

## PARTNERING TO MAKE BUDGETS WORK FOR THE PEOPLE

### Jesuit Centre for Theological Reflection (JCTR) - Zambia

The Jesuit Centre for Theological Reflection (JCTR) is a church-affiliated civil society organization that conducts evidence-based advocacy on political, social, and economic issues. Based in Lusaka, JCTR was founded in 1988 and initially focused on the issue of debt relief in sub-Saharan Africa. Many countries in the region have faced insurmountable debt burdens and are often forced to enact harsh austerity measures to avoid default. Budget slashing and spending freezes often come at the expense of the health and education sectors, disproportionately affecting the most vulnerable citizens.

In response to the impact of the growing debt burden, JCTR joined the international Jubilee 2000 Coalition and agreed to host what would become Jubilee-Zambia, a national civil society coalition advocating for Zambian debt relief under the IMF and World Bank's Highly Indebted Poor Countries (HIPC) Initiative. As the leader of Jubilee-Zambia, JCTR began a countrywide campaign to raise awareness of how Zambia's debt was drawing resources away from vital social spending. A proposed wage freeze, despite rising inflation, was enough to unite a diverse coalition of civil society organizations and Zambians. The media was instrumental in popularizing the campaign, and local politicians mobilized their constituencies to attend public protests and rallies.

In December 2004 activists from Swaziland, Lesotho, Angola, Namibia, and South Africa joined their Zambian counterparts in Lusaka for a massive public demonstration against the austerity measures imposed by multilateral lending institutions. As a result of this worldwide campaign, Zambia's public debt was slashed from US\$7.1 billion to US\$502 million. The late Zambian president, Dr. Mwanawasa, commended the Catholic Church and Jubilee-Zambia for their contribution to the debt cancellation campaign, and in October 2007 JCTR was awarded a Jubilee Global Leadership Award for "excellence in upholding the Jubilee values of eliminating poverty, cancelling debt and demanding justice of everyone, everywhere." Building on these successes, JCTR has since turned its attention toward another problem that, though it has a lower profile, has the potential to be as harmful to poor and vulnerable Zambians.

#### JCTR's "Basic Needs Basket" Keeps Pace with Inflation

The JCTR's Social Conditions Program has developed the Basic Needs Basket (BNB), an influential alternative measure of inflation to the one the government calculates to adjust government program expenditures, subsidy amounts, and public sector wages. The BNB is based on a monthly survey that compiles the cost of a "basket" of basic food items and commodities considered the bare minimum for

**Zambia**  
**Open Budget Index 2010**  
Overall Score: 36  
Government provides minimal information to the public on how it manages public resources

| Availability of budget documents critical for effective public input: |     |
|---|-----|
| Pre-Budget Statement  | Yes |
| Executive's Budget Proposal   | Yes |
| Citizens Budget   | No  |
| Enacted Budget  | Yes |
| In-Year Reports   | No  |
| Mid-Year Review   | Yes |
| Year-End Report   | Yes |
| Audit Report  | Yes |
| <a href="http://www.openbudgetindex.org">www.openbudgetindex.org</a>  |     |



Photo courtesy of Darren Fleet. (darrenfleet.wordpress.com)

an urban family of six to have a decent and healthy standard of living. Monitors track changes in the price of these essential goods in 11 urban districts and have recently expanded to include 3 rural areas.

The geographic diversity of the BNB aims to show how various parts of the country can be affected by market fluctuations and inflation, and how these variations can often be obscured or misrepresented in the official rate of inflation. JCTR does not seek to challenge the government's official index; rather, it hopes to raise awareness of how a rapidly rising cost of living can erode private wealth and the value of public supports, thereby making it harder for financially insecure Zambians to afford essential goods.

The BNB has been effective in Zambia primarily because it is methodically and objectively calculated and because of JCTR's aggressive use of local media to publicize its findings. A press release accompanies each monthly survey,

generating coverage on the Internet, television, radio, and in independent print media. Three documentaries on the BNB were produced and aired on Muvi TV, the largest private television network in Zambia, and Flava FM in Kitwe Province recently performed an independent audit of local BNB findings.

The government-owned Zambian National Broadcasting Corporation (ZNBC) has also interviewed members of JCTR about the implications of the BNB. Following JCTR's example, civil society organizations in at least 10 other countries have started to implement grassroots inflation-monitoring programs. In recognition of all the positive social developments resulting from the BNB's widespread dissemination, JCTR won the 2008 Southern Africa "Civil Society Drivers of Change Award," which is sponsored by the Mail and Guardian and the Southern Africa Trust.

In addition to gaining substantial media coverage and international recognition,

the BNB has had a significant impact on fiscal policy and business integrity in Zambia. Starting in early 2000, JCTR used the BNB to push for a higher threshold for income tax exemptions, a proposal that the Zambia Congress of Trade Unions (ZCTU) backed. The ZCTU argued that it was unfair to ask struggling families to pay income taxes when they could hardly afford enough to eat.

As a result of JCTR's advocacy, in the last three budgets the Zambian government has aligned the threshold to the BNB's cost of basic food for a family of six. Private sector employees have also used the BNB as a benchmark for negotiating wage increases and benefits. Most important, the BNB has helped raise awareness about the difficulties those who are financially insecure face in inflationary markets and has made JCTR a leader in the sub-Saharan African region in promoting social justice and human dignity.

## JCTR's Participation in the Partnership Initiative

Outcomes in Zambia have improved in the past years; however, steady employment is still inaccessible to a large proportion of the population. In order to support their current work and advocacy on employment and labor issues, JCTR will be monitoring the Zambian Development Agency (ZDA), specifically focusing on the agency's incentives programs that are mandated to support the Zambian government's broader employment and growth strategies. With the support of the Partnership Initiative, JCTR will provide information on the role of the ZDA in creating jobs and its budgetary implications and engage with the relevant government agencies to strengthen the role of civil society in monitoring the ZDA's budget and decision-making processes.

---

### Jesuit Centre for Theological Reflection

P.O. Box 37774  
Lusaka 10101, Zambia  
Tel: +260 211 290410  
jctr@jesuits.org.zm  
www.jctr.org.zm

### International Budget Partnership

Cape Town • Mexico City • Mumbai • Washington, D.C.  
info@internationalbudget.org  
www.internationalbudget.org

---

*The IBP's Partnership Initiative is a collaborative effort that seeks to enhance the impact of civil society budget work in selected countries of Africa, Asia, and Latin America. The initiative strives to contribute to the development of sustainable institutions; to increase public access to timely, reliable, and useful information; to enhance the effective participation of civil society in policy and budget processes; and to establish a platform of good practices on which future generations of civil society can build.*