

Article

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## **Zambia's High Cost of Living: A Driver of Gender Inequality**

By Aquila Ng'onga.

The rising living cost is not only a topical issue in Zambia but also across the globe. Countries, developed or least developed are all feeling the pinch. Japan at the start of the year, for example, recorded its highest inflation rate in 41 years. At the end of last year, inflation rates stood at 9.2 percent and 10.5 percent in the Eurozone and the United Kingdom respectively. Zambia like many other Sub-Saharan countries is grappling with high living costs. The annual inflation for February 2023 stood at 9.6 percent. Further, according to the Jesuit Centre for Theological Reflection (JCTR) Basic Needs and Nutrition Basket (BNNB), the cost of living for a family of 5 in the capital, Lusaka stands at K9,003.21. This is considerably high given that the average monthly income in the nation stands at K4,393.00

The brunt of the impact of the high cost of living is borne by the poorest and most marginalized in Zambia. It must be noted that more than half of the Zambian population live under the poverty line and the majority of this demographic is women. In addition, official information from the 2021 Labour Force Survey by the Zambia Statistics Agency shows that unemployment is higher among women than men with 60.5 percent males employed at national level compared to only 39.5 percent of females. The survey also reported that males had a higher monthly income than females in all the different sectors. This therefore highlights that women stand to be impacted more than men by the high cost of living due to their limited capacity to earn decent income to afford basic needs and services.

The high cost of living is therefore a driver of gender inequality. This is because by limiting the ability of women to afford or have access to essential goods and services, their welfare is negatively affected. When women and girls cannot afford essential commodities such as menstrual hygiene products, food and water, including energy, it becomes detrimental to their development. This also has serious implications on attaining long term goals such as Sustainable Development Goal (SDG) 5 which focuses on gender equality. This therefore calls for a need to address the high cost of living.

It is evident that the spark that lit the bonfire is the public debt crisis. Zambia's external debt as of end June 2022 stands at USD 14.87 billion with debt to GDP ratio standing at 103.7 percent. With a worrying trend of over 40 percent of government spending dedicated to debt service payments over the years, it becomes challenging to secure sufficient per-capita revenue for social sector spending and in particular gender equity and equality programs, all of which are critical for the welfare and development of women. Therefore, the starting point in addressing the high cost of living in Zambia, which is impacting women more disproportionately, is by addressing the debt crisis.

The Zambian government is currently working on the process of debt restructuring. It is particularly important that this is concluded quickly so as to harness the much needed fiscal space for social sector spending critical for development and sustenance of the welfare of women. Government must therefore engage all creditors and most importantly ensure to strengthen and expedite engagements with China to whom the debt is owed the most. Past the debt restructuring, there is a need to present a domestic resource mobilisation strategy that will yield substantial revenue for gender equity and equality

programs as well as social sector spending such as education, health, water and sanitation, including agriculture. This is particularly important in addressing gender inequality and lowering the high cost of living. The Auditor General's Report continues to highlight revenue leaks in public resource management. The 2021 report reveals outstanding matters in the revenue section of over ZMW 90 billion (USD 4.4 billion). This is indeed potential revenue needed to address the high cost of living.

Lastly, the government must review tax policy to ensure that it is gender sensitive. This will be key in shifting the tax burden (borne through indirect taxes) from women and the marginalised to corporations and the elite who must pay their fair share. There is a need to review corporate tax incentives and limit dependence on indirect taxes which have serious social impacts on women. The high cost of living is therefore a crisis that demands urgent response to prevent further widening of the gender gap.

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