

BNNB Statement

30th November, 2023.

Navigating Ongoing Solutions to the Cost of Living Crisis Required

The cost of living for a family of five, as measured by the Jesuit Centre for Theological Reflection (JCTR) Basic Needs and Nutrition Basket (BNNB) for the month of November in Lusaka stood at K9, 060.60. In comparison to the recorded figure of K9, 294.76 in October 2023, this signifies a reduction of K234.16. Our research attributes this reduction in the basket to the reduced average price of a number of items in our basket. For instance, the average price of charcoal reduced from K461/90kg bag to K350/90kg bag and kapenta reduced from K297.10/kg to K250.49/kg. In addition, the average price of mealie meal reduced from K229/25 kg to K220.71/25 kg and bananas reduced from K18.93/kg to K15.03/kg. The research also revealed an increase in the average prices of food items such as vegetables which recorded an increase in prices from K468.66/40 kg to K535.37/40 kg and other fruits (oranges) increased from K9.95/kg to 14.45/kg.

The Jesuit Centre for Theological Reflection observes that the decline in the basket cost can be attributed mainly to the reduction in the price of charcoal in Lusaka, a result of the warmer weather. In spite of the reduction in the overall cost of the BNNB, the cost of food items alone remained high at K3, 462.53 in the month under review with minor reductions observed in the cost of food items such as mealie meal, kapenta, and bananas. The food items within the basket continue to be influenced by the seasonality of certain products. Mangoes, for instance, have become more abundant, while oranges have become scarcer and experienced a price increase. The Centre also observed that the price of mealie meal has remained constant, except for the lower price of Eagles mealie meal which was mainly available in Shoprite outlets.

Notably, in November compared to October, fuel pump prices remained unchanged despite the depreciating currency. In this context, the stability in fuel prices helps to prevent an additional increase in transportation costs, which could have further escalated the overall cost of goods and services. However, it is essential to consider the broader economic factors of already high fuel prices and the potential challenges faced by other sectors due to the currency depreciation.

In the face of the ongoing cost of living crisis, JCTR acknowledges government's initiatives to revise upwards the minimum wages of non-unionized workers, with changes set to take effect in 2024. This move aligns with the government's crucial role in upholding and preserving human dignity within the workplace. Reflecting on the sentiments expressed by the Zambian Conference of Catholic Bishops (ZCCB) in their 1992 pastoral letter, "The Future is Ours," it emphasizes the legitimate positive role of the state in the economy, not just in facilitating private enterprise but also in promoting humane conditions for both workers and consumers. The ZCCB further advocated that "fair wages call for constant adjustments, especially under the pressure of inflation. In particular, domestic workers need greater legal protection and a decent minimum wage."

JCTR underscores the disparity where wages for domestic workers (among other categories of formal and informal workers) persist below the benchmark set by the cost of food items in the BNNB. Emphasizing the critical need for compliance, it is essential for employers to adhere to these adjustments. The increased incomes resulting from such compliance are imperative in aiding citizens to cope, albeit negligibly, with the escalating cost of living. Working together with an aim to ensure that all people live a dignified life by meeting their basic needs (food, housing, health care, education) requires deliberate efforts by the government as well as various stakeholders.

In light of finding means of addressing the high cost of living especially for citizens affected the most by economic shocks, the JCTR recommends the following measures:

1. Incentives and compliance to minimum wage adjustments. The Ministry of Labour and Social Security announced incentives to employers in order to improve compliance to the adjusted minimum wage. The Centre would therefore like to encourage employers and business owners alike to utilize these incentives in order to meet the needs of their employees.
2. It is equally crucial to contemplate revising the salaries of unionized workers who contend with additional taxes like pay as you earn and value added tax, especially those employing domestic workers. This step aims to prevent employers from encountering difficulties in meeting the adjusted wage requirements for their employees.
3. Recognizing the significant impact of fuel prices on the cost of essential food items, it is recommended that the government takes proactive measures to stabilize and control fuel prices. One effective approach could be the implementation of a structured system for fuel pump price revisions, such as revisiting prices every 90 days. This strategy aims to provide a degree of predictability and mitigate the abrupt fluctuations in fuel costs.
4. Lastly, it is recommended that CSOs continue to actively engage in and strengthen their role in raising awareness about minimum wage adjustments. Their contribution is crucial in ensuring that the rights of non-unionized workers are safeguarded and that transparency and fair labour practices are promoted. This involvement will not only empower workers with knowledge about their rights but also foster a more equitable and just work environment

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