

## **PRESS RELEASE**

### **COST OF FOOD BASKET DECLINES: BUT WILL LIVELIHOODS IMPROVE?**

The cost of the food basket for a family of six in Lusaka declined by about K7,500 during the month of August, but still amounted to a very large amount of K243,100. This figure is revealed in the latest survey conducted by the Economic and Social Development Project of the Jesuit Centre for Theological Reflection. Down from K250,660 in July, the survey reflects slightly lower prices in items such as mealie meal, cooking oil, eggs and sugar.

But this minimal decline is not expected to mean a notable improvement in the livelihood of most Lusaka residents, according to the survey director, Alex Muyebe. Given the fact that employees such as school teachers and secretaries in the Civil Service are taking home pay (after deductions) of only between K100,000 and K150,000, the requirements for food alone are still far out of sight. Housing in medium density areas costs between K130,000 to K180,000 for two rooms; ZESCO bills amount to between K70,000 and K100,000; and water bills (fixed charge) amount to approximately K25,000. Added to all this must be the ordinary expenses for education, health, transport and clothing.

Muyebe notes that the slight decline in the cost of the food basket is unlikely to lighten the burden of survival for ordinary families in Lusaka. The high cost of living in comparison to low salaries continues to bring great hardships. An additional factor to be considered now is the loss of some income from street vending that supplemented many families. Movement of vendors from the streets has brought greater cleanliness to Lusaka but also caused difficulties for many who do not find places in the markets.

Overall economic and social hardships continue, heightened by concern over the sale of the mines. Cancellation of debt holds out some promise of more resources being available for education, health care, agriculture and social infrastructure. But this will require transparent negotiations on budget priorities and full participation of civil society. For this reason, the Debt Project sponsored by the Catholic Commission for Justice and Peace and the Jesuit Centre for Theological Reflection is focusing on a "debt mechanism" to assure that money saved from debt servicing does indeed go into poverty eradication.

Attached: Food Basket Estimates for August 1999

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