

*BNB Press Statement*

**14<sup>th</sup> December 2018.**

**Cost of living is increasingly out of reach for low-wage workers**

In the 2016-2021 Manifesto, the Patriotic Front (PF) Government pledged to focus on reducing the cost of living for the poor majority by increasing agricultural productivity, enhanced job creation and accelerated diversification of the economy. The Patriotic Front is so far not living up to its promises because the cost of living has remained high and is increasingly getting out of reach for low wage workers. Secondly not much is being done with regards to job creation, according to the World Bank economic brief for 2018 unemployment rate has increased from 11.7 percent in the first quarter of 2017 to 12.2 percent in the first quarter of 2018.

The living conditions monitory survey for 2015 showed that incomes in rural areas were K810 and incomes in urban were K3, 152. This trend in low wages in rural areas could be attributed to low investments in viable economic activities in comparison to the urban areas. Investments and services in the areas of communication, transport, education, trade, manufacturing and health are more in urban areas compared to rural areas. To reduce rural-urban income disparities, it is imperative that the PF Government embarks on deliberate policies, such as those that focus on reducing the cost of living and promote job creation. Specifically, Government should promote economic activities such as agricultural processing and value addition in rural areas. Further, Government should provide an enabling environment and incentives to attract private sector investments in rural areas.

The November 2018 JCTR Basic Needs Basket (BNB) for a family of five living in Lusaka stood at **K 5,324.40** which was **K7** more than the **October** BNB which stood at **K5,317.95**. The most significant changes were noted in Tea bags which increased by **K5** from **K79.5** in October to **K84.4** in November per kg. **Beef** increased by **K2** from **K34** in October to **K36** in November per Kg. Sugar increased by **1 K** from **K25.42** in **October** to **K26.36** in **November** per **2kg**. Tomatoes increased by **K0.88** from **K6.4** in October to **K7.28** in November. Washing soap increased by **K1.5** from **K5.25** in October to **K6.79** in November. Some reductions were also noted in **beans** which decreased by **K5** from **K29** in October to **K24** in November. **Vegetables** reduced by **K1** from **K7** in October to **K6** in November.

The gap between the cost of living and wages is mostly affecting the poor and vulnerable in society who are struggling to afford the basic needs of life. It is therefore important that wages and salaries in both the private and public sectors respond to the ever increasing high cost of living. This will help cushion the vulnerable and poor from the adverse impacts of the high cost of living.

Decent jobs and incomes are an integral element of human dignity and as such cannot be separated from the poverty reduction agenda. It is essential to pay attention to wages as a large segment of the working population is paid too little to enable them to move out of poverty. JCTR urges the government to implement strategic programmes that will empower the majority of Zambians in terms of sustainable employment opportunities that ensure decent wages and dignity for all Zambians. Lastly, we also urge the government to accelerate its economic diversification agenda.

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