

HUGE INCREASE IN COST OF BASIC NEEDS IN THE MIDST OF “DECREASED” URBAN POVERTY

The cost of basic needs for an average family size of six has increased *significantly* in the midst of government's pronouncement of the 2008 national budget and reduced urban poverty, says the Jesuit Centre for Theological Reflection (JCTR) as it releases the monthly *Basic Needs Basket* which measures cost of living for a family of six in Lusaka, Livingston, Kabwe, Ndola, Kitwe, Luanshya, Kasama and Mongu.

According to the JCTR *Basic Needs Basket*, the average cost of basic food in Lusaka was recorded at K596,000 for the month of January. This represents an increase of K26,500 from the average cost of K569,500 recorded in December 2007. This increment is mainly coming from upward cost adjustments for Kapenta, meat, tomato, onion, and cooking oil.

Obviously this increase raises some concern, especially if the trend of food increment continues, because it will erode the little relief that was to come from the tax exemption threshold of K600,000 recently announced by government. Moreover, the current national context of floods will add to an upward trend in food costs due to the anticipated reduced food production. .

Looked at from people's income capabilities in accessing basic needs, Zambian households continue to face the challenge of meeting their needs of food in addition to other essential basic needs which together for Lusaka currently cost an average of K1,835,300 from K1,636,900 recorded in December 2007. Major increases for non-food items came from charcoal and housing.

As it is well known and established, measures of poverty are not only predicated on income deprivation (lack of it), but extend to an array of other considerations.

For example, the United Nations Development Programme (UNDP), has what is known as the Human Poverty Index that measures “a long and healthy life – vulnerability to death at a relatively early age, as measured by the probability at birth of not surviving to age 40; knowledge – exclusion from the world of reading and communications, as measured by the adult illiteracy rate; a decent standard of living – lack of access to overall economic provisionings, as measured by the unweighted average of two indicators, the percentage of the population without sustainable access to an improved water source and the percentage of children underweight from age.”

The flip side is what we have as the Human Development Index -- especially for those who might find the usage of the word poverty unpalatable because they would like to have a “positive” outlook to life or are tired of hearing it -- which essentially is the same as the HPI in its three dimensional measurements cited above, except that it measures *achievements* as opposed to measuring *deprivations*. It is a case of a glass being “half-full or half-empty”. Except to say that we may obscure understanding the implications and the necessary steps to be taken if we say the glass is half-empty!

Recognising the different frameworks, approaches or methodologies of measuring poverty, it could have been helpful for the government to also provide the source or cause of the recently announced reduced urban poverty with a decline from 53 percent to 34 percent. What could account for this change, is it quality employment creation, reduced incidents of disease, etc?

The JCTR believes that it is important to know the source of such significant reduction in urban poverty and its quality of life dimensions so that the policy mix, strategies or interventions that brought about such an outcome could be strengthened for more poverty reductions. This is so especially recognising the fact that sustained economic growth at a certain growth rate is a *necessary* but not a *sufficient* precondition for poverty reduction!

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