

BASIC NEEDS BASKET CHALLENGES THE 2002 NATIONAL BUDGET

The 2002 National Budget presented by the Minister of Finance and National Planning has been applauded as one of the best National Budgets Zambia has ever had. This judgment is essentially based on what the Budget has set out to achieve for the people of Zambia. But the actual realization in concrete terms of what the Budget has set out to achieve is certainly the greatest challenge that lies ahead, comments the Jesuit Centre for Theological Reflection (JCTR).

"Particularly important is whether or not the Budget proposals will enable the majority of Zambian families, especially the poor, to have enough food to eat," Muweme Muweme Coordinator of the Economic and Social Development Research Project of the JCTR states, "since meeting the basic needs of the people is in our view the key criteria for judging how 'good or 'bad' the Budget is."

The JCTR Basic Needs Basket which estimates cost of living in Lusaka urban for a family of six -- taking into account costs for food such as mealie meal, beans, dry fish, meat, etc., and non-food essentials such as housing, charcoal, electricity, water, etc -- was at the end of February costing K823,510. This is down by K5,740 from the January figure of K829,250. This decline is largely attributed to the decline in the price of charcoal which has reduced by K6,000 for two 90 Kilogramme bags. This reduction is associated with low rainfall currently being experienced in Lusaka and other parts of the country.

The JCTR thus observes that the proposed K150,000 tax exemption in this year's Budget falls far below meeting basic needs. Indeed it hardly meets half of the monthly expenses for food, currently costing K324,510. "Instead of continuously strangling those in the formal sector in terms of their ability to meet their food and non-food essential requirements for their welfare, government should move quickly with its plans of broadening the tax base," says Muweme. This concern over broadening the tax base has been raised many times in the past.

The attention given to agriculture in this year's National Budget, which has been a repeated call by JCTR, is very encouraging. It is JCTR's hope that the budgetary allocation to this sector will translate into real action leading to improvement of lives of the poor.

Muweme further says that "Ultimately one of the most basic criteria for judging any budget or indeed any economic policy is what it does in concrete terms in making available food, clean water, education, housing, health, and other essentials of human welfare."

It is important that any Budget currently and in future move away from being something which "might" happen in terms of delivering to something that realistically does happen. Key to that, states Muweme, "will be very clear and strong monitoring of budget allocations to see that they really do meet the needs of the poor."

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