

BNNB Statement

22nd December, 2023

A Year-End Reflection on the Cost of Living in 2023

The year 2023 has witnessed significant challenges to the cost of living in Zambia, marked by notable increases in grain and mealie meal prices. The price of maize grain experienced a significant increase, reaching K280 for a 50kg bag, attributed to measures aimed at compensating farmers. Similarly, mealie meal prices reached a record high with a 25kg bag of roller meal trading at K229. These developments, involving inflationary pressures, fluctuations in fuel prices, variations in utility costs, and instability in exchange rates, have led to uncertainties in commodity prices and impacts on transportation and production costs. This has raised concerns, particularly among vulnerable and marginalized communities. The Jesuit Centre for Theological Reflection, through its Fighting Inequality project, remains committed to advocating for decent living standards by employing evidence-based research anchored on the Basic Needs and Nutrition Basket.

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 December in Lusaka stood at K9, 157.41. This is notably higher than the recorded figure of K8, 982.82 in December 2022 and an increase from K9, 060.60 in November 2023 by K96.81. The increase in the basket was attributed to increases in the average prices of some commodities such as charcoal which increased to K391.67/90 kg bag from K350/90kg bag while food items such as chicken increased to K122.90/2kg from K109.29/2kg. The research also revealed a decrease in the average prices of fruits such as mangoes reduced to K10.79/kg from K14.95/kg. On the other hand, average national incomes continued to be below the cost of living at K5, 342¹ and even lower for non-unionized workers, informal laborers, those based in rural areas, and female counterparts.

The year also brought forth updated poverty statistics. The Living Conditions Monitoring Survey revealed that 60% of the population are living in poverty. Consequently, the higher prices of commodities, particularly food items, coupled with low incomes, poses a threat to the dignity and livelihoods of many Zambians. Additionally, identified loopholes in social protection programs, such as duplicates found in the FISP system, along with adverse weather patterns resulting in low yields during the preceding farming season, underscored significant concerns regarding social and environmental protection for sustainable livelihoods and food security. This is especially pertinent for farmers, identified as the poorest group based on employment category.

Notably, JCTR observed various government interventions aimed at alleviating the high cost of living in the country. For instance, as mealie meal prices surged, the Eagles mealie meal by Zambia National Service was introduced on the market. A plan to sale maize grain in certain communities was considered. In addition, the government employed more public workers through the recruitment of

¹ 2022 Labour Force Survey Zambia Statistics Agency

teachers and health care workers. However, despite these efforts outlined, the road ahead will still be challenging for many Zambians. The poor rainfall pattern being experienced is likely to impact food production and the prices of food items. Therefore, it is crucial that the government remains committed to mitigating some of the challenges relating to the cost of living in the coming year.

As the year comes to a close, the Centre would like to reemphasize the need to foster and strengthen pro-poor policies aimed at eliminating poverty and vulnerability in the country. Pope Francis, in his address for World Food Day in October this year, brought attention to the struggles faced by those living in poverty, emphasizing that the lack of access to basic resources, particularly food and water, violates our God-given and intrinsic dignity. However, it is crucial to emphasise that policies addressing poverty and lack of access to essential goods and services should be accompanied by effective monitoring to assess their operational effectiveness. The Jesuit Centre for Theological Reflection, therefore, recommends the following:

1. **Support for Small Scale Farmers:** The government should continue its support for the agricultural sector, particularly small-scale farmers. To maximise the potential of their land and compete favorably, farmers need substantial assistance, including training programs and accessible loans. This support will empower farmers to enhance productivity. Additionally, government should monitor and enforce policies related to land usage, ensuring that land is actively utilized for higher yield returns rather than being held without productivity.
2. **Food and Nutritional Security:** Prioritising food and nutritional security is imperative. The 2024 national budget proposal, which aims to promote efficient irrigation through the Comprehensive Agriculture Transformation Support Programme, should be rigorously implemented. It is crucial that budgetary promises and approved allocations are adhered to, facilitating year-round food production.
3. **Advocacy for Salary Harmonisation:** The Zambia Congress of Trade Union, Emoluments Commissions and other stakeholders alike should advocate for the harmonisation of salaries. This is essential to address the challenges posed by the rising cost of living. Predictable and fair salary increments are crucial, especially in the current economic conditions, where positive changes are not evident.
4. **Support for Research and Agricultural Mechanization:** In the context of inflation being driven by high food prices, government should actively support initiatives to increase investment in research and agricultural mechanization. These efforts are essential for enhancing production yields, promoting innovation, and ensuring sustainable growth in the agricultural sector.
5. **Stabilization of the Kwacha:** Given the challenges posed by protracted debt restructuring, it is crucial for the government to prioritize measures aimed at stabilizing the Kwacha against major currencies. This will provide economic stability, mitigate inflationary pressures, and contribute to an environment conducive to sustainable development.

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