

JCTR

Policy Brief

Promotion of Social Justice and Concern for the Poor

First Quarter 2005

ZAMBIA'S UNAFFORDABLE COST OF BASIC NEEDS: POLICY RESPONSES TO REMEDY THIS SYSTEMIC EVIL

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Introduction

“As I understand the Kingdom of God from Jesus, it has very little to do with personal or individual sins. That does not mean they are not important. It means there is something even more important which is structural or systemic evil. That is what Jesus was talking about...Personal and individual sins are relatively easy to understand. Structural evil is like the air we breathe. It is all around us.”
– Dominic Crossan –

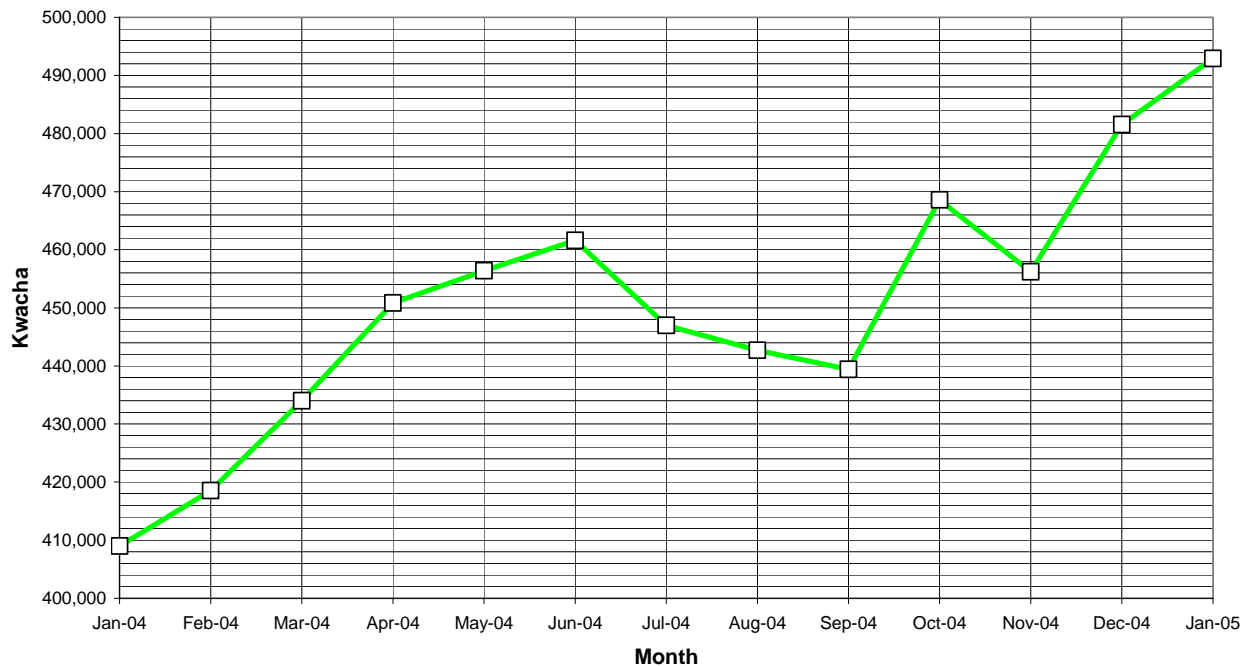
The above quotation is particularly relevant to the context of Zambia today. Among the many challenges Zambia is facing is one of an unaffordable cost of basic needs and its negative offshoots including sustenance of poor living conditions of the majority of the people and the emergence of such social vices as prostitution, theft and corruption. It goes without thorough and deep reflection that Zambia's *longstanding* problem of the unaffordable cost of basic needs should be one of the top most policy debates in 2005. The cost of goods and services in society is such a critical factor in shaping people's general welfare, for example, as it influences how households and individuals relate to education, health, food, shelter, energy, water and sanitation, even agricultural production! Cost of living is a broad quality of life indicator as a primary determinant of how many meals a household will have in a given day and how many children will be in school! Even within the Zambian household, the unaffordable cost of basic goods and services amplifies family power relations, for example leading to more boys being in school than girls and women forced to walk long distances to fetch water.

Therefore, in essence, improvements in the Zambian economy should only be judged by the affordability of basic needs to average households! Attempts to measure progress in nation through abstract notions such as GDP tell little about how people are truly living. Any claims of improvements in the Zambian economy should be based primarily upon information that shows an increase in quality and accessibility of health care and education, more nutritious food intake within households across the country, a decline in the number of street children, more workers earning more adequate incomes, etc. These social indicators should be the basis of determining whether or not the Zambian economy is making progress. How are the Zambian people affording basic needs?

The *Basic Needs Basket*

The JCTR *Basic Needs Basket* is a monthly estimate of the cost of basic food items (i.e. mealie meal, beans, green vegetables, cooking oil, meat, eggs, etc.) and essential non-food items (i.e. simple three-bedroom house, energy and water, soap, etc.) for a family of six living in one of six urban areas across Zambia. In January of 2005, the cost of food items alone was K492,940, in Lusaka, K511,610 in Luanshya, K501,180 in Ndola, K479,210 in Kitwe, K424,780 in Kabwe and K453,350 in Livingstone. During the same month, the total cost of basic needs (food and non-food) was K1,340,840 in Lusaka, K838,410 in Luanshya, K988,280 in Ndola, K973,910 in Kitwe, 842,900 in Kabwe and K1,108,750 in Livingstone. In other words the cost of a minimum, decent standard of living has exceeded 1-million Kwacha in many urban areas and remains slightly lower in those less populated urban areas that have affordable housing and utilities.

Cost of Food Alone for a Family of Six in Lusaka (January 2004 to January 2005)



Looking at trends in the *Basic Needs Basket*, the cost of food alone in Lusaka, for example, fluctuated at a higher level in 2004. Steady declines were recorded only in the period June to September, with December recording a significant increase as similar to recent years. This trend in cost of food alone (see graph above) reflected also the overall cost of the *Basic Needs Basket*. The steady decline that occurred in cost of food alone in the period June to September can be attributed to some good agricultural output in 2004. Undoubtedly, good agricultural output yields many positive results such as keeping inflation -- which hurts the poor most -- in check, enhancing rural household incomes, ensuring adequate food at household level, etc. Hopefully the dry-spells in the current agricultural season will not significantly impact agricultural output for the many households who rely upon farming.

The Struggle to Afford Basic Needs

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 the cost of adequate food intake and meeting the cost of antiretroviral therapy, those households without any access to gainful employment, etc. How are they managing to survive?

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!" Sadly, many families are skipping meals or taking turns to have meals in order to cope with the unaffordable cost of basic needs.

Addressing the Systemic Evil: Priority Policy Responses

What should Zambia do in light of this socioeconomic situation? What should Zambia do to make cost of basic needs affordable? What should Zambia do to *move people from less human conditions to more human conditions* -- a truer definition of development than abstract GDP figures? Development experiences of some countries demonstrate that indeed much can be done to improve the quality of life without waiting for economic growth to raise household incomes and public service provision. It is important that Zambia pays attention to, among other considerations, the following policy responses:

- 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 empower the people to recall non-performing politicians. The new Zambian Constitution must also incorporate in the Bill of Rights the Economic, Social and Cultural Rights which will empower 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 (which particularly disadvantages girl 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, providing resources for effective teaching, etc. Particularly important in Zambia is the need to be aware that as we struggle to improve our education, we must go beyond an emphasis on numbers in terms of enrolment and retention to strive for quality education that trains the mind, teaches appropriate skills to both urban and rural children and helps in the formation of the *good moral character* needed to fuel development.
- 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. Poor household economic situations such as low incomes have implied weak responses at household level to the challenge of meeting adequate nutritional intake. Therefore any strategies at addressing general health and the HIV/AIDS problem must recognize the need to look at the wider “workings” of the Zambian economy and ensure that the Zambian economy is responding to the needs at the household level, so that even the poor can access preventative health measure such as proper nutrition and mosquito nets and medicines including ARVs.
- Fourth, Zambia must strive to attain total debt cancellation, something much more than “HIPC relief.” 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 all continue with their efforts of advocating for total debt cancellation for the purpose of improving living conditions of the Zambian people. The forthcoming HIPC benefits will be slowly released over a period of twenty years, and throughout this period and even after, expenditure on servicing the debt will continue to exceed expenditure on social services. In order to avoid the loss of another generation in relation to their needs for education and healthcare, the debt must be cancelled in full and the savings immediately invested in the people.

- Fifth, sustainable agricultural practice is what will assure access to income and food at household level 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. The drought situation that Zambia is currently experiencing is a challenge to move away from year-in and year-out type of ineffective responses to investing in real development. Government must strive to empower the small scale farmers through, among others, strengthened extension services, including the development of irrigation systems at the local level.
- Sixth, one of the huge problems Zambia has been facing over the years is unemployment. In an environment of high unemployment levels, 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 are being created annually. This strategy should include some protection of key Zambian industries and markets, whether or not it pleases foreign interests such as the IMF and World Bank. Also, the strategy must focus on empowering businesses within the informal sector by increasing their access to loans. Employment creation should be a Zambian priority.

Conclusion

The *Basic Needs Basket* of the JCTR *illuminates* the constant struggle faced by Zambian families to access basic needs and *challenges* the systemic causes of poverty, which include an irresponsive economic, political and social system (i.e. an unjust global economy, inappropriate privatisation arrangements, the huge external debt burden, questionable government priorities for expenditure). The irresponsive economic, political and social system has manifested in the rising and unaffordable cost of essential food and non-food items, in the inadequate food intake at the household level, in the inadequate resources going to education and health needs, in the inadequacies of addressing the HIV/AIDS problem, in the general lack of investment in people!

The year 2005 will see heightened international focus on poverty through, for example, the review of progress towards the attainment of MDGs agreed upon by the international community in 2000, the "Make Poverty History Campaign," the Commission for Africa, etc. It will be particularly important for Zambia and other countries in similar situations to take advantage of this international focus on poverty to take pragmatic, cooperative steps to address the systemic evil, including poverty, hunger, HIV/AIDS, trade imbalances, debt, unemployment, that prevents the *move of people from less human to more human conditions!* The JCTR recognizes the importance of investing in people as the foundation of sustained, positive development. *Unless Zambia adopts direct action of investing in people, broad-based economic growth will not take place and there will be little improvement in the quality of life of the people!*

The quarterly JCTR *Policy Brief* is designed to inform decision-makers and the general Zambian public about key issues that require urgent and effective response to meet the needs of integral, sustainable and socially just development. Previous issues of the *Policy Brief* have examined topics such as economic diversification, the introduction of GMO agriculture, the principles that should guide poverty eradication in Zambia and the need for inclusion of Economic, Social and Cultural Rights within the Bill of Rights of the new constitution. Please find copies available from the JCTR office. We welcome your feedback on our positions.