* (BNB). Since the early 1990s, there was recognition that the primary weakness of the *Food Basket* was that it failed to uplift a substantial portion of other regular necessary costs incurred by a family. As one Lusaka resident wrote in response to the newspaper article “How Many are Surviving?” appearing in *The Citizen* during December of 1998: “I also observed that your food basket does not include rent, ‘fictitious electricity and water bills,’ and transport to and from work. Are these things a luxury? The end result is starvation!”

In the third quarter of 2001 the JCTR brought together representatives of key stakeholder groups in order to revise the basket to make it more adequate and accurate. The major changes included the separation of basic food items from essential non-food items, the addition of housing, water and electricity to the non-food items and a new composition of the “food basket” to make it more nutritionally sound. Also, the BNB began highlighting some other normal costs incurred by families including education, health and transportation, but these numbers do not impact the monthly total of the basket.

Recorded in January of 2002, the cost of the first Lusaka *Basic Needs Basket* was K829,250 with the basic food items alone costing K324,650. As recorded in the press release highlighting these changes, “At first glance this figure may seem astronomically high, yet any Zambian reflecting on the demands of their real situation will acknowledge that it is a true reflection of the cost of living!”

### **Measuring Impact**

In April of 2003, as the *Basic Needs Basket* reached K1,030,850, the JCTR consulted a Policy Impact Assessment to investigate the extent to which the BNB had fed into “wider” policies of improving the welfare of the people, especially the poor. The methodology of the appraisal involved reading all materials, press releases and newspaper clippings related to the JCTR Basket, speaking at length with all members of the JCTR staff, interviewing users of the BNB classified as government ministries and departments, trade unions, NGOs and co-operating partners, and holding detailed conversations with experts from the Central Statistical Office, the University of Zambia and the National Food and Nutrition Commission.

The assessment provided an exceptionally honest and objective critique of the *Basic Needs Basket* exercise, expressing not only the constructive criticism of numerous stakeholders but also the magnitude of positive impact made in society by more than ten years of advocacy. As for concerns, there was mention of the narrow geographical scope of the BNB, the lack of a clear and explicit scientific methodology, the limited circulation in terms of copies and geographic scope, the inability of the BNB to take into account the many disparities between Zambian families and the apparent targeting of the formal sector for advocacy efforts.

As for the positive impact of the JCTR Basket, the assessment revealed first that there was widespread awareness of the *Basic Needs Basket* by policy makers ranging from government officials to employees of international organisations. For example, the committee of permanent secretaries that meets prior to negotiations with public service unions always makes reference to the BNB. Also, a number of researchers regularly refer to the JCTR Basket as one indicator of poverty, and it is also regularly included within the UNDPs annual Human Development Report.



Second, though the assessment was unable to establish any direct link between the JCTR Basket and formation of government policy, the conclusion was drawn that “It can be safely said that the Basket has single-handedly put the issue of cost of living in Zambia in the limelight. It has provided an important benchmark or progress indicator against which poverty as income-deprivation has come to be measured.” Furthermore, the evaluation revealed that government had taken notice of the BNB and was in the process of creating its own Central Statistical Office “Basic Needs Basket” to measure a national average cost of basic family needs.

Third, the usefulness of the *Basic Needs Basket* to trade unions, civil society and international organisations was also captured. For example, it was discovered that alone the Zambia Union of Financial Institutions and Allied Workers (ZUFIAW) used the JCTR basket in negotiations with 22 institutions during the first part of the year 2003. In only one instance did an employer reject the BNB as an unreliable source of information. As for civil society organisations, Women for Change found the Basket a useful tool in helping villagers understand why teachers go on strike. Within the broad sector of international organisations, an exceptional example of impact is found in the Finnish government that took into account the JCTR Basket in determining its level of support to Zambia’s Poverty Reduction Strategy Paper (PRSP). The assessment of impact has provided a valuable benchmark from which to spring forward.

### **The Expanded Urban *Basic Needs Basket***

In late 2003 the JCTR began to address one of the concerns from the Poverty Impact Assessment by consulting a follow-up study to consider how to expand the *Basic Needs Basket* exercise beyond its central location in Lusaka. Trade unions, government representatives, civil society groups and other Zambians have long been asking the JCTR to monitor cost of living in locations all across Zambia, including the rural areas. Taking into account the limited capacity of the Social Conditions Research Project, which evolved out of the Economic and Social Development Project, the consultant suggested a gradual move towards decentralisation by first moving the BNB to a few urban areas with similar characteristics as Lusaka.

2004 marked the pilot-year of the Expanded Urban *Basic Needs Basket*, and in January of 2004 trained Field Assistants also conducted the BNB survey in Kabwe, Kitwe, Ndola, Livingstone and Luanshya. Based upon a discovery that essential food items averaged K462,700 in Luanshya over the months of April, May and June compared to K456,300 for the same basket of food in Lusaka, the headline of the June 2004 press statement proclaimed: “*Basic Needs Basket* Reveals that Luanshya is High Cost of Living Area!” In January of 2005 the cost of essential food and non-food items for a family of six was K1,340,840 in Lusaka, K1,108,750 in Livingstone, K988,280 in Ndola, K973,910 in Kitwe, K842,900 in Kabwe and K838,410 in Luanshya.

### **A Disastrous Decade**

The drastic economic reforms and severe economic shocks faced during the 1990s caused a ripple that will have a negative impact on the quality of life within Zambia for many decades to come. As an historical record of the rapid increase in the amount of Kwacha needed to access basic goods and services, the JCTR Basket links the macro-economic instability to its impact on the lives of the people, especially the most vulnerable. The cost of living sky-rocketed throughout the 1990s, formal wages failed to keep up, jobs were lost, government investment in

social sectors stagnated, poverty rates increased and the result was a harsh blow to human well-being within Zambia. The following statistics from the United Nations Development Programme and the Central Statistical Office illuminate some of the rippling effects.

On the macro-economic level, the real GDP per capita was US\$744 in 1990 and US\$780 in 2000 (UNDP). This equates to an annual average growth rate in real GDP per capita of 0.47% over the 1990s. But the number of people employed in the formal sector declined to 509,136 in 1993 from 629,926 in 1991 and had only returned to 597,953 by 2003 (CSO). This suggests that though real GDP per capita did slightly increase over the 1990s, the benefits were absorbed by a formal workforce smaller in both percentage of the population and in nominal numbers; the minimal economic growth of the 1990s was neither broad-based nor pro-poor.

Furthermore, economic instability resulted in rapid inflation and a new challenge for the jobless, the retrenched and even the formally employed to afford basic needs. The JCTR *Food Basket* was K6,375 in March of 1991, but had increased by 154% to K49,360 by April of 1993. Even within US\$ terms, the JCTR *Food Basket* increased by 66% over four years from US\$86.70 in March 1991 to US\$179.18 at the peak of economic instability in March of 1995, though the cost of basic food items in Lusaka had returned to a cost of US\$99.39 by March of 2001. The rate of inflation through the first half of the 1990s outpaced the rate of depreciation in the Kwacha, which explains for the simultaneous inflation even in US\$ terms. Though no information on worker salaries has been uncovered from this same time period, it is safe to say from current trends that upward adjustments in salaries lagged behind the inflation rates in the country; essentially, real income for most Zambians fell during the 1990s.

It is little surprise that progress in the primary social sectors has been little to none. Looking at education, the primary net attendance rate (grades 1-7) was 68% in 1991, 73% in 1993 and 74% in 2003, and the secondary net attendance rate (grades 8-12) was 20% in 1991, 23% in 1993 and 28% in 2003 (CSO). But the adult literacy rate declined from 72.8% in 1990 to 68% in 2000 (UNDP). This suggests that even though a slightly greater percentage of youth are now attending grades corresponding to their ages, the quality of the education has actually declined. Also, the number of malnourished children rose to 60% in 2001 from 43% in the early 1990's (UNDP). Furthermore, in 1990 the average life expectancy was 54.4 years, in 2000 it was 46.1 years and latest estimates taking into account the full impact of HIV/AIDS put it closer to 37 years (UNDP).

Economic liberalisation in conjunction with serious internal economic shocks such as the collapse of commercial banks has indirectly caused a stagnation and decline in human development within Zambia. The JCTR Basket illuminates how this macro-economic instability affected people's lives: *Zambian families were unable to keep up with the rapidly rising cost of basic needs, with the consequences manifesting themselves in a decline in the quality of most lives.* Only now does it appear that the socio-economic situation has begun to return to equivalent levels prior to the 1990s, but extreme damage to the livelihoods of the people has already been done. As Zambia begins to once again look forward toward the future, the *Basic Needs Basket* will remain an important tool for drawing attention to the plight of the poor and the struggle of all families to afford a decent standard of living.

## **1.2 The JCTR Mission Statement**

The mission of the Jesuit Centre for Theological Reflection (JCTR), a project of the Zambia-Malawi Province of the Society of Jesus, is to foster from a faith-inspired perspective a critical understanding of current issues. Guided by the church's social teaching that emphasises human dignity in community, our mission is to generate action for the promotion of the fullness of human life through research, education, advocacy and consultation. Cooperating widely with other groups, our Jesuit sponsorship directs us to a special concern for the poor and assures an international linkage to our efforts. We aim to promote an inculturated faith, gender equality and empowerment of local communities in the work of justice and peace and the integrity of creation.

## **1.3 The *Basic Needs Basket* Purpose Statement**

All Zambians feel the pinch of rising living costs, but as one participant in a recent workshop observed, "Some people are enslaved without even knowing it, simply paying 1000 Kwacha here and there and not understanding how systemic or widespread the problem of cost of living has become!" Cost of living has skyrocketed as incomes, social services and opportunities have stagnated and even declined, creating a harsh situation where the majority of families cannot afford to lead decent lives. It is in this context that the JCTR undertakes the *Basic Needs Basket* (BNB), a monthly survey of the cost of essential food and non-food items that comprise the bare-minimum basket of goods needed for an urban family of six to survive with a decent and healthy standard of living.

The *Basic Needs Basket* provides an *accurate, straight-forward* look at household needs and their corresponding costs in Lusaka, Livingstone, Luanshya, Kabwe, Kitwe and Ndola; it is for this reason that the BNB has become valuable to the ordinary Zambian in addition to the economist, the policy-maker, the unionist, the employee, the marketeer, etc. The BNB challenges people from all backgrounds to explore the question: "What is the reason for this gap between family income and the cost of basic needs?" Possible answers to this question cut across all aspects of society and life, and so do the possible responses.

The *Basic Needs Basket* is many things to many people: a "shopping list," a "wish list," a promotion of basic human rights, an appeal for the restoration of human dignity, a guide to paying a living wage, the evidence to challenge an unjust wage, a statistical measure of rising costs of living, an historical testimony to a deplorable decade, a basis for opposing an increased water tariff, a platform for challenging a misplaced government priority, a monthly stimulant to discuss poverty issues, a monthly lesson in economic literacy, an analytic-tool to stimulate research, a catalytic-tool to mobilise action, a cry to awaken the people!

## **1.4 Limitations of the *Basic Needs Basket***

As with all statistical exercises, the *Basic Needs Basket* survey has its own limitations and foundational assumptions. The following points provide important clarification on a number of concerns related to methodology and scope.

First and foremost, the BNB does not attempt to portray the cost of living across all parts of Zambia. The JCTR basket has always surveyed a minimum cost of basic needs in Lusaka, and beginning in 2004, the JCTR has also produced a BNB for Ndola, Kitwe, Luanshya, Kabwe and

Livingstone. In other words, the JCTR *Basic Needs Basket* provides a realistic and accurate look at the cost of a decent living standard for a family of six in specific urban areas across Lusaka, Copperbelt, Central and Southern Provinces. On the other hand, the Central Statistical Office (CSO) produces its own “Basic Needs Basket” that portrays an average cost of basic food and non-food goods across Zambia as a whole.

The JCTR *Basic Needs Basket* is not directly comparable to the CSO Basic Needs Basket, but both statistical measures portray the same reality of high living costs! In January of 2005, the cost of the JCTR *Basic Needs Basket* was K1,340,840 in Lusaka, K1,108,750 in Livingstone, K988,280 in Ndola, K973,910 in Kitwe, K842,900 in Kabwe and K838,410 in Luanshya. In the same month the CSO Basic Needs Basket showed the *average* cost of living across all of Zambia at K920,441, which is a very realistic figure considering that this survey assesses the cost of living in rural areas in addition to urban centres across the country. In the future, the CSO intends to measure a province-specific *average* cost of living, and the JCTR intends to examine the cost of living in *specific* rural areas by creating a rural basket. Once again, the JCTR and CSO baskets are not comparable but complimentary, each useful in its own way. The JCTR BNB is more appropriate to a trade union advocating for just wages for employees within Livingstone, whereas the CSO basket is more appropriate in measuring poverty levels countrywide.

Second, it is important to note that the *Basic Needs Basket* is not based upon *actual* expenditures of urban Zambian families but on *ideal* expenditures to promote proper nutrition and health for members of the average-sized Zambian family of six. The food and non-food items that form the basket have not been chosen arbitrarily, but represent basic, preferred goods that are commonly purchased by those urban families that can afford the costs and would ideally be purchased by all Zambian families. This is an important distinction to note: price was a non-factor in determining the composition of the BNB.

The criteria for inclusion within the basket was that a good be a basic need of a family in promotion of nutrition, health or a decent standard of living. For example, the type of housing surveyed is a basic three-bedroom house to allow one bedroom for the girl-child, one for the boy-child and one for the parents. According to the UN Global Shelter Strategy, to which Zambia is a signatory, “adequate housing” encompasses adequate security, adequate privacy, adequate space, adequate lighting and adequate location with regards to work and basic facilities. The rental fee for a three-bedroom house is significantly higher than what most Zambian families are actually paying for housing, but putting costs aside, the three-bedroom house is the appropriate size to promote a decent standard of living for a family of six.

Third, from a practical perspective, the JCTR *Basic Needs Basket* will likely never be the officially recognised statistical measure of cost of living in Zambia. The JCTR has neither the capacity nor the intention to conduct intensive, nation-wide surveys of rising costs of basic needs. On the contrary, the aim of the JCTR is to monitor the cost of a decent standard of living in sample locations across Zambia, to widely disseminate this information in a simple, user-friendly format to Zambian families and other stakeholders and to encourage others to actively use this information to achieve more human lives for the nation’s poorest.

Although the *Basic Needs Basket* has direct implication on the determination of the nation’s poverty datum line and the assessment of the prevalence of poverty, the Central Statistical Office

as a government body has a greater capacity to carry out comprehensive statistical exercises that cover the breadth and width of Zambia. The JCTR maintains the important role as a faith-based organisation to critically evaluate the work of the CSO and add a value-dimension to the basket monitoring by portraying the cost of essential goods *to promote the human dignity of the person*.

Fourth, from a statistical point of view, there are two significant weaknesses in the Lusaka basket data that make it difficult yet not impossible to undertake long-term trends analysis. For those of you who intend to use the data in this fashion, please note the following two crucial clarifications!

One, at the end of 2001, the JCTR *Food Basket* underwent modifications in content, quantity and scope to form the more complete *Basic Needs Basket*. The recognized implication of this change was that the new data would not be directly comparable to the old data. Please note that the *Food Basket* statistics are still self-comparable, as with the BNB statistics, for both the *Food Basket* and the *Basic Needs Basket* have been conducted using nearly uniform methodology. Also, many individual commodities such as mealie meal and charcoal are comparable from 1997 up to the present. For those who remain extremely interested in comparing costs from the 1990s to the present, please refer to **Appendix D** that includes a graph combining *Food Basket* Data with *Basic Needs Basket* Data from 1997-2004, based upon a few simplifying assumptions.

Two, referring only to the BNB data, there is a significant jump in the cost of housing taking affect at the beginning of 2003 and again at the beginning of 2005, simply because rent fees are often adjusted upwards on an annual basis. Since the cost of housing comprises roughly 40% of the basket, these annual adjustments in rent (excluding 2004) cause sudden, drastic increases in the overall cost of the *Basic Needs Basket*. For those interested in seeing a more congruent trend line, it might be helpful to make backward adjustments to BNB statistics to apply each rent increase in twelve monthly instalments.

## **2.0 Basket Scope and Methodology**

*Simple and accurate.* This phrase forms the essence of the JCTR Basket in all of its forms. Numerous books have demonstrated extensive methodologies for undertaking a “bread basket” monitoring activity and surely the JCTR Basket has been influenced by the discussions surrounding this issue. However, the JCTR Basket has never attempted to create model families or count calories or factor in average expenses due to variable needs such as clothing, transportation, recreation, etc. What the JCTR Basket has always done well is to determine what products urban Zambians need and prefer and to estimate what quantity of these goods an average-sized Zambian family should minimally consume each month to live healthily.

To initially form the *Food Basket* a number of families in Lusaka were surveyed on the goods they preferred and the necessary quantities they needed each month. To form the *Basic Needs Basket*, the initial basket was modified on the recommendations of statisticians, civil society members, academics and nutritionists to make it more nutritious and representative of the totality of family needs. In other words, the current composition of the *Basic Needs Basket* is the result of expert advice from average Zambians and from academics, *thus achieving the difficult combination of scientific accuracy and technical simplicity.*



With a basket in place, the only other aspect of a basket exercise is the monthly collection of prices from markets representing a cross-section of a city. Of course, this is an over-simplistic summary of the JCTR Basket methodology, and the following pages reveal how the JCTR maintains an accurate survey of cost of living amidst the unpredictable nature of the Zambian market.

## **2.1 Lusaka Food Basket (1991-2001)**

The Lusaka *Food Basket* survey was carried out between 1991 and 2001 using a relatively consistent methodology. Based upon a survey administered by the JCTR at St. Ignatius parish to determine the most common expenditures to meet basic needs for a family of six, the following types and quantities of goods were brought together to form the *Food Basket*:

- Three 25 kilogram bags of mealie-meal (breakfast)
- Two 90 kilogram bags of charcoal
- Two 2.5 litre containers of cooking oil
- A 30-day supply of vegetables (rape, tomato and onion)
- 8 kilograms of meat (brisket)
- Four units of 10 eggs
- 30 loafs of plain bread
- 8 kilograms of sugar
- 1 kilogram of salt
- Two 250 gram packages of tea
- Six tablets of soap (Geisha)
- Four 500 gram packages of wash soap (Surf)
- Two 100 g jars of jelly (Vaseline)

Each survey averaged costs from primarily the same four locations: Northmead, Longacres, Town Centre and Soweto. In 1998, with the introduction of Shoprite to Lusaka, Town Centre Shoprite replaced Town Centre Market in the survey. The logic behind choosing these four markets was that they provided a sample of the variation in prices between low, medium and high-density neighbourhoods, with Long Acres as a low-density market, Northmead and Town Centre (Shoprite) as medium-density markets and Soweto as a high-density market.

Two primary observations sum up the limitation of the *Food Basket* as a measure of the cost of basic needs. First, the food items included in the basket likely fell short of providing a nutritious diet for a family of six over a period of one month. The initial change to address this limitation was in 2001 with the publishing of costs of a few “supplementary nutritional items” that included beans, kapenta and milk. Second, the *Food Basket* did not consider such essential non-food expenditures as clothing, housing, water, electricity, fuel, transport, education, health care and hygiene products to name a few of the suggestions given to the JCTR. The re-formulation of the basket in 2002 addressed each of these two issues to create the *Basic Needs Basket*.



## 2.2 The *Basic Needs Basket* (2002-Present)

The same methodology is used to conduct the *Basic Needs Basket* in Lusaka, Livingstone, Kabwe, Ndola, Kitwe and Luanshya. Therefore, Section 2.2 provides an explanation of general BNB methodology, while Section 2.2.1 looks at the specific scope of the Lusaka BNB and Section 2.2.2 examines the scope of the BNB in each of the Expanded Urban areas.

In January 2002 the *Basic Needs Basket* first appeared in its new format displaying the cost of essential non-food items such as housing, water and electricity in addition to the cost of the basic food items. The changes to the basket were undertaken through a consultative process with representatives from the Central Statistical Office, the National Food and Nutrition Commission, the Programme Against Malnutrition, the Civil Servants Union of Zambia, the Catholic Commission for Justice, Development and Peace, the Zambia Alliance of Women, the media and other stakeholders who met and agreed upon the new format and composition of the basket. The two primary goals of the meeting were to make the basket more *adequate* in representation of the essential commodities that a Lusaka family should be spending its money on to meet a decent standard of living, and to make the basket more *accurate* in terms of nutrition and market preferences. The composition of the BNB reflects the consensus reached during this meeting of stakeholders during the 3<sup>rd</sup> Quarter of 2001.

Once again, the JCTR *Basic Needs Basket* was not formed by calculating calories or using some other theoretical method of determining the needs of a family. However, according to calculations performed in 2004 by statisticians of the Central Statistical Office, the food items represented in the BNB actually come within 100 calories per day of the theoretical minimal nutritional need of a family of six in Zambia! The following examination of the make-up of the basket does not provide justification for the commodities or quantities included in the BNB (those in bold), but examines which brand or type of commodity is included in the BNB and what methodology is used by the Field Assistants to survey the prices of these commodities. To ensure consistency and comparability of the BNB between Lusaka and the five additional Expanded Urban areas, the following clarifications were made at a workshop held in December of 2004 between the Secretariat and Field Assistants from Livingstone, Kabwe, Kitwe, Ndola and Luanshya.

### Essential Food Items:

- **Mealie Meal**
  - **Quantity: 3 x 25 Kg bags**
  - Type: Breakfast Meal
  - Explanation: It was agreed that Breakfast Meal is superior to Roller Meal in both quality and preference. From a practical perspective, many men and women use Breakfast Meal because it lasts longer and is more convenient to use, and therefore it is the preferred commodity.

- **Beans**
  - **Quantity: 2 Kgs**
  - Type: Local preference
  - Explanation: It was agreed that there is little difference in price or weight between types of beans, therefore the red, white, or mixed beans are all suitable for collecting prices. Also, it was discussed that the quantity of 1 kg is approximately two of the plastic yellow scoops used by marketeers across Zambia, with this quantity subject to monthly verification by scale.
  
- **Kapenta**
  - **Quantity: 2 Kgs**
  - Type: Siavonga or Mpulungu
  - Explanation: It was agreed that Siavonga kapenta is the preferred type of kapenta.. In those towns where Siavonga kapenta cannot be purchased (Luanshya, Ndola and Kitwe), Mpulungu kapenta is the market preference. In those cities where both Siavonga and Mpulungu kapenta can be purchased (Lusaka), Siavonga kapenta remains the commodity to be surveyed for the basket. The portable scale should be consistently used to measure a quantity of 1 kg.
  
- **Dry Fish**
  - **Quantity: 1 Kg**
  - Type: Average-sized
  - Explanation: It was agreed that dry fish has been the single most difficult commodity to measure in a consistent and accurate fashion. The fish varies in size depending on the day, market and stand. Also, the number of fish in a pile varies with the size of the fish and the preference of the marketeer. Therefore, it was decided that the scale should be consistently used to identify how many fish make 1 kg and how much this would cost at a given stand. It is up to the Field Assistant to use his or her good judgement to report accurate figures for dry fish.
  
- **Meat (mixed cut)**
  - **Quantity: 4 Kgs**
  - Type: Butchery
  - Explanation: It was agreed that only meat found in butchery shops should be recorded since other meat sold in market stands has a higher likelihood of being contaminated by harmful bacteria or go bad quickly.
  
- **Eggs**
  - **Quantity: 2 Units of 10 eggs**
  - Type: No specification
  - Explanation: It was agreed that in circumstances where a quantity of 10 is not found, the price of one egg should be calculated and multiplied by 10 to find the unit price.

- **Vegetables (greens)**
  - **Quantity: 7.5 Kgs**
  - Type: Rape
  - Explanation: It was agreed that Rape was the most abundant type of greens and therefore the exclusive type of greens to cost for the BNB. The scale should be used consistently to determine the number of bundles that make-up 1 kg.
  
- **Tomato**
  - **Quantity: 4 Kgs**
  - Type: Average-sized
  - Explanation: Following similar rationale as for Dry Fish, it was agreed that Field Assistant should use the scale in a consistent manner based upon his or her best judgement to accurately record the price of 1 kg of tomatoes.
  
- **Onion**
  - **Quantity: 4 Kgs**
  - Type: Average-sized
  - Explanation: Following similar rationale as for Dry Fish and Tomato, it was agreed that a Field Assistant should use the scale in a consistent manner based upon his or her best judgement to accurately record the price of 1 kg of onions.
  
- **Milk**
  - **Quantity: 1 x 2 litres or 4 x 500 millilitres**
  - Type: Fresh or Long Life
  - Explanation: To everyone's surprise, it was realised that some Field Assistants were collecting the price for fresh milk and some were collecting figures for long life milk. After much discussion, it was decided that in those cities where fresh milk is widely available (Lusaka and Livingstone), the price of fresh milk preferably in a 2 litre quantity would be recorded. For those cities in which fresh milk is not widely available (Ndola, Kitwe, Kabwe, and Luanshya), the price of long life milk will be recorded in 500 millilitre packs.
  
- **Cooking Oil**
  - **Quantity: 2 x 2 litres or (8/5) x 2.5 litres**
  - Brand: Local preference
  - Explanation: It was agreed that to remain consistent with the National Food and Nutrition Commission's recommended monthly quantity of 4 litres cooking oil for a family of six, the preferred size of cooking oil to be recorded would be 2 litres. However, for those cities where 2.5 litres is more commonly found, the price of a 2.5 litre container would be recorded and then the equivalent price for the 4 litre total would be calculated.
  
- **Bread**
  - **Quantity: 30 x 1 loaf**
  - Type: Local preference (ordinary white bread)
  - Explanation: It was agreed that there is little major variation in bread types except for brown and white.

- **Sugar**
  - **Quantity: 8 Kgs**
  - Type: Zambian
  - Explanation: It was agreed that the price of sugar from the Zambia Sugar Company should be recorded.
  
- **Salt**
  - **Quantity: 1 Kg**
  - Type: Iodised
  - Explanation: It was agreed that the salt should be Iodised realising the added nutritional-value of iodised salt.
  
- **Tea (leaves)**
  - **Quantity: 1 x 500 g**
  - Brand: Tips
  - Explanation: It was agreed that Tips is the preferred brand of tea and it is widely available across the nation. The preferred quantity is 500 grams, yet the price of smaller bags of Tips Tea may be found and recorded as such on the Collection Template.

#### **Essential Non-Food Items:**

- **Charcoal**
  - **Quantity: 2 x 90 Kg, (18/5) x 50 Kg or (36/5) x 25 Kg**
  - Type: Local availability
  - Explanation: It was agreed that the preferred quantity size is 90 kg. In those markets where charcoal is only sold in 50 kg or 25 kg sizes, the price of 25 kg or 50 kg is to be recorded. An equivalent price for the total quantity of 180 kg will then be calculated.
  
- **Soap**
  - **Quantity: 10 x 150 g tablets**
  - Brand: Lifebuoy
  - Explanation: It was agreed that Lifebuoy is currently the preferred soap across all BNB towns.
  
- **Wash Soap (paste)**
  - **Quantity: 4 x 400 g**
  - Brand: Boom
  - Explanation: It was agreed that Boom is currently the preferred wash paste across all BNB cities.
  
- **Jelly**
  - **Quantity: 1 x 500 mL**
  - Brand: Vaseline / Local preference
  - Explanation: It was agreed that Vaseline or an alternative local preference should be included in the BNB.

- **Electricity**
  - Provider: ZESCO
  - Type of Connection: 900 units
  - Explanation: It was agreed that in those cities where multiple parties provide electrical connections, the price of electricity should be taken from ZESCO as the most prevalent Zambian electrical company. Also, the survey should be based upon the tariff for a 900 unit connection that provides sufficient energy for the use of a few basic appliances such as a stove and a refrigerator. The price should be recorded as either an average value or a range of values.
  
- **Water**
  - **Type of Connection: Medium density three-bedroom house**
  - Provider: National Water and Sewerage Company
  - Explanation: It was agreed that this price should be determined by contacting the local Water and Sewerage Company in each BNB city. Also, the average price for water should be based on average costs for a medium-density three-bedroom house. The price should be recorded as either an average value or a range of values.
  
- **Housing**
  - **Type: Basic three-bedroom house**
  - Location: Medium density
  - Explanation: It was agreed that a three-bedroom house is the basic size of house to provide a decent standard of living for a family of six, imagining one room for the parents, one for the boy children and one for the girl children. To determine an average range of values for a basic three-bedroom house, the Field Assistant should make contact with tenants in at least three different medium-density communities for monthly rates of rent. In most cities, the former council houses with three bedrooms provide the standard for a basic three-bedroom house.

#### **Other Additional Costs:**

- **Education**
  - Quantity: PTA per year
  - Type: Basic
  - Explanation: It was agreed that the cost of basic education (grades 1-9) should also be taken in each community to highlight an important family cost in addition to those that sum to make the BNB. Since school fees have been withdrawn, some costs of education have been transferred into the annual fees owed to the Parent Teacher Association (PTA). To determine a range of costs for education, the Field Assistant should phone or visit schools in at least three different communities across town.
  
- **Health**
  - Type: Monthly scheme or consultation fee
  - Explanation: It was agreed that it would also be helpful to highlight some of the cost associated with health services, either providing information on monthly schemes or the consultation fee to see a doctor, nurse, clinical officer, etc. Each Field Assistant should determine the most appropriate cost depending on location.

- **Transport**

- Quantity: Three Routes
- Type: Round trip bus fare
- Explanation: It was agreed that each Field Assistant should determine and monitor the cost of three round-trip bus routes to highlight some likely additional costs to be accrued by a family each month.

**Guidelines for Data Collection:**

The following guidelines currently provide direction to all Field Assistants in the survey of prices for the *Basic Needs Basket*:

- The gathering of prices for the calculation of the cost of the *BNB* shall be done every month from *the same* identified retail outlets in each respective town.
- Due to variation in sizes of some BNB items (dry fish, tomato, onion, kapenta, greens, beans), the scale provided by the JCTR shall be used consistently and in the good judgement of each Field Assistant to record prices for accurate weights.
- Prices shall be collected *at all times* from the same identified brand names or types (Breakfast mealie meal, Zambian sugar, Tips tea, Lifebuoy soap and Boom wash paste) to ensure uniformity across all BNB towns. For those items not available in all BNB towns (2 litre cooking oil, fresh milk, Siavonga kapenta), appropriate alternatives (2.5 litre cooking oil, long life milk, Mpulungu kapenta) shall be recorded and clearly labelled as such.
- In addition to collection of data for essential food and non-food items, prices shall also be collected for additional items that include Basic Education (PTA per year), Health (monthly scheme or consultation fee) and transport (bus fare for three round-trip routes)
- The Collection Template distributed by the JCTR shall be used to record prices from each retail outlet and prices of the additional items. Also, a separate sheet of paper shall be used to explain any qualitative information relating to price variations learned from marketeers or traders.
- Information shall be collected from the 25<sup>th</sup> to the 27<sup>th</sup> day of each month and shall be faxed or emailed to the JCTR on or before the 28<sup>th</sup> of each month.
- The calculation of the average cost of the *Basic Needs Basket* shall be done by the JCTR and 100 copies of the computed BNB will be mailed to Field Assistants within three business days following the 28<sup>th</sup> (before the end of the month when possible).
- Field Assistants shall distribute the monthly BNB to strategic stakeholders within their respective towns.



- All brands and quantities within the essential food and non-food items shall be reviewed on a quarterly basis for variation in market preference or product availability. Electricity, housing, water and health fees shall be updated on a quarterly basis. The cost of education shall be adjusted on a yearly basis as new PTA fees are determined. Transport charges shall be reviewed to reflect changes as they occur.
- A review workshop shall be held on an annual basis in Lusaka in conjunction with a national stakeholder forum.

Located within **Appendix B** is an example of the collection template used by Field Assistants in Lusaka and in the expanded urban areas, and also a demonstration of calculations for the January 2005 *Basic Needs Basket* for Lusaka, Livingstone, Luanshya, Ndola, Kitwe and Kabwe.

### **2.2.1 Scope of the Lusaka BNB**

Most of the details of the Lusaka *Basic Needs Basket* have already been explained, thus the following points intend to illuminate only those unique factors that distinguish it from the BNB in other cities.

Beginning in January of 2002, as the *Food Basket* transformed into the *Basic Needs Basket*, the number of markets included in the Lusaka survey increased from four to seven. Since 2002 the seven sampling locations have included Northmead Market and City Centre Shoprite as retail outlets in low-density communities, Kabwata as a market in a medium-density neighbourhood and Matero Market, Chawama Market, City Market and Chainda Market as representative of high-density compounds. The cost of living in Lusaka is the highest among all BNB cities, particularly due to a lack of decent, affordable housing in the city. **Appendix B** contains a sample calculation for the Lusaka BNB that provides a closer look at variation of prices across the capital city.

One other important distinction to make about the Lusaka BNB is that it is the only one to include comparison figures of “take-home pay” for a few types of formal employees. The wages for a teacher, secretary in the civil service, nurse, police officer and security guard are updated by the JCTR with input from the Civil Servants Union of Zambia (CSUZ) calculations of real salaries after the deduction of statutory taxes. Realising that the majority of the working population earns income from the informal sector, it is the intention of the JCTR to begin highlighting the monthly take-home pay of a few individuals working informally as traders, marketeers, stone-crushers, etc.

### **2.2.2 Scope of the Expanded Urban BNB**

Beginning in January of 2004 the *Basic Needs Basket* survey moved out from the capital city of Lusaka to also highlight cost of living in five other towns that include Luanshya, Kitwe, Ndola, Kabwe and Livingstone, which expands the BNB to Central, Copperbelt and Southern Provinces in addition to Lusaka Province. These cities were recommended for inclusion within the BNB survey not only because of their similar characteristics to Lusaka, but because of some unique factors also. The following paragraphs briefly mention some background on each of the towns part of the expanded urban BNB, including the names of the retail outlets averaged in the

monthly price survey. Please see **Appendix B** for a specific look at the variation in prices across markets within each city.

### **Livingstone**

Livingstone is considered the tourist capital of Zambia, located on the edge of the magnificent Victoria Falls in Southern Province. But many feel that the growth of the tourism industry has occurred without a corresponding growth in jobs. The manufacturing sector of the city has collapsed since the early 1990s, and approximately 40 textile companies alone have closed down. Important economic activities include cross-boarder trade, and the government remains the largest formal employer in the city. As revealed through the BNB survey, the cost of living in Livingstone is relatively high particularly due to the cost of charcoal, electricity, water and housing.

The following six retail outlets are included in the monthly *Basic Needs Basket* survey: Town Centre Market, Dambwa Market, Maramba Market, Mbita Market, Elaine Brittel and Town Centre Shoprite. Town Centre Market is the central distribution point for most goods and correspondingly shows the lowest prices for many food items such as beans, kapenta and other vegetables. Elaine Brittel is the furthest surveyed market from the centre of town and these same food items are most expensive in this distant location. Shoprite usually has the most competitive price for Mealie Meal and soap yet usually charges significantly more for the vegetables, meat and cooking oil.

### **Kabwe**

Kabwe is a town located in Central Province that has also been affected negatively by the downturn in the economy over the past two decades. The lead and zinc mines that once provided the main source of employment in the town have closed down. Remarkably, a few industries in Kabwe have survived economic liberalisation and privatisation, including Mulungushi Textiles and Zambia Railways. Most residents earn a living through trading and farming.

The following five retail outlets are included in the monthly *Basic Needs Basket* survey: Kamanda Market, Katondo Market, Nakoli Market, Lukanga Market and Shoprite. The cost of living in Kabwe is relatively affordable compared especially to Lusaka and Livingstone, yet the economic opportunities are also proportionally less. The cost of dry fish and kapenta are particularly low in Kabwe due to its close proximity to the Lukanga Swamps. Also, the average cost of rent for a three-bedroom house is towards the lower end of the spectrum compared to Livingstone and especially Lusaka.

### **Ndola**

Ndola was once considered the commercial capital of the Copperbelt but the city has faced drastic industrial decline since the early 1990s. The major sources of employment for residents include government offices and parastatal companies that include ZAMTEL, ZESCO and ZANACO. Also, surviving industries include Bwana Mkubwa Mine, SWARP and Mukuba Textiles. Trading within the informal sector has become the most prevalent economic activity.

The following five retail outlets are included in the monthly *Basic Needs Basket* survey: Masala Market, Mushili Market, Lubuto Market, Chifubu Market and Town Centre Shoprite. The cost of living as measured by the BNB remains slightly more expensive than that in neighbouring Kitwe, particularly due to higher costs of basic food items. This suggests that distributors may now be bringing wholesale goods directly to Kitwe instead of Ndola. Also, there does not seem to be much variation in costs across the four markets included in the survey, but Shoprite prices appear slightly more expensive on most goods.

### **Kitwe**

Many now consider Kitwe to be the thriving economic centre of the Copperbelt, primarily because the mining industry has remained the mainstay of the economy. As with Ndola, the government remains the largest formal employer in the town in terms of line ministries and city council. As with the other cities, the primary economic activity of most residents remains trading within the informal sector.

The following five retail outlets are included in the monthly *Basic Needs Basket* survey: Chamboli Market, Nakadoli Market, Chimwemwe Market, Chisokone Market and Town Centre Shoprite. As mentioned, costs within Kitwe are quite comparable to neighbouring Ndola, yet remain slightly more affordable due to lower food costs. The data suggests that Kitwe has become the central distribution point of the Copperbelt for some goods such as kapenta and dry fish. But the water tariff remains slightly higher than that for Ndola.

### **Luanshya**

Luanshya is a town located on the Copperbelt that is relatively small in size compared to both Kitwe and Ndola. The JCTR initially had no intention of including Luanshya within the survey area, yet rumours of a very sad socio-economic situation in the town compelled the JCTR to visit. The economy of the town had revolved around copper mining, but the closure of the Roan Antelope Mining Company of Zambia left thousands of workers without employment and terminal benefits. Poverty levels in the area are very high and most residents survive through small-scale farming or petty trading.

The following five retail outlets are included in the monthly *Basic Needs Basket* survey: Mpatamatu Market, Buseko Market, Roan Market, Mikomfwa Market and Town Centre Shoprite. The average cost of essential food items is highest in Luanshya among the six BNB cities, particularly due to the cost of kapenta, dry fish and some vegetables. Overall, the cost of living in Luanshya remains the lowest among all six locations especially because of the affordability of housing.

### **Capacity Building**

During the pilot-year of the Expanded Urban *Basic Needs Basket*, the JCTR helped build the capacity of Field Assistants through four interactions. The Field Assistants were contacted by the JCTR prior to a visit to each of these towns, and the first contact involved cooperative selection of representative markets across each town in addition to an initial BNB survey in each location.

Shortly after, the JCTR brought all of the Field Assistants together in Lusaka for a workshop on methodology that included a hands-on training by the Lusaka Field Assistant on the methodology of collecting prices. Returning from this workshop, all of the Field Assistants began collecting monthly information in January of 2004.

For a third meeting, the Lusaka Field Assistant made monitoring visits between July and October of 2004 to ensure consistency across all locations. His key observation during these trips was that there remained a number of uncertainties in methodology that needed to be clarified before the *Basic Needs Basket* could be published outside Lusaka.

In response to this recommendation, a final workshop brought all six Field Assistants together again in Lusaka during early December of 2004. Participants meticulously discussed the rationale behind every item included in the basket in order to assure consistency in spite of variations in markets across the country. Also, the discussions yielded a fuller understanding of the usefulness of the BNB and the appropriate advocacy strategy.

### **2.3 Future Rural Basket**

In the second quarter of 2005 the JCTR will begin the process of taking the basket to the rural areas to begin illuminating the challenges faced by the majority of Zambian families in leading decent lives. Realising the drastic differences between life in the rural and urban areas, in addition to the variation of customs and preferences across the nine provinces, the expansion to rural areas will require serious and careful reflection. It is the realistic hope of the JCTR that a pilot survey of rural cost of living will begin by the end of 2005 and that Field Assistants across all nine provinces will be providing accurate glimpses of the challenges faced outside of urban centres by the end of 2006.

### **3.0 Basic Needs Basket Advocacy**

The JCTR conducts the BNB to collect information on how cost of living affects Zambian families, in order to advocate for changes in the ordering of society to promote a move from less to more human conditions. Without this crucial dimension of advocacy, the BNB would simply be another passive statistical exercise. The evolution of the JCTR basket has been guided by a commitment to making it more useful to people from all walks of life. The following sections look at the BNB strategy of decentralised advocacy and the usefulness of the basket to the many strategic stakeholders.

#### **3.1 Advocacy Strategy**

The JCTR has no intention of being at the forefront of all advocacy efforts using the *Basic Needs Basket*, especially realising that the JCTR staff is located within Lusaka whereas advocacy is taking place across all of the country. There even recently emerged a story of a traditional chief using the BNB to encourage youths to remain in the village in light of the high cost of living within urban areas! Thus, the advocacy effort is to be decentralised and carried-out by strategic stakeholders that range from community groups to MPs to researchers to trade unions. The JCTR will strive to provide both the *fuel* and a *spark* to ignite fires of positive action across the nation.

The *fuel* produced by the JCTR is the monthly *Basic Needs Basket* and the other publications that analyse trends in cost of living and help people better understand the basket. The challenge for the JCTR is to package the data in the appropriate manner for each specific stakeholder, so that the *Zambian woman* doesn't receive electricity to power her *mbaula* and the *World Bank economist* doesn't receive 50 kilograms of charcoal for his oven! A few important considerations include language, format and simplicity of the BNB data to assure each stakeholder the most success in understanding and using the data for advocacy. The JCTR will continue with the collection of cost of living data within Lusaka, within the Expanded Urban BNB towns and beginning hopefully in 2006 also within determined rural areas.

In the beginning of 2005, the Social Conditions Research Project will also create a "BNB Information Package" to facilitate simpler explanations and more adequate understanding of the BNB. The contents will include this comprehensive overview of the basket, a simple brochure highlighting the usefulness of the BNB to everyone, a questionnaire to be distributed with the BNB brochure asking for feedback on this JCTR exercise and a homily on how the BNB relates to the Church's Social Teaching (CST).

Besides producing the *fuel*, the JCTR will also be the central point of distribution of the BNB data and materials to stakeholders. Each month, the JCTR delivers the data within Lusaka and each Expanded Urban BNB town to strategic stakeholders through email, fax, ground mail and the JCTR website <[www.jctr.org.zm](http://www.jctr.org.zm)>. In the case of the towns of Luanshya, Livingstone, Kitwe, Ndola and Kabwe, the JCTR will mail each month 100 copies of the processed BNB data to the Field Assistants in these areas, who in turn will distribute the copies to marketeers, to interested colleagues and to other strategic stakeholders located within each of these towns. Also, as other BNB materials are created (such as the "BNB Information Package"), they will be distributed to strategic stakeholders through the JCTR representatives in each BNB location.

No matter how much fuel, it takes a *spark* to create flames and an eventual fire; each member of the JCTR has a responsibility to spark little fires with the BNB by proactively talking about the BNB and cost of living issues. The spark can take many forms, including workshops with strategic stakeholders, interviews, feature newspaper articles, meetings with community groups, phone calls to MPs, drama presentations and conversations with friends and family.

### **3.2 Strategic Stakeholders**

*Basic Needs Basket* advocacy must be decentralised and front-lined by strategic partners from all walks of life, especially at the grassroots. Ideally, existing networks and groups of people will embrace the BNB message and chose their own battles to fight using the cost of living information. This section suggests the possible usefulness of the BNB to a wide-range of strategic stakeholders. Hopefully your creativity will be sparked by one of the following ideas!

- **Persons:** The ESSENTIAL stakeholders as possessors of human dignity
  - BNB to awake individuals to the fact that they are enslaved by the high cost of living
  - BNB to empower people with a sense of their human right to basic food and non-food items and a decent standard of living
  - BNB a testament to the systemic nature of high living costs and low availability of opportunities (i.e. employment, adequate housing, affordable education and health)
  - BNB a tool for economic literacy (personal budgeting, understanding relationship between the economy and the person)
  - BNB a tool for civic education (understanding how socio-economic policies relate to the people, encouraging responsible voting)
  
- **Families:** The cornerstone of the nation
  - BNB a tool for family budgeting
  - BNB a guide for a nutritional family diet
  - BNB a shopping list
  - BNB a wish list for families to strive towards
  - BNB an encouragement for paying just wages to support staff (maid, guard, gardener)
  
- **Communities:** The most grassroots level of organisation
  - BNB a guide in negotiation of appropriate levies for health, water, electricity, education, waste management, sanitation
  - BNB a tool to be used by community members to keep local councils accountable
  - BNB an entry-point to training for transformation (allow a community to identify own problems in light of BNB and develop own solutions)
  
- **Religious Organisations:** The moral foundation spanning every district of Zambia
  - BNB to keep religious leaders in touch with living conditions of members
  - BNB to help religious leaders stress dignity of the human person, sanctity of work and importance of a faith that seeks justice
  - BNB a guide to setting appropriate membership fees
  - BNB an encouragement to paying just wages to all employees of church, mosque, etc.
  - BNB a monthly topic of discussion for small Christian communities
  
- **Employers:** The source of income to many households
  - BNB to provide a neutral, factual representation of living costs of employees
  - BNB a basis for conducting wage reviews
  - BNB an encouragement to pay just, family wages for employees
  
- **Private Sector:** The emerging prime employer of labour and provider of goods and services
  - BNB to encourage discussion and practice of business ethics within the sector
  - BNB to help private companies understand Zambian markets across the country
  - BNB to help companies set appropriate prices in accordance with willingness to pay
  - BNB to spark entrepreneurship by showing prevailing market preferences and costs



- **Formal Employees:** The minority of the working population earning regular salaries
  - BNB to provide objective assessment of cost of living for wage negotiations
  - BNB as a platform to lobby for changes in the PAYE exemption rate and tax brackets
  - BNB as evidence of the wide gap between cost of living and the take home pay of many formal employees
  - BNB as empowerment to the working poor
  - BNB as a measure of entitlement to families of workers injured or killed on the job
  
- **Informal Employees:** The majority of the working population earning unpredictable income
  - BNB as basis to negotiate for a living wage from informal employers
  - BNB to help informal employees formulate small-scale business ventures
  
- **Traders:** The middlemen moving goods from producers to vendors
  - BNB a guide to prevailing prices across markets and clue to finding profitable routes
  - BNB as challenge to traders to pay and sell fairly to both producers and vendors
  
- **Marketeers:** The vendors of most basic food items to urban families
  - BNB a guide to setting appropriate prices within a city
  - BNB as input into the organisation of marketeers in a just manner
  - BNB a device to challenge unjust tariffs or taxes within a market
  
- **Small-Scale Farmers:** The producers of most basic food items for urban consumers
  - BNB to generate awareness of preferences and prices within urban markets
  - BNB a tool for developing strategies to mitigate the effects of price seasonality
  - BNB as encouragement to diversify crops beyond maize
  - BNB a call for farmers to organise themselves into cooperatives in order to effectively manage maize crop
  
- **Unions:** The strong, organised voice of wage earners
  - BNB a negotiating tool to encourage compromise between both parties
  - BNB as demonstration of the importance of non-wage benefits such as fair housing allowance, health care and mealie meal
  - BNB as moral foundation to justify a worker strike
  
- **Media Houses:** The primary disseminators of contemporary information to the people
  - BNB to generate monthly public discussion on the problem of high cost of living
  - BNB to inform people of their human right to basic needs such as food and shelter
  - BNB to bring cost of living perspective to all public debates
  - BNB as theme in creative programmes to bring socio-economic issues to the people

- **Government:** The authors, implementers and enforcers of policies to benefit the people
  - BNB as link between leaders and the people struggling to earn a decent living
  - BNB as challenge to the prioritisation of ministry expenditure
  - BNB as discussion-tool between MPs and constituents to inspire formation of effective, pro-poor legislation
  - BNB as specific call to address ineffective agricultural policies, lack of a holistic plan for development or job creation, excessive rural to urban migration, inadequate housing in urban areas, insufficient strategic grain reserves, absence of a minimum wage law, a low PAYE tax exemption rate, high inflation rates
  - BNB as call for wages and allowances that are neither too high nor too low
- **Utilities:** The suppliers of energy and water for a growing portion of the population
  - BNB as guide to setting appropriate tariffs across different urban communities
  - BNB as evidence of growing deforestation around urban centres
- **Political Parties:** The ideological foundation of present and future leaders
  - BNB to encourage party manifestoes to address cost of living issues
  - BNB to challenge political squabbles as wasteful and out-of-touch
  - BNB a talking-point during elections
- **Health Care Workers:** The frontline nurturers of the physical well-being of the people
  - BNB as illustration of poverty's contribution to the spread of HIV/AIDS
  - BNB as input in creating holistic health care plan for the nation
  - BNB to help set affordable fees for needy parents
  - BNB testament to the inability of families to afford preventative health measures
- **Councils:** The most grassroots government representatives of community needs
  - BNB as basis for consulting communities on particular needs and challenges
  - BNB as tool to help Resident Development Committees set priorities
  - BNB as input into setting affordable local tariffs
- **Educators:** The primary conveyers of knowledge to the people
  - BNB as illustration of the importance of family-planning
  - BNB as teaching aid for lessons on budgeting, nutrition, economics, etc.
  - BNB to support demand for adequate wages and benefits such as housing allowance
- **Students:** The most widespread, dynamic source of human potential in society
  - BNB as spark to parents and PTAs to demand a better education system
  - BNB as input into agreement upon appropriate PTA fees for students
  - BNB as testament to how challenging situations at home hinder classroom learning

- **NGOs:** The government watchdogs and projects of compassion for the people
  - BNB to help NGOs understand the present challenges faced by the people and when and how to intervene
  - BNB as one tool to hold government accountable to its promises and priorities
  - BNB as challenge to the excessive spending in some government ministries
  - BNB as measure of the impact of external debt and trade imbalances on people
  - BNB as tool to teach rural and urban people about ESC rights, the cause of strikes, etc
  
- **Micro-Finance Institutions:** The lenders of money for investment in the future
  - BNB to provide understanding of safe, effective loans to entrepreneurial people
  - BNB to suggest effectiveness of seasonal loans or subsidies to farmers and others
  
- **Researchers:** The collectors of information for prudent action and decision-making
  - BNB as a city-specific “basic needs inflation rate”
  - BNB as historical record of the simultaneous rise in living costs and decline in human development indicators
  - BNB as input into studies comparing wages to the cost of living
  - BNB to help researchers make recommendations to all levels of society on cost of living issues
  
- **International Organisations:** The pipeline of resources for the betterment of the nation
  - BNB as historical evidence of the Structural Adjustment Programme’s harsh impact on the well-being of the people
  - BNB as challenge to the IMF to provide targeted interjection of grants to benefit the most poor and vulnerable people in society
  - BNB as input into the creation and implementation of World Bank projects
  - BNB as information for UNICEF, UNDP, UNAIDS, UNRS and other UN offices to further understanding of the Zambian context and implement appropriate projects
  - BNB as more informative measure of poverty than the abstract “dollar a day”
  - BNB as understandable overview of Zambia’s struggles for bilateral donors considering whether or not to give aid
  
- **Chiefs:** The most immediate leadership of the majority of rural people
  - BNB as a warning of high living costs to those considering leaving for a city
  - BNB a guide for organising villagers to sell produce when price is high

## **Appendix A: Press Releases**

- Summary of Each Press Release
- Press Releases from January 1999–Present (soft copy only)

## Summary of Press Releases on the Food Basket and Basic Needs Basket from January 1999 to the Present

Date	Lusaka Basket	Headline	Summary
Jan-99	240920	Basket Rises to Over K240,000 (Alex Muyabe)	Increase of Basket by 22.4% since 98 / Wages have remained stagnant / JCTR endorses call of CCJDP to set the base rate for PAYE at K200,000
Mar-99	252160	Food Basket / Bread Line on the Rise	We agree with President's statement that wages below K200,00 are scandalous / Base Rate for pay at least K250,000 / IMF & WB must understand that pay increases are needed to restore dignity to the worker
Aug-99	243100	Cost of Food Basket Declines: But Will Livelihoods Improve?	Price decline of K7500 / This does not mean notable improvement in lives of Lusaka residents / Civil Service wages only K100,000 to K150,000 / Medium density housing is between K130,000 and K180,000 for 2 rooms / ZESCO is between K70,000 and K100,000 / Water is approximately K25,000 / Removal of street vendors from Lusaka will also decrease family wages / The overall socio-economic picture is grim, heightened by concern over the sale of mines / Prospect of debt cancellation gives some hope of more resources becoming available
Sep-99	239840	Lower Food Prices But Not Higher Food Consumption	Three month decline in prices / Decrease due to higher maize supply, strengthening of Kwacha, decrease in official inflation rate from 31% to 27% / Also, demand has decreased as people cannot afford commodities / UNICEF report says per capita consumption of maize decreased from 153.2 kg in 90/91 to 123.3 kg in 96/97
Dec-99	257480	Analysis of the Cost of Food Basket in 1999	Fluctuations in prices correspond to changes in cost of seasonal goods such as mealie meal / The lowest cost of food for the year was recorded in September / Mealie meal is high due to low stocks / Meat is high because of holiday demand / Increases in soap possibly due to depreciation of the Kwacha / Transportation has increased due to fuel hikes / There has not been any increase in incomes over same period / wages less in real terms
Jan-00	263370	The Social Dimension of The Food Basket (Muweme Muweme)	Release of 2000 Budget has stirred debate / rising cost of living mandates a commitment to poverty reduction / In December 99, JCTR undertook study to compare prices amidst low, medium, high density areas / Price varied depending on distance from city centre and demand / mealie meal actually cheaper in low-density areas due to lower demand / Yet, purchasing power also affects price: meat higher in low density areas / <b>PAGE 2 LOST</b>
Mar-00	272810	Minimum Wage Should Be Much More than K200,000	Chiluba's recent demand for K200,000 min wage not enough / Government unable to raise salary due to IMF / Sharp increases in fuel last week will shoot prices higher / poverty level stands at 73% according to LCMS / It's a matter of political will
Jun-00	277870	JCTR Says High Cost of Living Manifests Worsening Social Crisis and Challenges of CG Meeting	The current <i>Social Crisis</i> must be addressed by government in the upcoming Consultative Group (CG) meetings / Crisis apparent in inability of majority of Zambians to access health, education, clean water, shelter, balanced diets / Price increase related to depreciation of Kwacha from K2900/\$ to K3110/\$ / Maize is the exception due to high supply at this time of year / salaries well below basket / Poverty Reduction must be #1
Aug-00	272305	Widening Gap Between Food Basket and Salaries: What Do Political Party Manifestoes Have to Offer?	JCTR shares view with FFTU that manifestoes must be made available / the # 1 issue that should be addressed is living conditions in relation to gap between food basket and incomes / Having food is one of the cardinal issues in people's lives and citizens should critically assess political parties on this basis
Sep-00	278375	Comesa's Free Trade Area and Its Social Implications	JCTR concerned about the social implications of the Free Trade Area to take affect at end of month / Reduced revenue from duty collected and reduced funding of social sectors? / Or a raise in taxes? / This is risky in light of widening gap between basket and income / Don't leave this to chance!
Oct-00	290310	Food Basket Cost Shoots UP: JCTR Calls upon Parliament to Seriously Look at the Rising Cost of Living	Parliament to re-convene for final time this year / need immediate and intermediate measures to mitigate suffering of people caused by rising cost of living / increase due to rise in fuel, depreciation of Kwacha, increase in inflation / though causes may be external, there is need to look at domestic interventions / minimise taxes on fuel? / make new budget pro-poor / Specifically, abolish school fees, improve agricultural policy, direct money to health sector

Dec-00	312695	Year 2000 Winds up With a Very High Increase in Cost of Food Basket Observes JCTR	Large jump in cost due to rapid depreciation of Kwacha in November by 16% / large increases in price over the year due to depreciation of Kwacha and fuel hikes / smaller affect on price due to supply of maize / average inflation for 2000 was approximately 30% compared to the 19% predicted in 2000 budget / three policy recommendations: 1)government should attempt to mitigate spikes in cost of living 2) need for pro-poor budget 3) agricultural sector must be improved to curve increases in food costs
Jan-01	319870	Kwacha Appreciates But Prices Remain High, Observes JCTR	Since GRZ took measures to address depreciation, Kwacha has returned to K3500/\$ from K4500/\$ / JCTR commends government / Yet, prices of food did not move / targeting the Kwacha alone is insufficient / 2001 National Budget has theme "Empowering People for Prosperity" / people must be key players in economy / economic empowerment
Feb-01	328080	JCTR Calls For Sharper Focus On Development Issues	Attaining development goals needs constant monitoring and focus of priorities / Focus must be on integral development / cost of living is increasing while HDI are all stagnate or decreasing / Formulating PRSP is important to determining blueprint for national development within the free market economy / Calling on national leaders and politicians to focus pragmatically on issues that are pertinent to suffering of the people
Mar-01	335300	Price Stability , Decrease and Increase characterise Food Basket	Varied trend in food prices as we move into 2nd quarter / meat and wash soap up while mealie meal, cooking oil, eggs, salt down / charcoal has recorded high increase due to rains / even with electricity, women still dependent upon charcoal for beans, kapenta, etc. / strengthened kwacha has not had much impact on food costs
Apr-01	340720	No Statement	
May-01	329400	Food Basket Cost Slightly Decreases; JCTR Calls for Sincere Negotiations in Current Situation	Slightly lower prices in mealie meal and charcoal / CSO reports in Living Conditions Preliminary Report of 1998 that only 42% of household income comes directly from regular salaries / wages have not increased proportionally to rising cost of living / sensitivity to wages founded in CST: human dignity, workers not "commodities" / The basis of a well-ordered society is the family / wages central in household well-being / since 1891 church has supported trade unions and strikes / JCTR hopes for desirable resolution of current strikes
Jun-01	328570	JCTR Urges Government to Go Beyond Meeting Projected Economic Targets	MoFNP mid-year review: Predicted inflation at 17.5% & actual inflation at 22.2% / Predicted growth rate at 5% and actual is lower / meeting these targets is important, but equally important is relationship to cost of living / Food basket dependent on inflation and Kwacha valuation / Taking into non-food considerations, basket would be MUCH HIGHER / Discouragement that though we are moving towards curbing inflation to predicted level, there seems to be no impact on rate of increasing cost of living
Jul-01	332520	Cost of JCTR Food Basket Records Slight Increase	Total increase of basket linked to rises in mealie meal / unlikely that recent wage increases account for increases in cost of living / wages must be continually reviewed / wages should be paid on time / money allocated to payment of council person's arrears must not be diverted / household security very dependent upon wages
Aug-01	348500	JCTR Food Basket Records Huge Increase: Proportion of Household Expenditure on Mealie Meal Rises	Price jump linked to mealie meal / recently negotiated salary increments are already becoming outdated / proportion of household expenditure on food items must now increase at expense of expenditure on health, education / 1998 Living Conditions Preliminary Report found that average 59% expenditure on food items
Sep-01	357300	Lack of Political Sensitivity to Cost of Living Worries JCTR	High cost of living increasingly difficult to cope with / Through the increase is small, it is significant on strained households / no political sensitivity / why no maize stocks to prevent current rise in mealie meal / no-one is talking about addressing cost of living / following September 11, the global economy will slow down , with increasing cost of fuel and decreasing cost of copper / Need for proper forecasting of economic and social problems / Establish measures to mitigate impact ahead of time
Oct-01	358400	Appropriate and Prompt Policy Responses in Agriculture Vital, Observes JCTR	Calling for adequate preparation for agriculture season through provision of inputs / Zambia should not need to input maize unless of droughts / poor agricultural performance increases cost of living / look at maize stocks and realise poor policy response of government / Double drought: policy drought where little response to meeting farmers needs and actual rainfall drought / Not addressing 1st drought exacerbates the 2nd



Nov-01	377300	High Cost of Living Should be an Essential Focus For Political Campaigns, Says JCTR	Zambians facing additional hardships due to high cost of living as political campaigns intensify / Mealie meal has led to the current increase in food basket / 25 kg for 29,100 with rumours of k 50,000 mealie meal in other parts of the country / Two important issues for politicians to address: 1) agriculture and industry 2) employment creation with adequate wages / candidates must address these issues!
Dec-01	379390	Reflections on the Year 2001: JCTR Food Basket and Needs of the Zambian People	Two issues prominent at end of 2001: tripartite elections and deterioration in living conditions...the first has passed while the second is still with us / the current rise in living cost cannot be attributed to anything but poor planning on agricultural side / mealie meal has sky-rocketed / food basket increased 19% over one year while the inflation rate was 17% / Tackling inflation only half the picture: employment, agriculture on other side / rural communities depending upon mealie meal from the cities / next year looks just as bad / hopefully new administration will provide rational planning
Jan-02	829250	From Food Basket to Basic Needs Basket: JCTR Effort for More Accurate and Adequate Cost of Living Estimates	Major changes in 6-year history of the basket / Changes in response to recommendations received from many users of the basket including trade unions, women's groups, academics, nutritionists, the CSO and the media / cost of living has continued to affect household consumption in terms of quantity and nutrition / JCTR has found it imperative to make BNB nutritionally based / BNB seems astronomically high but also realistic / Additional sampling areas also included / Comparability of old and new data is lost
Feb-02	823510	Basic Needs Basket Challenges the 2002 National Budget	Budget has been applauded as one of the best Zambia has ever had, but JCTR recognizes the challenge of achieving intended goals / Meeting the basic needs of the people is the one true measure of a good budget / slight decline due to reduction in charcoal cost as rainfall has decreased / JCTR observes that the proposed K150,000 tax exemption mark fall far below basic needs / the tax-base must be broadened instead of strangling the average Zambian / JCTR applauds attention in budget to agriculture sector / need for close budget tracking
Mar-02	824600	Clarify Position on School Fees, JCTR Urges Government	Government must immediately clarify position on school fees / Though MoE has abolished school fees, MoFNP has pronounced that fees must be paid until budgetary concerns are worked out / "Will the Poor Go To School" has shown that cost sharing has negative consequences / households are spending on primary education twice what government is allocating / what about school fees at secondary level?
Apr-02	825500	JCTR Says High Cost of Living Enhancing Reproduction of Poverty	High cost of living is reproducing poverty in such a way that many Zambians will not be able to come out of it / coping strategies mentioned by CSO (1998) are not sustainable: reduction in number of daily meals, borrowing, non-conventional meals, etc. / Cost of food alone remains out of reach of average family at K300,000 / mealie meal remains high since 2001 / as Labour Day is celebrated, must look at conditions of labourers in Zambia / People are not only the means but the purpose of development: must be sure economic system enhances human dignity / Human dignity should be consideration of current negotiations of Anglo-American on KCM
May-02	814350	JCTR Encouraged by Government Declaration of a National Disaster But Calls for Looking Beyond Current Situation	Disaster called in light of looming hunger situation / reports are being made that maize will run out in some parts of the country by June / the current drought is the culprit in addition to past food shortages / winter maize project may help, but wider alternatives must be considered / Must also look at the insecurity of rural families who are forced to hunger by one bad crop / wider issues include unemployment and low wages / JCTR hopeful the declaration of government will allow households to access food
Jun-02	827950	Consultative Group Meeting Challenged by JCTR to Look at Cost of Basic Needs	Upcoming meeting between Zambia and Donors / Current context of meeting includes challenges across all sectors of society and the economy / One of greatest challenges that has large repercussion on these sectors is the high cost of living / With the high standing cost of food alone, other needs are not being met / Average teacher salary is between K280,000 and K309,000 / There are rumours that mealie meal has reached K37,000 in Copperbelt province which is affected by high unemployment / JCTR hopeful about PRSP
Jul-02	831350	JCTR Says Finding Current and Future Sustainable Solutions to Food Crises Imperative	Food crises is marked by discussions of GMOs, hunger, winter irrigation, etc. / Since households spend most of money on food, the crises is very big / still there is under nourishment as wages remain below cost of basic needs / though BNB monitors life in Lusaka, the rural areas are the hardest hit / winter efforts to grow maize are theoretically promising / these measure for winter irrigation may not benefit the poor! / poor rural household must also have opportunities for winter maize production / households must be enabled through higher incomes

Aug-02	821800	The Why, What and How Questions about the JCTR Basic Needs Basket	The BNB provides a clear picture of the suffering of the poor in light of hunger situation / The average cost of food is 324,500, whereas the average take home pay of a civil servant is k270,000 to K370,000 / Purpose of BNB is to promote economic and social justice through advocating for change in policies that inhibit attainment of sustainable and equitable livelihoods for the majority of poor Zambian households / BNB shows barest minimum requirements for survival / income deprivation has wide implications by limiting people's choices / BNB highlights nutritional balance / What are the cost implications of a reasonable or decent living, if BNB only highlights bare minimum / important aspect of development is enhancement of a quality life
Sep-02	825100	Food Costing K326,500: JCTR Says Current Political Debates Should Also Address Socio-Economic Realities	Political debates have distracted the critical question of looking at people's needs / sustainable development hindered by inflation, hunger, unemployment, poor socio-economic situation / these issues should be central to public debates / the same intensity of current political debates should be carried over to socio-economic debates / access to food is both a means and an end of development / JCTR in conjunction with KATC is looking at hunger and GMO debate and advocating for sustainable food security of the people through good agriculture
Oct-02	836550	JCTR Basic Needs Basket Report Reveals an All-Time High Cost of Living in Lusaka	Cost of living may be higher in other parts of the country, especially those with serious food deficits such as the south / cost of living is a reflection of current problems of inflation, exchange rate, scarcity of food, depreciation of Kwacha as the BoZ notes / the poor are bearing the harshest consequences of these GRZ problems / poor must be uplifted through government policies to address these problems
Nov-02	863400	More Efforts Needed at Addressing Zambia's Imminent Deeper Social Crises, Says JCTR	Zambia has vast potential and should not be facing the current socio-economic situation / difficulties reflect bad prioritisation, inadequacies in policy design, failure in programme implementation / Need to address situation in more pragmatic and holistic manner / recently announced fuel increases will further increase all costs / increase due to mealie meal, meat and charcoal / mealie meal even higher in other parts of the country / December and January will be difficult months for many due to the drought / JCTR expresses strong compassion and solidarity with the people / priority number one of everyone must be coping with the crises
Dec-02	887550	Year 2002 Characterised by Disturbing Social Challenges, Observes JCTR	Past 12 months have seen serious deterioration of social conditions of most Zambian people / this is result of long-standing problems and setbacks such as drought and pull out of Anglo-American / the problems re-enforce themselves in ways that make solutions difficult / most of the country's economic reform programmes (imposed by IMF and WB) have failed / Kwacha has been on a downward spiral (K3500 to K5000 in the year) due to non-productivity of the economy (mining and manufacturing especially) / most increases in cost of food due to increase in mealie meal / Zambia has failed to meet macro-economic targets (13% inflation and 4.3% growth) / country also faces political uncertainty with pending presidential and parliamentary election petitions / it is disturbing that prices at the end of the year set the tone of what is to come / Upcoming war in Middle East will surely increase petrol prices / A people-centred economy will be moving towards goals in sectors of Millenium Development Goals
Jan-03	1029150	People's Hardships Heightened: Basic Needs Cost a Million, Says JCTR	Cost of living shows a sharp increase beyond reach of most households / all food commodities have increased since December / many increases due to difficulty growing vegetables in the rains / majority of increase due to sharp increase in rentals over the past few months / The K160,000 Pay tax exemption seems very inadequate / Government is making attempts to broaden tax base, but the PAYE threshold is inadequate / The VAT ensures that the more people have, the more they will pay on taxes due to purchases
Feb-03	1035300	Government Must Resolve Threats of Current Work Stoppages Justly, Says JCTR	Work stoppages must be resolved in ways that address needs of both the employees and the employers / this two-way relationship has often not been beneficial to employees / the high levels of unemployment provide a fertile ground for exploitative tendencies on part of employers / it must be re-iterated that the BNB does not paint the full picture of human wage, including cost of health, personal care, transport and education / The current teacher demand of K 1.5 Million seems high, but the take-home pay would still be less than the BNB / Deterioration of living conditions due to prolonged economic policy failure attributed to internal and external factors / ability to meet basic needs is a human right to be addressed in upcoming constitutional review

Mar-03	1033750	JCTR Links Cost of Living Issues with War in Iraq	BNB continues to show that high demands are being placed on families to meet daily needs / Teachers demands for K1.5 million are well-justified / Civil Servants demands are justified because they are based on cost of living and quality of life indicators / Frankly speaking, the issue is not resources but priorities / mis-expenditure includes expensive travel, benefits for government officials, funding of political parties, large motorcades, high defence spending / the effect of the Iraq war will be felt strongly in Zambia due to increase in oil prices, diverted aid resources, delays in debt relief and political instability / The JCTR joins the cry that the war is immoral and unjust, especially as it jeopardizes international peace and UN credibility
Apr-03	1030850	Holistic and Decentralised Approaches Critical to Efficiency and Equity in Health Services, Says JCTR	Holistic and decentralised rather than sectoral and centralised approaches key to effective and equitable delivery of health services / Launch of "Health Status and Health Equity" / For example, Chongwe district, despite being in the overall healthiest province of Lusaka has higher incidence of mortality and illness compared to Mongu, the capital of the most deprived province / Need better supplied health facilities / expenditure on healthcare often at trade-off with expenditure on education and food / Worst affected households are those headed by females / Gender inequity and HIV/AIDS seriously hinder development / No country develops without a healthy and well-educated population / Recommendations of study: Development programmes cannot be centralised, addressing health needs holistic approach realising link of health with nutrition, food, education, etc., development should implement "Poverty + Health (HIV/AIDS)" programmes, cost-sharing exemptions cannot be based solely on monetary aspects of family, healthcare and poverty reduction must target female-headed households
May-03	1028650	JCTR Urges for "Food on the Table" Discussions to be as Key as Political Discussions	JCTR urges for equal talk from government on politics and food / providing three meals a day remains the hardest thing for most households / mealie meal has decreased slightly, yet vegetables have failed to decrease / one marketeer commented that vegetables have failed to decrease in price as they often do during May / take-home pay of nurses and teachers far below the cost of living / JCTR urges for "politics of poverty" rather than a "poverty of politics" / we need leaders who look at survival of the people and not survival of politicians
Jun-03	1012100	Government Must Put Human Interest at the Centre of the Current Problem of Budget Overrun, Says the JCTR	In light of anticipated budget overrun, government must decide whether to honour payments to government employees or deny them in hopes of future economic prosperity in the country / the conditions of employees, as the means and end of development, must be taken into consideration and wages paid / prescribed economic solutions have not brought substantial curative action / JCTR calls for human considerations when dealing with the overrun / looking at government expenditure patterns, higher wages could be paid workers and the government could still avoid an overrun with better management
Jul-03	1005400	JCTR Basic Needs Basket Records Low Mealie Meal Price, Other Food Items Remain High	One of the key benefits of focusing on agriculture (especially sustainable maize production) is the positive impact on cost of living / there must be a good balance between paying the producers of maize justly and keeping costs low / the price decrease could be due to small-scale farmers selling off maize at a low price because of no options for storage / some may even sell at price lower than recommended "floor price" of K30,000 due to pressing household needs / very slight overall decrease in price / BNB highlights daily challenge of households to meet sustainable livelihoods / current civil servant negotiations must take the BNB into account
Aug-03	1014500	JCTR Basic Needs Basket Costing K1,014,500 in the Month of August	BNB shows relationship between household income and requirements for basic human survival / mealie meal is slightly up / charcoal is slightly down / JCTR hopes decreases in cost of fuel will have positive impact on cost of living over the next few weeks
Sep-03	1027450	Politics of Improving the Economy Key to Finding Solutions to Zambia's Problems, Says the JCTR	Zambia needs a strategic focus on the economy that will translate into improved living conditions including access to employment, a nutritious diet, quality education and health care / Addressing the national economy should be seen as a political issue / the Zambian people continue to face the problem of high cost of living / there is a shortage in supply of cattle because many households have already sold cattle due to poor agricultural performance, thus the price of meat has increased / Zambia lacks enabling conditions for development and a culture of creativity and initiative / People must be relieved from the daily struggle to meet basic needs in order to develop / JCTR is hopeful that focus will move to socio-economic issues as promised by Mwanawasa

Oct-03	1031700	The JCTR Observes that Realistic Economic Projections Vital to Effective National Planning	A consultative budget process is critical to national development / as the nation proceeds under the MTEF, the budget must reflect sound projections for the working of the economy / the MTEF is based on prediction that inflation will decrease to 6% in 2006, that growth will be 4.5% in 2004 and 5% in 2005 / favourable copper prices should contribute to growth / realising that plunge in copper prices contributed to the debt rises, it is hopeful that the government will not fail to diversify the economy / continuous rises in food prices is the most negative aspect of inflation / prices tend to rise at the end of the year / The MTEF is long overdue, but hopefully its economic projections are feasible
Nov-03	1032800	Debate on the Mode of Adopting the Constitution Should Not be Subjected to a Trade-off, Says JCTR	There should not be a trade-off between meeting people's needs such as health and education and the holding of a Constituent Assembly / subjecting such a debate to tradeoffs fails to link the need for a good constitution with ability of people to meet their needs / mealie meal has contributed to price decrease / charcoal has risen in cost because of rains / there is a difficult question of addressing current poverty and the need for a constituent assembly that can lead to future economic freedom / there is need for a people's constitution / if trade-off is necessary, social services should not be cut, but expenditure on vehicles, travels, etc.
Dec-03	1050400	A Mix of A Ray of Hope and Some Setbacks: The Zambian People's Experiences in 2003	There was some improvement in the agriculture sector which resulted in adequate food production for Zambian people / other sectors experienced problems, especially education / other positives include lower inflation levels, stability in price of mealie meal, less devaluation of the Kwacha / yet, good food production and access to food are two different things / BNB highlights difficulty average person has in meeting minimum standard of living / this year it was increases in meat and fish along with green vegetables that increased prices during second half of the year / there were remarkable decreases in the cost of food during June and July / the teacher strike over wages has had a negative impact on prospects of development / the teachers had good intentions for strikes / Following points are important to note in regard to call for "sacrifice:" successes in agriculture are due to provision of inputs counter to the advice of IMF and WB, there must be beneficial outcomes to the poor due to national "sacrifice" and not a decrease in funding to social services, Zambia should strive to build a society where people can meet needs and make savings for harder times, there should be more talk about employment creation than increasing taxes, there is need for an industrial strategy to benefit through trade, and the international committee must exercise greater flexibility with conditionalities such as the ones associated with the HIPC completion point. / "Sacrifice" should not cause disproportionate suffering to the already vulnerable society
Jan-04	1065900	JCTR Says 2004 Budget Premised on HIPC and May Permanently Disadvantage Some People	Budget premised on meeting HIPC completion point / budget is narrow in responding to other areas such as employment creation, funding to health and education, poverty reduction, etc. / the process of instituting austerity measures to achieve the completion point must not negatively impact some to the extent that they cannot recover / the development strategy must be broad and inclusive, especially including the poor / Tax threshold has been shifted to K260,000, whereas the cost of food alone is now 409,000 / also AIDS orphans have increased the burden on families / government should have paid more attention to the education sector by ensuring all trained teachers were given jobs in schools understaffed / government should address its top-heavy structure that includes an oversized cabinet and the costly office of the District Commissioner
Feb-04	1078750	A Value and Ethical Framework Critical to Designing Development Policies, Says the JCTR	Humanity is an ends and a means to development / policy formulation and evaluation should be grounded in a value framework / Decent standard living beyond most households / Situation might be better if government had a sound value framework / these values would not allow the government to accept the status quo with the majority of Zambians unable to have a decent standard of living / The international and national community has continually set targets for uplifting the welfare of the people, but these have not been met / Development is move from less to more human conditions / Delay in development means increases in HIV/AIDS, lack of access to health and education, lack of food and suffering / these conditions threaten the peace of the country / Can we evaluate the past few years of development failures on the basis of human considerations?



Mar-04	1094100	JCTR Basket Coverage Expanded to Include Livingstone, Kabwe, Ndola, Luanshya and Kitwe	Expansion of coverage area in order to be more representative of national urban situation of cost of living and more authoritative in discussions regarding cost of living / these towns have similar characteristics as Lusaka and the basket will maintain the same composition / cost of food highest in Luanshya at K447,100 compared to K418,550 in Lusaka / this is serious realising the poor economy of Luanshya, with high cost of food having health and education implications due to poor nutrition and poor ability to excel in school / Basket not merely a statistical exercise but basis for responding to improve lives of Zambians / the basket an entry point for exploring socio-economic policies that will benefit the people / the government and IMF should asses Zambia's qualification for the PRGF in light of the context of the needs of the people
Apr-04	1110150	Nutrition Should be Central to AIDS Treatment Discussions, Says JCTR	A holistic approach to health delivery is essential in light of current HIV/AIDS crises / Good nutrition at household level important to prevention and treatment of HIV/AIDS / Health does not only include treatment of illness but the whole array of living conditions of a person / The majority of households spend a huge percentage of income on food, yet this does not imply good nutrition but merely that families are struggling to survive / Inadequate incomes have disproportionately strained women as the household managers and primary caregivers in the home-based care system / Lack of income is the denial of a good psychological environment at home to support AIDS patients / government needs a holistic approach ensuring access to education, nutrition, shelter in order to tackle AIDS / Those to receive ARVs must also receive good nutrition
May-04	1113900	JCTR Says Commitment is Central to Uplifting People's Lives	Overcoming the socio-economic challenges that include malnutrition at household level especially in children, HIV/AIDS, inadequate health care and education, unemployment, insufficient household income, require more than lip service / resource prioritisation is key / failure to meet development goals can be attributed to lack of strong commitment to translate plans into real action / meetings at national and international level on poverty have failed the people / slight reduction in price of mealie meal / The PRSP and the Millenium Development Goals should be viewed as critical challenges from a moral, economic, social and political viewpoint / sacrifices should be made / strong commitment realising the dignity of the human person necessary to uplift the poor, especially women / we need a value foundation for development
Jun-04	1118700	Basic Needs Basket Reveals that Luanshya is High Cost of Living Area	Luanshya an urban area with one of the highest costs of living in Zambia, based on three months of data / households in Luanshya are experiencing the most difficulty in meeting their basic requirements / yet all urban areas have high costs of living / unless there are fundamental changes in the structuring of the social, political and economic affairs, people will never be able to meet basic human requirements / in face of inadequate resources, there is poor prioritisation of expenditure / governance system has failed to catalyse patriotism towards a good work ethic / this is why there is little success calling for debt cancellation / PRSP and past plans not effectively implemented / there must be investment in people / citizens should give input towards the 2005 budget and push politicians to pay attention to the serious socio-economic issues affecting the livelihoods of all
Jul-04	1105100	Situation of Pensioners, Fuel Prices Increase Worry of JCTR	Reports that 90,000 pensioners will lose what they deserve is highly objectionable, for it epitomizes a violation of human rights by denying the security of the elderly / pensioners continually face hard times during bureaucratic delays in receiving pensions / this injustice is taking place in the context of high cost of living and high gratuities paid to MPs / pensioners wait long periods of time while inflation erodes the value of the money / high unemployment levels are forcing workers to accept exploitative working conditions / failure to pay these workers is unacceptable / we need to care about each other / the current situation is reminiscent of the days of colonialism when there was no social conscience / Zambia should strive for a political, social and economic order that places the well being of humans above all else / there are more street kids than just AIDS orphans

Aug-04	1100200	Cost of Basic Needs Show a Mixed Picture in the Face of "External Shocks," Says JCTR	Good agricultural production has mitigated effects of increased global price of oil / meat has slightly increased in cost while mealie meal, vegetables, kapenta have declined / good agricultural performance means many things including affordability of food, non-dependence on outside countries and ability to export food to recover some balance in foreign exchange / Food production does not allow some to access food, especially those that are unemployed or caring for someone with HIV/AIDS / Zambia's focus in addition to debt cancellation should be concentration on sectors that form the bedrock of human welfare: agriculture, health, education and employment / government has intervened appropriately by providing inputs
Sep-04	1097100	No Statement	
Oct-04	1127500	Yes, Cost of Living Major Problem Among Households and Needs Very Serious Attention," Says JCTR	High cost of living continues to be a major problem faced by households and should be central to policy discussion / the BNB highlights the struggle to meet daily needs / meat has increased significantly due to Foot and Mouth Disease / beans, dry fish and cooking oil also increased likely due to increase in fuel prices the past month / people during the recent National Governance Baseline Survey indicated high cost of living as a serious problem / the serious off-shoots of high cost of living include malnutrition and stunted growth in children, difficulties in accessing health and education and absence of other areas of well-being / There must be continued holistic efforts to address the problem by investing in people through health, education and job creation
Nov-04	1114800	JCTR Asks: Why Don't Politicians Speak About What is Important in People's Lives	Leading politicians disappoint us by not talking about the everyday problems that impact the livelihoods of the people / current political debates out of touch / political focus should be on policies and not personalities / there is a gap between what families ought to be spending and what they can afford to spend / this should be the number one political issue / instead of talking about cost of living, which determines a family's access to health, education, food, shelter, agricultural production, there is more talk about reaching the doubtful and ever floating HIPC completion point as if it would guarantee improvement in people's lives / the constitutional debate has also pulled attention away from quality of life, though it is important in the long run / it is encouraging that the MoE will employ 1000 teachers, but what about the majority of Zambians that will remain unemployed / also, subsidised inputs have benefited some farmers but much more can be done to deliver prompter and wider supply of inputs / JCTR is hopeful that people will vote taking into consideration issues affecting their welfare
Dec-04	1147840	Year 2004 Ends With Food Alone Costing K481,540: Need of People Should be Key in Policy Debates in 2005, Says JCTR	Zambia's longstanding problem of high cost of living should top the policy debates for 2005, since it determines general welfare by indicating how households relate to education, health, food, shelter, etc. / cost of living is a broad quality of life indicator / claims of improvement in the economy should only be measured by looking at access to health, education, food, decline in street kids instead of in GDP growth / agricultural output in 2003 and 2004 has helped curb inflation which hurts the poor the most in addition to enhancing rural income and assuring national food security / there was only a short period of price decline followed by typical end of year increase / 2004 average cost of food alone was K447,153, cost of non-food items was K659,016 and cost of BNB was 1,106,170 per month / comparison of cost to average incomes shows how families struggle to meet essential needs / think of the civil servants with frozen wages due to HIPC, those women crushing stones, those looking after orphans due to HIV/AIDS deaths, those providing ARVs, those households with no formal employment / A widow in Lusaka says "I have 10 children, five my own and five orphans. My salary is below K200,000 and I have to pay rent, take children to school, buy food and do everything out of this little money. I am really suffering" / To move people from less to more human conditions, the following recommendations are being made: there must be responsible and responsive leadership at all levels, the ESC rights must be enshrined within the Bill of Rights to allow Zambians to claim their inherent rights, education must be improved by addressing exam leakages, lack of schools in rural areas, poor teacher morale, the health problem must take a holistic approach that takes into account poverty and nutrition, Zambia must strive for total debt cancellation, sustainable and diversified agriculture must be encouraged, heavy dependence on chemical fertilisers should be discouraged and market access should be improved, Zambia needs a strategy for employment creation whether or not it pleases the IMF and WB / The time is now for governments to take advantage of global attention to poverty in 2005 / hopefully the 2005 budget will give primacy to human considerations



Jan-05	1340840	<p>The 2005 National Budget: Continuing with the Status Quo?</p>	<p>To what extent will 2005 budget uplift lives of average Zambian families? / budget lacks boldness and holistic vision to make tangible impact / same as past failed budgets / BNB as testament to struggle of people is good entry point to critique budget / supports the CCJDP call for upward adjustment to PAYE tax exemption threshold to at least K600,000, if not K900,000 / “By setting the PAYE exemption threshold at K280,000 per month, the government is admittedly taxing Zambian people who cannot afford to put food on the table for their families, the same group it classifies as ‘extremely poor’” / K20,000 increase fails to maintain status quo in real terms / need for creative broadening of tax base / need for a robust strategy for employment creation / internal debt which stands over US\$ 1 Billion and grew by 6% in 2004 is a huge challenge to employment creation / need for a strategy to create affordable housing within urban areas / salary increases to teachers correct a backlog of problems from the past, only to maintain the status quo / according to 1998 African Development Report “Once a generation of children is exposed to life without adequate health and nutrition or school, there is little that can be done during the lifetime to reverse the damage” / the damage is being done</p>
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## **BASKET RISES TO OVER K240,000**

The announcement on Friday 29 January ,1999 of the 1999 budget by Honorable Edith Nawakwi, the Minister of Finance and Economic Development, has brought wide spread focus on poverty reduction in Zambia. Certainly relevant to this discussion is the figure of the latest "Food Basket" prepared by Jesuit Centre for Theological Reflection (JCTR) for January 1999 which is K240,920 marking an increase of 22.4% from January 1998.

This is the increase of K10,000 over the figure of December 1998. Significant rises occurs in mealie meal, cooking oil, charcoal and eggs. For instance, the price of mealie meal has risen by K650 from K18,800 in December 1998 to K19,450 in January 1999, whereas the price of cooking oil has risen by K1,630 from K11,050 in December 1998 to K12,680 in January 1999.

As inflation and devaluation of the local currency continue to take toll, prices of basic food commodities continue to rise without any corresponding increase in incomes. As a result worker's earnings have drastically declined over the years and poor people are getting poorer.

In the light of this rise and its implication for the poor majority of Zambians, the JCTR endorses the call of Catholic Commission for Justice and Peace (CCJP), trade unions, and other NGOs that the base rate for PAYE should be set for at least K200,000. This will slightly ease off the economic burden on low and middle-income earners.

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## PRESS RELEASE: FOOD BASKET/BREAD LINE ON THE RISE

The monthly survey by the Economic and Social Development Research Project of the Jesuit Centre for Theological Reflection (JCTR) shows that the cost of food basket for a family of six in Lusaka has been rising steadily. For instance, the food basket has risen from K186, 950 in January 1998 to K240, 920 in January 1999. **According to the most recent survey, the cost of the food basket, for the month of March, is K252, 160.** This is a basket of only basic food commodities. It does not necessarily meet the requirements of a good diet from the nutritional point of view. Moreover, this basket does not include other essential expenses such as, housing, water, electricity, fuel, transport, clothing, education and health care, etc.

This is why we strongly concur with the President's statement last week at State House at the swearing-in ceremony of newly-appointed ministers and permanent secretaries that every salary that is below K200, 000 is **scandalous** for it is too low to sustain lives of Zambians. It was disclosed at the same function at State House that some civil servants and public service workers get as little as K100, 000 as their monthly wage.

We are encouraged to learn that the President has promised unionized civil servants and other public service workers that beginning next year, their monthly salaries will not be less than K200, 000. We are also encouraged by the President's appeal to the World Bank and International Monetary Fund (IMF) imploring them to understand the situation the Zambian worker is in. The President went on to say that the promised increase in salaries is meant to bring back dignity to the Zambian worker, hence boost the morale and productivity and not fuel inflation.

The President disclosed that the government started last week working on modalities that would improve salaries for the general workers. In the light of this we want to make the following realistic recommendations to the government. As the government works on the modalities to improve salaries of the civil servants, the focus should go beyond the bread line (over K250, 000) to looking at the capacity for workers to pay for other essential expenses as indicated above. This should be in accordance with inflation and devaluation of the Kwacha.

We also join hands with the Catholic Commission for Justice and Peace (CCJP) in proposing that in order to promote greater equity, **the base rate for beginning PAYE arrangements should be over K250, 000** (cf. cost of the food basket). This will ensure that the poor are not paying heavy taxes on the little they may have for purchasing food. As the government strives to provide incentives to big businesses and foreign investors, it should also strive to give tax relief to poor and hard working men and women of Zambia. We trust that the government has the capacity and the creativity to find ways of compensating a loss in revenue that may come about through tax relief to the poor Zambians. We believe that, if taken seriously, the recommendations that we have made here will remedy the serious situation of scandal that the President is referring to.

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## **PRESS RELEASE**

### **COST OF FOOD BASKET DECLINES: BUT WILL LIVELIHOODS IMPROVE?**

The cost of the food basket for a family of six in Lusaka declined by about K7,500 during the month of August, but still amounted to a very large amount of K243,100. This figure is revealed in the latest survey conducted by the Economic and Social Development Project of the Jesuit Centre for Theological Reflection. Down from K250,660 in July, the survey reflects slightly lower prices in items such as mealie meal, cooking oil, eggs and sugar.

But this minimal decline is not expected to mean a notable improvement in the livelihood of most Lusaka residents, according to the survey director, Alex Muyebe. Given the fact that employees such as school teachers and secretaries in the Civil Service are taking home pay (after deductions) of only between K100,000 and K150,000, the requirements for food alone are still far out of sight. Housing in medium density areas costs between K130,000 to K180,000 for two rooms; ZESCO bills amount to between K70,000 and K100,000; and water bills (fixed charge) amount to approximately K25,000. Added to all this must be the ordinary expenses for education, health, transport and clothing.

Muyebe notes that the slight decline in the cost of the food basket is unlikely to lighten the burden of survival for ordinary families in Lusaka. The high cost of living in comparison to low salaries continues to bring great hardships. An additional factor to be considered now is the loss of some income from street vending that supplemented many families. Movement of vendors from the streets has brought greater cleanliness to Lusaka but also caused difficulties for many who do not find places in the markets.

Overall economic and social hardships continue, heightened by concern over the sale of the mines. Cancellation of debt holds out some promise of more resources being available for education, health care, agriculture and social infrastructure. But this will require transparent negotiations on budget priorities and full participation of civil society. For this reason, the Debt Project sponsored by the Catholic Commission for Justice and Peace and the Jesuit Centre for Theological Reflection is focusing on a "debt mechanism" to assure that money saved from debt servicing does indeed go into poverty eradication.

Attached: Food Basket Estimates for August 1999

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## **PRESS RELEASE - SEPTEMBER 1999**

### **LOWER FOOD PRICES BUT NOT HIGHER FOOD CONSUMPTION**

Is the decline in the cost of the monthly food basket for a family of six means an increase in the well being of most Zambians? This question is raised by the minimal fall for three months of the cost of the food basket. The latest findings of the survey conducted by the Economic and Social Development Project of the Jesuit Centre for Theological Reflection pegs the cost of the food basket for the month of September at K239, 840. Down from K250, 660 in July and from K243, 100 in August, the survey reflects slightly lower prices in items such as mealie meal, vegetables, cooking oil and eggs.

According to the Director of the Economic and Social Development Project, Mr. Alex Muyebe, there are a number of economic factors that account for the continued decline in the cost of the food basket the past few months. Mr. Muyebe observes that one of the cardinal factors is the developments in the food supply situation, particularly the maize supply around this time as farmers manage to get their produce on the market, thereby resulting in a downward effect on prices of mealie meal. Prices of other food commodities have also experienced insignificant decline due to the slight strengthening of Kwacha on the foreign exchange markets last month as a result of the increase in the non-traditional exports, i.e., tobacco and the increase in inflows owing to disbursements by bilateral donors. The report by the Bank of Zambia on the percentage changes in the consumer price indices indicates that the inflation rate continues to register minimal decline from about 31 per cent at the beginning of January 1999 to about 27 per cent at the beginning of September 1999. Therefore, the inflation rate might also be taken into consideration as one of the factors for the decline in the cost of the food basket.

Mr. Muyebe notes that there is yet another important social factor for the decline in the cost of the food basket. It is the fact that there is a decline in the number of people having sufficient income to meet their needs. Many people have had to adjust their food budgets because they simply do not have money. The levels of income of the majority of Zambians are not commensurate with what they are required to pay for the basic necessities, such as food, housing, clothing, education, health, etc. A good number of families are being forced to go without certain food items or to consume less of the habitual food items. This has resulted in decline in the demand. Traders have had to adjust accordingly by reducing prices of the affected commodities. This means that the decline in the cost of the food basket does not mean improvement in the livelihood of most Lusaka residents. The marginal decline in the cost of the food basket is unlikely to lighten the burden of survival for ordinary families in Lusaka. The high cost of living in comparison to low salaries continues to bring great hardships.

Mr. Muyebe observes that food is the major indicator for measuring the cost of living mainly because food does take up by far the largest portion of monthly income. Food is one of the primary necessities of life and its accessibility is a good indicator of the levels of poverty. The recently launched mid-term review report by GRZ/UNICEF, entitled, "Overcoming Barriers to Zambia's Development: Dismantling the Tripod of Deprivation, Debt and Disease", indicates the rise in the overall economic and social hardships. For instance, the report notes that the per capita consumption of maize, the single most significant component in a Zambian meal has declined drastically from 153.2 kg in 1990/91 to 123.3 kg in 1996/97. The per capita consumption of practically all other food products (cereal, vegetable, dairy and meat products) either remained constant, declined or increased only marginally during this period, which must imply a reduction in calorie intake and hence a decline in nutritional status. It is for this reason that the Jesuit Centre for Theological Reflection continues to advocate for a strong political commitment for policies to improve the living conditions and eradicate poverty. Key to these policies, Muyebe suggests, is the establishment of a recognised 'poverty datum line' against which all salaries can be measured.

Attached: Food Basket Estimates for September 1999

[For additional information, contact Alex Muyebe, Jesuit Centre for Theological Reflection, P.O. BOX 37774, 10101 Lusaka, Zambia; tel: 260-1-290410; fax: 260-1-290759; e-mail: muyebe@zamnet.zm]

**PRESS RELEASE - 06 JANUARY 2000**  
**ANALYSIS OF THE COST OF FOOD BASKET IN 1999**

What has been the pattern of the cost of the monthly food basket for a family of six in Lusaka in the past year? How has this pattern affected the well being and livelihood of most of Lusaka residents? Below is the first half of the two-part analysis report on the cost of living as reflected in our survey on the food basket in 1999. This first half focuses more on some technical dimension whereas the second part coming up next week will focus more on the social dimension.

Using the December 1998 total of the cost of the food basket as a base value, a comparison of changes in price over the past twelve months has been greatly affected by seasonal fluctuations. The first seasonal fluctuation was between December 1998 and March 1999 yielding a price index of 9.19 percent. This means that in March 1999, prices were 9.19 percent higher than in December 1998. The second seasonal fluctuation was between March 1999 and July 1999 yielding a price index of 8.5 percent. The third seasonal fluctuation was between July 1999 and September 1999 yielding a price index of 3.86 percent. The fourth seasonal fluctuation was between September 1999 and December 1999 with a price index of 11.5 percent.

What accounts for seasonal fluctuations are prices of some seasonal goods, mainly mealie-meal. The price of mealie-meal has moved up and down over the past twelve months. For instance, the average price of mealie-meal (25 kg bag) in Lusaka was K18,800 in December 1998, K19,790 in March 1999, K17,570 in July 1999, K15,340 in September 1999, and K17,300 in December 1999. The fluctuations in the total cost of the food basket over the past twelve months indicate the total cost of the food basket in September 1999 as the lowest amounting to K239,840, and the total cost of the food basket in December 1999 as the highest amounting to K257,480. One of the factors accounting for the lowest total cost of the food basket in September 1999 was the increase in the maize supply between July and November, thereby resulting in a downward effect on prices of mealie-meal. Other factors around that time included the slight appreciation of the Kwacha on the foreign exchange markets in August as a result of the increase in the non-traditional exports, and the increase in inflows owing to disbursements by bilateral donors. The inflation rate also registered minimal decline around the same period.

There are a number of factors accounting for the highest total cost of the food basket in December 1999. The average price of mealie-meal (25 kg bag) increased by K1,400 from November to December 1999. This increase is attributed to the off season maize costs that normally accompanies the planting season as most farmers hold on to maize stock. This has in turn culminated in higher unit price of maize, which is reflected in the increased mealie-meal cost. There has also been a significant increase in the price per kg of meat (Brisket). This rise may be seen to be temporary in the sense that it may be a necessary consequence of the festive season rush to consume more meat and related food stuffs, thereby resulting in an upward effect on price of meat owing to high demand for the commodity. Price increase on other commodities in the food basket such as charcoal may be due to fuel price hike in mid December which in turn sparked off the increase in transport cost. The price increase of commodities such as bath soap and wash soap may be due to the continued depreciation of the Kwacha.

In spite of the fluctuations, it is clear that the general trend of pricing has been characterised by an upward movement with a difference of K26,560 in the total cost of the food basket between December 1998 and December 1999. Using the December 1998 total cost of the food basket as a base value we see that a family of six in Lusaka was spending every month, on average, an additional amount of K16,550 from January to December 1999. This means that the cost of living has been on the rise. Contrasting the food basket findings with the income levels of the majority of Zambians over the past twelve months, we see that there has not been any change in the income levels of most Zambians to correspond to the rising cost of living. Wages have stagnated or fallen in real terms. This has consequences both in family food intake (e.g., rising malnutrition rates) and in anti-social coping strategies (e.g., crime).

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THE SOCIAL DIMENSION OF THE FOOD BASKET

Release of GRZ Budget 2000 has stirred considerable analysis and debate in the past week. An important focus for the national debate is the social dimension of the budget, this highlights government's actual commitment to poverty reduction as a top priority in 2000. The importance of this commitment is underlined when we look at the cost of living faced by ordinary Zambian today. In its on-going analysis of the cost of the living, the Jesuit Centre provides each month an "estimated food basket for a family of six in Lusaka". For January 2000, the estimate is K263,370, up from K257,480 for December 1999.

Widening the range of the survey, the JCTR undertook a study in December 1999 to compare the cost of various food commodities in Lusaka's low, medium and high density locations. This study was meant to assess the factors behind price differences of the same commodities in different locations of the city. Our comparative study covered Kanyama, Chibolya, N'gombe and Matero as high density locations; Chabama, Chilenje, Kabwata and Chelston as medium density locations; and Kabulonga, Woodlands, Roma and Avondale as low density locations. Prices vary from one location to another. This depends among other factors on the distance involved in transportation of goods from place of production to the final consumer. For instance, our study in December 1999 showed that the average prices of mealie - meal (25 Kg bag - Breakfast/Simba) in the locations around Lusaka ranged from K15,550 - K18,000 as can be seen from the table below:

25 Kg Mealie - meal (Breakfast/Simba) - December 1999

High Density Locations		Medium Density Locations		Low Density Locations	
Ng'ombe	K18,000	Chelston	K18,000	Avondale	K17,500
Matero	K17,500	Chilenje	K17,500	Kabulonga	K15,750
Kanyama	K16,750	Kabwata	K17,330	Woodlands	K15,550
Chibolya	K16,500	Chawama	K16,750	Roma	

In some cases the distance factor obtains when you compare the average prices of mealie - meal between locations closer to the city centre and those further away from it, i.e., Chibolya (K16,500) and Ng'ombe (K18,000). The study established that the average prices of mealie - meal tend to be on the lower side in the low density locations because the demand for this commodity is slightly lower as families in these locations supplement their dishes with other starch food stuffs, i.e., rice, potatoes, pasta, etc. The other factor that affects the variations in prices is the purchasing power of the consumer communities found in the given locations. For instance, the same study showed that the average prices of meat (Brisket) 1 Kg were higher in the low density locations than they were in the high density locations as can be seen from the table below:

1 Kg meat (Brisket) - December 1999

High Density Locations		Medium Density Locations		Low Density Locations	
Ng'ombe	K4,500	Chelston	K4,900	Avondale	K5,400
Chibolya	K4,250	Chilenje	K4,630	Kabulonga	K5,000
Kanyama	K4,000	Chawama	K4,500	Woodlands	K4,900
Matero	K3,900	Kabwata	K4,260	Roma	

This was also the case with the average prices of vegetables which were more on demand in the low density locations than they were in the high density ones. Higher levels of income in the low density

**MINIMUM WAGE SHOULD BE MUCH MORE THAN K200,000!  
FOOD BASKET IS NOW K272,810**

The recent repeat by President Chiluba of his concern that the minimum wage for civil servants should be at least K200,000 is commendable but not fully adequate.

This is a judgement based upon the latest "food basket" released today by the Jesuit Centre for Theological Reflection (JCTR). Alex Muyebe, coordinator of the Economic and Social Development Research Project of JCTR said that for the month of March the estimated food basket for a family of six in Lusaka was K272,810, up K7490 since February and up almost K20,000 since March 1999. [See attached Survey.]

In his Friday 31 March press conference, the President lamented the inability of government to have honoured his promise of last year to increase salaries to K200,000, because of pressures from the IMF. He stated that trade unions were currently negotiating for a break-through in this impasse.

But the fact that the "food basket" of basics – which does not include housing, water, electricity, fuel, transport, clothing, education, health care, recreation, etc. – is already edging upwards towards K300,000 shows dramatically the inadequacy of a K200,000 minimum mark. Muyebe pointed to the fact that two bed-roomed housing in medium density areas was around K200,000 and ZESCO bills could add another K100,000.

"If a primary school teacher or a secretary in the civil service or a nurse or a police officer takes home a net pay slip showing only K100,000, what possibility is there of decent and sustainable livelihood in their family?" asked Muyebe.

The sharp increase in petrol prices last week will mean additional increased costs across the board, said Muyebe. Without seriously addressing the rising cost of living for families, the already high poverty levels – 73% of the Zambian population – will go up even higher and suffering continue to increase in highly dangerous trend.

The JCTR joins with other NGOs like Catholic Commission for Justice and Peace (CCJP) in calling for a concerted effort by government, donors and civil society to meet the poverty challenge. "It's a matter of priorities," said Muyebe; "Political rhetoric must be replaced by concrete strategies that result in effective deeds."

**JCTR SAYS HIGH COST OF LIVING MANIFESTS WORSENING SOCIAL CRISIS AND CHALLENGES CG MEETING**

The 16 June statement by the Zambia Episcopal Conference, as well as the recent report by the Zambia Social Watch Coalition, highlights the *social crisis* currently being experienced by the country. This is one issue that needs to be taken very seriously by the government, especially during the up-coming Consultative Group meetings, according to the Jesuit Centre for Theological Reflection (JCTR).

The social crisis is manifested in the increasing inability on the part of the majority of Zambians to have access to proper health services, education, clean water, shelter and, most importantly, adequately balanced diets. According to Muweme Muweme, coordinator of JCTR's Economic and Social Development Research Project, the most recent food basket survey reveals an upward trend in prices.

For the month of June, the food basket for a family of six in Lusaka stands at K277,870. This is an increase of K7,950 from the K269,920 figure for the month of May. The basket does not include housing, water, electricity, fuel, transport, clothing, education, health care, recreation, etc.

According to Muweme, the increase reflects the continued fall in the value of the Kwacha in relation to foreign currencies. From the beginning of May to the end of June, the Kwacha fell by 5.42%, from K2,900/dollar to K3,110. Barclay's Bank estimates the fall will continue through the end of July, to K 3200. This depreciation has been pushing the prices of most goods upwards, with the exception of maize, which has declined because of a relatively higher supply at this time of the year.

The ever rising (with insignificant periodic declines) cost of the food basket has meant an ever increasing challenge to the majority of citizens to meet the barest minimum of necessities. "This underscores the fact that the country is moving towards a serious social crisis of unprecedented proportions," says Muweme, "if the trend is not reversed." Salaries of teachers, nurses, police officers and secretaries in the civil service to mention but a few are well below the estimated monthly food basket.

For this reason, the JCTR strongly urges government to look at more effective ways of addressing the current *social crisis*. Poverty reduction must be the number one agenda item of the CG meetings, which begins in Lusaka on 16 July. To echo the Bishops' sentiments in their recent pastoral letter, "There is no future development without healthy and educated citizens."

## **WIDENING GAP BETWEEN FOOD BASKET AND SALARIES: WHAT DO POLITICAL PARTY MANIFESTOS HAVE TO OFFER?**

As we approach the elections year, citizens will experience attempts by various political parties to articulate or re-articulate their manifestos. The Jesuit Centre for Theological Reflection (JCTR) shares the view expressed recently by the Federation of Free Trade Unions (FFTU) that Party Manifestos should be made available for scrutiny by workers in particular and citizens in general.

If there is one issue that needs to be taken seriously and deserves attention in Political Party Manifestos, it is living conditions in relation to the widening gap between the food basket and people's incomes.

The JCTR August food basket for a family of six in Lusaka stands at K272,305. This reflects a slight drop from the July figure of K277,475, mainly attributed to the continued drop in the price of mealie meal during this time of the year. However, this does not suggest any improvement in the living conditions of the people. "Standards of living have continued to fall due to the widening gap between people's incomes and the cost of the food basket," observes Muweme Muweme, Coordinator of the Economic and Social Development Research Project of the JCTR.

As of 31 August 2000, the salary of a Primary School Teacher stood between K110,000 and K150,000; that of a Secretary in the Civil service between K125,000 and K165,000; a Nurse between K125,000 and K175,000; a Police Officer between K100,000 and K180,000. When compared with the cost of the August basket (K272,305), a huge disparity is indeed shown. If we add to the food basket transport, housing, fuel, clothing, education, health care, recreation, etc., the gap would even become much wider.

According to Muweme "this situation offers the Zambian people a major challenge to *critically assess* what is on offer from Political Party Manifestos in terms of meeting the requirements of a food basket which has remained beyond the reach of many."

Any Party Manifesto that does not put the question of enabling people to afford the food basket within its mainstream policy does not reflect the importance of people as key players in an economy. Having access to food is one of the cardinal issues in people's lives as food accessibility or non-accessibility is an indicator of poverty levels and a determinant of people's participation in various activities.

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## **COMESA'S FREE TRADE AREA AND ITS SOCIAL IMPLICATIONS**

The current regional efforts through COMESA aimed at uplifting the member countries' economies are being widely commended. The putting in place of the COMESA Free Trade Area where there shall be no trade barriers is particularly commended, especially considering the role of trade in national development.

However, the Jesuit Centre for Theological Reflection (JCTR) is deeply concerned about the social implications of the COMESA Free Trade Area that is taking effect end of this month, says Muweme Muweme, Coordinator of the JCTR's Economic and Social Development Research Project.

A major concern arises out of the likely reduced government revenue from duty charges and how the government will meet its requirements for expenditure in various sectors with a weaker revenue base.

This concern is a very critical one that appears to have been ignored. According to Muweme, "There could be a situation where in order for government to have revenue, it might resort to heavy reductions in social sector spending, education, health etc. And given the already existing inadequate spending on these sectors, the situation might be worse with the coming of the Free Trade Area."

Government might also resort to raising taxes, which again would mean an added burden to the already heavily taxed few people in the formal sector. This will obviously curtail people from meeting education, health and food requirements.

This situation is particularly dangerous now, when so many Zambians cannot afford to meet the cost of the monthly food basket due to the ever-widening gap between their salaries and the cost of basic commodities. For example, the cost of the JCTR food basket for a family of six in Lusaka during September was K278,375.00, representing an increase of K6,070.00 from the August figure of K272,305.00.

Whereas these concerns are there, what is worrying is that there have not been much discussion or serious studies into the social implications of the FTA for Zambia. Muweme further says "We know for certain that there is not a watertight argument for the FTA as far as Zambia is concerned. It is a game being left to chance!"

It is also worrying to note that while some countries may benefit from the FTA arrangements because of having relatively stronger economies, Zambia stands to lose on various accounts.

First, Zambia is a high cost area for production partly because of being landlocked. This may mean that even foreign firms wishing to set-up subsidiary companies for the sake of taking advantage of the FTA, may decide to set-up their companies elsewhere.

Second, there is no manufacturing sector in Zambia to take comparative advantage of the COMESA FTA. The few manufacturing companies that still exist cannot compete effectively with foreign firms. The negative trade balance that the country has been experiencing could just move to an even worse position.

Third, the agricultural sector continues in a precarious situation and there are few export agricultural products being generated. It appears before this problem is remedied, the country will have to experience an inflow of foreign products.

All these factors have great implications on the social well being of the people. Employment levels may move from their current unpleasant state to even lower figures. This will mean more people struggling to meet the cost of the food basket which is anticipated to continue rising. Moreover, in the whole FTA equation, there is not much talk about free movement of people and what this might mean for Zambia.

According to Muweme, there is need to critically examine the social implications of the COMESA FTA and to be prudently cautious about the whole approach to it. "Zambia cannot afford to go beyond the current poverty levels as manifested in the inability of most people to afford the basic necessities of life." Presently, there is every reason to be apprehensive about the COMESA FTA.

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**FOOD BASKET COST SHOOTS UP:  
JCTR CALLS UPON PARLIAMENT TO SERIOUSLY LOOK AT  
THE RISING COST OF LIVING**

The Jesuit Centre for Theological Reflection (JCTR) is calling upon Zambian parliament scheduled to open its final sitting of the year on 7 November to take a serious look at the rising cost of living in the country and come-up with immediate and intermediate measures that would help mitigate the suffering of the people caused by the rising cost of living.

According to the JCTR's monthly food basket for a family of six in Lusaka, the cost of living has gone up by a huge margin. The survey indicates that for a family of six in Lusaka to survive, without taking into account transport, health, education, housing, etc., they would need K290,310. This shows an increase of K11,935 from the September figure of K278,375.

This rise is in the wake of an interaction of various forces. The increase in the cost of fuel has precipitated an increase in inflation and also has necessitated corresponding increments in the prices of various commodities and services. Added to all this has been the Kwacha's continued depreciation in relation to the United States Dollar. According to Barclays Bank, the Kwacha will continue to fall until the end of the year and probably continue doing so in the New Year.

Muweme Muweme, Coordinator of JCTR's Economic and Social Development Project, observes that while some of the factors leading to rising cost of living may be external, there is every need to look at domestic interventions that would help cushion the serious negative impacts on the poor.

According to Muweme, "if the added cost of our fuel in relation to other countries is also influenced by tax imposed by government, why not remove or minimise that tax to levels that would not send huge spiralling effects in terms of price increases?" It is common knowledge that manageable fuel costs will have long term positive effects on the development of our industry as well as attracting the much talked about foreign investors and improving our trading possibilities within the new COMESA FTA agreement.

The other intervention should be to make next year's budget pro-poor not in rhetoric but in reality, that is in practical policy terms. There are ways and means through which the rising cost of living and deteriorating living standards can be checked. For example, Parliament should look at specific things like abolishing school fees, directing resources towards health care, improving agricultural policies, etc. The current socio-economic trends continue to marginalize people's participation in economic development in that they are incapacitated. This situation is in itself an antithesis to development.

Muweme further says, "It is time that the debates and decisions in Parliament should be orientated towards issues that would help improve poor living conditions and ease the general suffering of the people." This, in JCTR's view, should especially characterise the coming sitting of Parliament.

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## **YEAR 2000 WINDS UP WITH A VERY HIGH INCREASE IN COST OF FOOD BASKET OBSERVES JCTR**

As we approach the end of the year 2000, there is much discussion about the state of Zambia's economy. The Jesuit Centre for Theological Reflection (JCTR) notes that a key topic of discussion is the significance of Zambia's qualification for debt relief under the Heavily Indebted Poor Countries (HIPC) initiative, especially as to how it will benefit the poor in the country.

Another central focus of attention has been the dramatic depreciation of the Kwacha against major currencies such as the US dollar and the British Pound Sterling and the consequence of this for business stability.

All these discussions are taking place against the well-known background of relentless deterioration in the living conditions of the majority of Zambians because of their inability to meet the cost of minimal survival.

Latest figures of the JCTR "Food Basket" reveal how difficult this economic situation is. The year-end (December) cost of the food basket is now K312,695.00, up by K49,325.00 from the year beginning (January) figure of K263,370. A major rise in the cost of the food basket was recorded in December, when it rose by K22,100.00 from the November cost of K290,595.00.

The depreciation of the Kwacha to the tune of 16 per cent in November accounts significantly for the rise in the cost of the food basket for the month of December, observes Muweme Muweme, Coordinator of Economic and Social Development Research Project of the JCTR.

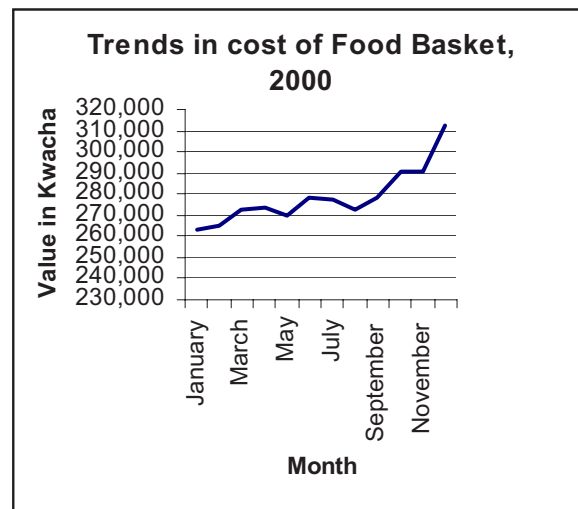
The food basket looks at the cost of items for a family of six in Lusaka, such as mealie meal, sugar, tea, vegetables, eggs, etc. If we include non-food items necessary for human survival such health, transport, water, electricity, education, etc., the cost would even be much higher.

### **INFLATION TROUBLES**

A look at the trends in the monthly cost of the Food Basket reveals the sharp increase in the cost of living over the past year (see the graph below). The cost of the food basket has consistently been rising, with records of minimal increase during the time when the market experiences an increase in the supply of maize, and high increases whenever there is an increase in the price of fuel as well as a remarkable depreciation in the value of the Kwacha.

The Bank of Zambia has recently estimated that the overall inflation rate for 2000 would be close to 30%. This is disappointingly much higher than the 19% target announced by the government last January in its 2000 Budget.

Figure



## POLICY RECOMMENDATIONS

As we look ahead to the year 2001, what does the above scenario tell us in terms of policy intervention? Muweme suggests three important implications:

First, government should seriously look at factors that are responsible for the rise in the cost of living. It is not enough to attribute the problem to factors such as a surge in the price of crude oil and a failure to fight inflation. "We must find effective ways of mitigating the impact of this phenomenon, particularly on the poor," says Muweme. This should be a major focus of the Poverty Reduction Strategy Paper (PRSP) process that is currently underway.

Second, next year's budget should as much as possible be pro-poor so that the burden of suffering which is increasing every day on the part of the poor is lessened. To this end, JCTR echoes the Catholic Commission for Justice and Peace (CCJP) recent call that the 2001 budget be pro-poor in real practical terms.

Third, good yields in the agricultural sector impact positively on the economy in general and living standards in particular. Therefore calls by various organisations to look seriously into improving the agricultural sector must be taken heed of by the government.

"HIPC, PRSP, Kwacha stabilisation and other macro-economic measures," says Muweme, " must be clearly oriented toward improving the micro-economic situation of ordinary Zambians."

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## **KWACHA APPRECIATES BUT PRICES REMAIN HIGH, OBSERVES JCTR**

Recently, the Government of the Republic of Zambia announced measures aimed at addressing the depreciation of the currency. The measures are also seen as a way of tackling the inflation problem. Since the measures took effect, the Kwacha has been seen to appreciate, moving from around K4,500 per US Dollar to currently K3,500 per US Dollar.

The Jesuit Centre for Theological Reflection (JCTR) wishes to commend government on the measures taken because they are seen to be efforts aimed at ultimately improving the living conditions of the people, especially the poor.

However, it is striking to note that since these measures were announced with the resultant "appreciation" of the Kwacha, no significant positive changes can be observed in the economy in the area that touches everyone, the price of food.

There has not been any change in prices to reflect the appreciation of the Kwacha. This obviously implies that there is something missing in the economy that needs to be addressed. "Targeting the Kwacha alone is not enough since so far there is no relation between the Kwacha's appreciation and the prices," says Muweme Muweme, Coordinator of the Economic and Social Development Research Project of JCTR.

The JCTR monthly Food Basket, a cost of living survey for a family of six in Lusaka indicates an increase of K7, 175 from the December 2000 figure of K312, 695 to K319, 870 for January 2001. This is just the cost of some food items, without adding nutritional items (e.g., milk kapenta, beans, etc.) and the cost of non-food items (e.g., education, housing, transport etc.). Under normal circumstances, one would have expected the recent appreciation of the Kwacha to begin to correspond with the actual price situation in the country.

The 2001 National Budget has been presented under the theme "Empowering People for Prosperity". "Indeed it is important to recognise that an economy exists for the people and not the other way," says Muweme. "This means that people should be key players in an economy through their economic empowerment. There must be deliberate efforts in terms of policy formulation towards creation of situations that enable people to be effective and full key players."

Moreover, the cost of the food basket is by far higher than the K200, 000 lowest salary for public employees promised in this year's budget. Muweme observes that "while social sector spending has been increased in this year's budget, one would still wonder how economic empowerment would be achieved with wages that do not seriously take account of the prevailing cost of living."

It is therefore JCTR's view that the theme for this year's budget should not simply be rhetoric but must be translated into real action. Parliament should look closely at those factors that are responsible for the relentless suffering of the majority of the Zambian people, one of which is high prices in the face of low wages.

*Please note the new format of the food basket. Do you think it is an improved format? Send us comments and suggestions.*

## **JCTR CALLS FOR SHARPER FOCUS ON DEVELOPMENT ISSUES**

Attainment of development goals--that is, improvement in people's well being such as having access to education, health care, employment, nutritional diets, etc.--is a process that entails constant analysis, monitoring and focus on issues that lead to attainment of such.

Any form of distraction to that process may lead to losing course of direction and thereby derailing development, people's well being. "This derailment implies only one thing: *prolonged suffering of the Zambian people,*" says Muweme Muweme, coordinator, Economic and Social Development Project of the Jesuit Centre for Theological Reflection (JCTR).

According to the Economic and Social Development Project, a sharper focus on integral development must not be lost. On one hand, Zambia's human development indicators on almost all accounts, (education, life expectancy, literacy, etc.), are generally very low with no signs of improving. On the other hand, trends in cost of living show a constant increase.

The JCTR monthly food basket, a cost of living survey for a family of six in Lusaka, shows an increase of K8,210 from January's figure of K319,870 to K328,080 for the month of February. (This increase is part of a constant pattern over the past year)

This indeed is a substantial rise that will impact negatively on the well being of the people whose incomes have remained stagnant. It is now a trend for the country to experience price increases in food and other basic necessities for human survival every month. "There must be national commitment to improve people's well being if the country can begin to experience a wind of hope towards poverty alleviation and ultimately its eradication," says Muweme.

Currently, Zambia is in the process of formulating a Poverty Reduction Strategy Paper (PRSP), which will be a blueprint for the country on national development. This indeed is an important process that equals national planning within the free market economy dispensation. It is an exercise that requires the whole nation to prudently and diligently focus on this important process that can help this country address the overwhelming problem of poverty.

It is against this background that the Economic and Social Development Project of the JCTR calls upon national leaders, of whatever political party, "to sharpen their focus and apply greater vigour and pragmatism on issues that are genuinely pertinent to the development of this country, issues that are at the core of lessening the burden of suffering on the part of the poor."

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## **PRICE STABILITY, DECREASE AND INCREASE CHARACTERISE FOOD BASKET**

As we move into the second quarter of the year, the Economic and Social Development Research Project of the Jesuit Centre for Theological Reflection (JCTR) monthly food basket has shown a varied trend in prices of the cost of items.

According to Muweme Muweme, Coordinator of the Economic and Social Development Research Project, the price of mealie meal, cooking oil, eggs, salt, vaseline, for example, has shown a very marginal decrease as compared to last month's cost while meat and wash soap have recorded marginal price increase.

However, charcoal has recorded a very high increase. This is because of transportation and other difficulties associated with its production during the rainy season. The increase in the price of charcoal from K26,000 to K38,000 for two 90 kg bags for a family of six has accounted significantly for the rise in the cost of the food basket which now stands at K335,300 from the February figure of K328,080.

This is against a situation where the use of charcoal is very high among poor households because of the high electricity tariffs. For example, one woman interviewed noted that "I use charcoal when cooking such food items as beans and fish as these take very long to cook."

"It is obvious that the current high charcoal price will greatly disadvantage many poor households leading to heightened poverty situations," says Muweme.

Other items such as bread and bath soap have not shown any changes, they have remained stable.

The marginal price decreases recorded in some cases, show very little correspondence in the economy between the commodity prices and the strengthening of the Kwacha.

Muweme further observes that "significant price decreases on most of the essential commodities would greatly ease the hardships the Zambian people are experiencing everyday."

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## **FOOD BASKET COST SLIGHTLY DECREASES; JCTR CALLS FOR SINCERE NEGOTIATIONS IN CURRENT SITUATION**

During the month of May, the cost of the Food Basket minimally decreased according to the Jesuit Centre for Theological Reflection (JCTR). The May findings of the JCTR research show a decrease of K11,320 from the April figure of K340,720. Among other factors, this is due to slightly lower prices in mealie meal and charcoal.

The cost of the Food Basket occurs in a situation of a nation-wide strike by civil servants who are pressing for a 100% increase in their wages.

According to Muweme Muweme, it is clear that wages play an important role in contributing to household welfare and hence deserve urgent attention. The Central Statistical Office notes in its *Living Conditions Preliminary Report of 1998* that 42 per cent of the income for Lusaka Province households comes directly from regular salaries. "Obviously this means that with depressed wages, which is the case currently, household well being is seriously affected," says Muweme.

Much as the importance of wages is recognised by government sources, wages in Zambia have consistently remained low for most employees. It is now two years since President F.T.J. Chiluba pronounced civil servants' wages lower than K200,000 as "scandalous." At that time the Food Basket cost K252,740.

But wages have not increased in proportion to the rising cost of the Food Basket. JCTR's position has always been that employers pay employees just wages, wages that will sustain their families.

This sensitivity of JCTR to the question of wages stems from the Church's Social Teaching that recognises the centrality of the dignity of the human person. According to Peter Henriot, JCTR Director and lecturer in the Church's Social Teaching at St. Dominic's Seminary, Lusaka, "this recognition of the dignity of the human person must form the basis for arriving at what should be paid to an employee. Workers cannot be treated simply as 'commodities' in a market exchange," says Henriot, "where the lowest wages possible would be sought without regard for workers' needs."

Moreover, the Church's Social Teaching stresses that whatever wages are paid must be enough to provide for decent living conditions for a family. The basis of a well-ordered society is, of course, the family.

Because of the centrality of wages in household well being, constructive negotiations between employer and employee is of extreme importance. That is why since 1891 the Church's Social Teaching has explicitly supported trade union negotiations and legal strike action as necessary and legitimate steps in the whole process of attaining just wages. This is the clear teaching of the Catholic Church today.

JCTR therefore calls upon sincere and energetic negotiations in the current strike situation. These negotiations should lead to desirable outcomes in support of decent living conditions.

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## **JCTR URGES GOVERNMENT TO GO BEYOND MEETING PROJECTED ECONOMIC TARGETS**

In this year's budget the government projected that the Zambian economy will grow by 5 per cent, an increase from last year's growth rate of 3.5 per cent (down from the projected figure of 4 per cent); year-end inflation for 2001 was projected to be contained to the figure of 17.5 per cent. According to the recent statement by the Minister of Finance and Economic Development on Budget and Economic Performance for the First Half of the Year, the inflation figure as of May 2001 stood at 22.2 per cent, down from the December 2000 figure of 30.1 per cent.

"Obviously meeting these targets is fundamental to the improvement of Zambia's economy. But equally important is what this means in terms of cost of living for ordinary people," observes Muweme Muweme, Coordinator of the Economic and Social Development Research Project of the Jesuit Centre for Theological Reflection.

For example, the cost of the Food Basket of the Jesuit Centre for Theological Reflection is strongly determined each month by several factors, among them the inflation levels in the country and the value of the Kwacha in relation to other currencies. The Food Basket is by no means a measure of the cost of living in its entirety. It does not include cost of electricity, water, housing, etc.

Muweme further says, "as an estimate only of cost of food for a family of six in Lusaka, the Food Basket currently costs K328,570 down from last month's of K329,400. A reduction of only K830. This reduction cannot meaningfully impact on cost of living, the cost of living still remains high."

That the Food Basket does not measure cost of living in its entirety implies that if other costs as mentioned above are factored in -- *especially if we take the size of a household which might be more than that of a family* -- then the overall cost of living would undoubtedly be much higher.

Therefore, the Economic and Social Development Research Project of the JCTR feels both encouraged and discouraged by the statement from the Minister of Finance and Economic Development on Budget and Inflation Situation in Zambia.

We are encouraged in the sense that the country in the first half of 2001 appears to be moving towards the projected year-end inflation figure of 17.5 per cent as envisioned in this year's budget. However, we are discouraged in that there has been no impact at all on cost of living. In addition, there are still some threats both at the local and international levels that might impact negatively on the inflation situation and the overall economic situation.

For example, the value of the Kwacha in relation to other currencies continues to be unstable, the volatility in the price of crude oil, etc. In addition, the shutting down recently of companies like Lamise Plastic Container Manufacturing Plant, Amanita Milling and Amanita Zambiana operations paint a gloomy picture on the country's economy.

"This situation is undoubtedly inconsistent with the attainment of the projected year-end inflation and the economic growth target as well as overall improvement in living conditions of Zambian people," says Muweme.

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## **COST OF JCTR FOOD BASKET RECORDS SLIGHT INCREASE**

The Jesuit Centre for Theological Reflection (JCTR) Food Basket for a family of six in Lusaka for the month of July stands at K332,520. This is up by K3,950 from the June figure of K328,570. However, it must be pointed out that this cost is mainly for food. It excludes other essential items such as housing, electricity, water, transport, clothing, etc.

Muweme Muweme, Coordinator of the Economic and Social Development Project of the JCTR, observes that "The overall cost of the Food Basket can be influenced even by the rise in select or individual items composing it." The current rise in cost of Food Basket can be largely attributed to the price of mealie meal which has increased recently. This implies that the cost of living still continues to rise.

It is in the light of the rising cost of living that JCTR acknowledges the settlement of the wage dispute in the country and the importance of the recently released money to pay council workers' arrears by government. However, while acknowledging these two developments, JCTR would like to note the following very urgent points:

- *That the cost of living is still high. It is unlikely that the recent wage increase will in fact offset the rise in cost of living.*
- *That the settlement is not an end in itself. JCTR urges a continuous review of the wages to arrive at wages that more adequately reflect cost of living.*
- *That wages should be paid on time to mitigate suffering.*
- *That the recently released money by government to pay arrears due to council workers will go towards meeting that purpose and not be diverted for other purposes. Council workers in different parts of the country have had to endure a lot of suffering. It is only morally right that their suffering is lessened.*

"The importance of wages can not be overemphasised since human well being is among other things predicated on income. Household food security, sending children to school, medical expenses, etc., all depend among other things on people's ability to meet the costs involved," says Muweme.

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## **JCTR FOOD BASKET RECORDS HUGE INCREASE: PROPORTION OF HOUSEHOLD EXPENDITURE ON MEALIE MEAL RISES**

The Jesuit Centre for Theological Reflection (JCTR) monthly Food Basket for a family of six in Lusaka has recorded a huge increase in its cost. The cost of the Food Basket for the month of August stands at K348,500. This is up by K15,980 from the July figure of K332,520.

According to JCTR Economic and Social Development Research Project Coordinator Muweme Muweme, "the increase is largely attributed to the rise in the cost of mealie meal during the month of August." The cost of mealie meal now averages K24, 100. This translates into K72, 300 for the three bags required to feed a family of six in Lusaka.

"The huge rise in the cost of the Food Basket means that the salary increments recently worked out by government will not be as effective as they would have been in countering high cost of living had the cost of the Food Basket remained stable," observes Muweme.

Muweme further says that "as an estimate only of the cost of food for a family of six in Lusaka, the huge rise in the cost of Food Basket means also that the proportion of household expenditure on food will also have to increase at the expense of health, education, housing, transport, etc."

According to Central Statistical Office publication, *Living Conditions in Zambia (1998), Preliminary Report*, food amounted to 59 per cent as a share of the national household expenditure. Already we see here (1998) that the food budget was very high -- indicative of high poverty levels. With the rise in the current cost of the Food Basket, the situation will even become worse.

JCTR hopes that the current rise in the price of mealie meal will be a temporal one. Further, that the measures government has put in place such as the importation of maize to fill the maize shortfall in national requirements and the banning of exports of maize will result in making the price of mealie meal affordable.

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## **LACK OF POLITICAL SENSITIVITY TO COST OF LIVING WORRIES JCTR**

The current high level of cost of living is exceedingly difficult to cope with and has led to greater suffering for the majority of the Zambian people, observes the Economic and Social Development Research Project of the Jesuit Centre for Theological Reflection (JCTR).

According to the Coordinator of the Economic and Social Development Research Project, Muweme Muweme, the Food Basket for the month of September stands at K357,300, an increase of K8,800 from the previous month's figure of K348,500. "Though this increase may not be seen as a huge leap in the cost compared to the one for the last month, it is in a way a significant one. This is so because it is taking place at an already much higher figure beyond the reach of many poor households," says Muweme.

What is also worrying in this environment of deteriorating living conditions is the lack of political sensitivity and zeal to act promptly to avert crisis situations. The shortfall in the maize stock national requirement is an issue that should have been addressed long ago without necessarily leading to the current levels in the price of mealie meal. For example, when did the nation know that it was going to experience a short fall in maize national requirements? And when were remedial measures supposed to be put in place? Why was the prompt action delayed?

Worse still is the fact that as we approach the elections, very little in terms of programmes to address the problem of rising cost of living is being talked about by various political parties.

Before the events of 11 September 2001 in the United States, there were already indications that the global economy was beginning to slow down. This was shown by reports of job losses in industrial economies such as Japan and Germany.

However, Muweme further says, "What is more worrying now is the fact that the process of economic slow down is going to be given much impetus following what happened in the United States. This ultimately will impact negatively on the already high cost of living in Zambia, especially with possible rising price of fuel and declining price of copper."

Two issues emerge from what is happening pertaining to the availability of maize and to the slow down in the global economy. The *first* is the need to properly forecast and thereby deal with the problem before it gets worse. The *second* is to put in place measures relating to global economic situations that would help mitigate impact of what is happening at that level on the national economy.

Currently, without any precautions in place, the situation both locally and internationally gives very little hope in terms of uplifting Zambia's living conditions. According to Muweme, "We Zambian citizens need to hear our competing politicians talk more about these issues so that we can vote for wise and effective leaders."

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## **APPROPRIATE AND PROMPT POLICY RESPONSES IN AGRICULTURE VITAL, OBSERVES JCTR**

As signs of rainfall become conspicuous and thus signalling the beginning of the agricultural season, the Jesuit Centre for Theological Reflection, (JCTR) is calling for adequate preparedness in making available sufficient agricultural inputs (fertilizers, seed, etc) to enable adequate crop production.

Without adequate preparations, Zambia may have to import maize again next year. *It should be noted that Zambia need not import maize next year unless in circumstances beyond the country's control such as drought and floods.* Observes Muweme Muweme, Coordinator of the Economic and Social Development Research Project of the JCTR.

Poor agricultural production leads to increases in the cost of living as we are witnessing now. The JCTR Food Basket for a family of six in Lusaka is now costing K358,400 compared to last month's cost of K357,300.

According to Muweme, the rise is mainly attributed to the rising cost of mealie meal which has seen an adjustment to feed a family of six from K72,900 for the month of September to K75, 000 for October. "Where we can, let us as a country avoid such trends in cost of living which hurt the poor most," says Muweme.

Muweme further says that what seems to be more worrying is the lack of prompt and accurate policy responses to a lot of difficulties the country goes through, particularly those pertaining to agriculture. No where is this more evident than what we are experiencing now as revealed by the JCTR monthly Food Basket and the current situation concerning maize stocks in the country.

The words of one socio-economic analyst, Dr. Peter Henriot puts it more succinctly and aptly when analysing the agricultural situation in Zambia when he says, "Zambia seems to suffer from double drought. *First*, a policy drought where there is often too little and too late effective meeting of farmers' needs to produce food. *Second*, a natural drought where there is too little rain to enable crop production."

We can see here that the first kind of drought can be easily controlled compared to the second one. The failure to deal with the first kind of drought usually exacerbates the second kind.

It is therefore JCTR's hope that the country will this season have appropriate rainfall to enable crop production as well as appropriate policy responses to the situation in the agricultural sector.

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## **HIGH COST OF LIVING SHOULD BE AN ESSENTIAL FOCUS FOR POLITICAL CAMPAIGNS, SAYS JCTR**

As the political campaigns for the forth-coming tripartite elections move towards heightened levels, Zambian people continue experiencing worsening hardships in living conditions, says the Jesuit Centre for Theological Reflection (JCTR).

If only living conditions could be tackled with the greatest enthusiasm as being exhibited currently during electoral campaigns, there could be greater impact on improving welfare, observes Muweme Muweme, Coordinator of the Economic and Social Development Project of the JCTR.

The JCTR monthly Food Basket -- that measures cost of living -- for a family of six in Lusaka has highlighted the continued disastrous living conditions in the country. The cost of the Food Basket for the month of November stands at an all-time high of K377, 300.

However, this does not include other essential items that are necessary for human survival and well-being such as housing, electricity, water, clothing, fuel, transport, education, health care, recreation, etc. The current cost of Food Basket indicates a substantial increase of K18,900 from the previous month's cost of K358,400. This increase is mainly attributed to the continued rising cost of mealie meal. The average Lusaka price recorded was K29,100 (up from K17,300 only six months ago), we hear of the price being over K40, 000-K50,000 in other parts of the country!

We also know that the majority of households in Zambia spend most of their income on food. The rise in cost of the Food Basket means that a lot of households will be compelled to reduce the number of meals per day or do away completely with other essential expenditures.

Muweme further says that "Current trends in cost of living raise great fears about the future, particularly that government has allowed the inadequate maize situation to prolong far too long without being effectively and equitably addressed."

In this situation of high cost of living, two issues as a matter of development policy become particularly important now that political parties are busy campaigning. *First*, agriculture and its supportive role to other industries -- mining, manufacturing, etc. *Second*, employment creation with adequate wages.

These two issues are very critical to determining living conditions of the people. Therefore those aspiring to take responsibility of governing this country *must* tell the nation what they will do about agricultural policy and the employment situation.

It is JCTR's strong call that as the country moves towards elections on 27 December, these two important issues will be core in the campaigns of the various political parties and all the respective candidates for President, MPs and Local Government Councillors.

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## REFLECTIONS ON THE YEAR 2001: JCTR FOOD BASKET AND NEEDS OF THE ZAMBIAN PEOPLE

As Zambia approached the end of the year 2001, two issues became very prominent: the tripartite elections and deterioration in living conditions. The former is now past us while the latter is still with us taking on even worse proportions, says the Jesuit Centre for Theological Reflection (JCTR).

The current situation of rising cost of living cannot be attributed to anything else other than poor planning. The price of mealie meal in Zambia -- considering the country's natural endowments -- need not be as high as it is currently. The country can and should certainly grow its own maize to meet the demands of Zambian families, observes Muweme Muweme Coordinator of the Economic and Social Development Project of the JCTR.

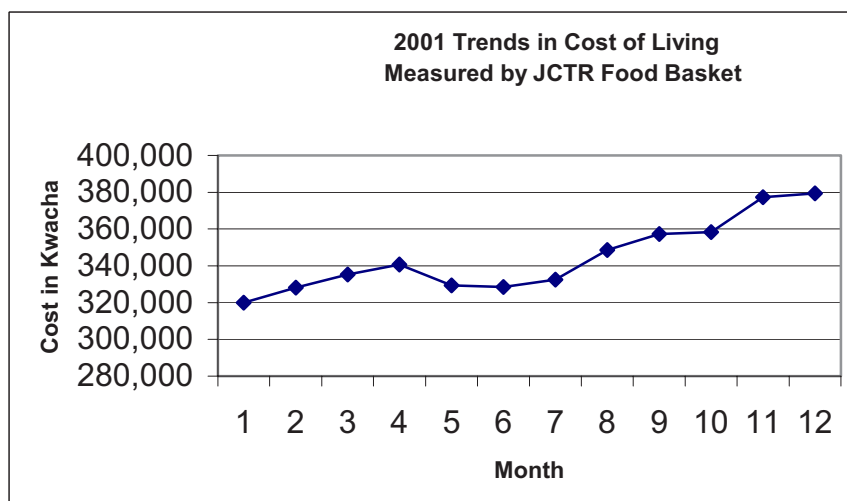
According to Muweme, the JCTR monthly Food Basket that measures cost of living for a family of six in Lusaka stood at an all-time high figure at end of year 2001. It was up by K2,090 from the November figure of K377,300 to K379,390. Two points need to be mentioned here regarding these figures.

*First* the increase in the cost of the Food Basket is mainly attributed to the rising cost of mealie meal. *The price of mealie meal remains highly volatile. As a consequence, the price asked for this first week of January in many markets varies between K30,000 and K65,000. The cost reflected in the Food Basket on 24 December 2001 averages K28,730.*

*Second*, the K2,090 increase in the cost of the Food Basket, though relatively small, is taking place within the context of an already high cost of living. Moreover, the JCTR Food Basket does not include in its measurement the cost of housing, transport, electricity, water, clothing, health, education, etc. It is a measure only of basic necessities for human survival.

Alongside the continued serious deterioration in living conditions during the year 2001 were also efforts on the part of government at containing inflation and attaining the growth target set out at the beginning of the year. Muweme observes: "While inflation has allegedly been contained to manageable levels around 17 Percent, cost of living as revealed by the Food Basket continued to rise for the whole of the year." (see figure below)

Figure:



The cost of the Food Basket for 2001 opened with a January figure of K319,870 and closed with a December figure of K379,390. This represents an increase for the year of K59,520 in the cost of the Food Basket or an inflation figure of 19 per cent.

"While dealing with the problem of inflation and reaching certain economic growth targets are important, more important is the question of how those efforts translate into improving the lives of ordinary people," says Muweme.

### **What Lessons for the Future?**

We know that targeting inflation alone is not a panacea to solving the problem of cost of living. There has to be greater attention to agriculture and other sectors of the economy that are potentially huge employers and also impact positively on living conditions.

Due to the poor performance of the agricultural sector, we are witnessing a phenomenon where rural people are relying on supplies of mealie meal from the urban centres. This obviously is creating the problem of affordability on the part of the rural population as most of them do not earn any income to purchase the commodity. Moreover there is also the problem of distribution, considering that some roads are impassable during the rainy season.

Muweme also says that there is need for government to avoid having to deal with crisis situations by ensuring that measures are put in place well in advance to solve an imminent problem or disaster. "The current maize situation in the country would not have taken such proportions had government been more prudent in its planning," states Muweme. Going by the current situation in relation to the distribution of farming inputs, one would find it very difficult to be hopeful about a productive agricultural season during this present year.

JCTR therefore calls upon government to exercise a greater sense of empathy and to solve the current problem of high cost of living in the country especially as it is currently manifesting itself in the price of mealie meal. Moreover, we call upon the new Administration in State House and the new Parliament to meet later this month to address more rational planning to meet the needs of the Zambian people. "For this reason" says Muweme, "we are encouraged that the key person in charge of the Zambian economy is now called the 'Minister of Finance and National Planning'."

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## **FROM FOOD BASKET TO BASIC NEEDS BASKET: JCTR EFFORT FOR MORE ACCURATE AND ADEQUATE COST OF LIVING ESTIMATES**

The Economic and Social Development Research Project of the Jesuit Centre for Theological Reflection (JCTR) has made major changes in the six-year history of the Food Basket research. The changes are both in name and content. The JCTR monthly Food Basket will now be called the *Basic Needs Basket* and includes nutritionally based data.

According to Muweme Muweme, Coordinator of the Economic and Social Development Research Project, the changes are a consequence of responses to recommendations that were received at the end of 2001 from several users of the Food Basket that included trade unions, women's groups, academics, nutritionists, the Central Statistical Office (CSO) and the media. The change is also an effort aimed at making the monthly Food Basket more *accurate* and *adequate* in highlighting the plight of the poor.

"As the 2002 National Budget is about to be presented to Parliament, it is important that citizens and policy makers have an adequate and accurate picture of the cost of living in Zambia," says Muweme. This would among other things facilitate designing policies that will be more responsive to the needs of the majority of Zambians, especially the poor. The cost of living has continued to rise impacting negatively particularly at food consumption by many households both in terms of quantities and nutritional balance.

Muweme also observes that the rising cost of living has an obvious telling effect on the health of the people and subsequently development needs and efforts of Zambia. For this reason and because of the strong correlation between food intake -- especially nutritionally balanced food intake -- and welfare, the JCTR has found it imperative to include in its *Basic Needs Basket* nutritionally based data. This is aimed at giving a picture of the cost of nutritionally based food requirements for a family of six.

The newly introduced *Basic Needs Basket* for the month of January for a family of six in Lusaka costs K829,250. "At first glance this figure may seem astronomically high," comments Muweme, "any Zambian reflecting on the demands of their real situation will acknowledge that it is a true reflection of the cost of living." It is realistic in that in addition to presenting nutritionally balanced food items (whose total amounts to K324,650), the *Basic Needs Basket* includes the cost of housing in medium density area (averaging K350,000) and other non-food essentials (amounting to K154,600).

The current high cost of living is also manifesting itself in the price of mealie meal. While the average in Lusaka for the month of December was K27,000, the average for January 2002 is K36,000. The cost of mealie meal is one issue that has been a subject of discussion for a long time in Zambia but has seen no change towards making the commodity affordable to most households which already spend a huge percentage of

their income on food with little or no income at all to spend on other needs such as health, education, etc..

## **Notable Changes**

One of the major changes introduced in the new format is that of separating food items from non-food items and the cost highlighted separately. *This means that the overall total cost of the Basic Needs Basket is the sum of the total cost of food items and non-food items.* Some important additions in the overall *Basic Needs Basket* include food items such as milk, kapenta, beans and non-food items such as electricity, water and housing.

It is also important to note that some other additional costs that are a key part of the daily lives of people have not been included in the calculation of the total for the *Basic Needs Basket*. However, because of their importance, their estimates are given separately. These include transport, education and health. Moreover, estimates for other human requirements such as personal care, clothing, recreation, etc., are not given because they are difficult to capture accurately.

Other changes include the expansion of the Lusaka sampling area to make the *Basic Needs Basket* survey more representative. This has meant addition of other sampling areas to the previous areas of data collection. The current areas of data collection are Northmead, Matero, Chawama, Kabwata, City centre (Shoprite), Soweto and Chainda.

## **Significant implications of the changes**

Undoubtedly, these changes introduced have significant implications. Two of them are,

- Because of the inclusion of some essential food and non-food items, the cost of the *Basic Needs Basket* is significantly higher than the previous Food Basket. However, this is a reflection of a realistic situation taking into account costs such as nutritionally necessary items and housing, electricity, water, etc.
- Comparison of the new cost of *Basic Needs Basket* with the cost of the Food Basket in previous months or years will now not be exactly possible because the two formats differ in content and sampling. However, what is lost in the value of comparability is more than balanced by the new accuracy and adequacy presented in the new *Basic Needs Basket*.

Muweme further says that since this is a first attempt at designing the *Basic Needs Basket*, there will obviously be the need for some improvements and refinement. JCTR will therefore be pleased to receive comments or responses over this new proposal.

"What JCTR needs," says Muweme, "is an effective tool in its continued campaign for more just social and economic policies in Zambia."

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## **BASIC NEEDS BASKET CHALLENGES THE 2002 NATIONAL BUDGET**

The 2002 National Budget presented by the Minister of Finance and National Planning has been applauded as one of the best National Budgets Zambia has ever had. This judgment is essentially based on what the Budget has set out to achieve for the people of Zambia. But the actual realization in concrete terms of what the Budget has set out to achieve is certainly the greatest challenge that lies ahead, comments the Jesuit Centre for Theological Reflection (JCTR).

"Particularly important is whether or not the Budget proposals will enable the majority of Zambian families, especially the poor, to have enough food to eat," Muweme Muweme Coordinator of the Economic and Social Development Research Project of the JCTR states, "since meeting the basic needs of the people is in our view the key criteria for judging how 'good or 'bad' the Budget is."

The JCTR Basic Needs Basket which estimates cost of living in Lusaka urban for a family of six -- taking into account costs for food such as mealie meal, beans, dry fish, meat, etc., and non-food essentials such as housing, charcoal, electricity, water, etc -- was at the end of February costing K823,510. This is down by K5,740 from the January figure of K829,250. This decline is largely attributed to the decline in the price of charcoal which has reduced by K6,000 for two 90 Kilogramme bags. This reduction is associated with low rainfall currently being experienced in Lusaka and other parts of the country.

The JCTR thus observes that the proposed K150,000 tax exemption in this year's Budget falls far below meeting basic needs. Indeed it hardly meets half of the monthly expenses for food, currently costing K324,510. "Instead of continuously strangling those in the formal sector in terms of their ability to meet their food and non-food essential requirements for their welfare, government should move quickly with its plans of broadening the tax base," says Muweme. This concern over broadening the tax base has been raised many times in the past.

The attention given to agriculture in this year's National Budget, which has been a repeated call by JCTR, is very encouraging. It is JCTR's hope that the budgetary allocation to this sector will translate into real action leading to improvement of lives of the poor.

Muweme further says that "Ultimately one of the most basic criteria for judging any budget or indeed any economic policy is what it does in concrete terms in making available food, clean water, education, housing, health, and other essentials of human welfare."

It is important that any Budget currently and in future move away from being something which "might" happen in terms of delivering to something that realistically does happen. Key to that, states Muweme, "will be very clear and strong monitoring of budget allocations to see that they really do meet the needs of the poor."

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## **CLARIFY POSITION ON SCHOOL FEES, JCTR URGES GOVERNMENT**

With the current high levels of cost of living in the country, it is *imperative* that Government immediately clarifies the issue of school fees, says the Economic and Social Development Research Project of the Jesuit Centre for Theological Reflection (JCTR).

Indeed, the news last month from the Ministry of Education about the abolition of all school fees up to grade seven was received with a great sense of relief by the majority of households throughout Zambia. However, the relief was short-lived following the pronouncement soon after by the Ministry of Finance and National Planning that parents were still obliged to make payments for the education of their children until budgetary arrangements had been settled.

"The abolition of school fees is one of the important aspects to removing impediments for attending school in the current situation especially by the poor," says Muweme Muweme, Coordinator of the Economic and Social Development Research Project. Research findings in the recent JCTR study, "Will the Poor Go to School: Cost Sharing in Education in Zambia," demonstrated clearly that the policy of cost sharing had negative consequences.

The study, done in collaboration with OXFAM, showed, among other things, that *households are spending on primary education nearly twice the amount that is provided through the public budget*. But the economic constraints on households are increasingly intolerable and as a consequence many young people are not being sent to school.

The abolition of school fees could have relieved many households of the current situation of the high cost of living. The JCTR *Basic Needs Basket* which estimates the cost of living for a family of six in Lusaka stands for the month of March at K824,600, up from the February figure of K823,510. This indicates an upward adjustment of K1,090. "Though this adjustment might seem to be minimal," says Muweme, "it is however taking place at an already extremely high level of cost of living."

Moreover, if we draw our attention only to food -- excluding the cost of essential non-food items -- it can be seen that *only* the cost of feeding for a family of six is still high, currently at K327,300. "How many households in Zambia have above K300,000 as monthly income at their disposal?" Asks Muweme.

JCTR therefore urges government to move quickly in ensuring that all school fees for the primary school level -- just one of the many loads bringing hardship to many households -- are abolished. This must be done very clearly, not just on paper but in practical terms (and hopefully subsequently for secondary level). Only in this way can there be an assurance of sustainable development for Zambia for the future.

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## **JCTR SAYS HIGH COST OF LIVING ENHANCING REPRODUCTION OF POVERTY**

The current and continuing rise in cost of living is reproducing poverty in such a way that it will be difficult for the majority poor people of Zambia to come out of it, observes Muweme Muweme, Coordinator of the Economic and Social Development Research Project of the Jesuit Centre for Theological Reflection (JCTR).

If one looks at coping strategies -- as revealed by the Living Conditions Monitoring Survey (1998) of the Central Statistical Office (CSO) -- such as reduction in the number of meals taken per day, reduction in the usage of household items like soap, asking from friends, substituting ordinary meals with fruits and other non-conventional meals, etc., one finds that they are very indicative of creating a cycle of poverty and generally impact negatively on households' ability to move out of poverty situations in a sustainable fashion. "Indeed," says Muweme, "these coping strategies are not in themselves sustainable, neither do they lead to decent sustenance of life."

According to recent estimates as indicated by the JCTR Basic Needs Basket, the cost of living for a family of six in Lusaka now stands at K825,500 up from the month of March figure of K824, 600. The cost of food *only*, still stands at more than K300,000. "We can see here that even the most basic need of human existence, adequate and nutritionally balanced food, is beyond the reach of many households," says Muweme.

It can also be observed that the high price of mealie meal has since the last quarter of 2001 been one of the major contributors to the rise in cost of the Basic Needs Basket. Other non-food essentials such as cost of housing, charcoal, water, etc., are amounting to K499,200.

As the country celebrates Labour day, which falls on 1 May, it is important that as a nation we reflect and critically look at the conditions in which labour is living. It is imperative that labour is taken care of because it plays a very important role in national development.

"It must be realised that the high cost of living is preventing people from effective and comprehensive participation in national economic activities. This situation is an antithesis to development," says Muweme.

Muweme also observes that it is important that any economic framework that is being pursued by government does not disadvantage the people, especially the poor whom it is supposed to serve. Instead, an economic framework must create conditions that will enhance the dignity of the human person through guaranteeing availability of food, shelter, medical care and basic education to people. People are the most important resource and players in economic activity, they are not only the means of achieving development but are the sole purpose of achieving that development.

The JCTR, following the lead of the Church's Social Teaching, holds that "the economy is for the people, people are not for the economy." This principle should be guiding both public and private actions in economic matters. It should make a difference in the priorities, Muweme feels, of the current negotiations going on over KCM and what to do if Anglo-American Corporation pulls out.

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**JCTR ENCOURAGED BY GOVERNMENT DECLARATION OF A NATIONAL DISASTER BUT CALLS FOR LOOKING BEYOND CURRENT SITUATION**

The declaration of a national disaster by government in light of the looming hunger situation in the country offers some hope in dealing with the problem effectively. However, the situation requires that appropriate and urgent measures are put in place to avert crisis of huge proportions, says the Jesuit Centre for Theological Reflection (JCTR).

Reports that some parts of the country will run out of food as early as July are a clear indication of the urgency of this problem. "The current problem of hunger in Zambia might be devastating because of the context in which it is taking place. This year's hunger situation is a result of the recent drought the country experienced as well as a carryover from the previous year's situation of lack of adequate food," says Muweme Muweme, Coordinator of the Economic and Social Development Research Project of the JCTR.

Muweme observes that "what is needed -- within a short period of time -- is a full-fledged proactive stance by government in addressing this problem". While the winter maize project might contribute towards meeting the national shortfall, the fact that some parts of the country will run out of food as early as July makes it imperative to also find alternative ways of addressing the problem.

In addition, it is *critical* when making maize available, especially in rural communities, to look at the question of the ability of these communities to afford buying the food in light of the poor agricultural performance, the source of their income.

"A lot of households in Zambia have suffered prolonged hunger or inadequate food intake. The only difference between their daily experience and the current situation is the *intensity* of the problem and the *cause*," says Muweme. Therefore, it is also important that government goes beyond looking at the situation in its current form and look at those factors core to accessing food by households, especially poor households. For example, it is difficult to see how a situation of unemployment and generally low wages can enable access to adequate food.

It is a foregone conclusion that one of the major reasons for inadequate food intake by majority households in Zambia is the high cost of living. The JCTR Basic Needs Basket -- which measures cost of living -- for a family of six for the month of May now stands at K814,350, slightly declining by K11,150 from the month of April figure of K825,500. This reduction can be attributed to marginal declines in the cost of mealie meal, kapenta and charcoal. The cost of food *only* for May is K317,150 compared to April's figure of K326,300. However, cost of living is still very high for many households in Zambia.

The JCTR is encouraged by government for declaring a national disaster in view of the current food situation in the country. "However," says Muweme, "it will be important to see that declaration in *concrete* terms through enabling households to have access to food, an important element to human dignity."

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## **CONSULTATIVE GROUP MEETING CHALLENGED BY JCTR TO LOOK AT COST OF BASIC NEEDS**

The forthcoming Consultative Group meeting between Zambia and Donors is taking place in a context of many long-standing and current socio-economic challenges that Zambia is facing, says Muweme Muweme, Coordinator of the Economic and Social Development Research Project of the Jesuit Centre for Theological Reflection (JCTR).

The challenges that Zambia is facing lie in almost all sectors, education, health, agriculture, mining, manufacturing, etc. For some time now, none of these sectors has performed well in ensuring that Zambia's development prospects notably and sustainably improve.

Indeed one of the other greatest challenges that has immense repercussions on education, health, etc., especially at the household level, is the ever-high cost of living that has persisted in Zambia. According to the JCTR monthly Basic Needs Basket, during the first six months of the current year, the cost of food *only* for a family of six in Lusaka has stood at an average of K325,043.

"Such a high demand of expenditure on food," says Muweme, "means that either other basic human needs such as health are not met or if they have to be met, food intake has to be reduced with such consequences as poor nutritional status of household members."

According to latest estimates of cost of living in Lusaka for the month of June, K827,950 is the requirement for a family of six to meet such necessities as food, decent housing and other essentials. This cost obviously is beyond reach of many households in Lusaka. Compare this with the average take home pay of primary school teachers of between K280,000 and K309,000 as well as other categories of workers.

The Basic Needs information as compiled by JCTR currently does not cover many parts of the country (extension of the research coverage is planned for later this year). However, it is discouraging to hear recent news reports from the Copperbelt Province that the price of mealie meal has continued to go up touching close to K37,000 per 25 Kg bag of Breakfast meal.

With an already massive unemployment situation in the Copperbelt Province and further threats of more people getting unemployed, a rise in cost of living means a lot of hardships on the part of the people, especially the poor and other disadvantaged groups such as women.

It is therefore imperative that these problems facing Zambia be the context in which the discussions of the Consultative Group meeting takes place. JCTR remains hopeful that the Consultative Group meeting and the recently launched GRZ Poverty Reduction Strategy Paper (PRSP) will indeed begin a realistic process of bringing an end to the suffering of the majority Zambian people.

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## JCTR SAYS FINDING CURRENT AND FUTURE SUSTAINABLE SOLUTIONS TO FOOD CRISIS IMPERATIVE

The current food crisis situation in Zambia -- marked by discussions about GMOs, hunger, winter irrigation, etc. -- requires sustainable solutions, observes the Economic and Social Development Research Project of the Jesuit Centre for Theological Reflection (JCTR).

It is a well known fact that Zambian households spend a huge proportion of their incomes on meeting food requirements. This situation obtains regardless of the situation of food availability in the country. According to Muweme Muweme, Coordinator of the Economic and Social Development Research Project of the JCTR, "One only needs to look at the relationship, for example, between the cost of meeting food requirements and the amount of average take-home pay."

It is also important to note that despite a huge proportion of household income going to food, it is still inadequate to meet nutritional food requirements leading to very high levels of undernourishment. The wages are constantly falling behind prices of basic needs.

The JCTR *Basic Needs Basket* that measures the cost of living for a family of six in Lusaka is currently estimated at K334,250 for food only, and K831,350 if other costs such as housing, energy, wash soap, jelly, bath soap, etc., are added.

Muweme further says that while the JCTR effort at estimating the cost of living is only confined to Lusaka, it is important to realise that the situation in the rural parts of the country is even more critical, especially looked at from the current hunger situation. Indeed, it is one thing to hear of the hunger problem from secondary sources and yet another to experience the pain of that hunger first hand.

Theoretically, the initiative of growing maize in winter that the Zambian government has put in place is an encouraging effort at averting hunger in drought situations. Encouraging too is the idea that government intends to extend these efforts to other parts of the country. "However," says Muweme, "what is of prime importance in these efforts at averting hunger is to see to how the *poor*, the majority of whom are *women*, will benefit."

In an economy where the majority of households lack sufficient income for their livelihood, the growing of maize in winter by irrigation in its current approach may not directly benefit the poor. One question that needs to be asked regarding the food produced under such an arrangement is, "What will be the relationship of the poor to the food that will be produced?"

According to JCTR, two issues are inevitably critical to addressing the current and future hunger problems. The *first* is that of enabling households through improvements in their incomes -- which may not happen in the immediate future -- to have access to adequate food. The *second* is to create capacity for households, particularly those in rural areas, to grow their own food under irrigation, that is, extending the growing of winter maize to poor rural households.

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**PRESS RELEASE**

**30 AUGUST 2002**

## **THE WHY, WHAT AND HOW QUESTIONS ABOUT THE JCTR *BASIC NEEDS BASKET***

The all-pervasive focus on the hunger situation in Zambia today highlights especially the suffering of the poor. The August *Basic Needs Basket* of the Jesuit Centre for Theological Reflection (JCTR) provides once again a clear picture of this suffering, says Muweme Muweme, Coordinator of the Economic and Social Development Research Project of the JCTR.

This month's report indicates the cost of the *Basic Needs Basket* is K821,800. The average cost of food only is K324,500 (compare this with the average take home pay of secretary in the Civil Service which ranges from K270,00 to K370,000).

The JCTR has been compiling a monthly *Basic Needs Basket* for a long time. Muweme says, "the purpose of compiling the Basic Needs Basket is to promote economic and social justice through advocating change in policies that inhibit attainment of sustainable and decent livelihoods of the majority poor Zambian households."

Specifically, the *Basic Needs Basket* shows the barest minimum requirements for survival for a family of six in Lusaka. The *Basic Needs Basket* does not indicate the totality of what it takes to lead *humane* lives. However, it highlights how far below the income of people or households fall to meet basic human needs on a monthly basis. This focus on income is premised on the fact that while people may suffer from various forms of deprivations, for example, knowledge, access to clean water, health, etc., income deprivation tends to have wider implications in terms of limiting people's choices.

According to Muweme, the *Basic Needs Basket* is compiled in such a way as to reflect *nutritional balance* for a family of six. It is composed of food items such as mealie meal, meat, eggs, vegetables, cooking oil, sugar, dry fish, milk, etc.

In addition to the food items making-up the *Basic Needs Basket*, there are non-food items such as charcoal, wash and bath soap, water, housing, etc. It is important to note that the *Basic Needs Basket* does not include in its calculation the cost of health, transport, education, personal care, etc. These costs are rather difficult to capture on a monthly basis.

Muweme further says that even in its simplest and barest compilation, the *Basic Needs Basket* is below the reach of many households. The question that the *Basic Needs Basket* brings to the fore is thus: If it costs this much for a *minimum requirement* for a family of six to survive on, what then are the cost implications for *reasonable or decent living*?

The JCTR believes that one of the important objectives of development is the enhancement of a quality life, manifested in having access to food, health, education and other necessities. The *Basic Needs Basket* through giving us a fairly accurate and comprehensive picture of cost of living in Lusaka, points to how Zambia is doing along these noted dimensions of development, observes Muweme.

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**FOOD COSTING K326,500: JCTR SAYS CURRENT POLITICAL  
DEBATES SHOULD ALSO ADDRESS SOCIO-ECONOMIC REALITIES**

The current focus of political debates in the country has distracted the critical question of looking at the needs of the people, observes the Economic and Social Development Research Project of the Jesuit Centre for Theological Reflection (JCTR).

The prevailing socio-economic situation in Zambia marked by inflationary pressures, hunger situation, unemployment, etc., is working against any meaningful improvements in people's lives. This combination of problems is inhibiting Zambia's sustainable development efforts that the country desperately needs.

"The ways to addressing these problems should be as central in our public debates as are political issues such as who belongs to what party!" says Muweme Muweme, Coordinator of the Economic and Social Development Research Project.

Indeed, the current political debates are important in moving the country forward in a truly democratic fashion. However, these debates should also be taking into account the *critical* question of how people's needs, especially those of the poor, are going to be met effectively and equitably.

It is important that the same level of intensity characterizing political debates should also characterize socio-economic debates, particularly also as this relates to the current hunger situation in the country. People's ability to have access to food is both an end of development as well as a fundamental means to that development.

The JCTR survey of basic needs comes out at the end of every month and reveals to what extent people are in difficult situations. The *Basic Needs Basket* September report shows that a family of six in Lusaka needs K326,500 a month to spend only on necessary food.

If costs of non-food items such as decent housing, wash and bath soap, electricity, water, etc., are added, the cost of the Basket comes to K825,100. "Yet," says Muweme, "even this amount, so high in comparison with the general low levels of wages, does not take into account cost of transport, health, personal care, etc." Compared to the previous month of August, there has been an upward adjustment in the overall cost of the *Basic Needs Basket* of K3,300.

The JCTR, together with the Kasisi Agricultural Training Centre (KATC), is currently looking at the hunger situation in the light of the GMO dispute. It is the view of JCTR that Zambia must build a sustainable foundation upon which its people, especially the poor, will have access to nutritionally balanced food that will assure them good health and participation in the process of development.

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**PRESS RELEASE**

**5 NOVEMBER 2002**

## **JCTR *BASIC NEEDS BASKET* REPORT REVEALS AN ALL-TIME HIGH COST OF LIVING IN LUSAKA**

The prevailing situation of cost of living in Lusaka today requires that a family of six spends K836,550 to meet its basic needs, says the Economic and Social Development Project of the Jesuit Centre for Theological Reflection (JCTR).

According to Muweme Muweme, Coordinator of the Economic and Social Development Research Project, "While this report is at present only referring to Lusaka, it is important to note that cost of living may be higher in other parts of the country -- particularly those with serious food deficits such as southern parts of Zambia -- than what the Lusaka report indicates."

Indeed this rise in cost of living is a reflection of the current problems of inflation, exchange rate, scarcities of food, depreciation of the Kwacha, etc., as noted recently by the Bank of Zambia. The disconcerting part of these problems, however, is the impact on poor people's ability to have access to food and other non-food essentials. The poor are having to bear most of the harsh consequences from these difficulties Zambia is currently facing.

According to the October 2002 report of the JCTR *Basic Needs Basket* -- a measure of cost of living in Lusaka -- a family of six requires K836,550 to meet its needs of food, housing, water, electricity, etc. If costs of health, transport, personal effects, etc., are added, the overall cost of the *Basic Needs Basket* would definitely be much higher than the figure of K836, 550 reported.

In the face of the current problems Zambia is going through, there is need for the country to address these problems in ways that will not lead the country into a deeper crisis. Muweme further says that "All measures designed to deal with the current economic difficulties of inflation, the exchange rate, etc., must take into account impact on the poor. The measures must not hurt the poor but must instead uplift them from their present poor living conditions."

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## **MORE EFFORTS NEEDED AT ADDRESSING ZAMBIA'S IMMINENT DEEPER SOCIAL CRISIS, SAYS JCTR**

Zambia has a vast potential in almost all sectors to advance the quality of life of its people. We *need not* and *should not* be facing the current socio-economic problems of hunger, loss of value of the Kwacha, high cost of living, etc. says the Jesuit Centre for Theological Reflection (JCTR).

These difficulties in the midst of massive potential are a reflection of a lack of priority setting and adhering to those priorities, inadequacies in policy design, failure in programme implementation, etc. Obviously such a situation must be addressed in more *pragmatic* and *holistic* ways. There must be change in the way we have been doing things as a country.

According to Muweme Muweme, Coordinator of the Economic and Social Development Project of the JCTR, "What we know and have seen is obviously that these individual problems tend to reinforce each other and this is particularly true with the current hunger problem."

The recently announced increase in fuel prices will make the situation even more desperate. We know for certain the wider implications that come with a rise in the price of fuel. The cost of all basic human necessities will rise. Muweme notes that "Even before the upward adjustment of the price of fuel takes effect, we saw an increase in the prices of basic food and non-food essentials mainly due to the loss of value of the Kwacha."

For example, the November JCTR monthly *Basic Needs Basket* (measuring cost of living for a family of six in Lusaka) indicates K357,000 as minimum requirement to meet the barest of needs of food such as mealie meal, beans, cooking oil, sugar, etc. When you add to this cost of food other essentials for survival such as soap, housing, energy sources, etc., the cost goes to K863,400. This is up from an October level of K836,550. The rise in the cost of the *Basic Needs Basket* is mainly attributed to the rise in the price of mealie meal, charcoal, meat, etc. It is clear that in the near future, the price of mealie meal will rise even further following the recent increase in the price of fuel and the growing shortage of maize.

Also important to note is the fact that even though the *Basic Needs Basket* report is only confined to Lusaka, the cost of living, particularly in relation to mealie meal is much higher in many other parts of the country.

Muweme states that "In a situation such as prevailing today, price increments become even more unbearable to the poor. Coping or survival strategies have been almost exhausted especially in those areas that experienced low agricultural production due to drought. Indeed, as past trends have shown, it is even more worrying to note that people will face more survival difficulties in the coming months of December and January."

Because of this critical situation, the JCTR expresses strong compassion for and solidarity with the suffering people in the country. We pledge to redouble our efforts to promote a just response to meet their needs. We call upon all political parties, churches, NGOs, international partners, government offices and political figures to commit themselves to meeting the crisis as their number one priority in the weeks ahead.

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## YEAR 2002 CHARACTERISED BY DISTURBING SOCIAL CHALLENGES, OBSERVES JCTR

The last twelve months of 2002 have seen a serious deterioration in the social conditions of most Zambian people, says the Economic and Social Development Research Project of the Jesuit Centre for Theological Reflection (JCTR).

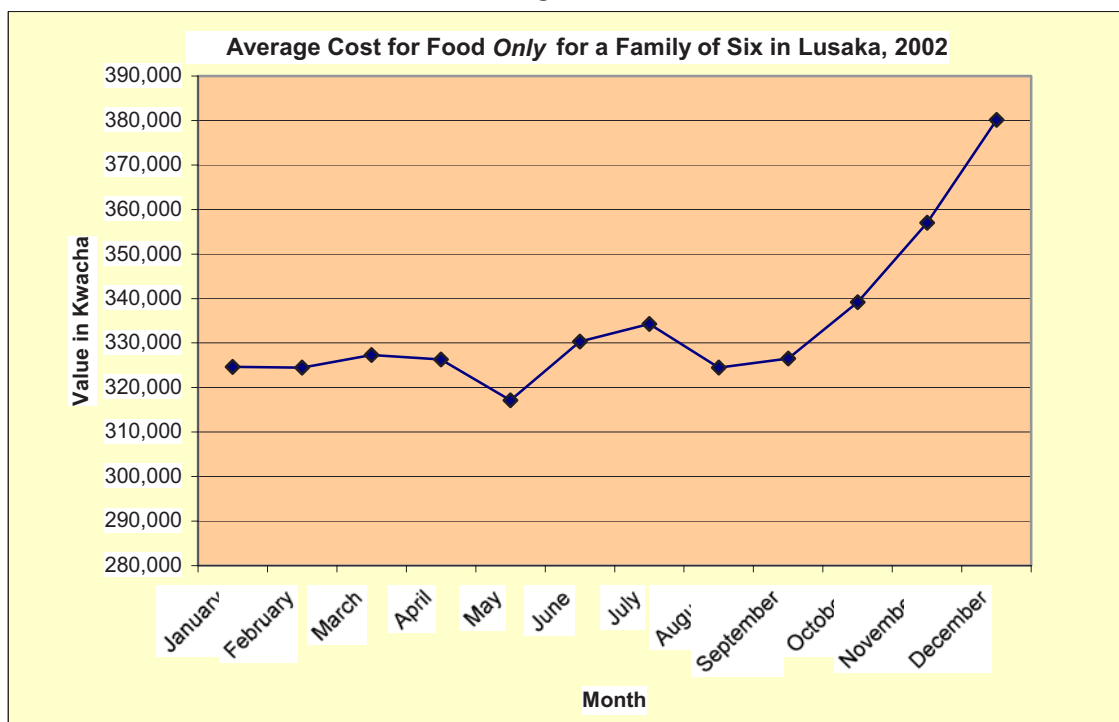
This situation should be seen, however, as a consequence of long-standing problems coupled with unexpected set backs such as the pull out of Anglo-American and the adverse weather experienced in the 2001-2002 agricultural season. The most unfortunate thing about Zambia's socio-economic problems is that they have tended to reinforce each other in ways that have made resolving them extremely difficult.

According to Muweme Muweme, Coordinator of JCTR Economic and Social Development Research Project, "The bad situation also implies that most of the country's economic reform programmes – imposed by external forces such as the World Bank and IMF -- have not delivered as anticipated." Certainly critical in the whole mix of problems Zambia is facing has been the severe hunger problem experienced in some parts of Zambia which led to immense pressure on the country's food requirements. Muweme notes that food is our most important and basic commodity, but that in recent years Zambia has *consistently* failed to provide adequate food for the people.

Because of factors also associated with non-productivity of the economy – especially in the mining and manufacturing sectors -- the Kwacha has been on a downward trend in its relationship with other foreign currencies. At the start of 2002, the exchange rate was around K3500 to the US dollar; towards the end of the year it had depreciated to over K5000 to the dollar. "What is most unfortunate about the fluctuating Kwacha value is that depreciation sets in motion consumer price increases," says Muweme, "but appreciation such as is currently being experienced does not in fact bring any lower prices to consumers."

The JCTR *Basic Needs Basket* that measures cost of living for a family of six in Lusaka points to the fact that the cost of food, particularly mealie meal, still accounts for much of the rising cost of living in Zambia. A review of trends in the cost of food for the year 2002 (shown in Figure 1) reveals that most of the sharp rises in the overall cost of food are associated with increases in the price of mealie meal.

Figure 1



Zambia recorded sharp increases in cost of living particularly during the last quarter of the year 2002, significantly associated with the loss in value of the Kwacha and the strong pressures to meet the national requirements of maize.

For example, in January 2002 the cost of mealie meal was averaging K36,000 for 25 kg, that of total food *only* (cooking oil, bread, milk, vegetables, mealie meal, eggs, beans, etc.) was averaging K324,650, and the overall *Basic Needs Basket* (food and other essentials such as energy, water, wash and bath soap, housing, etc) was K829,250. By December 2002 the cost of mealie meal was averaging K45,000, that of total *food only* was averaging K380,150, and the overall *Basic Needs Basket* was K887,550.

Zambia has failed to meet the macro-economic targets set in the 2002 GRZ Budget (e.g., 13 percent end-year inflation, 4.3 percent growth rate, etc.). Such targets are important, even though in the Zambian context they usually have seen have little or no consequences for the average person's quality of life. According to Muweme, failure to attain the set targets is an indication that the Zambian economy in addition to having suffered a setback in agriculture still remains unproductive, an issue that is critical to the uplifting of the living standards of the people. This failure also points to the fact that the government was overly ambitious in setting targets in relation to a realistic assessment of the productive base of the economy.

Politically, the country faces a situation of serious uncertainty which has had economic consequences. The still-pending presidential and parliamentary election petitions and the revelations of deep-seated corruption hinder the attraction of needed foreign investment.

"As we look ahead," notes Muweme, "it is important to recognize that sharp increase in prices of the *Basic Needs Basket* in an economy presently facing multiple difficulties (unemployment, HIV/AIDS, food insecurity, etc.) excludes people from what is *necessary* for human survival as well as *central* for ensuring human dignity." He adds, "It is particularly disturbing that prices at the end of the year invariably set the tone of what is to come in the following year."

At best, the socio-economic situation ahead for Zambia is deeply disturbing. Particularly critical and difficult to predict is what will happen in the agricultural sector. This will determine whether or not Zambia will have adequate food to meet its national requirements. Moreover, there are already reports of global increases in the price of crude oil. Moving into 2003, there still remains the likelihood of further increases in the price of crude oil if war erupts in the Middle East.

"As we plan for the future," argues Muweme, "it is the social justice view of JCTR that while the setting and attaining of macro-economic targets is important, it is equally important that these targets be studied and evaluated alongside quality of life indicators that measure social outcomes in a concrete fashion." That is why the approach of the Poverty Reduction Strategy Paper (PRSP) and the implementation of the Millennium Development Goals (MDG) are so very important, economically and politically, in the current situation.

For example, what is the relationship between people's income and cost of living? How many households have three meals per day? Where are we moving on literacy? On health? On housing? These are the fundamental questions whose answers point accurately to the real "workings" of a people-centred economy. For how else should any development programmes be realistically assessed other than through such social criteria?

Although Zambia's difficulties may seem insurmountable, they however lie on a foundation of hope, especially when one looks at the country's resource endowments, its enjoyment of peace, its people, its many potentials, etc. The JCTR hopes the year 2003 will see positive changes in people's lives and pledges that it will continue to work diligently for those changes.

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## **PEOPLE'S HARDSHIPS HIGHTENED: BASIC NEEDS COST A MILLION, SAYS JCTR**

In the midst of widespread human deprivations, cost of living for a family of six in Lusaka shows a *sharp* increase beyond reach of many households leading to *acute* and *widespread* hardships, observes the Economic and Social Development Research Project of the Jesuit Centre for Theological Reflection (JCTR).

According to the monthly basic needs report that shows cost of living in Lusaka for January 2003, a family of six now needs an average of K401,050 for food only (kapenta, beans, meat, eggs, vegetables, milk, cooking oil, etc.) and an average total cost of K1,029,159 if non-essential food items are included.

Muweme Muweme, Coordinator of the Economic and Social Development Research Project, observes that the average cost of food only in January is an increase of K20,900 from the month of December average cost of K380,150. The sharp increase has occurred in almost all commodities with the exception of mealie meal which has shown some stability.

For example, the average price of 4 litres cooking oil (required as minimum for a family of six) has risen from K29,800 to K32,400. The cost of green vegetables has risen from K1,700 per kilogramme in December 2002 to K2,300 in January 2003. Also the average price of tomatoes has risen from K1,500 per kilogramme in December 2002 to K4,000 in January 2003.

Key to these upward price adjustments are such factors as the difficulties associated with the growing of vegetables (which have recorded a huge increase) during the rainy season, specifically the need for chemical applications to prevent insect infestation. Moreover, the general poor state of the economy and in particular the Kwacha has continued to record loss in value in relationship to other currencies, reflected for example, in the rising cost of cooking oil.

"A fundamental point to note," says Muweme, "is that human essentials are not only confined to food requirements." In December 2002, the average cost of non-food essentials such as housing, water, electricity, wash and bath soap, etc., was K507,400. In the month of January, the average cost increased by K120,700 to K628,100. A huge proportion of the increase is coming from the cost of housing which has recorded a sharp rise. Throughout Lusaka, rentals have been on the increase in the past few months.

If we add the average cost of food and non-food essentials, the total cost of the *Basic Needs Basket* for January is K1,029,159, an increase of K141,600 from the December 2002 figure of K887,550. This indeed is beyond the reach of many households and makes the monthly earning of K160,000 as the PAYE tax exemption threshold extremely inadequate. It also means acute hardships for the households.

"Government has made efforts in this year's national budget towards broadening the tax base and we would like to believe that one of the fundamental aims of this measure is to ensure that the tax burden is *not disproportionately* shared. However, one wonders how the proposed threshold for tax exemption is consistent with this objective," says Muweme. In any case, by putting money in people's pockets through a measure such as adjusting the tax exemption threshold, government will still guarantee some revenue through the Value Added Tax. Simply put, the more money people have, the more they will engage in some purchases which will raise income generated from VAT for the government.

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## **GOVERNMENT MUST RESOLVE THREATS OF CURRENT WORK STOPPAGES JUSTLY, SAYS JCTR**

The threats of work stoppages prevailing in the country today must be resolved in ways that take care of the needs of both the employees and the employers, says the Jesuit Centre for Theological Reflection (JCTR). "This essential two-way relationship," says Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR, "has on many occasions in the Zambian context not been beneficial to the employees."

The sad situation in Zambia is that not only do employees suffer from inadequate wages, but there is also a serious absence of decent employment. Thus high levels of unemployment are essentially a fertile ground for exploitative tendencies on the part of employers.

By and large, most employees in Zambia earn far less than what is required to meet their daily needs. The Zambian people, especially the poor in and out of employment, are restricted in terms of health and education, decent housing, adequate food, and other basics.

According to the latest JCTR *Basic Needs Basket*, the overall cost of basic needs has increased by K6,150 from K1,029,150 for the month of January to K1,035,300 for the month of February. The cost of non-essential food items shows an increase of K4,400 from the January cost of K628,100 to K632,500. The cost of food only has increased from K401,050 for the month of January to K402,800 for the month of February. This increase is mainly due to upward adjustments in the prices of mealie meal and cooking oil.

It must be realized that what the *Basic Needs Basket* highlights is not a total picture of what it takes for decent human living. For example, personal care, transport, health, etc., are not included in its calculation. However, it forms a fairly accurate picture of cost of living and its relationship to people's incomes.

According to Muweme, it is paramount that the current negotiations taking place between different employee unions and their respective employers be looked at in the context of the requirements for decent survival. For example, teachers' demands for 1.5 million Kwacha monthly salary may appear highly unrealistic. But considering that after tax, take-home pay is only a little over 1 million Kwacha, it is clear that this salary cannot meet the most modest demands of the *Basic Needs Basket*.

Core to this situation of threats of work stoppages is one fundamental experience the country has been going through over the years, namely, deterioration in the living conditions of the majority of Zambian people. This has been caused by *prolonged economic policy failure* attributed to both local and international factors.

"As the people of Zambia move towards reviewing the Republican Constitution, it will be critical to see that basic needs are treated as human rights. It is important for government to realize that meeting basic needs of people, especially of the poor, *is not an option but an imperative*," says Muweme.

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## **JCTR LINKS COST OF LIVING ISSUES WITH WAR IN IRAQ**

The Jesuit Centre for Theological Reflection (JCTR) says the monthly *Basic Needs Basket* continues to show that high demands are being placed on families to meet their daily needs of food and other non-food essentials.

In the latest *Basic Needs Basket* report for March 2003, a family of six in Lusaka requires K400,050 to meet its needs of food only. If other essential non-food items such as energy, wash and bath soap, housing water, etc., are added to the cost of food, the amount goes as high as K1,033,750. "Indeed the cost of the *Basic Needs Basket* would even be much higher if costs such as personal care, transport, clothes, health and education were added," says Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR.

According to Muweme, it is encouraging to observe that the *Basic Needs Basket* received significant consideration in recent salary negotiations by trade unions. "Demands by teachers for a salary of K1,500,000 are strongly justified," states Muweme, "when one takes into account the basic essentials that a family requires for survival."

More explicitly, the civil servants' demands are justified because they show a relationship between people's income and cost of living, a *fundamental* guide for arriving at wages at every level and type of employment. Muweme says, "It is through such an approach that we see the *imperative* nature of measuring living standards by quality of life indicators such as the number of meals a family has per day." Therefore, the government's settlement for less than what was requested by unions should be considered only as a *temporary* arrangement.

The government's frequent complaint that it does not have the resources to meet the workers' demands must be honestly evaluated in the light of other expenses that resources are easily found for, such as expensive travel abroad by large presidential parties, benefits for high government officials, proposed funding of political parties, large motorcades to accompany airport departures and arrivals, unnecessary defense spending, etc. Frankly speaking, the real issue is not *resources* but *priorities*!

Adding to the uncertainty of the socio-economic situation in Zambia is the tragedy of the war in Iraq. "We know very well that while Iraq is *very far away* geographically" says Muweme, "the consequences of the war are in fact *very close* to us in Zambia." The price of oil will go up, affecting food prices here, development assistance will be diverted, debt relief will be delayed, and political instability will be fostered.

Going to the war without the approval of the United Nations and arguing a doctrine of national security that allows the United States to impose its own administration in Iraq threatens sustainable international relations for peace and thus endangers Zambia's future also.

JCTR therefore joins church leaders, governments, and concerned people around the world that have opposed this war as unjust and immoral. It implores the United Nations to act to bring about an end to the war. JCTR takes this position because of its concerns about the lives of people in Iraq and in Zambia.

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## **HOLISTIC AND DECENTRALISED APPROACHES CRITICAL TO EFFICIENCY AND EQUITY IN HEALTH SERVICES, SAYS JCTR**

*Holistic and decentralized* rather than *sectoral and centralised* approaches are key to effective and equitable delivery of health services in Zambia, observes the Jesuit Centre for Theological Reflection (JCTR). This is the message of a major study released by JCTR on 09 May 2003.

The study, entitled "Health Status and Health Equity: A Case Study of Zambian Households in Selected Areas," was commissioned by JCTR and conducted by Prof. V. Seshamani and Dr. C. Mwikisa of the Economics Department of the University of Zambia. One of its prominent findings is that centrality has a consequence of the inequity that emerges in terms of the distribution of health facilities and services as well as overall development. For example, Chongwe district, despite being in the best fairing province of Lusaka, has a higher incidence of mortality and illness compared to Mongu, the capital of the most deprived province.

Moreover, the study established that people do not see much benefit from the health facilities that are not adequately equipped with competent medical personnel and supplies. They were concerned, in particular, with the continued lack of drugs at health facilities. This forced them to use drugs whose quality they were not sure of. The situation also means that they obtained drugs from relatives and friends or purchased from chemist shops. They are also not aware of the right dosages of the drugs resulting often in over-consumption and consequent resistance to drugs over a period of time.

The JCTR study also notes that if there are many sick members in a household or members who are chronically ill, even if they are receiving treatment for which households are spending money, it does not imply that households can afford such expenditures. Often, this expenditure may be incurred by cutting back on food and children's education. A household may consume less food or pull children out of school so that the resultant savings may be used to treat sick members. This is a very dangerous situation arising out of the inadequate household incomes characteristic of most households in Zambia.

"This fact is critically important," says Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR "and is one of the reasons the JCTR has been advocating for policies that enhance living conditions through ensuring that households earn adequate incomes." The just-released April 2003 *Basic Needs Basket* report -- though confined to Lusaka but certainly giving an idea of what is obtaining elsewhere in the country in terms of cost of living -- continues to show high cost of living for a family of six. Currently the cost of food for a family of six in Lusaka is K383,650. This continues to be high, despite some reduction in the price of mealie meal because of the start of the harvest of the current maize crop. The total Basic Needs Basket, which includes non-food items such as housing and charcoal, was K1,030,850 for April 2003.

Sadly, the worst affected households are those headed by females, says Muweme. The study established that *gender inequity* exists in respect of health status and affordability of health care. This study serves to reinforce the broader findings from numerous researches that gender differentials constitute a serious development issue that needs to be addressed. Furthermore, the growing impoverishment of households and the incidence of orphanhood caused by death of parents from disease, largely due to AIDS, have been generating growing numbers of

children dependent on other households to take care of them. This in turn leads to deterioration in the living conditions of these latter households. The burden of supporting additional children seems to be a widespread phenomenon in both rural and urban households.

## RECOMMENDATIONS OF THE STUDY

Based on some the major findings highlighted above, the JCTR study on *Health Equity* makes the following recommendations:

- *First*, poverty reduction and development programmes should not be concentrated only in the vicinity of major towns, cities and capitals. This results in an “out of sight, out of mind” approach to development! Programmes need to be evenly spread over the entire country. Indeed, given the higher levels of deprivation already obtaining in the more remote areas in the country as a whole as well as within each province and district, there is need to focus development efforts more on these areas than on those that are already empowered to some extent in respect of various dimensions of development such as social services, employment, infrastructure, etc.
- *Second*, the problem of health has to be addressed from a *holistic* perspective because of the inter-linkage of health with other elements such as food, nutrition, education, etc. Spending to cure the illness of the sick members of the household by reducing food and nutritional intake of other healthy members, for example, would increase the probability of the latter also falling ill and thereby warrant further future spending on curative health. Thus the affordability of health services must be gauged not simply by the actual spending by households on the services but in relation to the overall basic needs of the households.
- *Third*, as has been suggested in other major studies cited in the JCTR report, targeting beneficiary groups in poverty reduction programmes should use, for greater effectiveness, “Poverty + Health, notably HIV/AIDS” as the formula to assure more effective coverage.
- *Fourth*, in working out exemption mechanisms (e.g., doing away with cost-sharing in health services), account should be taken of other variables other than monetary ones only. Given the scarcity of resources, use of broader variables, like the ones used in this study to construct socio-economic indices, will ensure that only the needy benefit from the well intended exemption mechanisms.
- *Fifth*, health programmes and more broadly poverty reduction and development programmes must target female-headed households. The gender element is critical to overall effective development efforts in Zambia.

According to the JCTR, if Zambia is ever to turn the corner on development – that is, move away from severe poverty conditions and advance toward sustainable livelihoods for all – there must be a marked improvement in the delivery of education and health services. “No country develops without an educated and healthy population, states Muweme. *“This position will ever be central to JCTR..”*

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## **JCTR URGES FOR “FOOD ON THE TABLE” DISCUSSIONS TO BE AS KEY AS POLITICAL DISCUSSIONS**

The Jesuit Centre for Theological Reflection (JCTR) has urged for an equal weight of public discussion around politics and food. “It is obviously the case,” says Muweme Muweme, Coordinator of the JCTR Social Conditions Research Project, “that the realm of politics has a strong bearing on national resource allocation including food.” This inevitably demonstrates the need to pay particular attention also to economic issues surrounding people’s well being, especially as it concerns households having access to three meals a day, a situation which is presently lacking in Zambia.

The JCTR monthly *Basic Needs Basket*, a tool for the estimation of the cost of living for a family of six in Lusaka, has once again shown that to survive or indeed to have access to three meals per day for a family of six is the hardest thing to achieve for most households in Lusaka and wider in Zambia, both for households with members in and out of employment.

In its composition, the *Basic Needs Basket* highlights average costs of food items such as mealie meal, beans, kapenta, cooking oil, eggs, meat, vegetables, etc., and essential non-food items such as energy, water, housing wash and bath soap, etc. For the month of May the total cost of the *Basic Needs Basket* amounted to K1,028,650. There is some reduction in the overall cost of food *only* compared to the previous month, mainly due to the reduction in the price of mealie meal which has gone down from an average of K41,800 in April to K36,500 in May.

While the price of mealie meal -- a significant determinant in the overall cost of food *only* -- has dropped mainly because of positive outcomes in the current agricultural season, other food items such as vegetables have shown either some relative stability or some increase compared to last month.

One woman trader of vegetables at one market place in Lusaka, spoke with the JCTR and had this to say about the price of vegetables: “It is usually the case that we experience reductions in the price of vegetables around this time of the year, leading up to the time when it becomes very cold. But this year has not seen any remarkable price reductions of vegetables. Maybe when we start moving towards the hot season.” Average take-home wages continue to be much lower than the estimated needs of households, for example, nurses take-home wages range from K461,000 to K715,000, that of teachers range from K407,000 to K913,000.

While Zambia will experience some positive outcomes in terms of an increased crop harvest, with the positive impact of easing the pressure of rising cost of living, the JCTR urges for a movement from the “poverty of politics” defined in a narrower sense, to “politics of poverty” whose centrality will be issues of human wellbeing, fundamentally food.

Any criteria of judgment of development achievements in the Zambian context must not leave out this key issue of food. “For this reason,” states Peter Henriot, Director of the JCTR, “we look today for genuine leaders of Zambia to speak more about the economic and social issues of the survival of the people than about the political and personal issues of the survival of politicians!”

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**GOVERNMENT MUST PUT HUMAN INTEREST AT THE CENTRE  
OF THE CURRENT PROBLEM OF BUDGET OVERRUN, SAYS THE JCTR**

What should be the guiding principles surrounding the proposals or solutions to the anticipated problem of Zambia's national budget overrun? This is the question posed by the Jesuit Centre for Theological Reflection (JCTR) in light of the current problem and debate on the anticipated national budget overrun.

At one level it is a matter of resolving the problem in the interest of future economic prosperity of the country. At another level, however, it is matter of ensuring that the conditions of employees, on which development attainment is predicated, are given the critical consideration necessary for development to take place.

"The people as a means and an end to development is where the current crisis of our situation of the national budget overrun lies," says Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR. Simply put, which way should government take? Starving its people for anticipated future economic redress or pay now what is justifiable in light of high cost of living? While on one hand future economic prosperity is critical, on the other hand to deny what is supposed to be paid as a wage sufficient to meet household needs is unjust and an antithesis to development. It is to arrive to the conclusion that government has no money, therefore let the employee suffer various forms of deprivation.

There have been many years of hard sacrifice by the Zambian people as they have contributed to the process of national economic building. However, solutions that have been prescribed and implemented have not in fact brought substantial curative action to the continuously ailing economy. Prominent among the myriad constituents of the ailing economy is cost of living. "In fact, says, Muweme, "this is where the justified demands that have led to an upward adjustment of wages and housing allowances are coming from."

The *Basic Needs Basket*, the JCTR monthly estimation of the cost of living for a family of six in Lusaka, has, despite recording reductions in the price of mealie, consistently shown serious difficulties that households are encountering in meeting their daily essential requirements. The total cost of the *Basic Needs Basket* for the month of June stands at K1,012,100. For May it stood at K1,028,650. The cost of food *only* is K365,400. In May food *only* was costing K376,950. The reduction in the cost of food *only* is on account of the lowering price of maize because of the adequate harvest the country is experiencing this year.

Muweme further says that in calculating the total *Basic Needs Basket*, costs of transport, clothing, health, personal care, etc., are not included. If these costs were to be included, the cost of the *Basic Needs Basket* would certainly be higher than what is being presented.

In calling for human considerations in dealing with the current problem of national budget overrun, the JCTR is not advocating for consumption at the expense of production. Rather the JCTR is placing human considerations high due to the realization that wages that enable employees to actually experience sustainable decent living conditions actually facilitate the process of development. Certainly the demands of the employees for wage adjustments are justified. The critical question thus becomes: why is government unable to meet such justifiable demands? If we looked critically and honestly at government expenditure patterns, would the anticipated budget overrun be as grave as it appears or as difficult to manage as government leaders claim?

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## **JCTR *BASIC NEEDS BASKET* RECORDS LOW MEALIE MEAL PRICE, OTHER FOOD ITEMS REMAIN HIGH**

One of the key benefits of focusing on agriculture, especially sustainable ways of maize production in the Zambian context, is its positive impact on the cost of living of all our citizens, says the Jesuit Centre for Theological Reflection (JCTR).

This is according to the *Basic Needs Basket*, the JCTR monthly estimation of the cost of living for a family of six in Lusaka. Once again the Basket has recorded some reduction in the price of mealie meal. The price of mealie meal has declined by K3,500, moving from K30,500 for the month of June to K27,000 for the month of July.

“While this reduction is a positive outcome, particularly in the urban setting, there must be a balance in which such a situation is taking care of the interests of both the producers of maize, especially the small-scale farmers, and the urban consumers,” says Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR.

This reduction could be a reflection of a very low price at which the maize is being acquired. This may be because the small-scale farmers are unable to store the maize for sale later when the price is favourable. They may also have to sell even at a lower price than the recommended “floor price” of K30,000 because of other pressing household needs.

It is also important to acknowledge that while the price of mealie meal has gone down, other food items such as meat, eggs, cooking oil, bread, sugar, kapenta, dry fish, etc., have remained high, meaning that households continue to experience serious difficulties in meeting their daily essential requirements.

The cost of food only is now K357,200. For the month of June it was K365,400. The cost of essential non-food items such as charcoal, wash and bath soap, jelly (for example, Vaseline), etc., is now K648,200. The cost of essential non-food items has gone up slightly by K1,500 from the month of June figure of K646,700. Thus the total cost of the *Basic Needs Basket* (i.e., cost of food plus cost of essential non-food items) for the month of July stands at K1,005,400 compared to K1,012,100 for the month of June. “This is indeed a very slight decrease,” says Muweme.

The JCTR conducts the *Basic Needs Basket* survey as a way of highlighting the daily challenges that the majority of Zambian households encounter in trying to meet decent sustainable livelihoods. “The inability,” states Muweme, “to lead decent lives on account of meeting food as well as non-food requirements in sufficient ways has unfortunately been one of the most prominent failures of the Zambian society. As a consequence, it must be taken into serious consideration during the current contentious discussions on civil servants wages and conditions of service.”

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**PRESS RELEASE**

**01 SEPTEMBER 2003**

## **JCTR *BASIC NEEDS BASKET* COSTING K1,014,500 IN THE MONTH OF AUGUST**

The Jesuit Centre for Theological Reflection (JCTR) compiles the *Basic Needs Basket* for a family of six in Lusaka every month. This is an effort aimed at giving a picture of the struggle confronting households in meeting their daily essential needs. The *Basic Needs Basket* shows the relationship between household incomes and requirements for basic human survival. It highlights the cost of food and essential non-food items.

According to estimates of the cost of the *Basic Needs Basket* for the month of August, the total cost of food and essential non-food items is K1,014,500. Food only, that is, mealie meal, beans, kapenta, vegetables, bread, eggs, sugar, etc., is costing K367,700. The cost of food only has gone up by K10,500 from the July cost of K357,200. Upward adjustments have been recorded in the cost of beans, meat, dry fish, etc. The cost of mealie meal has slightly gone up from K27,000 in July to the current figure of K27,600.

The cost of essential non-food items such as charcoal, wash and bath soap, jelly, energy, etc., has been recorded at K646,800. The cost of essential non-food items in July were recorded at K648,200. There has been a slight reduction for the month of August of K1,400, on account of a downward adjustment in the cost of charcoal. Other items such as wash soap, jelly (e.g., vaseline) have recorded some increases.

The JCTR hopes that the recent marginal reductions in the cost of fuel (petrol and diesel) will have some positive influence in the overall cost of living in the coming weeks.

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## **POLITICS OF IMPROVING THE ECONOMY KEY TO FINDING SOLUTIONS TO ZAMBIA'S PROBLEMS, SAYS THE JCTR**

Zambia's need for a strategic and effective focus on its economy remains at all times highly critical. "This focus on the economy is one that must not be in proclamation only. It should translate into actions that will lead to improved living conditions by the majority of Zambian people through having access to employment, adequate and nutritionally balanced food intake, quality education and health care, employment, etc." says Muweme Muweme, Coordinator of the Social Conditions Research Project of the Jesuit Centre for Theological Reflection (JCTR).

The longstanding need for focus on the national economy and improving standards of living among the Zambian people should also be seen as a political issue that every politician should be challenged to address beyond daily rhetorical statements that the Zambian people have been subjected to.

The people of Zambia have faced a lot of challenges, among them the ever rising cost of living that mean always inadequate food intake, lack of access to quality health care and education. The *Basic Needs Basket* that shows the cost for fundamental survival for a family of six in Lusaka has again revealed the magnitude of the challenges faced by the Zambian people. In the month of September, the Basket has recorded increases, among others, in the prices of meat, dry fish, kapenta, beans and eggs.

According to one Lusaka meat trader, "The price of meat has gone up because of reduced supply of the product to the market. This is because there has been no pressure among households that own cattle to sell some of their cattle in order to meet other food requirements such as maize, as is usually the case during seasons of poor agricultural production. This has resulted in reduced supply of meat leading to price increases in the commodity in urban areas."

Food *only* is now costing K384,450. In the month of August, food *only* was costing K367,700. There has been an upward adjustment of K16,750. The *total* cost of the *Basic Needs Basket*, that is, food and non-food essential items such as energy, water, housing, electricity, wash and bath soap, etc., for the month of September is K1,027,450. This figure represents an increase of K12,950 from the August figure of K1,014,500. The *Basic Needs Basket* does not include costs for other necessary requirements such as personal care, transport, health, education, etc.

It is true that *what* people can effectively achieve in national development is influenced by enabling conditions of good health, access to quality education, creation of economic opportunities, etc. All these elements, as already observed, are unfortunately strikingly lacking in Zambia. "It is also true that Zambia is in greater need of a culture of initiatives or creativity. For such a situation to be achieved, it is critical that people are released from the *incessant* daily preoccupations of meeting basic needs," says Muweme.

It is JCTR's hope that in the months to come, as the Republican President has indicated, the nation will move towards more explicit focus on social economic issues that will lead to the improvement of people's lives in Zambia.

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## THE JCTR OBSERVES THAT REALISTIC ECONOMIC PROJECTIONS VITAL TO EFFECTIVE NATIONAL PLANNING

A wide consultative national budget formulation is critical to national development as citizens' desires and aspirations of how, where and what their money is going to be spent on are likely to be represented, says the Jesuit Centre for Theological Reflection (JCTR).

"As the nation proceeds with its new plans of formulating the national budget under the Medium Term Expenditure Framework (MTEF), two issues to this important event need to be highlighted," says Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR. "First is that concerning the *process* of arriving at a national budget that is participative in character. Second is the *content* of the budget itself."

So far the *process* seems to be commendable as it represents government's effort at meeting the needs of its people in national budget formulation. One of the difficulties, however, is the *content* issue of actual realization of the economic targets or projections. Zambia has had to revise its economic targets in the past. This means either that the nation did not work hard enough to achieve the set targets or the projections were not realistic in relation to Zambia's situations.

The government's "Green Paper" outlining the MTEF projects, among other things, that the economy will grow by 4.5% in 2004 and 5.0% in 2005 and 2006. Year-end inflation will be reduced to a single digit of 6.5% in 2006. It is also expected that there will be (nominal) increases in domestic revenues.

The growth of the Zambian economy is predicated on agriculture, manufacturing, tourism, mining, energy, construction and transport. Mining is thought to contribute to growth through the expected favourable prices of copper, especially as Zambia will increase its output of copper following the opening up of new mines. "This assumption," says Muweme, "of anticipated rise in prices of copper on the world market is one of the key contributing factors to Zambia's current debt crisis. One hopes that the nation's preoccupation with copper mining will not divert focus on current efforts at diversifying Zambia's economy, especially the priority sector of agriculture."

Inflation has been one of the major problems of our country, affecting commercial bank lending interests, affecting planning at various levels and particularly hurting the poor most. Addressing inflation would also lessen hardships that the majority poor people of Zambia face. Muweme further says that the *continuous rise in the prices of food has been one of the fundamental problems of inflation*.

For example, the JCTR monthly *Basic Needs Basket* for a family of six in Lusaka has shown increases almost every month in the price of food. The cost of food *only* for a family of six is currently at K390,700. In September food only was costing K384,450 and in August it was K367,700. Trends in the previous years have also shown that prices of food tend to rise towards the end of the year. This means that not only are the poor suffering from other forms of deprivations but are having difficulties in accessing the most fundamental aspect of their welfare, good food for good nutrition.

The *total* cost of the *Basic Needs Basket*, that is, food and non-food essential items such as energy, water, housing, electricity, wash and bath soap, etc., has increased from K1,027,450 in September to presently costing K1,031,700. This shows an increase of K4,250. Note that costs for other necessary requirements such as personal care, transport, health, education, etc., are not included in the calculation of the total *Basic Needs Basket*.

The JCTR views the current *process* surrounding the MTEF as critical to national development and one that has been long overdue. But more critical is to have *realistic* economic projections that lead to effective planning.

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**DEBATE ON THE MODE OF ADOPTING THE CONSTITUTION SHOULD NOT BE SUBJECTED TO A TRADEOFF, SAYS JCTR**

The current debate on the mode of adopting the Zambian constitution should not find expression *in a tradeoff between meeting people's needs such as health and education on one hand and the holding of a Constituent Assembly on the other*, observes the Jesuit Centre for Theological Reflection (JCTR).

According to the JCTR, subjecting such a debate along such tradeoffs is an indication of a lack of a deeper understanding of the link between a good constitution with the consequence of good governance and people's wellbeing manifest in their ability to meet basic needs of life.

Currently, the cost of basic needs measured in the JCTR monthly Basket of food and essential non-food items is K1,032,800. For the month of October, the cost of basic needs was K1,031,700. Food alone is currently costing K383,800. For the month of October food alone was costing K390,700. The downward adjustment in the cost of food only is partly on account of a reduction in the price of mealie meal.

However, the cost of essential non-food items has increased mainly because of an upward adjustment in the price of charcoal, now costing K26,000 from K22,000 in the month of October. The price of charcoal is expected to increase further because of the rainy season which make both production and transportation of charcoal difficult.

Undoubtedly Zambia's harsh socio-economic situation brings into sharper focus the obvious question of "What should come first, paying attention to the current poverty and misery or addressing the need for a constituent assembly which might lead to guaranteeing people's political and probably economic freedoms?"

It is not a point of contention that a good constitution will give people the opportunity to strongly demand certain needs such as education and health and how these needs should be met. In other words, a good "people's constitution" (which will surely depend on a Constituent Assembly) will give people the ability to make claims for improving their lives.

It is the difficult economic circumstances which Zambia is facing that are leading to encouraging a tradeoff between meeting people's basic needs and holding a Constituent Assembly. What is important to realize however, is that without a good constitution, the prospect of people experiencing improved living conditions become minimal, especially in crisis situations. The JCTR feels that if budgetary tradeoffs are necessary to fund a Constituent Assembly, cutbacks should not be made in essential social services but in non-essential superfluities such as new vehicles, overseas travels, by-elections, etc.

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## A MIX OF A RAY OF HOPE AND SOME SETBACKS: THE ZAMBIAN PEOPLE’S EXPERIENCES IN 2003

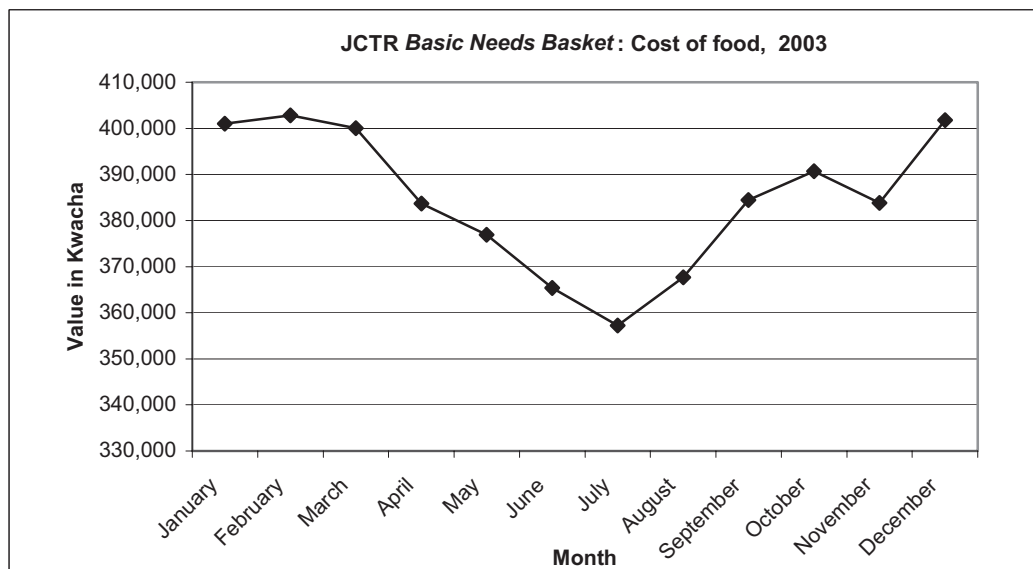
A mix of a ray of hope and some setbacks characterized experiences of the Zambian people in 2003, observes the Jesuit Centre for Theological Reflection (JCTR). The year 2003 witnessed some improvement in the agricultural sector which resulted in adequate food production for the Zambian people. However, other sectors of the economy experienced problems, to mention in particular the education sector on which the formation of human capital, the breaking of the cycle of poverty and development are dependent on.

According to Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR, the positive and encouraging outcomes such as comparatively low inflation levels, some relative stability in the price of mealie meal, lessening of loss of value of the Kwacha, etc., associated with the positive outcome in the agricultural sector, prove JCTR’s incessant call on government over the years to be involved in the agricultural sector and also to put the agricultural sector as one of the priority sectors of the Zambian economy. It is important, however, to note that food production is one thing and having access to the produced food another.

The JCTR through its monthly *Basic Needs Basket* report (a measure of the cost of living for a family of six in Lusaka) has over the years shown heightened hardships occasioned by price increases in food and essential non-food items necessary for decent human survival. Muweme says that “One of the strengths of an approach such as the *Basic Needs Basket* is that it highlights the extent of the challenge faced by the people in meeting a minimum standard of living.”

A review of the *Basic Needs Basket* for the year 2003 shows that the cost of food alone averaged K401,050 in January and 401,800 in December. These were the highest costs in food alone recorded in 2003. It is important to observe that over the years mealie meal has had a significant influence on the overall cost of food. Overall, the same can be said about 2003. However, for 2003 this influence heavily occurred in the first half and part of the second half (July). During the last half, other food items such as meat and fish, and especially green vegetables in the month of December, recorded significant increases which had a bearing on the overall cost of food. It is also important to note that there was a remarkable decline in the cost of food during the beginning of the second half (July) of the year with some increases beginning to occur in the last quarter, followed by some decline in November. (see figure below)

Figure





Another significant feature associated with the year 2003 were the strike actions. “The strike actions, particularly with regard to teachers,” says Muweme, “ have a direct serious impact on the quality of education and loss of opportunities for the prospect of a better life for many of our young people.” This is where it becomes extremely important to ensure that strike actions are avoided through meeting demands such as employee morale, overall conditions of living, etc., that have a direct bearing on the quality of learning.

“Moreover, if we *honestly and objectively* look at the reasons for most of the strike actions, be they by teachers or health workers, doesn’t it occur to us that the reasons for such actions are usually core to ensuring quality delivery of service and the promotion of poverty reduction?” asks Muweme.

As we begin the year 2004, a few points are critical in relationship with the above observations and most importantly the current debate concerning national “sacrifice” in order to meet Zambia’s development aspirations.

- Through the IMF and World Bank, developed countries have managed to put in place a “do as I say approach and not as I do” (e.g., on subsidies relating to agriculture, extent of trade liberalization, etc.) with regard to development strategy. Muweme further says that “the current beneficial outcomes of the agricultural sector are as a result of government involvement in the agricultural sector, a policy position which is generally inconsistent with World Bank and IMF propositions.” *Therefore, it is hoped that sacrifice will not mean government rollback in its current strategic involvement with agriculture.*
- It is also important to recognize that there must be beneficial outcomes to the people, especially the poor, in the national “sacrifice” being talked about and not just mere meeting of World Bank and IMF aspirations. In that regard, it is hoped that the sacrifice will mean for the first time moving more resource allocation obtained through cuts from non-priority areas such as the already much talked about expensive travel, unnecessary by-elections, excessive cabinet and district administrators, etc., to improving quality of education and health.
- As a nation, Zambia must strive to build a society where its people not only manage to meet basic needs for decent living but are able to make savings from whatever economic activities they engage in. Savings are the building blocks for the future.
- Instead of talking about increasing taxes in 2003, it is important that government talks more about strategies for employment creation. Anywhere in the world, one observes that the question of employment is not only an economic issue but it is also hugely a political issue. *The current employment, industry and the general economic situation in Zambia poses serious future limitations on the extent to which government will be able to mobilize resources through taxes for development.*
- Related to the above is also the need for government to develop an industrial strategy. Without an industrial strategy it is difficult to see how this nation can realize such results as creation of employment, competitiveness in trade, etc. *In fact, we must realize that trade comes with development and likewise the much desired and sought after foreign investment.*
- The international community should exercise greater flexibility with its conditionalities, particularly those which relate to reaching the HIPC completion point. In any case, aren’t some of the reasons for Zambia’s failure to reach the HIPC completion inherently critical to poverty reduction?

Muweme says that as we begin the year 2004 with words of serious national “sacrifice”, it is always important to remember that, “measures taken during this course of ‘sacrifice’ should not add disproportionate suffering to the already most vulnerable in our society.” “Sacrifice” should also mean increased allocations to education and health to give some hope to this country.

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## **JCTR SAYS 2004 BUDGET PREMISED ON HIPC AND MAY PERMANENTLY DISADVANTAGE SOME PEOPLE**

One of the key observable features of the 2004 national budget is that it is highly premised on meeting the Highly Indebted Poor Countries Initiative (HIPC) completion point. This obviously means that its orientation is narrow in terms of responding to other critical needs of the country such as employment creation, adequate funding to both the health and education sectors, ensuring that people lead decent lives, particular attention to the poor, etc. This is the observation of the Jesuit Centre for Theological Reflection (JCTR).

"While it is highly important that Zambia attains the HIPC completion point," says Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR, "we should not forget that in the process of instituting austerity measures to achieve that objective, some sectors of the population might be impacted upon negatively to the extent that they may not recover from situations created by those measures."

Zambia's development strategy should be broad and inclusive. Broad in the sense that it must encompass the necessary areas that would assure sustainable development of the country. It must also be a development strategy that is inclusive by ensuring that benefits of the development process must accrue to all sectors of the population, but particularly those in dire need of such development benefits, the poor of this country. In instituting any measures to redress the current development problems, we must also ensure that there are deliberate efforts to protect those already disadvantaged.

The JCTR acknowledges the upward adjustment of the tax threshold from K160,000 to K260,000. But the question still remains: how many employees are going to benefit by this adjustment? The JCTR every month comes up with a monthly cost of basic needs in Lusaka. In the month of January the cost of basic (mealie meal, beans, fish, wash and bath soap, energy, housing, etc.) needs stood at K1,065,900. The cost of food alone is K409,000. Comparatively, it means that the K260,000 can only meet a limited number of these basic needs. It is also important to note that a Zambian worker in the present situation has to be looked at in a wider social context. With the HIV/AIDS and its attendant problem of increased number of orphans and other problems that the Zambian society is facing, an employee's burden of responsibility in Zambia has drastically increased.

According to the JCTR, in order to guarantee future development of the country, in addition to meeting the current challenges, government should have given more attention to the education sector through ensuring that all trained teachers are recruited to address the current problems of inadequate teachers in most of the schools, particularly those in rural areas.

It is the JCTR view that there are other areas which the government should have addressed in relationship to the current debate on economic measures such as the top-heavy government structure (for example, removing the unnecessary and expensive office of the District Commissioner, reducing the size of cabinet, etc) and immediate employment of the already trained teachers. According to Muweme, "these are measures not only for the purpose of meeting the HIPC completion point but also, and more importantly, for the purpose of developing the country."

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## **A VALUE AND ETHICAL FRAMEWORK CRITICAL TO DESIGNING DEVELOPMENT POLICIES, SAYS THE JCTR**

Development policies, strategies, etc., should at all times be central to the humanity question and must be cognizant of the fact that humanity is an end and a means to achieving that development. Critically this means that there must always be a *value* and *ethical* framework to policy *formulation* and *evaluation*. This observation is made by the Jesuit Centre for Theological Reflection (JCTR) in the light of Zambia's continued experience of poor living conditions and current efforts at improving people's lives.

According to the JCTR monthly *Basic Needs Basket* report for Lusaka, the cost of food and other essential non-food items such as decent housing, water, wash and bath soap, energy, etc., for the month of February is K1,078,750. For the month of January it was K1,065,900. This cost of basic needs means that a decent standard of living is beyond the majority of households in Zambia.

“If at all both successive Governments of the Republic of Zambia and its cooperating partners have over the years assumed an approach of a *value* and *ethical* framework, would Zambia's development misfortunes be to the way they are?” Asks Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR.

To use a *value* and *ethical* framework would mean being compelled *not* to accept the status quo where most of the people, especially the poor are denied access to a decent standard of living. This obviously has direct and serious political implications today, for example, in the negotiations over the elusive “HIPC completion point.”

Both national governments and the international community have over the years set targets of uplifting people's welfare but those targets have by no means been achieved. According to Muweme, “It must be recognized that development, understood as the progression of people from less human conditions to more human conditions, cannot and should not be delayed. A delay in development means lack of food, increases in the incidence of HIV/AIDS, lack of access to health and education, and generally unacceptable suffering of the people. To delay development is not to value people's lives and to destroy the prospects for a peaceful future of the country.”

“Two critical questions become paramount in this context,” says Muweme, “to those planning the development of Zambia and other countries in similar situation. The first one is, what value framework are they employing in determining development policy choices? Are we evaluating the past several years of development failures on the basis of human considerations?”

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## **JCTR BASKET COVERAGE EXPANDED TO INCLUDE LIVINGSTONE, KABWE, NDOLA, LUANSHYA AND KITWE**

The Jesuit Centre for Theological Reflection (JCTR) has expanded its area of coverage of the *Basic Needs Basket* from Lusaka to other areas. The areas to which the *Basic Needs Basket* has been expanded to are Livingstone, Kabwe, Ndola, Kitwe and Luanshya.

“This expansion,” says Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR, “was necessitated by the *Basic Needs Basket’s* intrinsic value and the demand from the people”. There have been several requests for the Basket information from other towns in Zambia and the JCTR could not give the same information of Lusaka to other parts of the country because price data vary depending on many factors.

The expansion follows the feasibility study conducted in 2003 by the JCTR which recommended that the Basket, in the initial phase, be taken to places that have similar characteristics to Lusaka. This means that it assumes the same composition of food and non-food essentials as that of Lusaka. According to Muweme, it is the belief of the JCTR that an expanded *Basic Needs Basket* will be both more representative of the national urban situation of cost of living and more authoritative in respect to discussions on cost of living. As is usually the case with initial efforts, it is expected that there will be more improvements along the way on the collection and accuracy of the information.

A comparative analysis of Luanshya and Lusaka for the month of March reveals that the cost of food alone in Luanshya is higher than in Lusaka. In Lusaka food alone was costing K418,550. In Luanshya it was recorded at K447,100. An analysis done during the feasibility study that informed the expansion of the Basket also revealed Luanshya as the town with a higher cost of food compared to Livingstone, Kabwe, Ndola, and Kitwe. This indeed is a disturbing situation as households facing difficult socioeconomic situations due to low economic activity are at the same time experiencing a higher cost of food. High cost of food has serious health and education implications. It means, among other things, susceptibility to illness, children who are malnourished and who fail to concentrate at school.

In the previous months of January and February, the average cost of mealie meal was highest for Livingstone at K33,500 followed by Luanshya at K32,800. Kitwe recorded the price at K32,150, Ndola at K31,600 and Lusaka at K29,450.

According to Muweme, it must be understood that the Basket is not compiled to be merely a statistical exercise, but a basis for responding to the need for improving lives of the Zambian people, particularly the poor whose composition is by and large women. Its application therefore is by no means restricted to those in formal employment, especially that 80 percent of the Zambian population is living in poverty.

It must also be recognized that high cost of living is an outcome of many problematic situations relating to the wider “workings” of the economy. As such the Basket must also be seen as a basis for entry into exploring socioeconomic policies that will benefit the people through ensuring that they have adequate food, quality health care and education, etc.

Unfortunately, Zambia’s development efforts have not given priority attention to the needs of the poor. It is JCTR’s strong proposition that as Zambia negotiates a new Poverty Reduction and Growth Facility (PRGF) with the IMF, both government and the IMF assessment teams should assess Zambia’s qualification within the context of the needs of the majority poor Zambian people. “How else,” asks Muweme, “is Zambia going to effectively and equitably develop without paying attention to the needs of its people?”

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## NUTRITION SHOULD BE CENTRAL TO AIDS TREATMENT DISCUSSIONS, SAYS THE JCTR

At no time has a *holistic* approach to health delivery been more critical than in our current predicament of HIV/AIDS, says the Jesuit Centre for Theological Reflection (JCTR). Particularly important in ensuring effective AIDS treatment is good nutrition at household level.

To achieve good nutrition at household level, which will also have some positive impact on the prevailing overstretched health delivery system, requires adequate household incomes. "As it is well known," says Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR, "effective health delivery does not start and end with hospitalization or visitations to health centres. It is a whole 'array' involving the kind of living conditions people experience."

The above premise of a holistic approach held by the JCTR has been one of the reasons for the JCTR's constant calls for adequate household incomes, particularly in light of the ever-rising cost of living in Zambia. This cost is clearly shown in the monthly *Basic Needs Basket*.

For example, in Lusaka at present a family of six needs to spend K450,850 on food alone. This has gone up by K16,850 from the cost in March of K434,000. If other costs such as housing, water, energy, etc., are included the cost is K1,110,150. It is obviously the case that in Zambia today, the majority of households spend a huge percentage of their income on food. However, this does not by any means imply good nutrition and adequate food intake. It is an expenditure confined only to mere survival.

Muweme further says that inadequate incomes have placed a disproportionate burden on women who, in addition to being household managers and in some cases income or food providers, are the majority caregivers in the context of the present day home-based care system. *But critically important in relationship to AIDS treatment of a lack of an adequate household income is the denial of a good home psychological environment necessary for the support and encouragement to AIDS patients.*

To achieve effectiveness in the treatment of AIDS, government should be in the forefront of promoting healthy life styles that will involve people having access to education, nutrition, shelter and all the requirements that make up the totality of healthy living. Without such a situation in place, Zambia will continue experiencing an overstretched health delivery system and the problem of HIV/AIDS will seem insurmountable.

Muweme also says that as the treatment of AIDS is being promoted through a programme of distribution of a cocktail of drugs commonly known as ARVs, it is important, as a matter of policy, that such a programme moves alongside a mechanism of ensuring that those suffering from AIDS have access to good nutrition. In the long-term, the aim should be that of general improvement of nutrition among all the Zambian households.

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## JCTR SAYS COMMITMENT IS CENTRAL TO UPLIFTING PEOPLE'S LIVES

Zambia's socioeconomic challenges such as malnutrition at household level with its various manifestations in children, HIV/AIDS, inadequate health care and quality of education, unemployment, inadequate household incomes, etc., require efforts beyond just having well enunciated plans, observes the JCTR.

"Of prime importance in addition to resource prioritization," says Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR, "is *strong commitment* by leaders at different levels to addressing Zambia's problems. Lack of *strong commitment* has unfortunately been characteristic in dealing with Zambia's problems.

The failure to achieve development targets that have been set incessantly in recent decades can by and large be explained by a lack of *strong commitment* to translate plans into real action to change the lives of the majority poor people. Time and again meetings are held at both local and international levels to look at the plight of the poor. But rarely do these meetings result into tangible benefits for the poor. "For how long will the poor wait before experiencing positive change in their lives?", asks Muweme.

The JCTR *Basic Needs Basket* has continued to show the socioeconomic difficulties households face in Zambia through highlighting the cost of basic needs in relationship to people's incomes. For example, for the month of May, while recording some marginal reductions in the price of mealie meal from an average cost of K30,000 in April to the current cost of K29,000, the overall cost of food alone of K456,400 remains very high for many households in Zambia. This is especially true taking into account that households have to meet other costs such as education, health, transport, etc.

According to Muweme, this state of affairs is unacceptable and needs to change so that we move to addressing human problems, especially on the basis of the inherent dignity of every human being. It is necessary therefore that every leader at different levels, both local and international, should move with a spirit of *strong commitment* to change the situations of the poor.

The Poverty Reduction Strategy Paper (PRSP), Zambia's current road map to uplifting the poor, and the Millennium Development Goals (MDGs) set for 2015 (e.g., reducing by half the proportion of people living on less than a dollar a day, ensuring that all boys and girls complete a full course of primary schooling) should be viewed as very critical challenges to Zambia from the *moral, economic, political and social* points view. Following these guidelines requires *strong commitment*, seen in priorities, sacrifice and seriousness.

JCTR believes that without *strong commitment* and the realization of the inherent dignity of the human person as basis for development efforts, there will always be less to be achieved in uplifting the conditions of the people, especially the poor whose composition is largely women.

"As a nation, it is long over due that we have a foundation of committing ourselves to addressing the difficulties Zambia is facing," says Muweme.

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## **BASIC NEEDS BASKET REVEALS THAT LUANSHYA IS HIGH COST OF LIVING AREA**

People of Luanshya are experiencing one of the highest cost of living among urban areas in Zambia. This is according to recent *Basic Needs Basket* information collected from Luanshya by the Jesuit Centre for Theological Reflection (JCTR). An analysis of the information has shown that the cost of food alone during the last three months has consistently been higher in Luanshya than Lusaka, Ndola, Kabwe, Livingstone and Kitwe.

According to Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR, the cost of food alone for the months of April, May and June averaged K462,700 for Luanshya compared to the average cost of K456,300 for Lusaka.

The fact that Luanshya has revealed higher cost of living than the other urban areas does not imply that cost of living is affordable in the other areas. What it simply means is that households in Luanshya are experiencing more difficulties in meeting their basic requirements, particularly food than those in other urban areas. "The prevailing high cost of living in Luanshya," says Muweme, "is mainly on account of relatively high prices of mealie meal, bread, tomato, onion, cooking oil, etc."

"Unless fundamental changes occur in the way Zambia manages its social, political and economic affairs," says Muweme "it appears the Zambian people for many years to come, and even for the whole of their life-times, will be unable to meet the most basic of human requirements such as food, decent shelter, access to quality health care and education, etc."

Certainly a number of reasons account for this situation. The reasons have included the longstanding problem of a governance system that does not set and maintain priorities in the face of inadequate resources. The governance system of Zambia and most of Africa has also failed to galvanize, especially in the present time, a national mood of patriotism towards a work ethic that is critical to moving this nation forward and hold promise, especially for the children and women of Zambia.

"Little wonder," says Muweme, "Zambia and most of Africa continue to find it extremely difficult in addressing problems of the huge external debt and imbalances in the global social, political and economic governance."

It is true to say that Zambia and most of Africa have had plans, in some cases well thought out plans, to address the problems of the people. For example, Zambia has had a series of national plans from the time of independence and now has a Poverty Reduction Strategy Paper (PRSP). However, these plans have most of the time suffered the fate of lack of effective implementation.

Investment in human beings should remain an all-time high priority area for the Zambian government. "The failure of households to meet their basic needs is in itself an indication of lack of investment in human beings," says Muweme.

According to the JCTR, two ways that Zambian citizens can respond to the economic challenges facing the country are:

1. Give input into the preparation of budget 2005 as requested by Finance Minister Ng'andu Magande, to ensure that effective priority is given to meeting human needs;
2. Push politicians currently fighting each other over minor personal issues to pay attention to larger socio-economic issues affecting the livelihoods of all.

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## SITUATION OF PENSIONERS, FUEL PRICE INCREASE WORRY JCTR

The Jesuit Centre for Theological Reflection (JCTR) wishes to express serious concern about the situation of pensioners and increases in the price of petrol and kerosene in the country.

Firstly, reports that about 90,000 pensioners are to lose what is rightly theirs for whatever reasons is highly objectionable. According to Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR, "this situation epitomizes one of the highest levels of injustice that violates the right to a pension and to insurance for old age.

Sadly in Zambia for a long time now, the situation of pensioners is one that raises serious moral and ethical questions. It is often the case that pensioners go through a lot of very difficult situations such as having nowhere to sleep when following their payments, unnecessary bureaucracy, etc., before they are given what rightly belongs to them.

The most unfortunate thing about all this is that it is taking place in a context, *first*, of many hardships with high cost of living prominent among them, and *second*, where a large amount of money is to be given to MPs for gratuity. This indeed appears to be unfair taking into account that pensioners have been waiting for months (years) and now are going to be further discriminated against.

Moreover, the long period of waiting before obtaining their money means that inflation erodes the value of the money. "Government must realize that", says Muweme, "to withhold someone's entitlement of pension is a grave injustice that denies those involved an opportunity to a dignified livelihood."

"In Zambia today, many workers are accepting harder working conditions against their will because of the prevailing economic situation of high unemployment levels. But for government to fail for whatever reasons to pay pension entitlements to retirees is simply unacceptable," says Muweme.

One may ask, what kind of a society we are that can allow such situations to occur? Do we really care about each other? It is important that government takes the lead and show exemplary behaviour in caring for the workers during the time they are actively engaged in employment, but more importantly government must take care of those retiring by paying them promptly their benefits.

The JCTR further says that the current situation of pensioners is reminiscent of the eras of slavery and colonialism, where there was an absence of a *social conscience* by certain sections of society to get troubled of the injustice committed to fellow human beings.

Increases in the price of petrol undoubtedly hurt the national economy in various ways, but it is those on the lower ladder of our society, the poor that will feel the greatest impact.

Indeed our socioeconomic situations in the country demand some strong *moral* and *ethical* approaches to redressing them. Zambia should strive to build a political, economic and social order that will place the well being of human beings above anything else. Without such a moral and ethical approach even today's fight against poverty and the struggle for the attainment of Millenium Development Goals (MDGs) will be very difficult to realize. Do we sometimes wonder why we have so many children on the streets beyond the HIV/AIDS problem?

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## **COST OF BASIC NEEDS SHOW A MIXED PICTURE IN THE FACE OF “EXTERNAL SHOCKS”, SAYS JCTR**

The Jesuit Centre for Theological Reflection (JCTR) says that there has not been some significant change this far in prices of food as might have been expected in the face of high global fuel prices. This is primarily due to the good agricultural production the country is experiencing.

This observation from the JCTR, says Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR, is based on the monthly *Basic Needs Basket* information. The *Basic Needs Basket* is a simple compilation of the average cost of ordinary food -- such as mealie meal, meat, fresh vegetables, etc., and non-food items such as housing, water, energy, etc. -- designed to relate the cost of living on one hand and incomes of households on the other.

In the month of August, the *Basic Needs Basket* -- now at K1,100,200 compared to K1,105,100 for the month of July -- has presented a mixed picture in the cost of food. While the cost of mealie meal, vegetables, tomatoes, onions and kapenta has declined, that of meat has slightly adjusted upwards. Food items such as eggs, tea, milk, sugar and dry fish have shown some stability.

“This situation,” says Muweme, “can be attributed to good agricultural performance in the current year that has been able to guard against to some degree the internationally induced national economic shocks such as the recent crude oil price increases.” According to Muweme, without good agricultural output, the impact of the increases in the price of crude oil would have been enormous.

For countries like Zambia, it is important to acknowledge conventional wisdom that a well performing agricultural sector means a lot of things. For example, and most importantly, it means affordability of food at household level. It also means the easing of pressure to import food and where there is some surplus and well coordinated arrangements at buying the agricultural produce, it means exporting food to other countries, to secure the much talked about and needed foreign exchange.

According to the JCTR, to enhance people’s access to food is not only a matter predicated on food production alone. In Zambia today, households lack access to adequate food because of many factors, such as being out of employment and the realignment of household budgets to take care of the needs of HIV/AIDs treatment.

It is the view of the JCTR, that Zambia’s focus -- in addition to directing its efforts at total external debt cancellation to give the country a new start -- should be on the sectors that form the *bedrock of human welfare*. These include agriculture, education and health, and employment creation.

More importantly too is that some of the benefits the country is witnessing in relationship to agriculture are because of government’s intervention in the agricultural sector with respect to timely input supply, market access, etc., says Muweme.

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**“YES, COST OF LIVING MAJOR PROBLEM AMONG HOUSEHOLDS AND NEEDS VERY SERIOUS ATTENTION”, SAYS JCTR**

High cost of living has continued to be a major problem being experienced by many households in Zambia. This obviously means that as government and the rest of stakeholders try to find solutions to Zambia's economic problems, cost of living should be one of the critical points of focus in discussions and policy documents in order to improve people's lives, says the Jesuit Centre for Theological Reflection (JCTR).

The JCTR has long identified high cost of living in Zambia as one of the *major* and *consistent* problems the country has experienced. “That is why,” says, Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR, “the JCTR has as one of its activities the *Basic Needs Basket*, which is an effort aimed at giving a picture of the struggle confronting households in meeting their daily essential needs.”

The Basket shows the relationship between household incomes and requirements for basic human survival. It highlights the cost of food and essential non-food items. The Basket is not compiled to be merely a statistical exercise, but a basis for responding to the needs of the Zambian people, particularly the poor whose composition is by and large women.

For the month of October, cost of living as shown by the JCTR Basket is K468,600 *for food alone* compared to K439,400 for the month of September, representing an increase of K29,200. The increase can be attributed to a significant upward adjustment in the price of meat because of the current problem of foot and mouth disease that has resulted in reduced supplies of meat on the market. There were also increases in the price of beans, dry fish, cooking oil, etc. The increase in these items is on account of the upward adjustment in fuel prices that probably has started to take effect after some period of relative price stability.

If non-food essential items such as housing, water, energy, wash and bath soap are added to the cost of food, the total cost for the *Basic Needs Basket* for the same month is K1,127,500. This figure is obviously beyond reach of many Zambian households.

According to Muweme, this situation of high cost of living explains why the Zambian people indicated high cost of living as a serious problem in the recently launched National Governance Baseline Survey (NGBS) by the Republican President.

It is important to recognize that high cost of living has serious off-shoots. It means the nutrition status at household level is negatively affected and results in, for example, inadequate food intake with the effect of malnutrition and stunted growth for children, difficulties in accessing health care and education and it also generally means the absence of the various dimensions of well being.

As Zambia continues to build its efforts around agricultural development, which is so far commendable, it is important for government to realize that to realize the challenge of high cost of living. Thus there must be a *holistic* approach to addressing the problem of high cost of living. It means we must increase investment in sectors such as education and health as well as employment creation. “Doing this,” says Muweme, “as history has taught us, is what will lead to improvements in people's lives. It is also where the future of any country is predicated and Zambia is no exception.”

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## **JCTR ASKS: WHY DON'T POLITICIANS SPEAK ABOUT WHAT IS IMPORTANT IN PEOPLE'S LIVES?**

"Why are our leading politicians disappointing us by not talking about what is important in our lives?" That is the burning question that more and more citizens in Zambia are raising these days, as they face everyday problems of sustaining the livelihoods of their families.

According to Mr. Muweme Muweme, "The Jesuit Centre for Theological Reflection (JCTR) is worried that the current political debates seem to be very much out-of-touch with the people's needs." Muweme, who coordinates the JCTR's Social Conditions Research Project, notes that the central political focus should be on *policies* to improve people's lives, not on *personalities* that want to get elected or stay in office.

According to the JCTR's November *Basic Needs Basket*, the cost of living for a family of six in Lusaka has continued to fluctuate at a very high level. For food alone, the cost is K456,200, and for non-food essentials, the cost is K658,600. Compared to civil servants' take-home pay that rarely touches the one million kwacha mark, a great gap is revealed between what households *ought* to spend at a minimum level and the actual amount of income at their disposal. "In all honesty and decency, says Muweme, "this should be the number one political issue being discussed today!"

Instead of focusing on the critical question of cost of living – the key in determining people's welfare since it shows how households and individuals relate to food, education and health, shelter, agricultural production, and other welfare indicators -- we hear at one level an immense amount of talk about the reaching the doubtful and ever "floating" HIPC Completion point as though its attainment would automatically guarantee improvements in people's lives.

At another level, the constitutional debate has drawn attention away from this critical question of addressing the high cost of living in Zambia. As much as this constitutional debate is important, it is certainly necessary that it be debated alongside the question of how to improve people's livelihoods.

Muweme asks: "When are we going to hear politicians, both in the ruling party and in the opposition, debate how Zambia is going to attain the Millennium Development Goals (MDGs)? How do the politicians plan to create employment for the often-hopeless Zambian youth? What plans do they have for improving the quality of health and education?"

For example, even though it is encouraging to hear the Ministry of Education say that they will employ 1000 teachers, what will happen to those who will remain unemployed? Another example is the support given to small-scale farmers in the form of subsidized inputs. While this has greatly benefited the few farmers who have received this support, much more can and should be achieved with a *prompter* and *wider* supply of inputs.

These burning life-enhancing issues should top the agenda for political discussions. "We should see more headlines in the newspapers about the needs of people than the *wants of politicians*," says Muweme.

The JCTR trusts that the Zambian people, the majority of who are affected by poor living conditions, will make issues concerning their welfare the critical points for deciding who gets elected at any level of future elections. Then politics will really touch the lives of the people!

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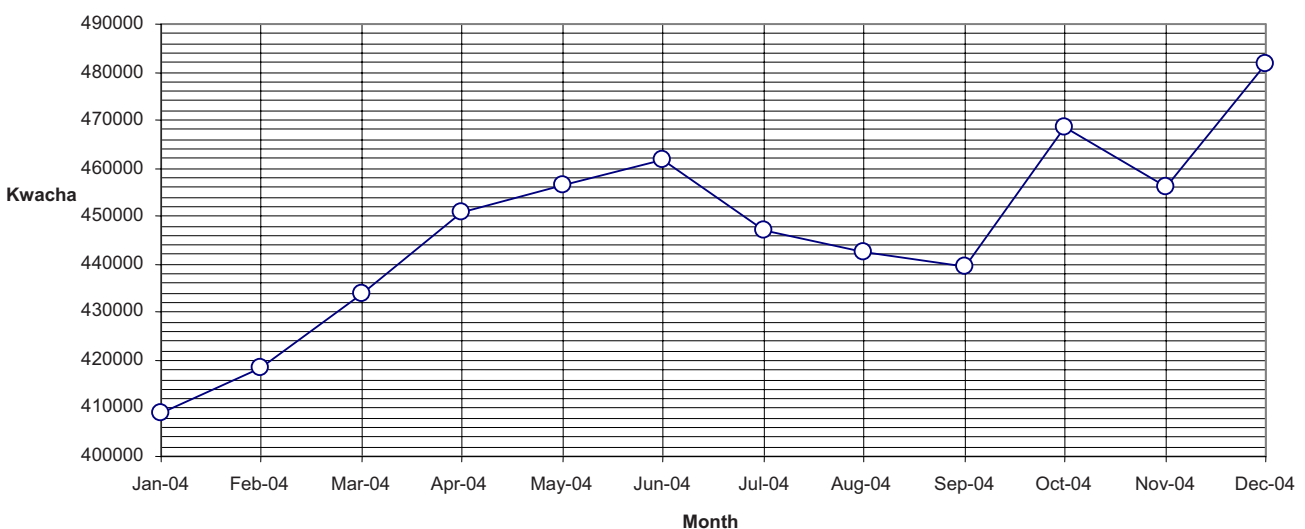
**YEAR 2004 ENDS WITH FOOD ALONE COSTING K481,540: NEEDS OF PEOPLE SHOULD BE KEY IN POLICY DEBATES IN 2005, SAYS JCTR**

Zambia’s *longstanding* problem of high cost of living should be one of the top most policy debates in 2005, says the Jesuit Centre for Theological Reflection (JCTR). This is because cost of living determines people’s general welfare through indicating, for example, how households and individuals relate to education, health, food, shelter, agricultural production, etc. “It is a broad quality of life indicator, as, for example, it primarily determines how many meals a household will have in a given day,” says, Muweme Muweme, Coordinator of the Social Conditions Research Project of the JCTR.

Any claims of improvements in Zambia’s economy should be judged by no other criteria than quality of life indicators such as access to good health care and education, adequate food at household level, decline and possibly an absence of street children, adequate incomes, etc. There should be no abstract notions of measuring the performance of the economy -- such as in GDP terms only -- other than the *primacy* of what is happening in people’s lives, for example, in nutrition terms.

Undoubtedly, the agricultural output of 2003 and 2004 has yielded many positive results such as keeping inflation -- which hurts the poor most -- in check, enhanced rural household incomes, ensuring adequate food at household level, etc. However, with some steady declines only recorded in the period June to September, cost of food alone as shown by the JCTR monthly *Basic Needs Basket* (BNB), continued to *fluctuate* at a higher level in 2004. December like in the previous years, recorded a significant increase. This trend in cost of food alone reflected also the overall cost of the *Basic Needs Basket* (see graph below).

**Graph showing trends in cost of food alone for a family of six in Lusaka, 2004**



The JCTR BNB estimates the monthly cost of food items such as mealie meal, beans, green vegetables, cooking oil meat, eggs, etc., and essential non-food items such as housing in medium density area, energy, wash and bath soap for a family of six. In 2004, the average

cost of food alone was K447,153 per month and non-food items K659,016 per month. The average cost for the total BNB (i.e., cost of food and non-food) was K1,106,170 per month.

A comparison of these figures of cost of living -- which do not include the cost of transport, education, health, personal care, etc. -- with net incomes of most households reveals the extent to which most Zambian households have to struggle to meet their essential needs for decent human survival. For example, consider those civil servants looking at a pay cheque frozen because of government's "need to meet the HIPC completion point," those widows breaking stones by the roadside and having to look after so many orphans brought about by the relentless onslaught of AIDS, those households that have to balance between adequate food and meeting the cost of antiretroviral therapy, those households without any access to gainful employment, etc.

A widow of Lusaka had this to say in connection with her socioeconomic situations "I have ten children that I am keeping at my house, five children are my own and five are orphans. I find it very difficult to take care of these children and there is no where to run to. My salary is also below K200,000 and I have to pay rent, take children to school, buy food and do everything else out of this money. I am really suffering!"

What should Zambia do in light of this socioeconomic situation? What should Zambia do to *move people from less human conditions to more human conditions* -- a truer definition of development than abstract GDP figures? It is important that Zambia pays attention to, among other considerations, the following:

- First, Zambia has to ensure that at all levels there is a "responsive and responsible leadership." There is need to *ensure* that the individuals who are supposed to represent the interests of the Zambian people, especially the poor through employment creation, provision of housing, etc., do exactly that. To do this it means that among others things, the new Zambian constitution must incorporate in the Bill of Rights Economic, Social and Cultural Rights for the people to claim their *inherent* right to development.
- Second, recognizing the principle that development can only be achieved through the people themselves and that the people are the real goal of development, Zambia should strive to improve the quality and accessibility of education to all the people. It means building more schools, especially in rural areas to cut on the long distances children have to cover to go to school, addressing what has become a perennial problem of examination paper leakages that is impacting negatively on the purpose of education, improving teacher morale through prompt and adequate remuneration, etc.
- Third, the health problem has long been known to be a wider development problem and this recognition has been laid *bare* more recently with the HIV/AIDS problem. Therefore any strategies at addressing general health and the HIV/AIDS problem must recognize the need to look at the general "workings" of the Zambian economy and ensure that it is responsive to the needs of the majority poor Zambian people, for example, ensuring that households have access to adequate food.
- Fourth, Zambia must strive to attain total debt cancellation. This means strengthening even further the voice calling for total debt cancellation as championed by Jubilee-Zambia. Government, trade unions, Members of Parliament, women groups, the

youth, the church, etc., must continue with their efforts of advocating for total debt cancellation for the purpose of improving living conditions of the Zambian people.

- Fifth, sustainable agricultural practice is what will assure access to income and food at household levels for the majority of the Zambian people. Therefore efforts to find alternative ways to the heavy reliance on chemical fertilizers, coupled with crop diversification, market access both local and international, etc., should be central to the agricultural sector of the Zambian economy.
- Sixth, one of the huge problems Zambia has been facing over the years is unemployment. In an environment of unemployment, people's access to adequate food, health care, education, the fight against poverty, etc., is greatly inhibited. Therefore Zambia needs to have a strategy of employment creation that will show how many and what kind of jobs, for example, are being created annually. This should be a Zambian priority whether or not it pleases foreign interests such as the IMF and World Bank.

The year 2005 will see heightened international focus on poverty through, for example, the review of progress towards the attainment of Millennium Development Goals (MDGs) agreed upon by the international community in 2000. It will be particularly important for Zambia and other countries in similar situations to take advantage of this international focus on poverty and ensure that there is commitment from the international community to take pragmatic steps to address the problems of poverty, hunger, HIV/AIDs, trade imbalances, etc.

“The primacy of human considerations in socioeconomic policy should at all times be upheld and one hopes that the 2005 national budget will be seen as an instrument of achieving development and will reflect this fundamental principle,” says Muweme.

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## THE 2005 NATIONAL BUDGET: CONTINUING WITH THE STATUS QUO?

With the national Budget for 2005 having been presented, the *Jesuit Centre for Theological Reflection* (JCTR) is asking the question: to what extent will the 2005 national budget uplift the lives of average Zambian families? Budget analysis has been the talk of the nation for the past few weeks, and the JCTR looks to add its voice to the discussion.

The annual budget provides the sole opportunity for a government to transform its political statements into concrete plans for action, with budget lines illustrating government priorities and strategies to better serve the people. Based on these criteria, the 2005 budget lacks the boldness and the holistic vision to make tangible impact on the living situation of Zambian people, especially for the poor majority of the country. Neither the budget statements by the Minister of Finance and National Planning nor the budget lines clearly explain what separates this budget from past budgets that have failed to uplift the lives of people on the ground.

Taking into consideration the dire socio-economic situation of the nation, the people of Zambia have long deserved a bold budget to help people move from less to more human conditions. Unfortunately, the proposed 2005 budget fails to assess the current potential and struggles of the people, and consequently fails to offer a holistic strategy to exploit Zambian potential in order to overcome the country's problems. The JCTR's monthly *Basic Needs Basket* exercise helps illuminate the basic struggle faced by all Zambians to afford the rising cost of basic needs and therefore provides an important platform for beginning an assessment of the budget.

The JCTR *Basic Needs Basket* is a measure of the cost of essential food and non-food items for a family of six living in one of six specific urban areas: Luanshya, Ndola, Lusaka, Kitwe, Livingstone and Kabwe. In January 2005, the *Basic Needs Basket* totaled K838,410 for Luanshya, K988,280 for Ndola, K1,340,840 for Lusaka, K973,910 for Kitwe, K1,108,750 for Livingstone, and K842,900 for Kabwe. Furthermore, the cost of *basic food alone* was K511,610 in Luanshya, K501,180 in Ndola, K492,940 in Lusaka, K479,210 in Kitwe, K453,350 in Livingstone, and K424,780 in Kabwe. For the same month, the Central Statistical Office (CSO) calculated an average Basic Needs Basket across all of Zambia at 920,441 Kwacha, with the average cost of basic food for a Zambian family measured at 640,982 Kwacha.

The JCTR strongly supports the Catholic Commission for Justice, Development and Peace (CCJDP) and others who have called for an upward increase in the Pay as You Earn (PAYE) exemption threshold. In the 2002-2003 Living Conditions Monitoring Survey, the CSO classifies a family as 'extremely poor' if it is unable to afford the monthly cost of basic food items and 'poor' if it is unable to afford the monthly cost of the full Basic Needs Basket. ***By setting the PAYE exemption threshold at K280,000 per month, the government is admittedly taxing Zambian people who cannot afford to put food on the table for their families, the same group it classifies as 'extremely poor!'***

Furthermore, the K20,000 increase in the PAYE exemption threshold actually falls short of the average year-end inflation of 17.5% for 2004, or in other words, fails to maintain the status quo. Based upon both the JCTR's *Basic Needs Basket* and the CSO's average survey of cost of living across the nation, it is extraordinary that the PAYE exemption threshold remain below K600,000, if not K900,000 to allow Zambian families to afford basic non-food expenditures such as housing, water and electricity.

Of course an increase in the PAYE exemption threshold would lower the annual tax revenue and possibly hinder resources from reaching critical social sectors such as health and education. In light of these two equally important but competing needs for investment,

towards basic food items and social programmes, the government must think holistically and proactively to find alternative solutions that will not negatively affect the people. For example, the government could take a more aggressive effort to broaden the tax base in the country to target those groups of people who are not paying their fair share. Continuing to think holistically, the fundamental method of broadening the tax base is to help foster employment creation in the formal sector.

*The 2005 national budget is very modest in its strategy of employment creation yet this is an area which should be as robust in strategy as possibly can looking at Zambia's current context.* In the budget address, the MoFNP made promises to create an encouraging business environment in the country. One significant challenge to this healthy business climate is the monstrous domestic debt that totals more than \$US 1 Billion and grew by 6% in the period 2003-2004.

Though the government is making efforts to reduce the identified longstanding problem of growth in domestic debt, its efforts must go beyond just reducing the growth of this debt but also tackling the principle in order to facilitate quick private sector development and employment creation. Realizing that one of the most important ways through which any country can uplift its people is by ensuring that its citizens have access to employment, government also needs to pay attention to the remuneration of created positions. The remuneration must be that which enables people to have an income for food, housing, health, etc.

Returning specifically to the Lusaka *Basic Needs Basket*, the January 2005 total was K1,340,840 compared to K1,147,840 in December of 2004. This significant increase in cost is mainly due to an upward adjustment in the cost of rent for a basic three-bedroom house in the city. The JCTR's *Basic Needs Basket* demonstrates the extreme shortage of affordable housing that exists across many urban areas particularly in Lusaka. Does the 2005 budget outline a plan to assure that Zambians can afford their basic human right to adequate housing?

It is important to realize that at all time education and health should be the primary consideration in investment in human capital. Unfortunately, the current situation obtaining in the country with regard to education is not assuring Zambia's development. Our country's efforts as seen in the 2005 national budget are more of a strategy to deal with a backlog of problems of the education sector than advancements in terms of quality, promoting enrolment, etc.

In conclusion, the 2005 national budget makes an effort to address some negative off-shoots of failed economic measures in the past, including the imposed wage and recruitment freeze that affected critical areas of staff needed for achieving development. However, the budget lacks a holistic, decisive strategy within each sector to empower the nation to move beyond the status quo of unemployment and poverty. *In the present context, Zambia desperately needs a budget that not only refrains from negatively impacting the people, but outlines a bold strategy to immediately address inadequacies in the social sector.*

"The 1998 African Development Report," says Muweme Muweme of the JCTR, "reminds us of the above fundamental principal particularly as we continue to discuss the processes of making our economy grow in GDP terms. The Report stated: 'Once a generation of children is exposed to life without adequate health and nutrition or school, there is little that can be done during their adulthood to reverse the damage. For these reasons, investment in human capital cannot be put off until economic conditions are better.' Unfortunately, there are many of Zambia's children who are in an irreversible state of damage!"

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## **Appendix B: Demonstration of Methodology**

- Collection Templates
- Example Calculations from January 2005
- Example *Basic Needs Baskets* from January 2005

**BNB DATA COLLECTION: LUSAKA****NAME OF SURVEYOR:****DATES OF SURVEY:**

ITEM	QUANTITY*	Northmead PRICE	Shoprite PRICE	City Market PRICE	Chawama PRICE	Chainda PRICE	Kabwata PRICE	Matero PRICE
Mealie Meal (breakfast)	25 Kg							
Beans	1 Kg							
Kapenta (Siavonga)	1 Kg							
Dry Fish	1 Kg							
Meat (mixed cut)	1 Kg							
Eggs	1 unit (10)							
Vegetables (greens)	1 Kg							
Tomato	1 Kg							
Onion	1 Kg							
Milk (fresh)	2 litres							
Cooking oil	2 liters							
Bread	1 loaf							
Sugar	1 Kg							
Salt	1 Kg							
Tea (Tips)	500 g							
Charcoal	90 Kg							
Soap (Lifebuoy)	150 g							
Wash soap (Boom)	400 g							
Jelly (e.g. Vaseline)	500 mL							
Electricity (900 units)								
Water (medium density)								
Housing (basic 3-bedroom)								
Education (basic: per year PTA)								
Health (monthly scheme per person)								
Transport (bus fare round trip)		Chilenje-Town						
Transport (bus fare round trip)		Chelston-Town						
Transport (bus fare round trip)		Matero-Town						

\*Please note if any quantity sizes vary from those listed in the "Quantity" column.

**BNB DATA COLLECTION: LIVINGSTONE**

**NAME OF SURVEYOR:** \_\_\_\_\_

**DATES OF SURVEY:** \_\_\_\_\_

ITEM	QUANTITY*	Shopleft (Centre) PRICE	Town Centre Market PRICE	Dambwa Market PRICE	Maramba Market PRICE	Mbita Market PRICE	Helen Brittel PRICE
Mealie Meal (breakfast)	25 Kg						
Beans	1 Kg						
Kapenta (Siavonga)	1 Kg						
Dry Fish	1 Kg						
Meat (mixed cut)	1 Kg						
Eggs	1 unit (10)						
Vegetables (greens)	1 Kg						
Tomato	1 Kg						
Onion	1 Kg						
Milk (fresh)	2 litres						
Cooking oil	2 liters						
Bread	1 loaf						
Sugar	1 Kg						
Salt	1 Kg						
Tea (Tips)	500 g						
Charcoal	90 Kg						
Soap (Lifebuoy)	150 g						
Wash soap (Boom)	400 g						
Jelly (e.g. Vaseline)	500 mL						
Electricity (900 units)							
Water (medium density)							
Housing (basic 3-bedroom)							
Education (basic: per year PTA)							
Health (consultation fee)							
Transport (bus fare round trip)		Dambwa - Town					
Transport (bus fare round trip)		Marambwa-Town					
Transport (bus fare round trip)		Victoria Falls-Town					

\*Please note if any quantity sizes vary from those listed in the "Quantity" column.

**BNB DATA COLLECTION: KABWE**

**NAME OF SURVEYOR:** \_\_\_\_\_

**DATES OF SURVEY:** \_\_\_\_\_

ITEM	QUANTITY*	Kamda Market PRICE	Kotondo Market PRICE	Nakoli Market PRICE	Shoprite (Centre) PRICE	Lukanga Market PRICE
Mealie Meal (breakfast)	25 Kg					
Beans	1 Kg					
Kapenta (Siavonga)	1 Kg					
Dry Fish	1 Kg					
Meat (mixed cut)	1 Kg					
Eggs	1 unit (10)					
Vegetables (greens)	1 Kg					
Tomato	1 Kg					
Onion	1 Kg					
Milk (long-life)	500 mL					
Cooking oil	2.5 litres					
Bread	1 Loaf					
Sugar	1 Kg					
Salt	1 Kg					
Tea (Tips)	500 g					
Charcoal	50 Kg					
Soap (Lifebuoy)	150 g					
Wash soap (Boom)	400 g					
Jelly (e.g. Vaseline)	500 mL					
Electricity (900 units)						
Water (medium density)						
Housing (basic 3-bedroom)						
Education (grades 1-7: per year PTA)						
Health (hospital/clinic daily fee)						
Transport (bus fare round trip)		Lukanga-Town				
Transport (bus fare round trip)		Ngongu-Town				
Transport (bus fare round trip)		Mine-Town				

\*Please note if any quantity sizes vary from those listed in the "Quantity" column.

**BNB DATA COLLECTION: NDOLA**

**NAME OF SURVEYOR:**

**DATES OF SURVEY:**

ITEM	QUANTITY*	Masala Market PRICE	Mushili Market PRICE	Lubuto Market PRICE	Chifubu Market PRICE	Shoprite (Centre) PRICE
Mealie Meal (breakfast)	25 Kg					
Beans	1 Kg					
Kapenta (Mpulungu)	1 Kg					
Dry Fish	1 Kg					
Meat (mixed cut)	1 Kg					
Eggs	1 unit (10)					
Vegetables (greens)	1 Kg					
Tomato	1 Kg					
Onion	1 Kg					
Milk (long-life)	500 mL					
Cooking oil	2.5 litres					
Bread	1 Loaf					
Sugar	1 Kg					
Salt	1 Kg					
Tea (Tips)	500 g					
Charcoal	90 Kg					
Soap (Lifebuoy)	150 g					
Wash soap (Boom)	400 g					
Jelly (e.g. Vaseline)	500 mL					
Electricity (900 units)						
Water (medium density)						
Housing (basic 3-bedroom)						
Education (grades 1-7; per year PTA)						
Education (grades 8-9; per year PTA)						
Health (monthly scheme per person)						
Transport (bus fare round trip)		Ndeke-Town				
Transport (bus fare round trip)		Chifubu-Town				
Transport (bus fare round trip)		Masala-Town				
Transport (bus fare round trip)		Mushili-Town				

\*Please note if any quantity sizes vary from those listed in the "Quantity" column.



**BNB DATA COLLECTION: KITWE**

**NAME OF SURVEYOR:** \_\_\_\_\_

**DATES OF SURVEY:** \_\_\_\_\_

ITEM	QUANTITY*	Chamboli Market PRICE	Nakadoli Market PRICE	Chimwemwe Market PRICE	Chisokone Market PRICE	Shoprite (Centre) PRICE
Mealie Meal (breakfast)	25 Kg					
Beans	1 Kg					
Kapenta (Mpulungu)	1 Kg					
Dry Fish	1 Kg					
Meat (mixed cut)	1 Kg					
Eggs	1 unit (10)					
Vegetables (greens)	1 Kg					
Tomato	1 Kg					
Onion	1 Kg					
Milk (long-life)	500 mL					
Cooking oil	2.5 litres					
Bread	1 Loaf					
Sugar	1 Kg					
Salt	1 Kg					
Tea (Tips)	500 g					
Charcoal	90 Kg					
Soap (Lifebuoy)	150 g					
Wash soap (Boom)	400 g					
Jelly (e.g. Vaseline)	500 mL					
Electricity (900 units)						
Water (medium density)						
Housing (basic 3-bedroom)						
Education (grades 1-7: per year PTA)						
Education (grades 8-9: per year PTA)						
Health (consultation fee)						
Transport (bus fare round trip)		Chamboli-Town				
Transport (bus fare round trip)		Nakadoli-Town				
Transport (bus fare round trip)		Chimwemwe-Town				

\*Please note if any quantity sizes vary from those listed in the "Quantity" column.

**BNB DATA COLLECTION: LUANSHYA**

**NAME OF SURVEYOR:** \_\_\_\_\_

**DATES OF SURVEY:** \_\_\_\_\_

ITEM	QUANTITY*	Mpatamatu Market PRICE	Buseko Market PRICE	Roan Market PRICE	Mikomfwa Market PRICE	Shoprite (Centre) PRICE
Mealie Meal (breakfast)	25 Kg					
Beans	1 Kg					
Kapenta (Mpulungu)	1 Kg					
Dry Fish	1 Kg					
Meat (mixed cut)	1 Kg					
Eggs	1 unit (10)					
Vegetables (greens)	1 Kg					
Tomato	1 Kg					
Onion	1 Kg					
Milk (long-life)	500 mL					
Cooking oil	2.5 liters					
Bread	1 Loaf					
Sugar	1 Kg					
Salt	1 Kg					
Tea (Tips)	500 g					
Charcoal	50 kg					
Soap (Lifebuoy)	150 g					
Wash soap (Boom)	400 g					
Jelly (e.g. Vaseline)	500 mL					
Electricity (900 units)						
Water (medium density)						
Housing (basic 3-bedroom)						
Education (grades 1-7: per year PTA)						
Education (grades 8-9: per year PTA)						
Health (consultation fee)						
Transport (bus fare round trip)		Mpatamatu-Town				
Transport (bus fare round trip)		Kalala-Roan				
Transport (bus fare round trip)		Roan-Town				

\*Please note if any quantity sizes vary from those listed in the "Quantity" column.















# JCTR BASIC NEEDS BASKET: LUSAKA

## JANUARY 2005

### (A) COST OF BASIC FOOD ITEMS FOR A FAMILY OF SIX IN LUSAKA

Commodity	Kwacha	Quantity	Total
Mealie meal (breakfast)	33,000	3 x 25 Kg bags	99,000
Beans	6,200	2 Kgs	12,400
Kapenta (Siavonga)	35,300	2 Kgs	70,600
Dry Fish	40,000	1 Kg	40,000
Meat (mixed cut)	15,700	4 Kgs	62,800
Eggs	5,200	2 Units	10,400
Vegetables (greens)	2,400	7.5 Kgs	18,000
Tomato	2,500	4 Kgs	10,000
Onion	2,400	4 Kgs	9,600
Milk (fresh)	8,840	1 x 2 litres	8,840
Cooking oil	18,100	2 x 2 litres	36,200
Bread	2,400	1 loaf/day	72,000
Sugar	3,900	8 Kgs	31,200
Salt	2,000	1 Kg	2,000
Tea (leaves)	9,900	1 x 500 g	9,900
<b>Sub-total</b>			<b>492,940</b>

### (B) COST OF ESSENTIAL NON-FOOD ITEMS

Charcoal	36,600	2 x 90 Kg bags	73,200
Soap (Lifebuoy)	1,200	10 tablets	12,000
Wash soap (Boom)	2,700	4 x 400 g	10,800
Jelly (e.g., Vaseline)	4,900	1 x 500 mL	4,900
Electricity	113,000		113,000
Water (medium density)	34,000		34,000
Housing (medium density)	600,000		600,000
<b>Sub-total</b>			<b>847,900</b>

**Total for Basic Needs Basket** **1,340,840**

Totals for previous months: 2004

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Amount	1,065,900	1,078,750	1,094,100	1,110,150	1,113,900	1,118,700	1,105,100	1,100,200	1,097,100	1,127,500	1,106,600	1,147,840

### (C) SOME OTHER ADDITIONAL COSTS

Item	Kwacha
Education (per year PTA)	
Basic (grades 8-9)	K65,000-K150,000
Secondary (grades 10-12)	K200,000-K240,000
Health (monthly scheme per person)	K1,500
Transport bus fare round trip:	
Chilenje-Town	K3,400
Chelston-Town	K4,000
Matero-Town	K3,200

*Please note that other costs would include personal care, clothing, recreation, etc.*

### (D) SOME COMPARATIVE FIGURES OF WAGES--"TAKE HOME PAY"

	Teacher	Secretary in Civil Service	Nurse	Police Officer	Security Guard
<b>SALARY</b>	K407,000-K913,000	K390,000-K791,000	K461,000-K1,489,000	To be Updated	To be Updated

*This survey was conducted between 26<sup>th</sup>-27<sup>th</sup> January 2005 by the Social Conditions Research Project of the Jesuit Centre for Theological Reflection. Average prices were calculated on the basis of prices gathered from retail outlets at Northmead, Town Centre (Shoprite), City Market, Chawama, Chainta, Kabwata, Matero and schools, clinics/hospitals around Lusaka. The January Basic Needs Basket is approximately US \$285.29 based upon an average middle exchange rate of 4700 Kwacha per US \$ at the end of January.*

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# JCTR BASIC NEEDS BASKET: LIVINGSTONE

JANUARY 2005

## (A) COST OF BASIC FOOD ITEMS FOR A FAMILY OF SIX IN LIVINGSTONE

Commodity	Kwacha	Quantity	Total
Mealie meal (breakfast)	35,400	3 x 25 Kg bags	106,200
Beans	4,900	2 Kgs	9,800
Kapenta (Siavonga)	23,000	2 Kgs	46,000
Dry Fish	23,300	1 Kg	23,300
Meat (mixed cut)	12,800	4 Kgs	51,200
Eggs	6,400	2 Units	12,800
Vegetables (greens)	1,500	7.5 Kgs	11,250
Tomato	2,900	4 Kgs	11,600
Onion	2,500	4 Kgs	10,000
Milk (fresh)	7,900	1 x 2 litres	7,900
Cooking oil	16,200	2 x 2 litres	32,400
Bread	2,900	1 loaf/day	87,000
Sugar	4,000	8 Kgs	32,000
Salt	2,800	1 Kg	2,800
Tea (Tips)	9,100	1 x 500 g	9,100
<b>Sub-total</b>			<b>453,350</b>

## (B) COST OF ESSENTIAL NON-FOOD ITEMS

Charcoal (50 Kg bag)	29,000	180 Kgs	104,400
Soap (Lifebuoy)	1,400	10 tablets	14,000
Wash soap (Boom)	2,900	4 x 400 g	11,600
Jelly (e.g., Vaseline)	5,400	1 x 500 mL	5,400
Electricity	100,000		100,000
Water (medium density)	70,000		70,000
Housing (3 bedroom)	350,000		350,000
<b>Sub-total</b>			<b>655,400</b>
<b>Total for Basic Needs Basket</b>			<b>1,108,750</b>

Totals for previous months: 2004 **Dec**  
Amount 1,087,750

## (C) SOME OTHER ADDITIONAL COSTS

Item	Kwacha
Education (PTA per year)	
Basic (grades 1-7)	K30,000-K40,000
Health (consultation fee)	K6,000
Transport (bus fare round trip):	
Dambwa-Town	K4,000
Marambwa-Town	K4,000
Victoria Falls-Town	K8,000

Please note that other costs would include personal care, clothing, recreation, etc.

## (D) A COMPARISON OF LIVING COSTS ACROSS ZAMBIA IN JANUARY

Lusaka	Ndola	Kitwe	Luanshya	Kabwe
K1,340,840	K988,280	K973,910	K838,410	K842,900

This survey was conducted on 27<sup>th</sup>-28<sup>th</sup> January 2005 by the Social Conditions Research Project of the Jesuit Centre for Theological Reflection. Average prices were calculated on the basis of surveys conducted at Town Centre Market, Dambwa Market, Maramba Market, Mbata Market, Elaine Brittel Market and Town Centre Shoprite. Additional information was obtained from ZESCO, the Livingstone Water and Sewerage Company and schools, clinics and houses around Livingstone.

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# JCTR BASIC NEEDS BASKET: NDOLA

JANUARY 2005

## (A) COST OF BASIC FOOD ITEMS FOR A FAMILY OF SIX IN NDOLA

Commodity	Kwacha	Quantity	Total
Mealie meal (breakfast)	35,400	3 x 25 Kg bags	106,200
Beans	7,100	2 Kgs	14,200
Kapenta (Mpulungu)	29,000	2 Kgs	58,000
Dry Fish	31,300	1 Kg	31,300
Meat (mixed cut)	17,300	4 Kgs	69,200
Eggs	5,000	2 Units	10,000
Vegetables (greens)	1,800	7.5 Kgs	13,500
Tomato	3,700	4 Kgs	14,800
Onion	4,000	4 Kgs	16,000
Milk (long-life)	2,700	4 x 500 mL	10,800
Cooking oil (2.5 litre bottle)	17,300	4 litres	27,680
Bread	2,700	1 loaf/day	81,000
Sugar	4,700	8 Kgs	37,600
Salt	2,100	1 Kg	2,100
Tea (Tips)	2,200	4 x 125 g	8,800
<b>Sub-total</b>			<b>501,180</b>

## (B) COST OF ESSENTIAL NON-FOOD ITEMS

Charcoal	38,300	2 x 90 Kgs	76,600
Soap (Lifebuoy)	1,100	10 tablets	11,000
Wash soap (Boom)	2,600	4 x 400 g	10,400
Jelly (e.g., Vaseline)	5,100	1 x 500 mL	5,100
Electricity	55,000		55,000
Water (medium density)	29,000		29,000
Housing (3 bedroom)	300,000		300,000
<b>Sub-total</b>			<b>487,100</b>
<b>Total for Basic Needs Basket</b>			<b>988,280</b>

Totals for previous months: 2004 **Dec**  
Amount 953,130

## (C) SOME OTHER ADDITIONAL COSTS

Item	Kwacha
Education (PTA per year)	
Basic (grades 1-7)	K32,000
Basic (grades 8-9)	K180,000
Health (monthly scheme per person)	K1,000
Transport (bus fare round trip):	
Ndeke-Town	K2,800
Chifubu-Town	K3,000
Masala-Town	K3,000
Mushili-Town	K3,000

*Please note that other costs would include personal care, clothing, recreation, etc.*

## (D) A COMPARISON OF LIVING COSTS ACROSS ZAMBIA IN JANUARY

Lusaka	Luanshya	Kitwe	Kabwe	Livingstone
K1,340,840	K838,410	K973,910	K842,900	K1,108,750

*This survey was conducted on 25<sup>th</sup> January 2005 by the Social Conditions Research Project of the Jesuit Centre for Theological Reflection. Average prices were calculated on the basis of surveys conducted at Masala Market, Mushili Market, Lubuto Market, Chifubu Market and Town Centre Shoprite. Additional information was obtained from ZESCO, the Ndola Water and Sewerage Company and schools, clinics and houses around Ndola.*

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# JCTR BASIC NEEDS BASKET: KITWE

JANUARY 2005

## (A) COST OF BASIC FOOD ITEMS FOR A FAMILY OF SIX IN KITWE

Commodity	Kwacha	Quantity	Total
Mealie meal (breakfast)	35,300	3 x 25 Kg bags	105,900
Beans	7,000	2 Kgs	14,000
Kapenta (Mpulungu)	22,500	2 Kgs	45,000
Dry Fish	26,300	1 Kg	26,300
Meat (mixed cut)	17,500	4 Kgs	70,000
Eggs	5,000	2 Units	10,000
Vegetables (greens)	1,700	7.5 Kgs	12,750
Tomato	3,200	4 Kgs	12,800
Onion	3,900	4 Kgs	15,600
Milk (long-life)	2,700	4 x 500 mL	10,800
Cooking oil (2.5 litre bottle)	17,100	4 litres	27,360
Bread	2,700	1 loaf/day	81,000
Sugar	4,700	8 Kgs	37,600
Salt	2,100	1 Kg	2,100
Tea (Tips)	2,000	4 x 125 g	8,000
<b>Sub-total</b>			<b>479,210</b>

## (B) COST OF ESSENTIAL NON-FOOD ITEMS

Charcoal	37,900	2 x 90 Kgs	75,800
Soap (Lifebuoy)	1,100	10 tablets	11,000
Wash soap (Boom)	2,600	4 x 400 g	10,400
Jelly (e.g., Vaseline)	5,000	1 x 500 mL	5,000
Electricity	52,500		52,500
Water (medium density)	40,000		40,000
Housing (3 bedroom)	300,000		300,000
<b>Sub-total</b>			<b>494,700</b>
<b>Total for Basic Needs Basket</b>			<b>973,910</b>

Totals for previous  
months: 2004 **Dec**  
Amount 944,910

## (C) SOME OTHER ADDITIONAL COSTS

Item	Kwacha
Education (PTA per year)	
Basic (grades 1-7)	K32,000
Basic (grades 8-9)	K180,000
Health (consultation fee)	K1,000
Transport (bus fare round trip):	
Chamboli-Town	K3,000
Nakadoli-Town	K4,500
Chimwemwe-Town	K4,500

*Please note that other costs would include personal care, clothing, recreation, etc.*

## (D) A COMPARISON OF LIVING COSTS ACROSS ZAMBIA IN JANUARY

Lusaka	Ndola	Luanshya	Kabwe	Livingstone
K1,340,840	K988,280	K838,410	K842,900	K1,108,750

*This survey was conducted on 26<sup>th</sup> January 2005 by the Social Conditions Research Project of the Jesuit Centre for Theological Reflection. Average prices were calculated on the basis of surveys conducted at Chamboli Market, Nakadoli Market, Chimwemwe Market, Chisokone Market and Town Centre Shoprite. Additional information was obtained from ZESCO, the Kitwe Water and Sewerage Company and schools, clinics and houses around Kitwe.*



# JCTR BASIC NEEDS BASKET: LUANSHYA

JANUARY 2005

## (A) COST OF BASIC FOOD ITEMS FOR A FAMILY OF SIX IN LUANSHYA

Commodity	Kwacha	Quantity	Total
Mealie meal (breakfast)	35,200	3 x 25 Kg bags	105,600
Beans	3,500	2 Kgs	7,000
Kapenta (Mpulungu)	38,500	2 Kgs	77,000
Dry Fish	41,300	1 Kg	41,300
Meat (mixed cut)	15,900	4 Kgs	63,600
Eggs	6,000	2 Units	12,000
Vegetables (greens)	2,300	7.5 Kgs	17,250
Tomato	3,900	4 Kgs	15,600
Onion	4,800	4 Kgs	19,200
Milk (long-life)	2,600	4 x 500 mL	10,400
Cooking oil (2.5 litre bottle)	18,100	4 litres	28,960
Bread	2,400	1 loaf/day	72,000
Sugar	3,800	8 Kgs	30,400
Salt	1,500	1 Kg	1,500
Tea (Tips)	4,900	2 x 250 g	9,800
<b>Sub-total</b>			<b>511,610</b>

## (B) COST OF ESSENTIAL NON-FOOD ITEMS

Charcoal (25 Kg bag)	10,500	180 Kgs	75,600
Soap (Lifebuoy)	1,100	10 tablets	11,000
Wash soap (Boom)	2,500	4 x 400 g	10,000
Jelly (e.g., Vaseline)	5,200	1 x 500 mL	5,200
Electricity	40,000		40,000
Water (medium density)	35,000		35,000
Housing (3 bedroom)	150,000		150,000
<b>Sub-total</b>			<b>326,800</b>
<b>Total for Basic Needs Basket</b>			<b>838,410</b>

Totals for previous months: 2004 **Dec**  
Amount 794,580

## (C) SOME OTHER ADDITIONAL COSTS

Item	Kwacha
Education (PTA per year)	
Basic (grades 1-7)	K20,000-K40,000
Basic (grades 8-9)	K75,000-K85,000
Health (consultation fee)	K1,500
Transport (bus fare round trip):	
Mpatamatu-Town	K2,800
Kalala-Roan	K1,100
Roan-Town	K2,500

Please note that other costs would include personal care, clothing, recreation, etc.

## (D) A COMPARISON OF LIVING COSTS ACROSS ZAMBIA IN JANUARY

Lusaka	Ndola	Kitwe	Kabwe	Livingstone
K1,340,840	K988,280	K973,910	K842,900	K1,108,750

This survey was conducted on 27<sup>th</sup>-28<sup>th</sup> January 2005 by the Social Conditions Research Project of the Jesuit Centre for Theological Reflection. Average prices were calculated on the basis of surveys conducted at Mpatamatu Market, Buseko Market, Roan Market, Mikomfwa Market and Town Centre Shoprite. Additional information was obtained from ZESCO, the Luanshya Water and Sewerage Company and schools, clinics and houses around Luanshya.

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# JCTR BASIC NEEDS BASKET: KABWE

JANUARY 2005

## (A) COST OF BASIC FOOD ITEMS FOR A FAMILY OF SIX IN KABWE

Commodity	Kwacha	Quantity	Total
Mealie meal (breakfast)	33,000	3 x 25 Kg bags	99,000
Beans	5,000	2 Kgs	10,000
Kapenta (Mpulungu)	6,500	2 Kgs	13,000
Dry Fish	19,300	1 Kg	19,300
Meat (mixed cut)	15,500	4 Kgs	62,000
Eggs	6,000	2 Units	12,000
Vegetables (greens)	2,000	7.5 Kgs	15,000
Tomato	4,500	4 Kgs	18,000
Onion	5,100	4 Kgs	20,400
Milk (long-life)	2,900	4 x 500 mL	11,600
Cooking oil (2.5 litre bottle)	16,800	4 litres	26,880
Bread	2,500	1 loaf/day	75,000
Sugar	3,800	8 Kgs	30,400
Salt	1,500	1 Kg	1,500
Tea (Tips)	10,700	500 g	10,700
<b>Sub-total</b>			<b>424,780</b>

## (B) COST OF ESSENTIAL NON-FOOD ITEMS

Charcoal (50 Kg bag)	15,200	180 Kgs	54,720
Soap (Lifebuoy)	1,200	10 tablets	12,000
Wash soap (Boom)	2,800	4 x 400 g	11,200
Jelly (e.g., Vaseline)	5,200	1 x 500 mL	5,200
Electricity	50,000		50,000
Water (medium density)	35,000		35,000
Housing (3 bedroom)	250,000		250,000
<b>Sub-total</b>			<b>418,120</b>
<b>Total for Basic Needs Basket</b>			<b>842,900</b>

Totals for previous months: 2004  
Amount **Dec** 828,980

## (C) SOME OTHER ADDITIONAL COSTS

Item	Kwacha
Education (PTA per year)	
Basic (grades 1-7)	K50,000
Health (hospital clinics daily fee)	K2,000
Transport (bus fare round trip):	
Lukanga-Town	K2,400
Ngongu-Town	K3,200
Mine-Town	K4,000

*Please note that other costs would include personal care, clothing, recreation, etc.*

## (D) A COMPARISON OF LIVING COSTS ACROSS ZAMBIA IN JANUARY

Lusaka	Ndola	Luanshya	Kitwe	Livingstone
K1,340,840	K988,280	K838,410	K973,910	K1,108,750

*This survey was conducted on 26<sup>th</sup> – 27<sup>th</sup> January 2005 by the Social Conditions Research Project of the Jesuit Centre for Theological Reflection. Average prices were calculated on the basis of surveys conducted at Kamnda Market, Katondo Market, Nakoli Market, Lukanga Market and Town Centre Shoprite. Additional information was obtained from ZESCO, the Kabwe Water and Sewerage Company and schools, clinics and houses around Kabwe.*

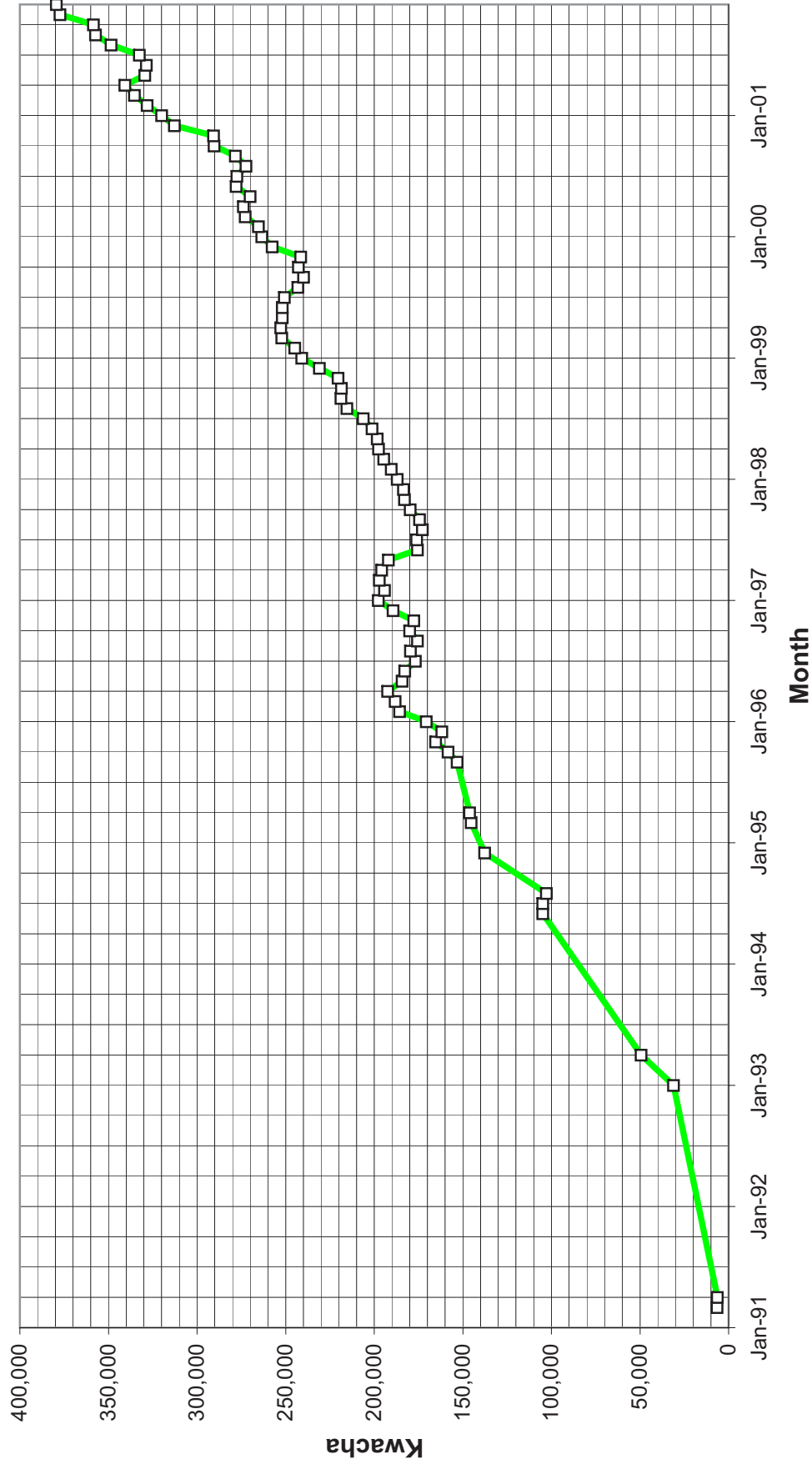
## **Appendix C: Data and Graphs**

- 1991-2001 Lusaka *Food Basket* Data and Graph
- 2002-Present Lusaka *Basic Needs Basket* Data and Graphs
- 2005-Present Expanded Urban *Basic Needs Basket* Data and Graphs



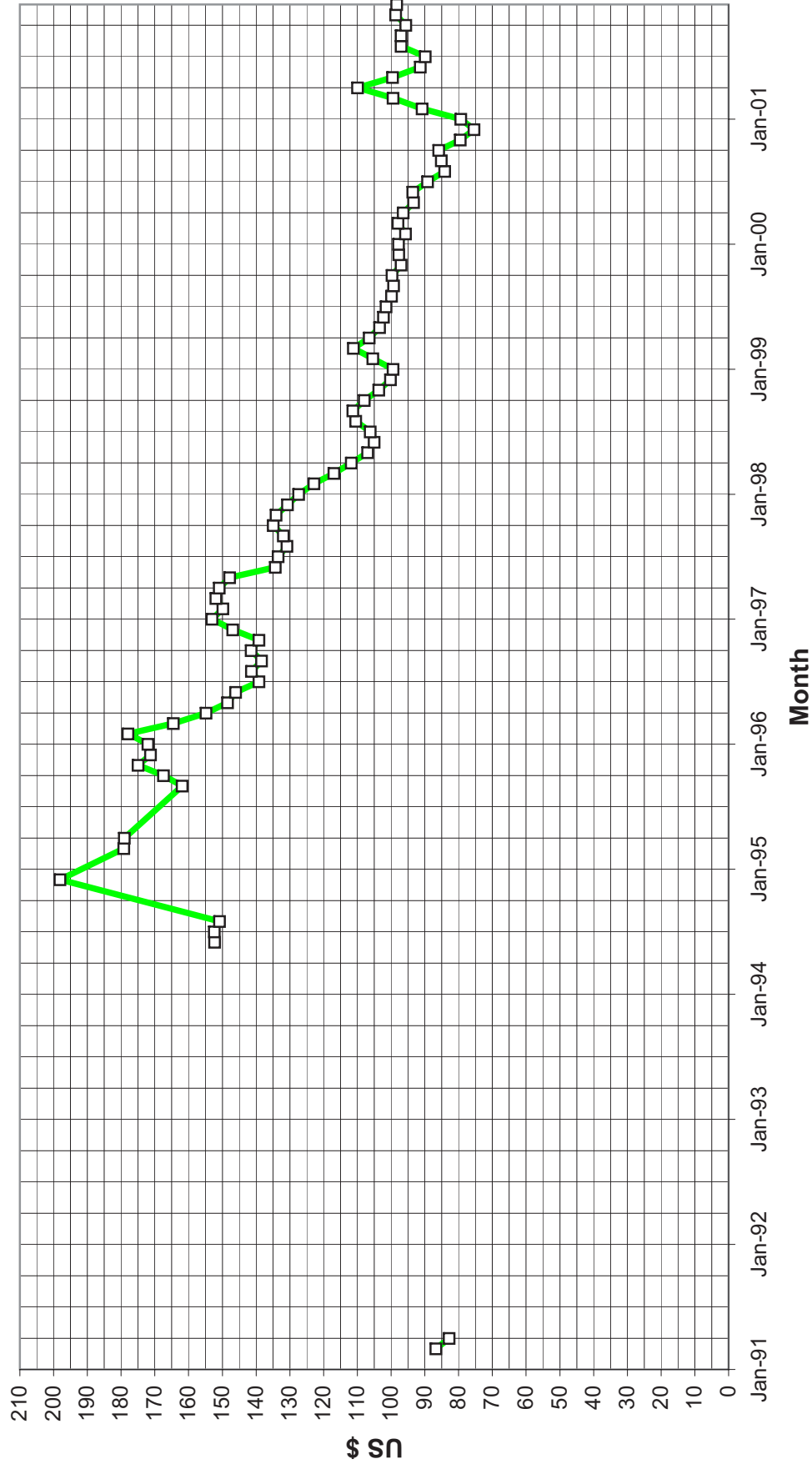
# JCTR Food Basket in Kwacha (1991-2001)

(Cost of Basic Items for Family of Six in Lusaka)



# JCTR Food Basket in US\$ (1991-2001)

(Cost of Basic Items for Family of Six in Lusaka)

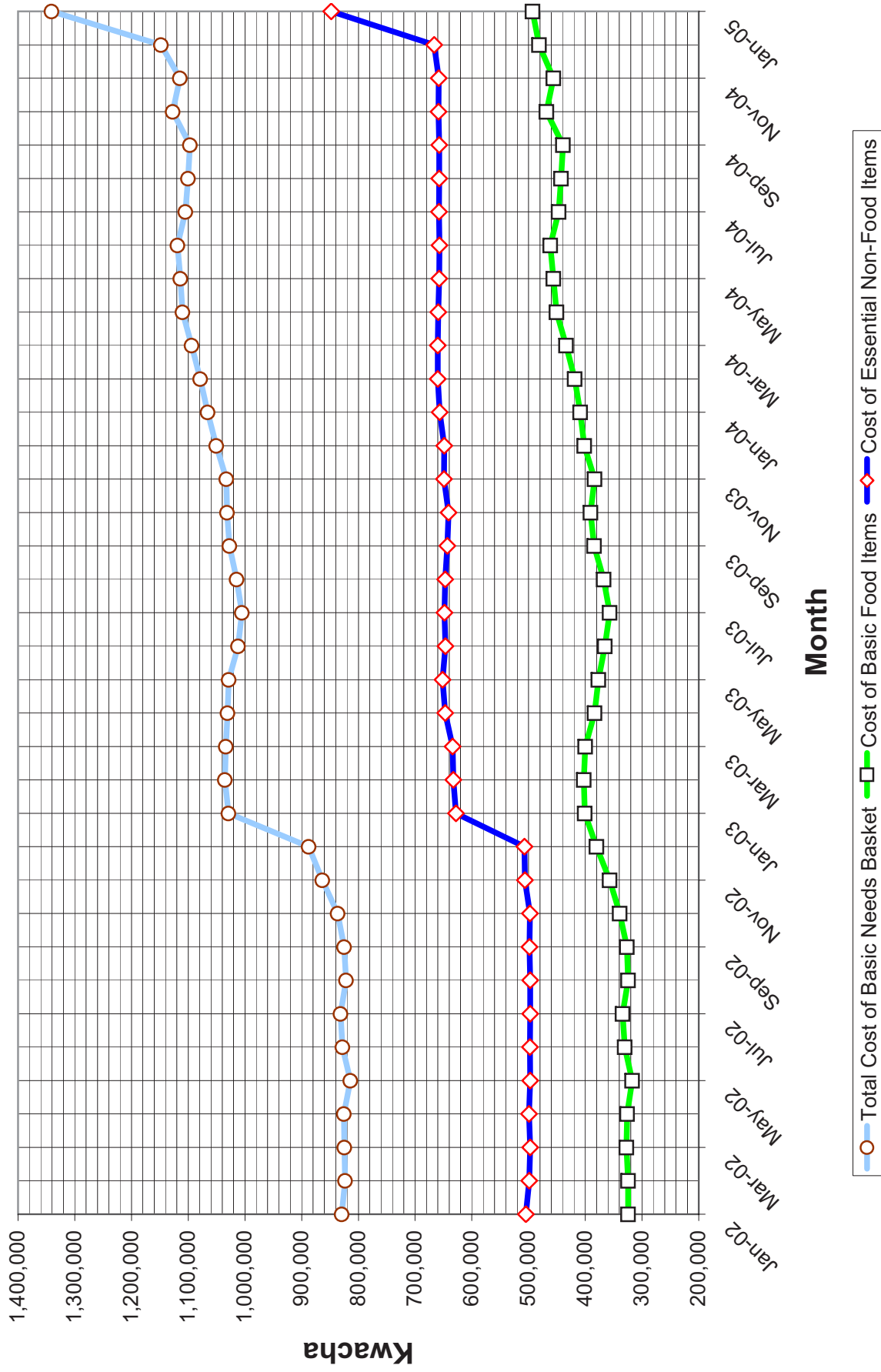




Basic Needs Basket (2002-Present): The Cost of Essential Food and Non-Food Items for a Family of Six Living in Lusaka																						
Basic Needs Basket Total (Kwacha)	Basic Food Items					Essential Non-Food Items					Essential Non-Food Items											
	Sub-Total (Kwacha)	Sub-Total (Kwacha)	Sub-Total (Kwacha)	Sub-Total (Kwacha)	Sub-Total (Kwacha)	Meat (Mixed Cut) 4 kgs	Eggs (20 eggs)	Veg. (Greens) 7.5 kgs	Tomato 4 kgs	Onion 4 kgs	Milk 2 litres	Cooking Oil 2 x (2 litres)	Bread 30 loafs	Sugar 8 kgs	Salt 1 kg	Tea (Leaves) 500 g	Charcoal 2 x (90 kg bags)	Soap (Lifebuoy) 10 tablets	Wash-Soap (Paate) 4 x (400 g)	Jelly 500 mL	Electricity Medium Density	Water Medium Density
Jan-02	829,250	504,600	304,650	108,000	9,600	39,000	12,500	8,000	8,000	4,400	21,200	43,500	18,400	1,100	5,900	36,000	8,000	7,600	3,000	75,000	25,000	350,000
Feb-02	823,510	499,000	324,510	108,900	8,600	39,000	11,600	8,250	6,800	4,600	22,200	46,500	18,360	1,100	5,800	30,000	8,000	8,000	3,000	75,000	25,000	350,000
Mar-02	824,600	497,300	327,300	108,600	8,600	38,400	12,600	9,000	8,000	4,600	22,200	45,000	18,400	1,100	6,200	28,000	8,000	8,000	3,300	75,000	25,000	350,000
Apr-02	825,500	499,200	326,300	102,600	8,400	37,300	13,200	9,000	10,400	4,600	22,200	45,000	20,000	1,200	5,000	30,000	8,000	8,000	3,200	75,000	25,000	350,000
May-02	814,350	497,200	317,150	97,200	8,600	35,000	12,000	10,500	8,800	4,600	22,800	45,000	20,400	1,250	5,000	28,000	8,000	8,000	3,200	75,000	25,000	350,000
Jun-02	827,950	497,600	330,350	103,500	8,600	37,000	13,000	11,250	12,000	4,800	24,000	45,000	20,400	1,200	5,000	28,400	8,000	8,000	3,200	75,000	25,000	350,000
Jul-02	831,350	497,100	334,250	108,000	8,800	36,800	13,500	11,250	11,600	5,000	24,400	45,000	20,000	1,200	5,600	28,000	8,000	8,000	3,100	75,000	25,000	350,000
Aug-02	821,800	497,300	324,500	108,600	8,600	37,000	13,000	10,500	5,200	5,000	24,600	45,000	20,000	1,200	5,500	28,000	8,000	8,000	3,000	75,000	25,000	350,000
Sep-02	825,100	498,600	326,500	108,000	8,400	37,300	14,000	10,500	5,200	5,000	24,600	45,000	20,000	1,200	5,300	29,200	8,000	8,400	3,000	75,000	25,000	350,000
Oct-02	836,550	497,400	339,150	108,600	8,600	37,300	14,600	11,250	6,000	5,000	26,600	48,000	20,800	1,300	5,300	28,000	8,000	8,000	3,400	75,000	25,000	350,000
Nov-02	863,400	506,400	357,000	118,800	9,200	40,000	14,600	12,000	6,000	5,200	28,000	48,000	20,800	1,300	5,300	36,000	9,000	8,000	3,400	75,000	25,000	350,000
Dec-02	887,550	507,400	380,150	135,000	10,600	41,300	14,600	12,750	6,000	5,200	29,800	48,000	21,600	1,400	5,300	37,000	9,000	8,000	3,400	75,000	25,000	350,000
Jan-03	1,029,150	628,100	401,050	129,000	11,600	46,000	14,000	17,250	16,000	5,400	32,400	51,000	22,400	1,400	4,800	36,600	9,000	8,000	3,500	87,000	34,000	450,000
Feb-03	1,035,300	632,500	402,800	136,800	10,600	43,000	12,400	13,500	15,200	5,600	34,800	54,000	22,400	1,500	5,000	37,000	13,000	8,000	3,500	87,000	34,000	450,000
Mar-03	1,033,750	633,700	400,050	136,200	10,000	43,000	12,800	12,750	12,800	5,600	36,000	54,000	22,400	1,500	5,000	39,200	12,000	8,000	3,500	87,000	34,000	450,000
Apr-03	1,030,850	647,200	383,650	125,400	10,000	40,000	10,500	12,500	10,000	6,000	34,800	54,000	24,000	1,400	5,200	52,000	12,000	8,000	4,200	87,000	34,000	450,000
May-03	1,028,650	651,700	376,950	109,500	8,600	40,000	14,000	12,750	9,200	6,400	35,600	57,000	24,000	1,400	5,300	56,000	12,000	8,400	4,300	87,000	34,000	450,000
Jun-03	1,012,100	646,700	365,400	91,500	9,600	41,000	14,000	12,000	8,400	6,600	40,000	57,000	24,400	1,500	5,200	51,000	12,000	8,400	4,300	87,000	34,000	450,000
Jul-03	1,005,400	648,200	357,200	81,000	10,000	40,000	18,000	12,000	8,000	6,800	36,000	60,000	24,800	1,600	5,000	52,000	12,000	8,800	4,400	87,000	34,000	450,000
Aug-03	1,014,500	646,800	367,700	82,800	10,200	46,000	18,800	12,000	8,000	6,600	32,200	60,000	24,800	1,600	5,700	50,000	12,000	9,200	4,600	87,000	34,000	450,000
Sep-03	1,027,450	643,000	384,450	84,000	10,400	48,000	22,000	12,750	10,000	6,400	32,200	60,000	24,800	1,600	5,500	46,000	12,000	9,600	4,400	87,000	34,000	450,000
Oct-03	1,031,700	641,000	390,700	84,000	11,000	48,000	24,000	12,000	10,000	6,800	34,000	60,000	25,600	1,500	5,800	44,000	12,000	9,600	4,400	87,000	34,000	450,000
Nov-03	1,032,800	649,000	383,800	82,500	10,400	47,000	23,000	12,000	11,200	9,600	32,000	60,000	25,600	1,500	6,000	52,000	12,000	9,600	4,400	87,000	34,000	450,000
Dec-03	1,050,400	648,600	401,800	83,100	10,400	47,000	25,000	18,000	11,600	9,600	34,000	60,000	25,600	1,500	6,000	52,000	12,000	9,200	4,400	87,000	34,000	450,000
Jan-04	1,065,900	656,900	409,000	87,000	12,000	48,000	27,000	15,000	9,600	7,000	32,000	60,000	25,600	1,500	6,300	60,000	12,000	9,600	4,300	87,000	34,000	450,000
Feb-04	1,078,750	660,200	418,550	89,700	10,000	52,000	37,000	17,250	8,800	7,200	34,400	60,000	26,400	1,900	6,100	63,200	12,000	9,600	4,400	87,000	34,000	450,000
Mar-04	1,094,100	660,100	434,000	90,600	12,000	52,500	41,000	16,500	9,600	7,200	32,000	66,000	27,200	2,000	8,000	63,200	12,000	9,600	4,300	87,000	34,000	450,000
Apr-04	1,110,150	659,300	450,850	90,000	12,000	60,000	42,000	17,250	11,200	7,800	38,000	63,000	30,400	2,000	8,800	62,000	12,000	9,600	4,700	87,000	34,000	450,000
May-04	1,113,900	657,500	456,400	87,000	9,600	68,000	40,000	19,500	11,200	10,800	36,000	63,000	30,400	2,100	9,800	60,400	12,000	9,600	4,500	87,000	34,000	450,000
Jun-04	1,118,700	657,100	461,600	85,800	12,000	73,600	40,800	21,000	10,400	10,000	37,000	63,000	29,600	2,000	10,000	60,000	12,000	9,600	4,500	87,000	34,000	450,000
Jul-04	1,105,100	658,100	447,000	84,600	11,600	62,000	40,000	21,000	10,000	10,000	36,000	63,000	29,600	2,000	10,000	61,000	12,000	9,600	4,500	87,000	34,000	450,000
Aug-04	1,100,200	657,500	442,700	84,000	11,800	58,000	40,000	16,500	8,000	9,200	36,000	66,000	29,600	2,000	10,000	60,000	12,000	10,000	4,500	87,000	34,000	450,000
Sep-04	1,097,100	657,700	439,400	84,600	11,600	58,000	37,000	18,000	6,800	8,200	34,000	66,000	29,600	2,000	10,000	60,000	12,000	10,200	4,500	87,000	34,000	450,000
Oct-04	1,127,500	658,900	468,600	85,500	12,400	58,000	39,000	15,000	9,200	9,600	36,000	66,000	31,200	2,000	10,100	60,400	12,000	10,800	4,700	87,000	34,000	450,000
Nov-04	1,114,800	658,600	456,200	87,900	12,400	60,000	39,200	15,000	8,800	9,600	34,800	66,000	30,400	2,000	9,600	60,000	12,000	10,800	4,800	87,000	34,000	450,000
Dec-04	1,147,840	666,300	481,540	96,600	12,000	65,400	41,000	18,750	9,200	8,600	36,200	72,000	31,200	2,000	9,300	68,000	12,000	10,400	4,900	87,000	34,000	450,000
Jan-05	1,340,840	847,900	492,940	99,000	12,400	70,600	40,000	18,000	10,000	9,600	36,200	72,000	31,200	2,000	9,900	73,200	13,000	10,800	4,900	113,000	34,000	600,000

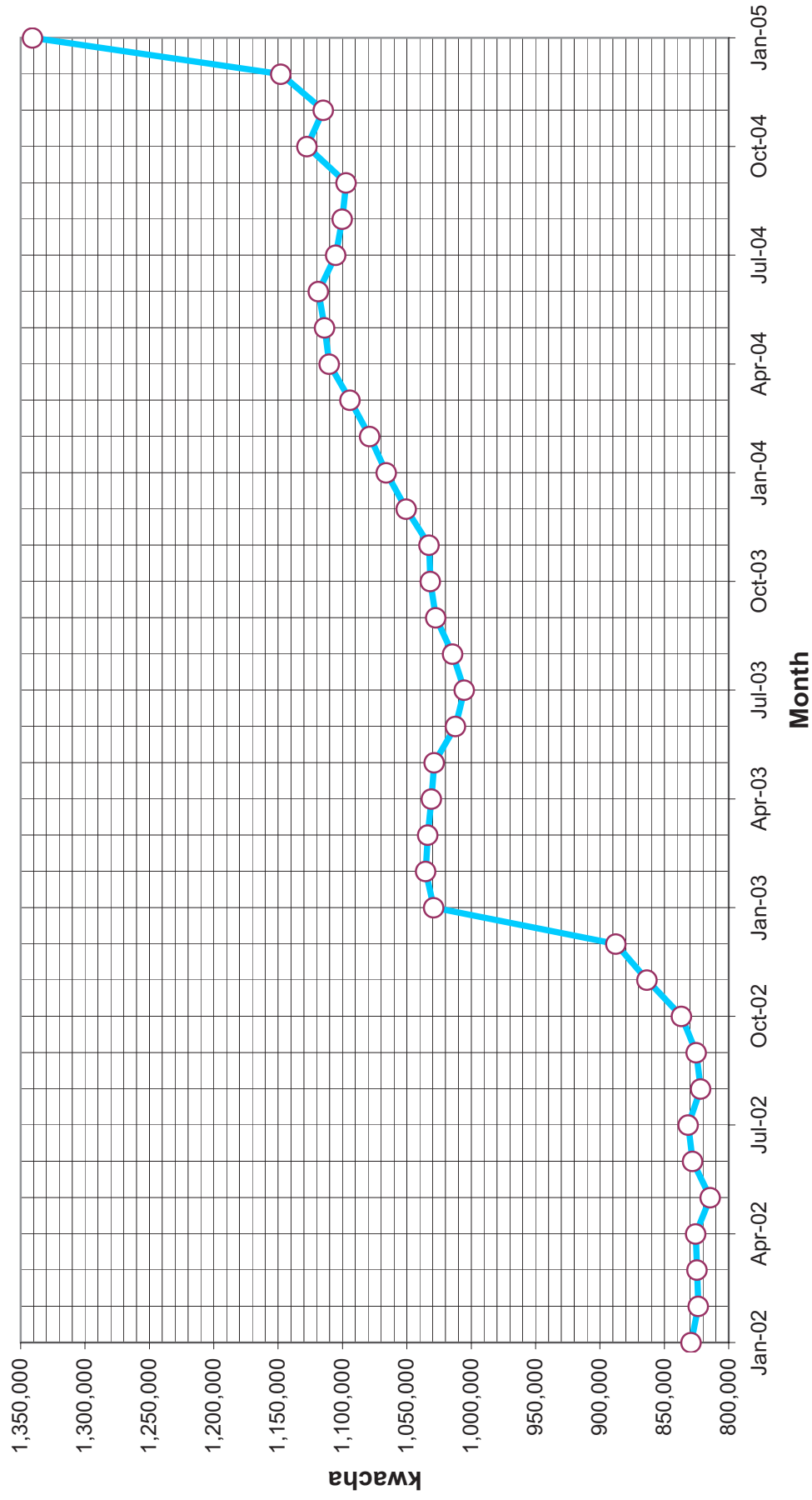
# JCTR Basic Needs Basket in Kwacha from 2002-Present

(Basic Cost of Living for Family of 6 in Lusaka)



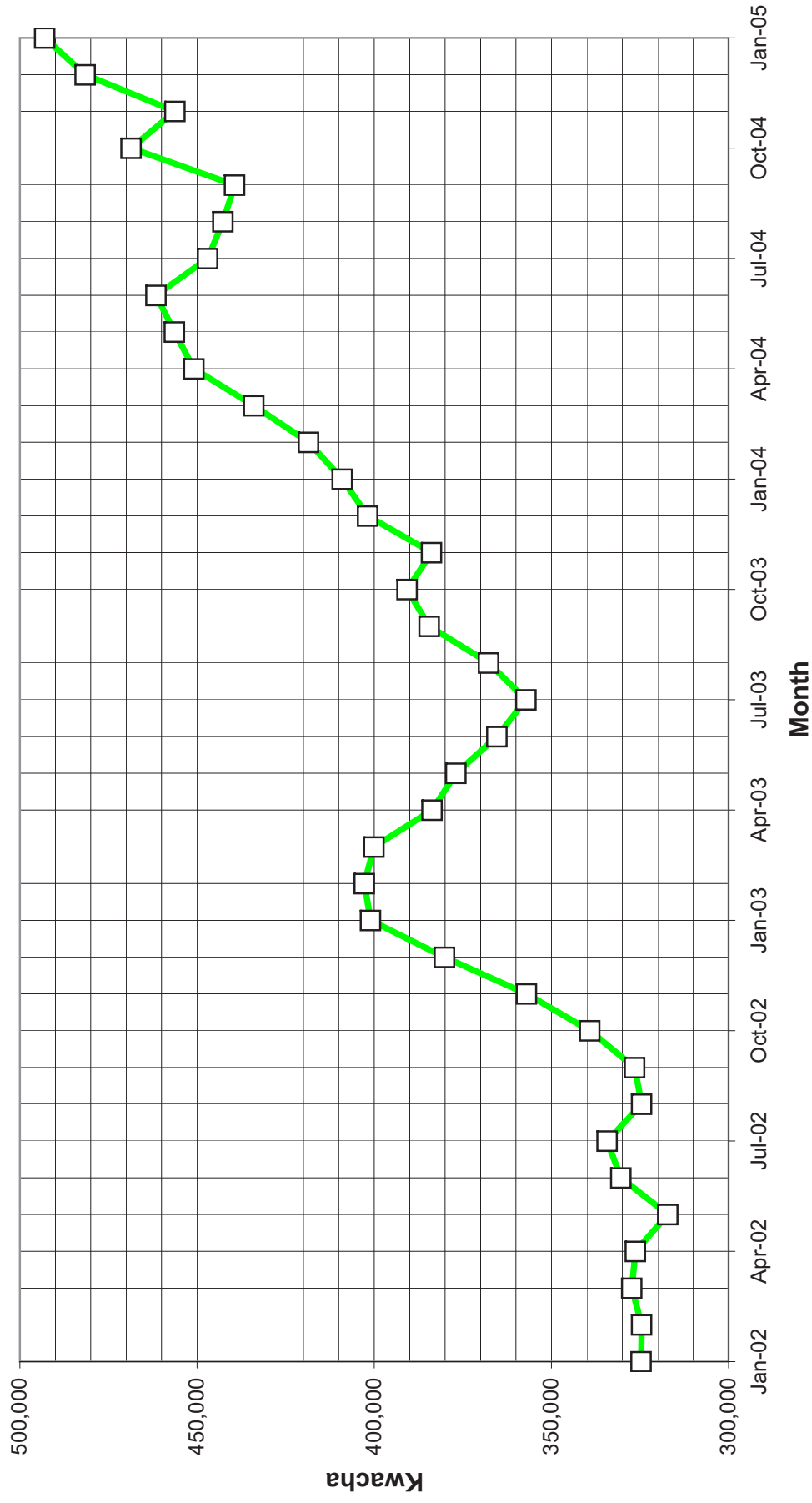
# JCTR Basic Needs Basket in Kwacha from 2002-Present

(Cost of Essential Food and Non-Food Itms for Family of 6 in Lusaka)



# JCTR Basic Food Basket in Kwacha from 2002-Present

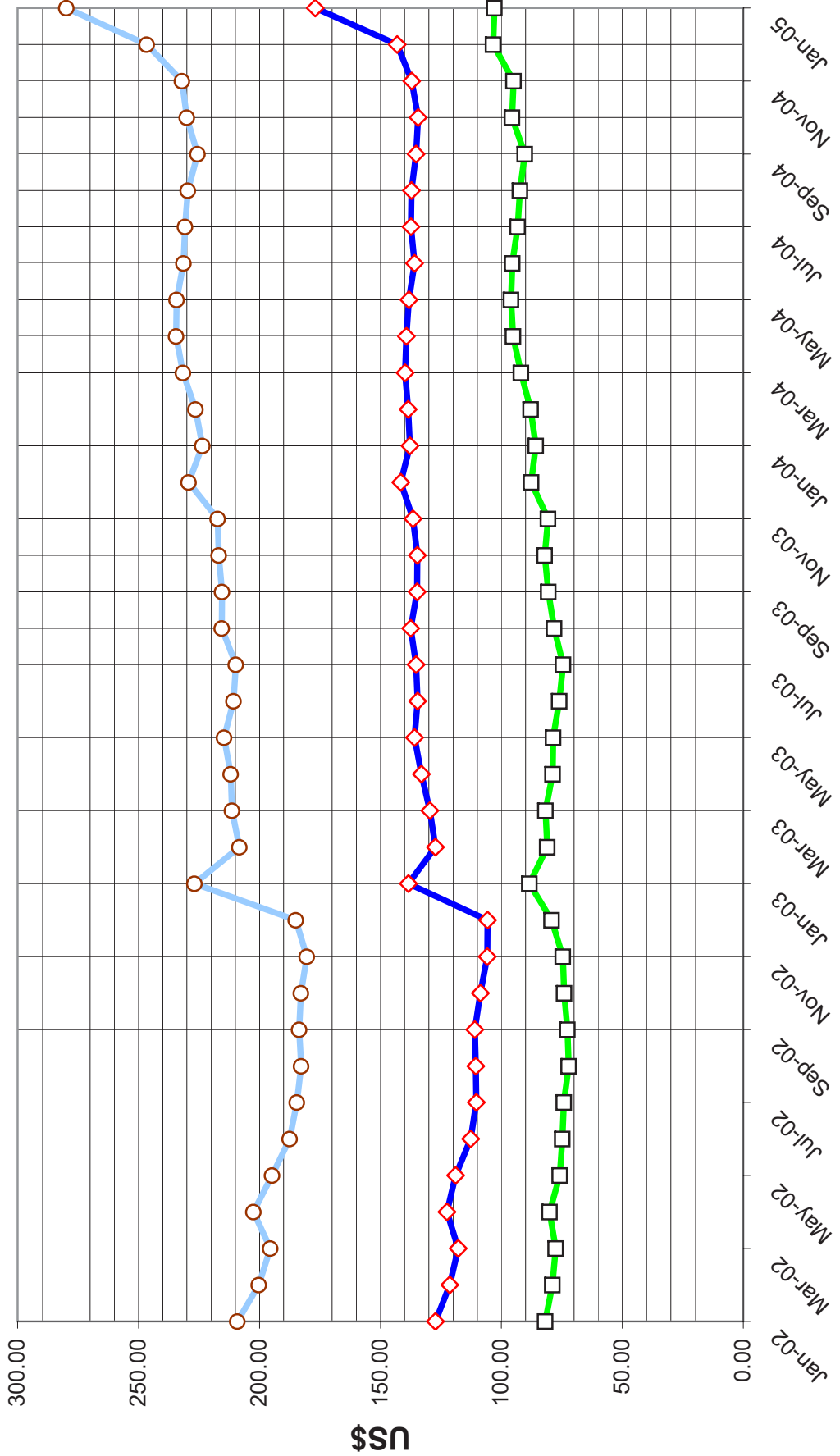
(Cost of Basic Food Items for Family of Six in Lusaka)



<b>Basic Needs Basket (BNB) for Lusaka in US Dollars (2002-Present)</b>							
<b>Month</b>	<b>Average Market Exchange Rate*</b>	<b>BNB (Kwacha)</b>	<b>BNB (US\$)</b>	<b>Food Items (Kwacha)</b>	<b>Food Items (US\$)</b>	<b>Non-Food Items (Kwacha)</b>	<b>Non-Food Items (US\$)</b>
Jan-02	3,964.81	829,250	209.15	324,650	81.88	504,600	127.27
Feb-02	4,111.56	823,510	200.29	324,510	78.93	499,000	121.37
Mar-02	4,217.45	824,600	195.52	327,300	77.61	497,300	117.91
Apr-02	4,075.95	825,500	202.53	326,300	80.05	499,200	122.47
May-02	4,179.89	814,350	194.83	317,150	75.88	497,200	118.95
Jun-02	4,416.45	827,950	187.47	330,350	74.80	497,600	112.67
Jul-02	4,504.53	831,350	184.56	334,250	74.20	497,100	110.36
Aug-02	4,497.23	821,800	182.73	324,500	72.16	497,300	110.58
Sep-02	4,493.15	825,100	183.64	326,500	72.67	498,600	110.97
Oct-02	4,575.48	836,550	182.83	339,150	74.12	497,400	108.71
Nov-02	4,783.78	863,400	180.48	357,000	74.63	506,400	105.86
Dec-02	4,797.42	887,550	185.01	380,150	79.24	507,400	105.77
Jan-03	4,535.33	1,029,150	226.92	401,050	88.43	628,100	138.49
Feb-03	4,970.25	1,035,300	208.30	402,800	81.04	632,500	127.26
Mar-03	4,891.55	1,033,750	211.33	400,050	81.78	633,700	129.55
Apr-03	4,864.55	1,030,850	211.91	383,650	78.87	647,200	133.04
May-03	4,793.68	1,028,650	214.58	376,950	78.63	651,700	135.95
Jun-03	4,802.21	1,012,100	210.76	365,400	76.09	646,700	134.67
Jul-03	4,792.75	1,005,400	209.78	357,200	74.53	648,200	135.25
Aug-03	4,705.48	1,014,500	215.60	367,700	78.14	646,800	137.46
Sep-03	4,768.00	1,027,450	215.49	384,450	80.63	643,000	134.86
Oct-03	4,758.37	1,031,700	216.82	390,700	82.11	641,000	134.71
Nov-03	4,753.86	1,032,800	217.26	383,800	80.73	649,000	136.52
Dec-03	4,581.08	1,050,400	229.29	401,800	87.71	648,600	141.58
Jan-04	4,765.91	1,065,900	223.65	409,000	85.82	656,900	137.83
Feb-04	4,764.11	1,078,750	226.43	418,550	87.85	660,200	138.58
Mar-04	4,722.67	1,094,100	231.67	434,000	91.90	660,100	139.77
Apr-04	4,735.01	1,110,150	234.46	450,850	95.22	659,300	139.24
May-04	4,754.61	1,113,900	234.28	456,400	95.99	657,500	138.29
Jun-04	4,833.25	1,118,700	231.46	461,600	95.51	657,100	135.95
Jul-04	4,789.53	1,105,100	230.73	447,000	93.33	658,100	137.40
Aug-04	4,791.94	1,100,200	229.59	442,700	92.38	657,500	137.21
Sep-04	4,862.81	1,097,100	225.61	439,400	90.36	657,700	135.25
Oct-04	4,901.21	1,127,500	230.05	468,600	95.61	658,900	134.44
Nov-04	4,804.24	1,114,800	232.05	456,200	94.96	658,600	137.09
Dec-04	4,655.08	1,147,840	246.58	481,540	103.44	666,300	143.13
Jan-05	4,791.29	1,340,840	279.85	492,940	102.88	847,900	176.97
*Monthly Average Market Exchange Rates collected from the Bank of Zambia's record of Commercial Banks' Weighted Retail							
Average Kwacha-US\$ mid-rates from 2002-present							
<b>Jesuit Centre for Theological Reflection</b>							
<b>Social Conditions Research Project</b>							
<b>email: socialjctr@zamnet.zm</b>							
<b>tel: 260-1-290410</b>							
<b>fax: 260-1-290759</b>							

# JCTR Basic Needs Basket in US\$ from 2002-Present

(Basic Cost of Living for Family of 6 in Lusaka)



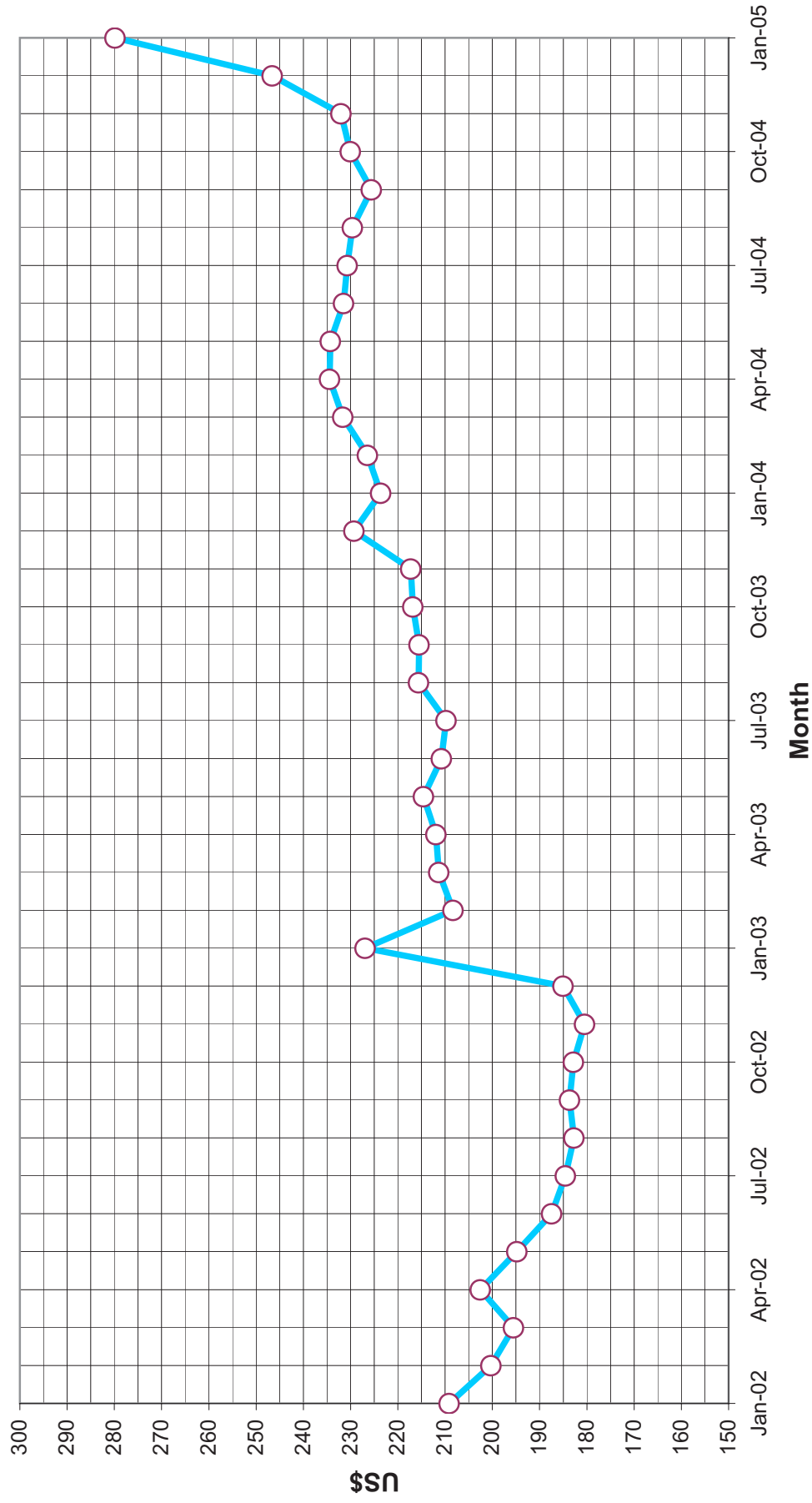
Month

- Total Cost of Basic Needs Basket
- ◇ Cost of Basic Food Items
- Cost of Essential Non-Food Items



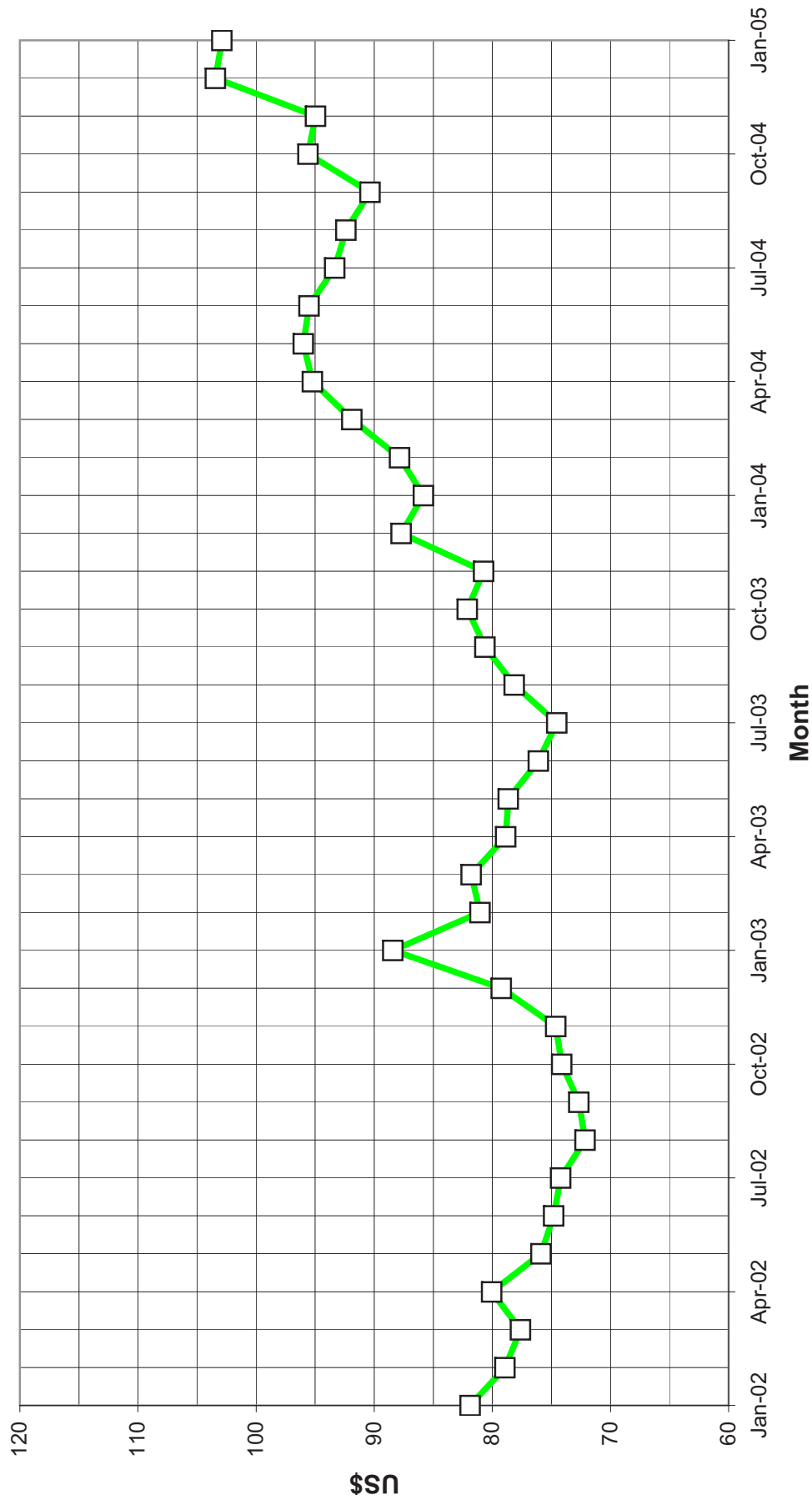
# JCTR Basic Needs Basket in US\$ from 2002-Present

(Cost of Essential Food and Non-Food Itms for Family of 6 in Lusaka)



# JCTR Basic Food Basket in US\$ from 2002-Present

(Cost of Basic Food Items for Family of Six in Lusaka)



## **Appendix D: Analysis**

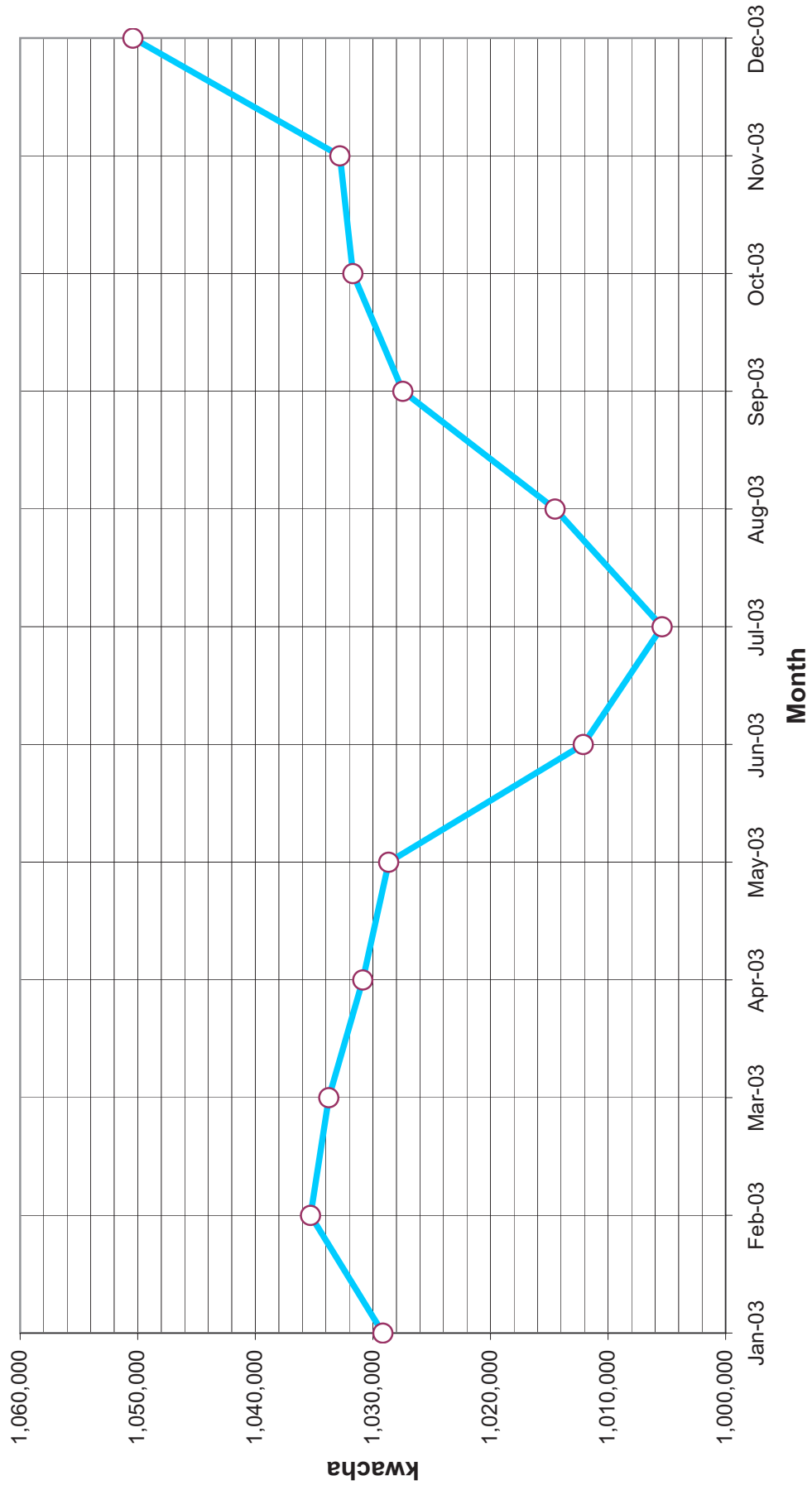
- 2003 Lusaka *Basic Needs Basket* Data and Analysis
- 2004 Lusaka *Basic Needs Basket* Data and Analysis
- 1997-Present JCTR *Food Basket*

2003 Basic Needs Basket: The Cost of Essential Food and Non-Food Items for a Family of Six Living in Lusaka

Basic Needs Basket	Basic Food Items	Essential Non-Food Items	Basic Food Items										Essential Non-Food Items													
			Sub-Total	Mealie Meal 3 x (25 kg bags)	Beans 2 kgs	Kapenta 2 kgs	Dry Fish 1 kg	Meat (Mixed Cut) 4 kgs	Eggs 2 Units (20 eggs)	Veg. (Greens) 7.5 kgs	Tomato 4 kgs	Onion 4 kgs	Milk 2 litres	Cooking Oil 2 x (2 litres)	Bread 30 loafs	Sugar 8 kgs	Salt 1 kg	Tea (Leaves) 500 g	Charcoal 2 x (90 kg bags)	Soap (Lifebuoy) 10 tablets	Wash-Soap (Paste) 4 x (400 g)	Jelly 500 mL	Electricity Medium Density	Water Medium Density	Housing Medium Density	
Jan-03	1,029,150	401,050	628,100	129,000	11,600	46,000	14,000	14,000	33,600	7,400	17,250	16,000	8,800	5,400	32,400	51,000	22,400	1,400	4,800	36,600	9,000	8,000	3,500	87,000	34,000	450,000
Feb-03	1,035,300	402,800	632,500	136,800	10,600	43,000	12,400	12,400	32,000	7,600	13,500	15,200	8,400	5,600	34,800	54,000	22,400	1,500	5,000	37,000	13,000	8,000	3,500	87,000	34,000	450,000
Mar-03	1,033,750	400,050	633,700	136,200	10,000	43,000	12,800	12,800	32,000	7,600	12,750	12,800	8,400	5,600	36,000	54,000	22,400	1,500	5,000	39,200	12,000	8,000	3,500	87,000	34,000	450,000
Apr-03	1,030,850	383,650	647,200	125,400	10,000	40,000	10,500	10,500	32,000	8,400	12,750	9,200	10,000	6,000	34,800	54,000	24,000	1,400	5,200	52,000	12,000	8,000	4,200	87,000	34,000	450,000
May-03	1,028,650	376,950	651,700	109,500	8,600	40,000	14,000	14,000	34,800	8,400	12,750	8,800	10,400	6,400	35,600	57,000	24,000	1,400	5,300	56,000	12,000	8,400	4,300	87,000	34,000	450,000
Jun-03	1,012,100	365,400	646,700	91,500	9,600	41,000	14,000	14,000	35,200	8,600	12,000	8,400	10,400	6,600	40,000	57,000	24,000	1,500	5,200	51,000	12,000	8,400	4,300	87,000	34,000	450,000
Jul-03	1,005,400	357,200	648,200	81,000	10,000	40,000	18,000	18,000	36,800	8,800	12,000	8,000	8,400	6,800	36,000	60,000	24,800	1,600	5,000	52,000	12,000	8,800	4,400	87,000	34,000	450,000
Aug-03	1,014,500	367,700	646,800	82,800	10,200	46,000	18,800	18,800	40,000	9,000	12,000	8,000	10,000	6,600	32,200	60,000	24,800	1,600	5,700	50,000	12,000	9,200	4,600	87,000	34,000	450,000
Sep-03	1,027,450	384,450	643,000	84,000	10,400	48,000	22,000	22,000	47,600	9,600	12,750	10,000	9,600	6,400	32,000	60,000	24,800	1,600	5,500	46,000	12,000	9,600	4,400	87,000	34,000	450,000
Oct-03	1,031,700	390,700	641,000	84,000	11,000	48,000	24,000	24,000	48,000	10,000	12,000	10,000	10,000	6,800	34,000	60,000	25,600	1,500	5,800	44,000	12,000	9,600	4,400	87,000	34,000	450,000
Nov-03	1,032,800	383,800	649,000	82,500	10,400	47,000	25,000	25,000	44,000	10,000	12,000	11,200	9,600	7,000	32,000	60,000	25,600	1,500	6,000	52,000	12,000	9,600	4,400	87,000	34,000	450,000
Dec-03	1,050,400	401,800	648,600	83,100	10,400	47,000	25,000	25,000	52,800	10,200	18,000	11,600	9,600	7,000	34,000	60,000	25,600	1,500	6,000	52,000	12,000	9,200	4,400	87,000	34,000	450,000
<p><i>Jesuit Centre for Theological Reflection</i>  Social Conditions Research Project  email: socialjctr@zamnet.zm  tel: 260-1-290410  fax: 260-1-290759</p>																										

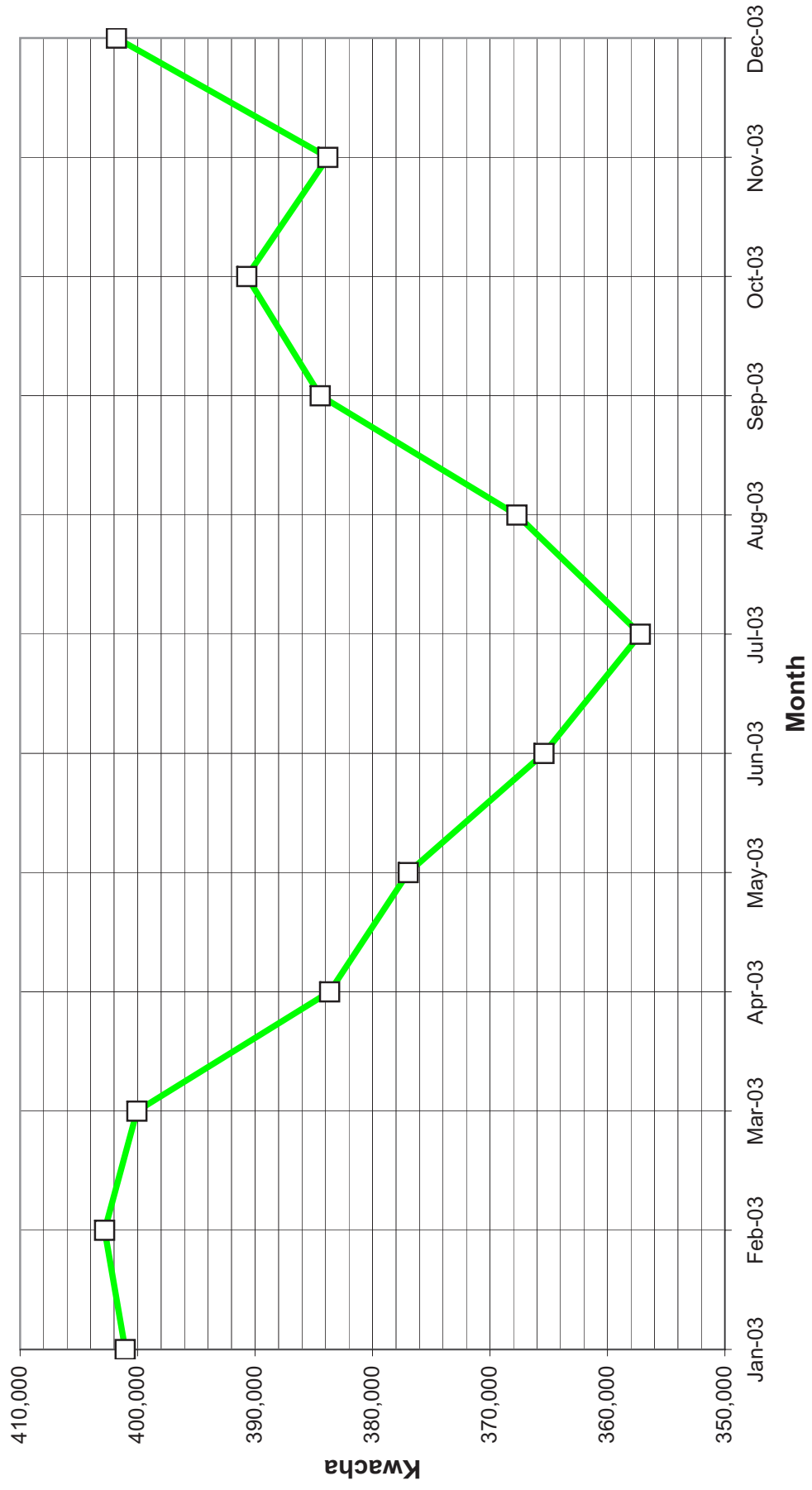
# 2003 JCTR Basic Needs Basket in Kwacha

(Cost of Essential Food and Non-Food Items for Family of 6 in Lusaka)



# 2003 JCTR Basic Food Basket in Kwacha

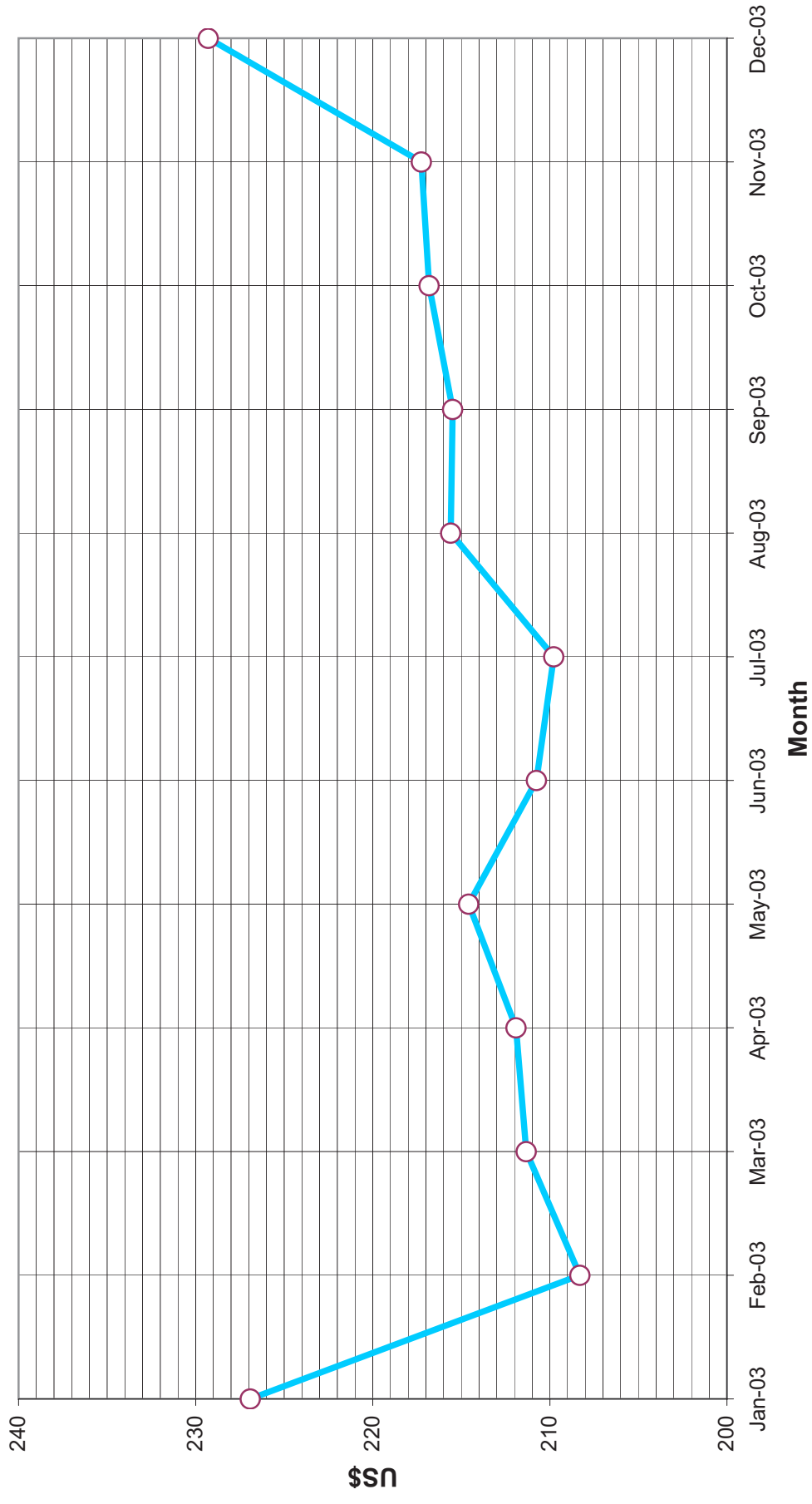
(Cost of Basic Food Items for Family of Six in Lusaka)





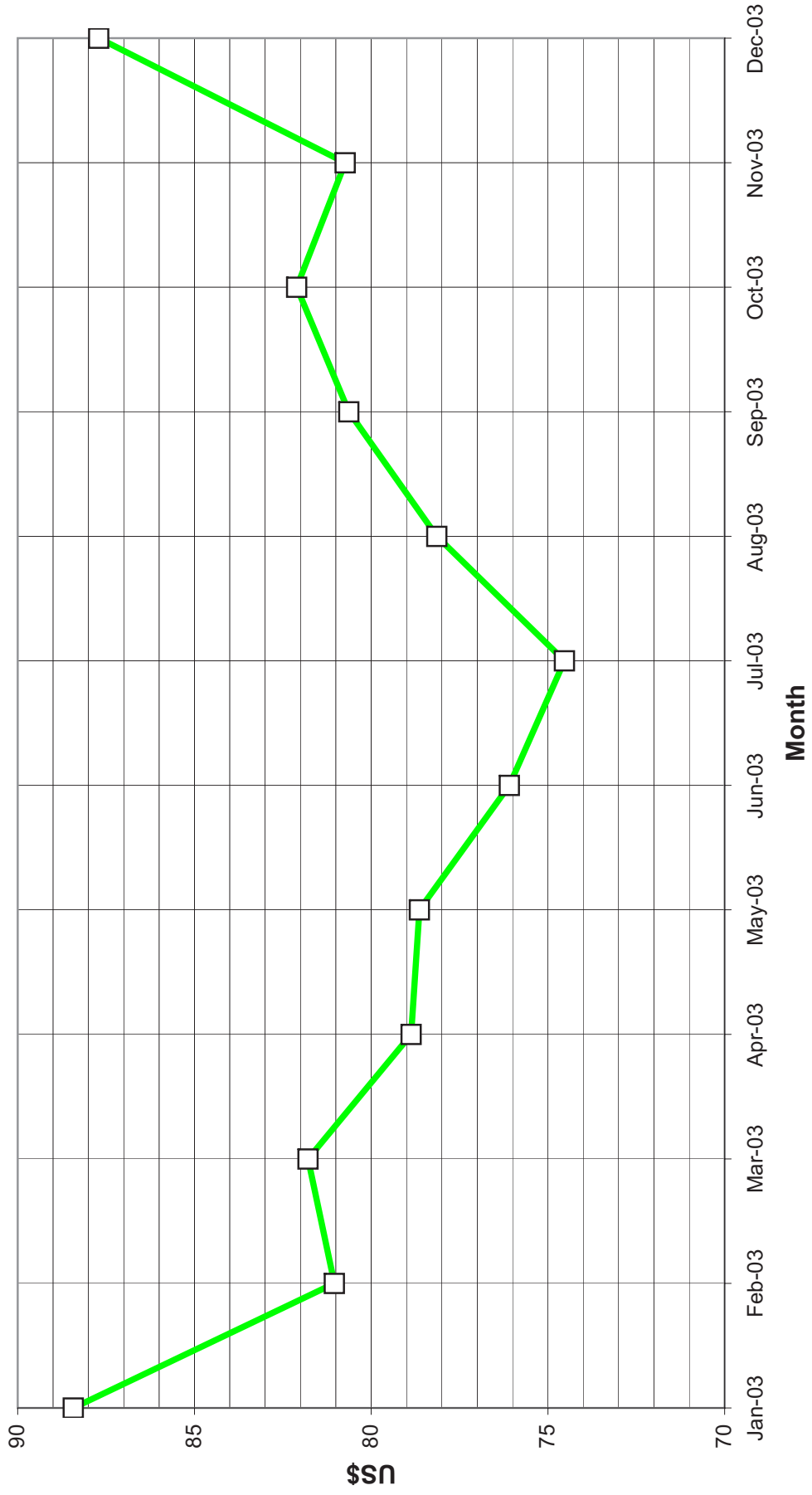
<b>2003 Basic Needs Basket (BNB) for Lusaka in US Dollars</b>					
<b>Month</b>	<b>Average Market Exchange Rate*</b>	<b>BNB (Kwacha)</b>	<b>BNB (US\$)</b>	<b>Food Items (Kwacha)</b>	<b>Food Items (US\$)</b>
Jan-03	4,535.33	1,029,150	226.92	401,050	88.43
Feb-03	4,970.25	1,035,300	208.30	402,800	81.04
Mar-03	4,891.55	1,033,750	211.33	400,050	81.78
Apr-03	4,864.55	1,030,850	211.91	383,650	78.87
May-03	4,793.68	1,028,650	214.58	376,950	78.63
Jun-03	4,802.21	1,012,100	210.76	365,400	76.09
Jul-03	4,792.75	1,005,400	209.78	357,200	74.53
Aug-03	4,705.48	1,014,500	215.60	367,700	78.14
Sep-03	4,768.00	1,027,450	215.49	384,450	80.63
Oct-03	4,758.37	1,031,700	216.82	390,700	82.11
Nov-03	4,753.86	1,032,800	217.26	383,800	80.73
Dec-03	4,581.08	1,050,400	229.29	401,800	87.71
<b>Average</b>	<b>4,768.09</b>	<b>1,027,671</b>	<b>215.67</b>	<b>384,629</b>	<b>80.72</b>
*Monthly Average Market Exchange Rates collected from the Bank of Zambia's record of Commercial Banks' Weighted Retail Average Kwacha-US\$ mid-rates for 2003					
<i>Jesuit Centre for Theological Reflection</i>					
<b>Social Conditions Research Project</b>					
<b>email: socialjctr@zamnet.zm</b>					
<b>tel: 260-1-290410</b>					
<b>fax: 260-1-290759</b>					

**2003 JCTR Basic Needs Basket in US\$**  
(Cost of Essential Food and Non-Food Itms for Family of 6 in Lusaka)



# 2003 JCTR Basic Food Basket in US\$

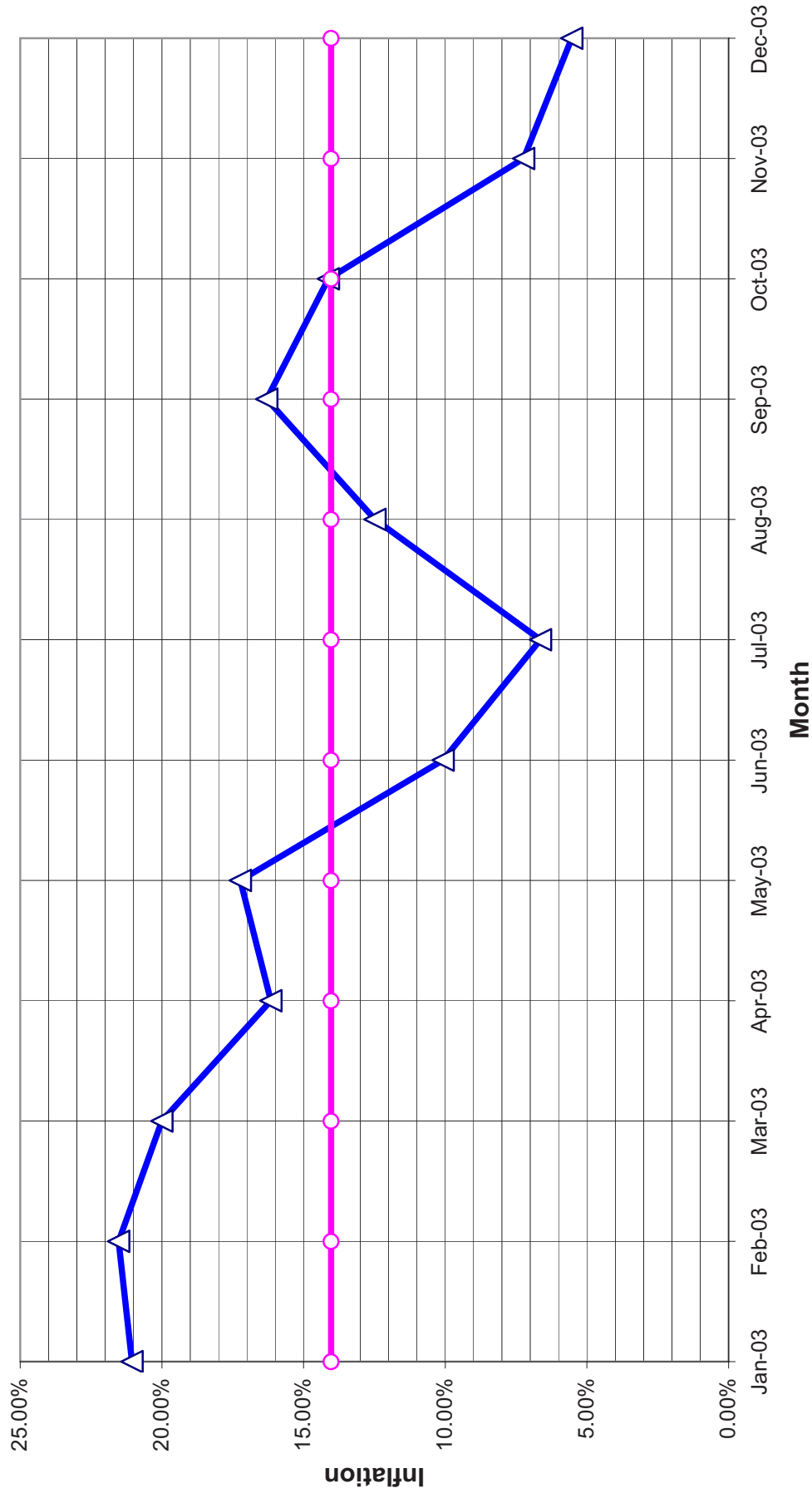
(Cost of Basic Food Items for Family of Six in Lusaka)



<b>2003 Food Inflation Levels Based Upon Basic Food Items in the JCTR Basic Needs Basket for Lusaka</b>						
Month	Basic Food Basket (Kwacha)	Rolling Quarterly Average (Kwacha)	Year-on-Year Inflation	Year-on-Year Inflation (Based on Rolling Quarterly Average)	Month-to-Month Inflation	Month-to-Month Inflation (Based on Rolling-Quarterly Average)
Jan-03	401,050	379,400	21.06%		5.35%	5.59%
Feb-03	402,800	394,667	21.53%		0.44%	3.94%
Mar-03	400,050	401,300	20.00%	20.86%	-0.69%	1.67%
Apr-03	383,650	395,500	16.16%	19.25%	-4.19%	-1.46%
May-03	376,950	386,883	17.23%	17.82%	-1.76%	-2.20%
Jun-03	365,400	375,333	10.08%	14.50%	-3.11%	-3.03%
Jul-03	357,200	366,517	6.64%	11.32%	-2.27%	-2.38%
Aug-03	367,700	363,433	12.48%	9.73%	2.90%	-0.84%
Sep-03	384,450	369,783	16.30%	11.85%	4.45%	1.73%
Oct-03	390,700	380,950	14.13%	14.32%	1.61%	2.97%
Nov-03	383,800	386,317	7.24%	12.50%	-1.78%	1.40%
Dec-03	401,800	392,100	5.54%	8.88%	4.58%	1.49%
<b>Average Inflation Levels for 2004</b>			<b>14.03%</b>	<b>14.10%</b>	<b>0.46%</b>	<b>0.74%</b>
<i>Jesuit Centre for Theological Reflection</i>						
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# Year-on-Year Food Inflation in 2003

(Based Upon Basic Food Items in the JCTR Basic Needs Basket for Lusaka)



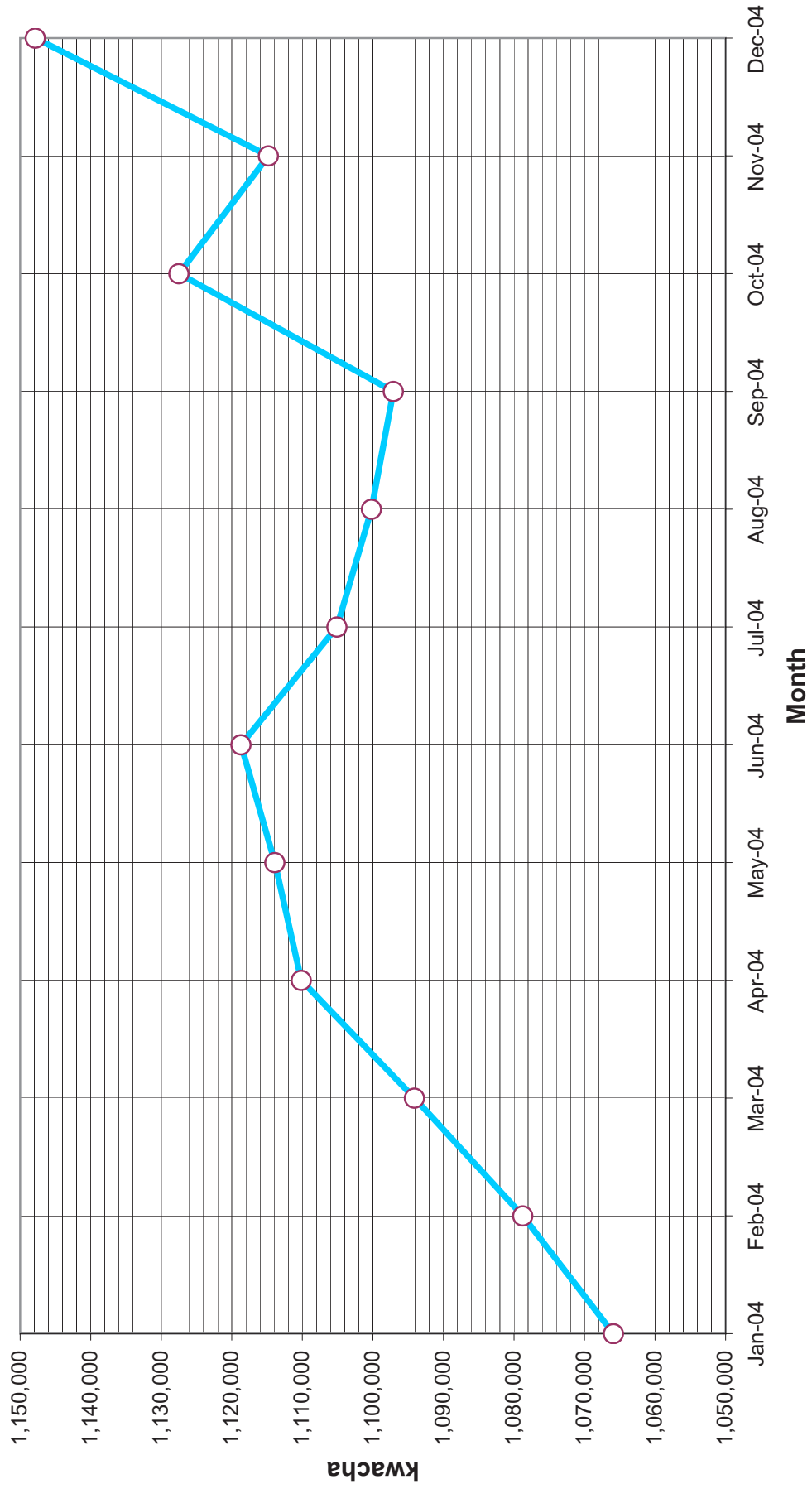
2004 Basic Needs Basket: The Cost of Essential Food and Non-Food Items for a Family of Six Living in Lusaka

	Basic Needs Basket	Basic Food Items		Essential Non-Food Items		Essential Non-Food Items																			
		Sub-Total	Mealie Meal (25 kg bags) 3 x	Beans 2 kgs	Kapenta 2 kgs	Dry Fish 1 kg	Meat (Mixed Cut) 4 kgs	Eggs (20) 2 Units	Veg. (Greens) 7.5 kgs	Tomato 4 kgs	Onion 4 kgs	Milk 2 litres	Cooking Oil 2 x (2 litres)	Bread 30 loafs	Sugar 8 kgs	Salt 1 kg	Tea (Leaves) 500 g	Charcoal 2 x (90 kg bags)	Soap (Lifebuoy) 10 tablets	Wash-Soap (Paste) 4 x (400 g)	Jelly 500 mL	Electricity Medium Density	Water Medium Density	Housing Medium Density	
Jan-04	1,065,900	409,000	87,000	12,000	48,000	37,000	48,800	10,000	15,000	9,200	7,000	32,000	60,000	25,600	1,500	6,300	60,000	12,000	9,600	4,300	87,000	34,000	450,000		
Feb-04	1,078,750	418,550	89,700	10,000	52,000	37,000	48,800	10,200	17,250	8,800	7,200	34,400	60,000	26,400	1,900	6,100	63,200	12,000	9,600	4,400	87,000	34,000	450,000		
Mar-04	1,094,100	434,000	90,600	12,000	52,500	41,000	49,600	10,200	16,500	9,600	7,200	32,000	66,000	27,200	2,000	8,000	63,200	12,000	9,600	4,300	87,000	34,000	450,000		
Apr-04	1,110,150	450,850	90,000	12,000	60,000	42,000	48,000	10,000	17,250	10,400	7,800	38,000	63,000	30,400	2,000	8,800	62,000	12,000	9,600	4,700	87,000	34,000	450,000		
May-04	1,115,900	456,400	87,000	9,600	68,000	40,000	50,400	10,200	19,500	11,200	8,400	36,000	63,000	30,400	2,100	9,800	60,400	12,000	9,600	4,500	87,000	34,000	450,000		
Jun-04	1,118,700	461,600	85,800	12,000	73,600	40,800	48,000	10,200	21,000	10,400	8,200	37,000	63,000	29,600	2,000	10,000	60,000	12,000	9,600	4,500	87,000	34,000	450,000		
Jul-04	1,105,100	447,000	84,600	11,600	62,000	40,000	48,800	10,200	21,000	10,000	8,200	36,000	63,000	29,600	2,000	10,000	61,000	12,000	9,600	4,500	87,000	34,000	450,000		
Aug-04	1,100,200	442,700	84,000	11,800	58,000	40,000	53,200	10,200	16,500	8,000	8,200	36,000	66,000	29,600	2,000	10,000	60,000	12,000	10,000	4,500	87,000	34,000	450,000		
Sep-04	1,097,100	439,400	84,600	11,600	56,000	37,000	56,800	10,000	18,000	8,800	8,200	34,000	66,000	29,600	2,000	10,000	60,400	12,000	10,200	4,500	87,000	34,000	450,000		
Oct-04	1,127,500	468,600	85,500	12,400	58,000	39,000	76,000	10,400	15,000	9,200	8,200	36,000	66,000	31,200	2,000	10,100	60,400	12,000	10,800	4,700	87,000	34,000	450,000		
Nov-04	1,114,800	456,200	87,900	12,400	60,000	39,200	61,200	10,400	15,000	8,800	8,900	34,800	66,000	30,400	2,000	9,600	60,000	12,000	10,800	4,800	87,000	34,000	450,000		
Dec-04	1,147,840	481,540	96,600	12,000	65,400	41,000	59,600	10,400	18,750	9,200	8,690	36,200	72,000	31,200	2,000	9,300	68,000	12,000	10,400	4,900	87,000	34,000	450,000		
Jesuit Centre for Theological Reflection																									
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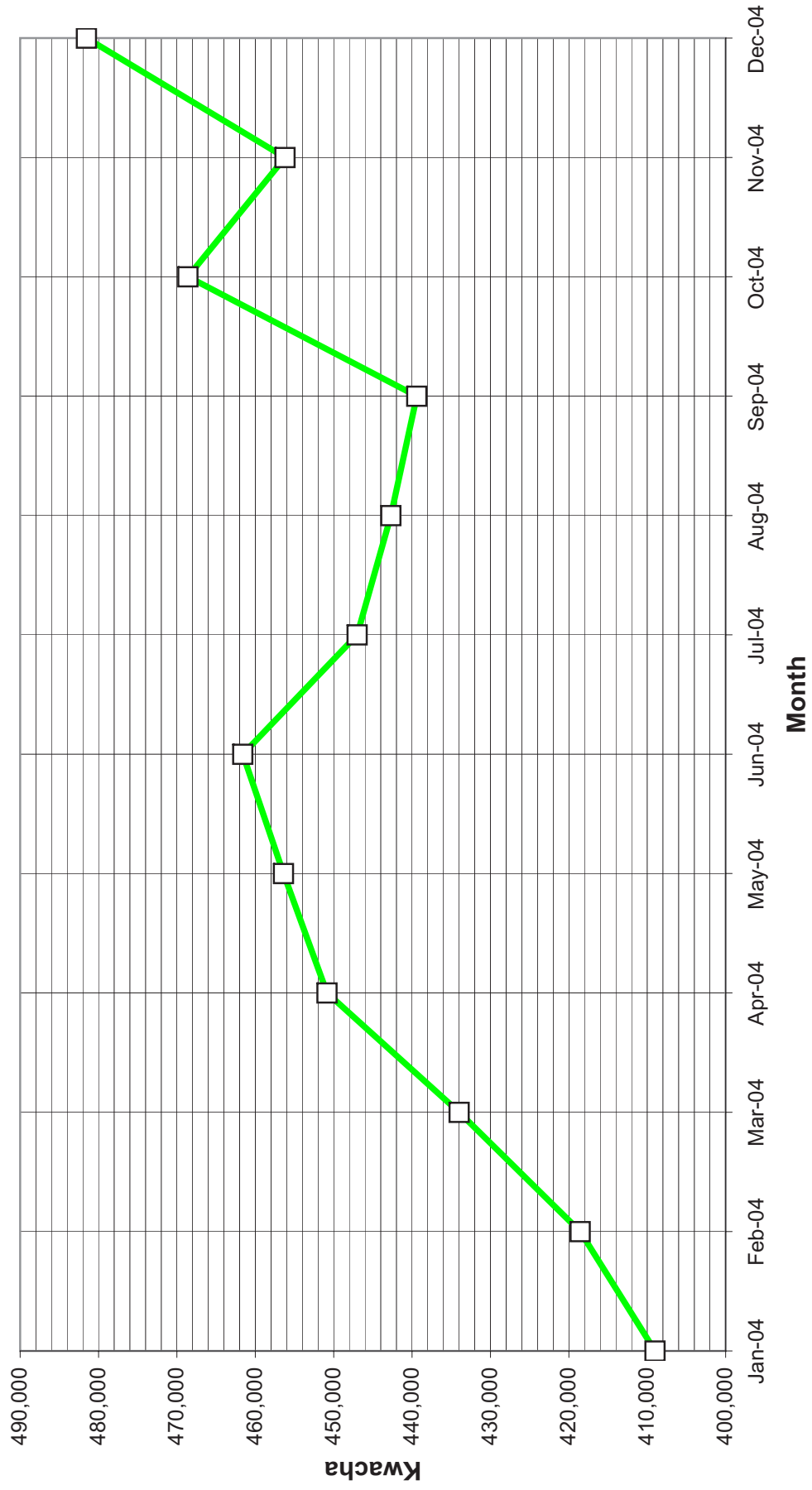
# 2004 JCTR Basic Needs Basket in Kwacha

(Cost of Essential Food and Non-Food Items for Family of 6 in Lusaka)



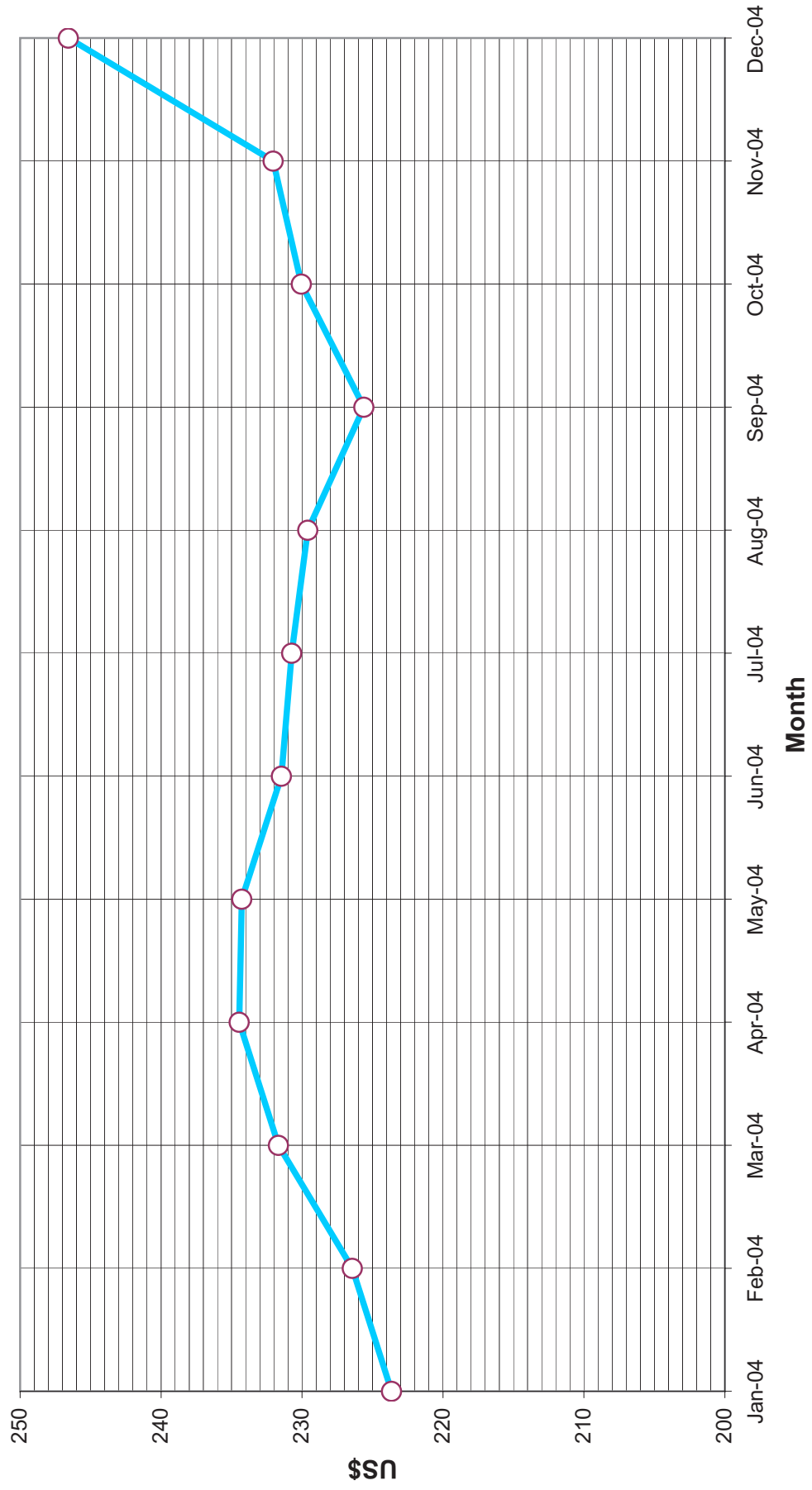
# 2004 JCTR Basic Food Basket in Kwacha

(Cost of Basic Food Items for Family of Six in Lusaka)



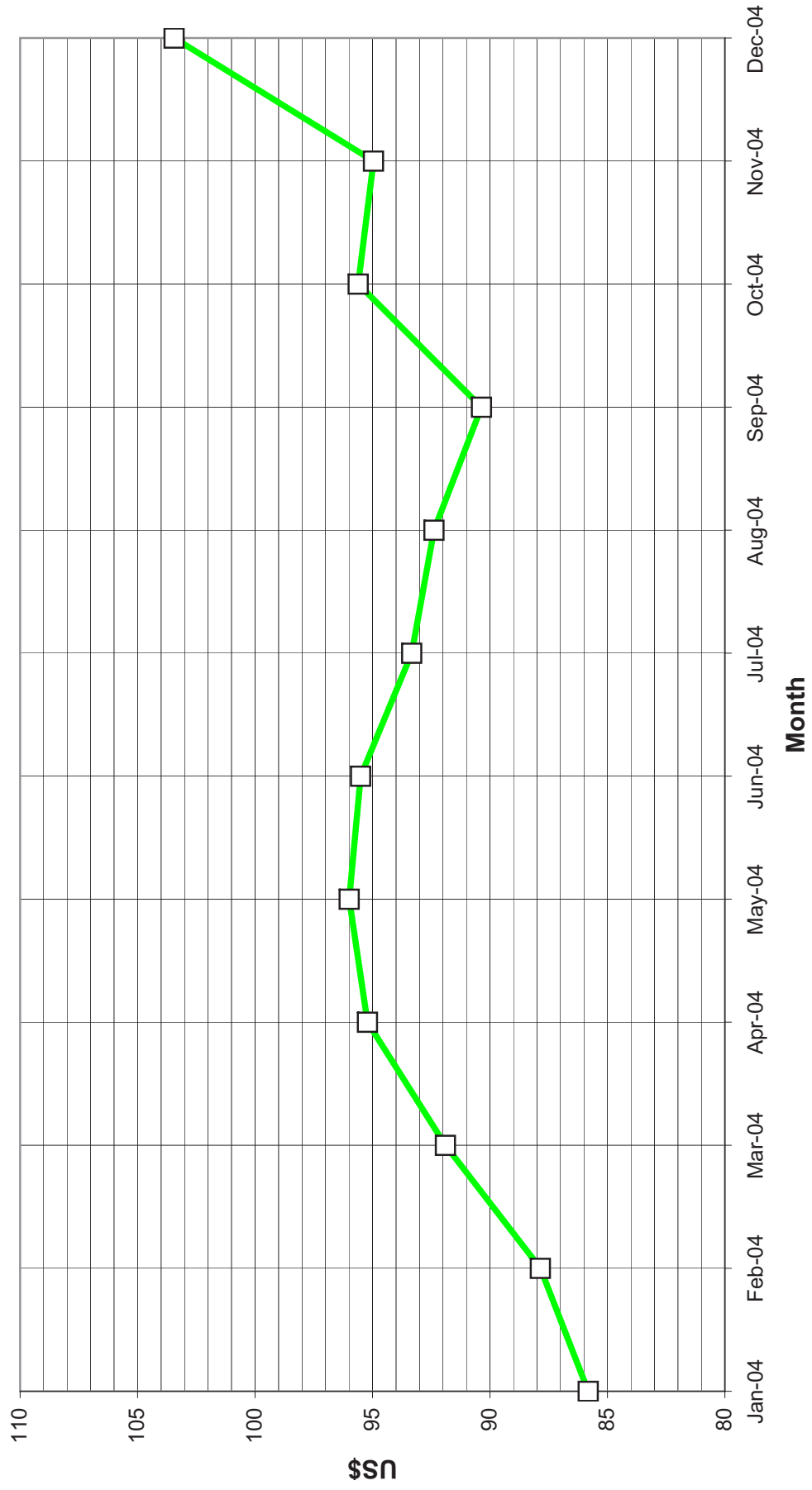
<b>2004 Basic Needs Basket (BNB) for Lusaka in US Dollars*</b>					
<b>Month</b>	<b>Average Market Exchange Rate*</b>	<b>BNB (Kwacha)</b>	<b>BNB (US\$)</b>	<b>Food Items (Kwacha)</b>	<b>Food Items (US\$)</b>
Jan-04	4,765.91	1,065,900	223.65	409,000	85.82
Feb-04	4,764.11	1,078,750	226.43	418,550	87.85
Mar-04	4,722.67	1,094,100	231.67	434,000	91.90
Apr-04	4,735.01	1,110,150	234.46	450,850	95.22
May-04	4,754.61	1,113,900	234.28	456,400	95.99
Jun-04	4,833.25	1,118,700	231.46	461,600	95.51
Jul-04	4,789.53	1,105,100	230.73	447,000	93.33
Aug-04	4,791.94	1,100,200	229.59	442,700	92.38
Sep-04	4,862.81	1,097,100	225.61	439,400	90.36
Oct-04	4,901.21	1,127,500	230.05	468,600	95.61
Nov-04	4,804.24	1,114,800	232.05	456,200	94.96
Dec-04	4,655.08	1,147,840	246.58	481,540	103.44
<b>Average</b>	<b>4,781.70</b>	<b>1,106,170</b>	<b>231.38</b>	<b>447,153</b>	<b>93.53</b>
*Monthly Average Market Exchange Rates collected from the Bank of Zambia's record of Commercial Banks' Weighted Retail Average Kwacha-US\$ mid-rates for 2004					
<b>Jesuit Centre for Theological Reflection</b>					
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**2004 JCTR Basic Needs Basket in US\$**  
(Cost of Essential Food and Non-Food Itms for Family of 6 in Lusaka)



# 2004 JCTR Basic Food Basket in US\$

(Cost of Basic Food Items for Family of Six in Lusaka)

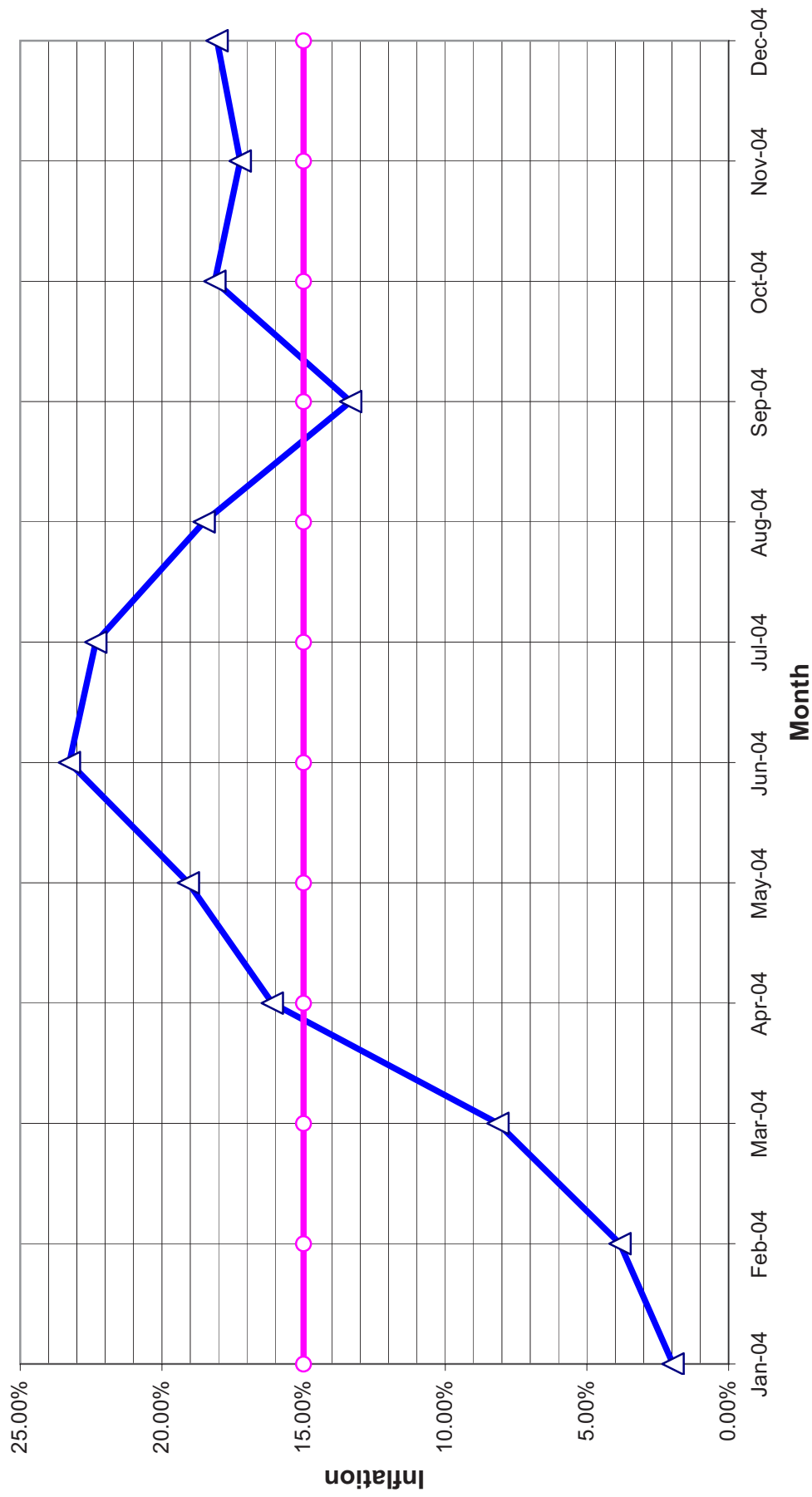


<b>2004 Food Inflation Levels Based Upon Basic Food Items in the JCTR Basic Needs Basket for Lusaka</b>						
Month	Basic Food Basket (Kwacha)	Rolling Quarterly Average (Kwacha)	Year-on-Year Inflation	Year-on-Year Inflation (Based on Rolling Quarterly Average)	Month-to-Month Inflation	Month-to-Month Inflation (Based on Rolling-Quarterly Average)
Jan-04	409,000	398,200	1.96%	4.84%	1.78%	1.54%
Feb-04	418,550	409,783	3.84%	3.76%	2.31%	2.87%
Mar-04	434,000	420,517	8.14%	4.68%	3.62%	2.59%
Apr-04	450,850	434,467	16.11%	9.39%	3.81%	3.26%
May-04	456,400	447,083	19.07%	14.44%	1.22%	2.86%
Jun-04	461,600	456,283	23.26%	19.47%	1.13%	2.04%
Jul-04	447,000	455,000	22.33%	21.54%	-3.21%	-0.28%
Aug-04	442,700	450,433	18.51%	21.38%	-0.97%	-1.01%
Sep-04	439,400	443,033	13.34%	18.02%	-0.75%	-1.66%
Oct-04	468,600	450,233	18.13%	16.67%	6.43%	1.61%
Nov-04	456,200	454,733	17.24%	16.27%	-2.68%	0.99%
Dec-04	481,540	468,780	18.05%	17.81%	5.40%	3.04%
<b>Average Inflation Levels for 2004</b>			<b>15.00%</b>	<b>14.02%</b>	<b>1.51%</b>	<b>1.49%</b>
<i>Jesuit Centre for Theological Reflection</i>						
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# Year-on-Year Food Inflation in 2004

(Based Upon Basic Food Items in the JCTR Basic Needs Basket for Lusaka)



JCTR Food Basket (1997-Present)*								
	Food Basket Total	Charcoal	Soap (Geisha)	Wash-Soap (Surf)	Vaseline	JCTR Food Basket	Average Market Exchange Rate**	JCTR Food Basket (US \$)
Jan-97	197700	17000	400	900	1300	167,640	1,292.10	129.74
Feb-97	194200	16000	4500	900	1300	165,500	1,296.26	127.68
Mar-97	197100	14000	4500	900	1400	170,300	1,297.56	131.25
Apr-97	195700	13000	4500	900	1400	169,900	1,297.02	130.99
May-97	192000	13000	4500	900	1400	166,500	1,298.96	128.18
Jun-97	175500	13000	4500	900	1400	150,200	1,306.73	114.94
Jul-97	17600	13000	4500	900	1400	151,000	1,318.56	114.52
Aug-97	17280	13000	4500	900	1400	147,900	1,320.60	111.99
Sep-97	174350	10000	480	900	1400	152,150	1,322.03	115.09
Oct-97	17960	10000	480	900	1400	157,400	1,331.26	118.23
Nov-97	1880	10000	5100	900	1400	160,300	1,363.44	117.57
Dec-97	18450	10000	5100	900	1400	160,950	1,403.49	114.68
Jan-98	1850	13000	5100	900	1400	161,450	1,467.52	110.02
Feb-98	190350	13000	5400	900	1400	164,550	1,549.54	106.19
Mar-98	194550	13000	5400	900	1400	168,350	1,664.47	101.14
Apr-98	197550	13000	5400	900	1400	171,350	1,767.47	96.95
May-98	19800	3000	5400	900	1400	172,000	1,854.28	92.76
Jun-98	201200	12000	600	900	1400	175,400	1,915.73	91.56
Jul-98	20650	12000	600	900	160	180,150	1,942.65	92.73
Aug-98	215350	13000	60	700	1700	187,050	1,948.94	95.98
Sep-98	2180	13000	7200	7200	180	189,600	1,966.35	96.42
Oct-98	21820	3000	60	748	180	189,640	2,025.37	93.63
Nov-98	22038	12000	60	7400	180	192,580	2,126.95	90.54
Dec-98	230920	12000	600	760	180	203,520	2,305.52	88.28
Jan-99	240920	13000	620	760	180	212,400	2,423.19	87.65
Feb-99	24480	13000	620	760	180	216,290	2,323.23	93.10
Mar-99	25216	14000	60	9200	180	220,560	2,269.34	97.19
Apr-99	252740	14000	620	1060	180	220,220	2,374.23	92.75
May-99	251770	14000	600	8	180	220,790	2,434.83	90.68
Jun-99	25180	14000	80	916	2000	219,890	2,463.67	89.25
Jul-99	2506	156	80	916	2200	216,800	2,470.76	87.75
Aug-99	243100	156	6	840	1920	210,320	2,435.52	86.36
Sep-99	23980	1480	620	820	18	208,220	2,416.23	86.18
Oct-99	242790	14400	68	86	180	211,850	2,435.61	86.98
Nov-99	24148	4400	66	76	180	211,540	2,489.37	84.98
Dec-99	25748	15200	60	80	180	225,080	2,634.78	85.43
Jan-00	28370	1560	900	9000	1900	229,970	2,694.21	85.36
Feb-00	26320	1580	738	960	180	230,500	2,773.49	83.11
Mar-00	27280	14900	7140	960	180	239,350	2,785.82	85.92
Apr-00	273790	14450	708	9500	180	240,960	2,840.51	84.83
May-00	26920	14450	7230	1036	176	236,120	2,892.10	81.64
Jun-00	27780	20000	738	11520	2400	236,570	2,969.98	79.65
Jul-00	277475	20000	850	116	260	234,945	3,112.25	75.49
Aug-00	272305	20000	820	10400	260	231,085	3,237.69	71.37
Sep-00	27875	20000	9000	1480	2000	232,575	3,272.41	71.07
Oct-00	290310	20000	960	14400	2000	244,310	3,381.38	72.25
Nov-00	290595	20000	800	1496	2000	244,935	3,654.95	67.01
Dec-00	31285	20000	960	19200	2000	261,895	4,148.78	63.13
Jan-01	31980	20000	1080	1580	5400	267,870	4,031.22	66.45
Feb-01	3288	2600	10200	180	460	270,480	3,615.30	74.82
Mar-01	335300	3600	10200	17200	4400	265,500	337357	78.70
Apr-01	340720	39000	9900	180	4200	270,820	31008	87.34
May-01	329400	35000	9000	1760	4000	263,800	33081	79.74
Jun-01	32870	34000	800	1760	3200	265,370	359919	73.73
Jul-01	332520	30000	780	180	4200	273,720	36990	73.98
Aug-01	34800	280	960	1800	5200	287,100	359290	79.91
Sep-01	357300	2800	960	20000	5000	294,700	3839	80.01
Oct-01	35800	2600	960	20000	3200	299,600	374748	79.95
Nov-01	377300	24000	10200	22000	480	316,300	38534	82.69
Dec-01	379390	2600	960	20000	480	318,990	3876	82.69
Jan-02						324,650	3968	81.88
Feb-02						324,510	411156	78.93
Mar-02						327,300	421745	77.61

Apr-02		326,300	407595	80.05
<del>M</del> -02		317,150	41798	75.88
Jun-02		330,350	44165	74.80
Jul-02		334,250	450453	74.20
Aug02		324,500	449723	72.16
Sep-02		326,500	449315	72.67
<del>O</del> -02		339,150	457548	74.12
<del>D</del> 02		357,000	47878	74.63
Dec-02		380,150	479742	79.24
Jan-03		401,050	453533	88.43
<del>F</del> -03		402,800	497025	81.04
<del>M</del> -03		400,050	49155	81.78
Apr-03		383,650	4855	78.87
<del>M</del> -03		376,950	47938	78.63
Jun-03		365,400	48221	76.09
Jul-03		357,200	479275	74.53
Aug03		367,700	470548	78.14
Sep-03		384,450	4780	80.63
<del>O</del> -03		390,700	47587	82.11
<del>D</del> 03		383,800	47538	80.73
Dec-03		401,800	45808	87.71
Jan-04		409,000	47691	85.82
<del>F</del> -04		418,550	47611	87.85
<del>M</del> -04		434,000	47228	91.90
Apr-04		450,850	473501	95.22
<del>M</del> -04		456,400	47546	95.99
Jun-04		461,600	48325	95.51
Jul-04		447,000	47853	93.33
Aug04		442,700	479194	92.38
Sep-04		439,400	488	90.36
<del>O</del> -04		468,600	490121	95.61
<del>D</del> 04		456,200	48424	94.96
Dec-04		481,540	46508	103.44
Jan-05		492,940	479129	102.88

The above analysis combines data collected using different methodologies! The *Food Basket* measured cost of basic commodities from 1997-2001, and the *Basic Needs Basket* has continued to assess basic food and non-food costs from 2002 up to the present. To combine the data it was assumed that though the composition of basic food items changed in January 2002, the total cost of essential food items within the new *Basic Needs Basket* is approximately the same as the cost of food items only within the *Food Basket*. As illustrated below, this assumption appears valid because the difference in food costs between December 02 and January 03 mirrors the inflation trend as it increases by approximately 1%.

Monthly Average Market Exchange Rates collected from the Bank of Zambia record of Commercial Banks' Weighted Retail Average Zambian-US\$ mid-rates

**Jesuit Centre for Theological Reflection**

**Social Conditions Research Project**

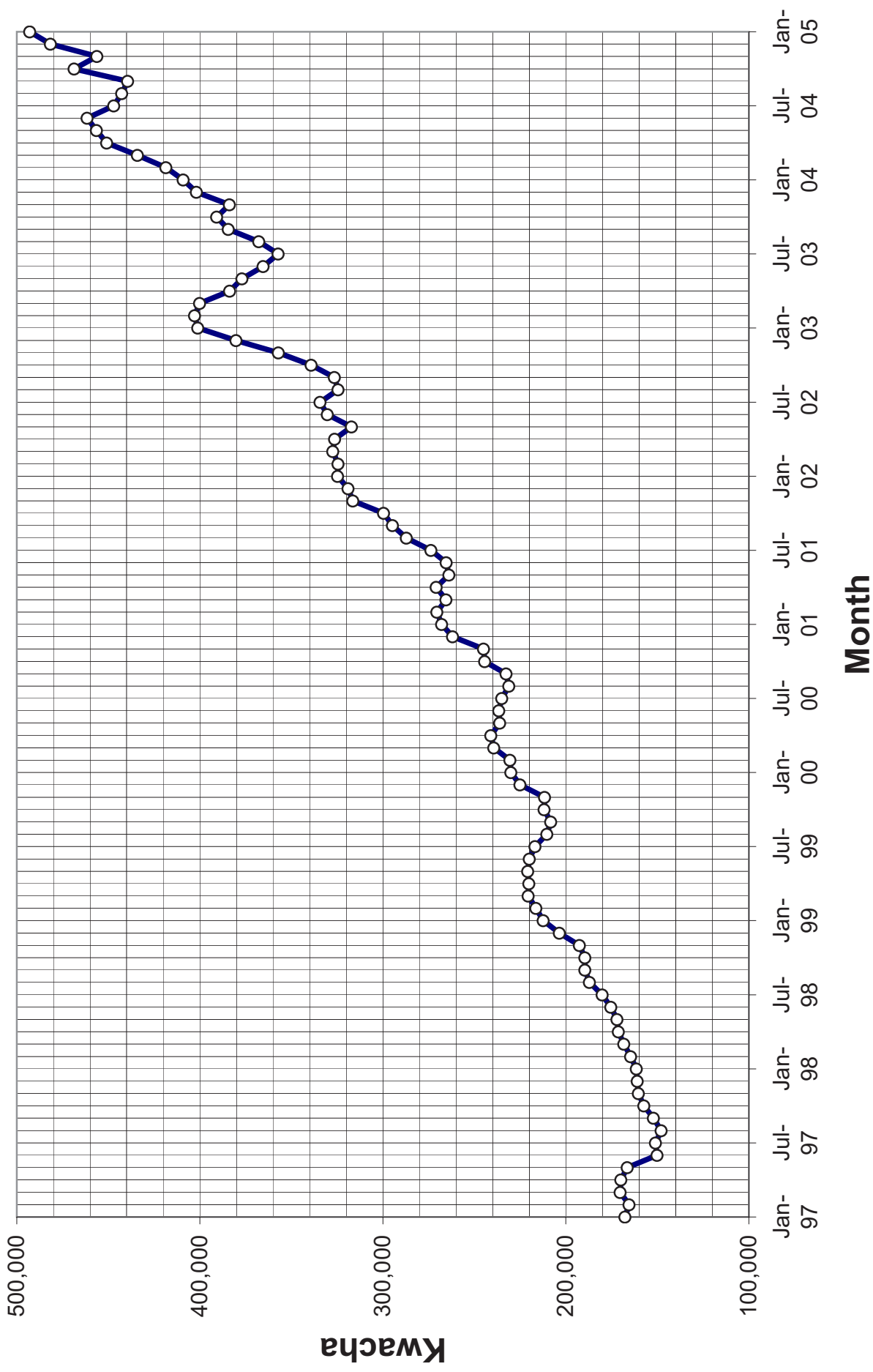
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# JCTR Food Basket in Kwacha (1997-Present)

(Basic Cost of Food for Family of 6 in Lusaka)



# JCTR Food Basket in US\$ (1997-Present)

(Basic Cost of Food for Family of 6 in Lusaka)

