

JCTR's BASIC NEEDS BASKET SHOWS A MIXED PICTURE IN 2010

The year 2010 demonstrated a mixed ray of hope and some setbacks as regards the socio-economic situation of Zambia, says the *Jesuit Centre for Theological Reflection (JCTR)*. The macro-economic status showed very positive and encouraging signs as the exchange rate, though high, was stable. Furthermore, the inflation rate as measured by the Central Statistics Office (CSO) stabilised at a single digit and was at 7.1% in November 2010, the lowest since 2005. According to CSO, this was largely driven by reduced prices of some food items.

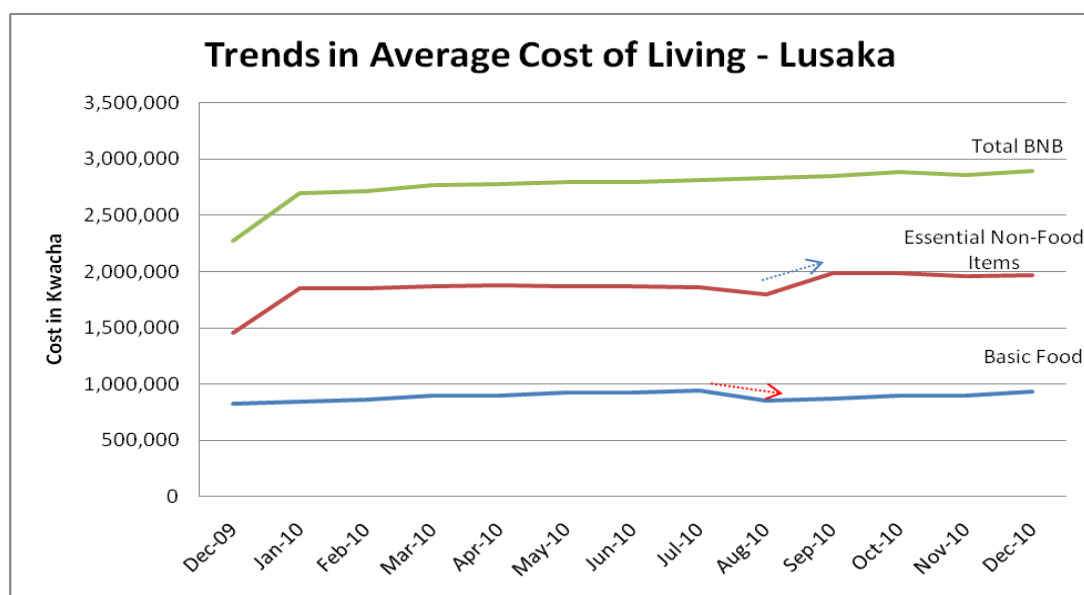
However, the human conditions seemed to deteriorate as was reported by the United Nations 2010 Human Development Index (HDI) and also cited by the *JCTR* in the October press release (see <http://www.jctr.org.zm/bnb/PrOctober10.html>). According to the report, Zambia was among the three countries said to be worse off than it was in 1970. The other countries whose human development condition deteriorated include Zimbabwe and the Democratic Republic of Congo (DRC).

Similarly, in relation to hunger, Zambia ranked 70 out of 84 countries on the 2010 Global Hunger Index (GHI). The GHI combines three indicators; the share of the population with insufficient dietary energy intake, the proportion of children suffering from low weight for their age and the mortality rate of children under the age of five. During the period 1990 to 2010, the GHI for Zambia fell by an insignificant 0.7% from 25.6% in 1990 to 24.9% in 2010.

During this period, the *JCTR* continued to monitor the cost of living with a view to exposing the plight of the poor to policy-makers through its *Basic Needs Basket (BNB)*. The *BNB* measures the cost of basic food items and essential non-food items for an average family of six in a specific town. A review of the Lusaka *BNB* for the year showed a mixed picture. At the beginning of the year, an increase in the cost of both food and non-food items were recorded with a higher increase recorded in non-food than basic food needs. The rise was mainly attributed to the average cost of a three bedroom house in medium density areas such as Kabwata, Libala and Chelstone from K1,100,000 to K1,500,000.

Generally, the cost of living was relatively stable for the most part of the year with a sharp decline recorded in the cost of food in August 2010. This was attributed to significant reductions in the cost of mealie meal and dry foods such as kapenta and dry fish. However, the reduction in the cost of basic food was completely offset by a corresponding rise in the cost of electricity, a major household expenditure. Therefore, the overall cost of the *BNB* maintained an upward trend closing at K2,897,430 in December, a difference of K201,400 when compared to the January total *BNB* of K2,696,030.

According to Miniva Chibuye, Programme Manager of the Social Conditions Programme at the *JCTR*, "there is a possibility of food prices in Zambia continuing to increase to follow the upward trend currently being depicted globally".



What is evident from the *BNB* 2010 trends is that the cost of basic food followed the principle of demand and supply. For instance, the reduction in the cost of mealie meal was as a result of the recorded bumper harvest for the staple crop, maize, in 2010. The cost of mealie meal began dropping in May 2010, after the harvest period. The biggest reduction for a 25kg bag of mealie meal was recorded in August 2010 from K60,800 in July to K55,600. In December for instance, the average cost of mealie meal was at K51,700, a reduction of K14,300 from K66,000 in January. This price of a commodity is dependent on the level of availability.

“However”, says Ms. Chibuye, “ while availability of food, which is driven by production, is very important, it is necessary to analyse whether people, especially the poor can have access to this food throughout the year”. The questions therefore in relation to the bumper harvest are two-fold. First, did people in rural areas consume enough to keep them healthy and active throughout the year? Second, were the poor in urban areas able to purchase enough food to meet the required daily nutrients? The gloomy status of the country regarding the performance in human development and hunger as reported through the Human Development Report and the Global Hunger Index is a clear indication of the challenge faced by many households, especially the poor in accessing the most basic of needs.

This situation has been exacerbated by the fact that while prices have kept rising, income levels have not increased commensurately making consumers vulnerable to the overall high cost of living. Therefore, production of food is as important as creation of employment to enable people purchase required food needs.

As we enter 2011, the Government needs to closely watch the cost of food, especially in light of increased prices of food at the global level. Earlier this month, the Food and Agriculture Organisation (FAO) reported that Food prices hit a record high last month, surpassing the levels seen during the 2007 to 2008 crisis. As markets are increasingly becoming integrated into the world economy, there is a possibility of the international food price shock to be felt more quickly in Zambia.

As an immediate response to this, the *JCTR* calls upon the Government to strengthen the coordination role of the National Food and Nutrition Commission (NFNC) to help prevent further deterioration of the poverty and nutrition situation within the country. The NFNC is an agency of the Zambian Government dedicated to improving health in Zambia through appropriate diet and nutrition advice. As such, strengthening its oversight role and the visibility of this commission would enable it to follow up more closely and provide strategic advice on issues relating to food security and nutrition.

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