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*MINIMUM WAGE DIALOGUE AND IMPLEMENTATION KEY TO ADDRESSING
INCOME POVERTY AND UNEMPLOYMENT IN ZAMBIA, SAYS JCTR*

The recently announced minimum wage by Minister of Labour has created a huge debate among various stakeholders. According to the Jesuit Centre for Theological Reflection (JCTR), 'the new minimum wage is a welcome move in addressing income poverty among disadvantaged groups of people like domestic workers and shop keepers'.

Zambia's economic performance in the last few years has been progressive as reflected in positive key economic indicators (KPIs) like positive balance of payments, single digit inflation and increased copper exports. However, the human development component in Zambia continues to be characterised by high poverty levels at 60.5% and high levels of unemployment, especially among the youths that account for over 80% the country's population. "Therefore, addressing the ever increasing cost of living and high poverty levels should be top priority for government, the private sector and other relevant stakeholders if Zambia is to transform the strong economic growth into sustainable human development where the majority of Zambians are able to meet their Basic Needs", says Mr. Sosten Banda, Acting Social Conditions Programme Manager at the JCTR.

The cost of living as measured by the *JCTR's Basic Needs Basket (BNB)* for the month of July 2012 for an average family of five living in Lusaka was K3, 445,660. This shows a marginal increase of K49, 340 from K3, 395, 660 in June 2012. The cost of basic food items increased from K767, 260 in June, 2012 to K783, 600. A marginal reduction in the essential non-food items of about 1% was observed from K2, 628,400 in June 2012 to K 2, 661,400 in July 2012. Further, there was a slight increase of K1, 800 in the cost of a 25kg Mealie Meal bag (Breakfast) from K40, 200 to K42, 000. Generally, the cost of essential non-food items such like accommodation and water remained stable.

Although there was a reduction in the cost of essential non-food items, the cost of living in Lusaka continues to increase compared to the net take home pays of most employees, among them domestic workers, security guards and general workers. It's against this backdrop that the upward adjustment on the minimum wage of domestic workers and shop keepers is necessary in ensuring that such disadvantaged households at least meet the cost of basic food items for a more dignified life.

According to Mr. Banda, "the minimum wage should respond to the dynamism of the cost of living and this should be done in an open, transparent and consultative manner that ensures the households meet the cost of living with reduced risk of being laid off".

In view of the above developments, JCTR reiterates its call for further dialogue among the relevant stakeholders on the potential role the minimum wage revision could play in ensuring reduced income poverty and inequality which currently stands at 52%. Further, the JCTR reiterates need for stakeholders to prioritize the needs of majority poor Zambians in all discourses on policies and strategies that aim to reduce the high levels of inequality and poverty.

"Our desire of addressing income poverty, among the many development challenges that Zambia faces could get a boost if the revised minimum wage is timely implemented and will help the working poor benefit from the strong economic growth", says Mr. Banda.

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August 2012 Basic Needs and Nutrition Basket: Minimum Wage Dialogue and Implementation Key to Addressing Income Poverty and Unemployment in Zambia, Says JCTR

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