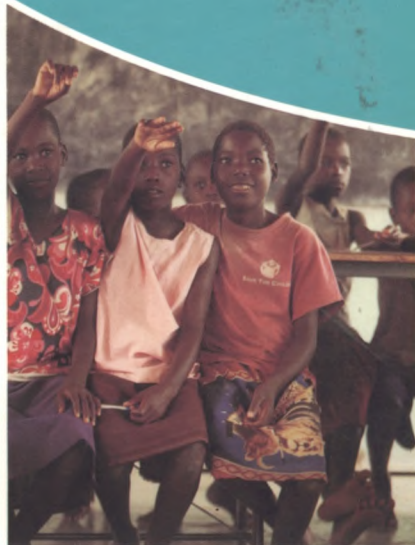


Understanding Poverty, Promoting Wellbeing and Sustainable Development

A sample survey of 16 districts of Zimbabwe



eanette Manjengwa, Sara Feresu and Admos Chimhowu

Contact details

Institute of Environmental Studies,
2nd Floor, Computer Science Building,
University of Zimbabwe,
PO Box MP 167, Mount Pleasant,
Harare,
Zimbabwe.

Telephone No.: +263 (0)4 302 603

Fax No.: +263 (0)4 332 853

E-mail address: secretary@ies.uz.ac.zw

Internet: <http://www.ies.ac.zw>

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About the Contributors

Lead author and editor

Jeanette Manjengwa. Dr Manjengwa is a senior lecturer and Deputy Director of the Institute of Environmental Studies, University of Zimbabwe. She is the Principal Investigator for the Moving Zimbabwe Forward: An Evidence-Based Policy Dialogue Initiative.

Admos Chimhowu. Dr Chimhowu is a lecturer in the Institute of Development Policy and Management, School of Environment and Development, University of Manchester. He is an Associate Director of the Brooks World Poverty Institute which collaborated in the Moving Zimbabwe Forward Policy Dialogue Initiative.

Dominica Chingarande. Dr Chingarande is a lecturer in the Sociology Department, Faculty of Social Studies, University of Zimbabwe. She carried out qualitative analysis of the Moving Zimbabwe Forward Wellbeing and Poverty study data.

Sarah Feresu. Professor Feresu is the Director of the Institute of Environmental Studies, University of Zimbabwe. She provided administrative support to the poverty survey and is co-editor of the report.

Rudo Gaidzanwa. Professor Gaidzanwa is the Dean of the Faculty of Social Studies, University of Zimbabwe. She is a social scientist and gender specialist.

Ibrahim Kasirye. Dr Kasirye is a Senior Research Fellow and the Head of the Sectoral Department at the Economic Policy Research Centre (EPRC), Makerere University, Uganda.

Krasposy Kujinga. Mr Kujinga is a Doctor of Philosophy student at the Okavango Research Institute, University of Botswana.

Ngonidzashe Mararike. Ms Mararike is the managing consultant for Black Crystal Environmental Consultants based in Harare. She was the Knowledge Manager for the Moving Zimbabwe Forward Policy Dialogue Initiative.

Wiseman Masunda. Mr Masunda works in the Sociology Department, Faculty of Social Studies, University of Zimbabwe.

Collen Matema. Mr Matema is a Doctor of Philosophy student with the Centre for Applied Social Sciences (CASS), University of Zimbabwe.

Admire Nyamwanza. Mr Nyamwanza is a Doctor of Philosophy student with the Brooks World Poverty Institute, University of Manchester, UK.

Charity Nyelele. Ms Nyelele is a Masters of Philosophy student at the Institute of Environmental Studies, University of Zimbabwe, registered in the Department of Geography and Environmental Science.

Chapter Four

Household Consumption and Poverty in Zimbabwe

Jeanette Manjengwa, Admos Chimbonu, Ibrahim Kasirye, Dominica Chingarande, Wiseman Masunda and Krasposy Kujinga

Main messages

- The magnitude of poverty and extreme poverty was high across Zimbabwe, especially in rural areas. 81 per cent of the sampled households lived in poverty, reaching 95 per cent in rural areas.
- 44 per cent of the sampled households lived in extreme poverty, reaching 68 per cent in rural areas.
- The depth of poverty was also high. Zimbabwe would have to spend 52.8 per cent of the poverty line each month on each poor household to raise them above the poverty line. Poverty is nearly twice as deep in rural areas, compared to urban areas.
- Households living in the dry and marginal lands of Agro-Ecological Regions IV and V were more likely to live in poverty or extreme poverty. Promoting access to alternative livelihood options across these different areas is critical.
- Poverty as perceived by communities was characterised as difficulties accessing adequate food, shelter, education and clothing.
- Perceptions of poverty in rural areas were also tied to productive assets (land, livestock, farming equipment), while those in urban areas are tied to employment (regular employment, capital, or machinery).
- Income inequality, although still remaining high, appears to have dropped from its peak in 2003.

Introduction

Based on the Moving Zimbabwe Forward (MZF) survey of nearly 3,500 households, this Chapter discusses the magnitude and key determinants of poverty in Zimbabwe. Qualitative research is used to complement the survey findings to give a rich and detailed insight into experiences of poverty in Zimbabwe. The Chapter is divided into three sections. Section one considers the magnitude of poverty in the sampled districts and analyses poverty incidence, depth and severity by the rural and urban divide, Agro-ecological Region and Livelihood Zone. Section two explores household and community perceptions of

poverty, before section three investigates some of the key determinants of poverty and inequality.

Measuring poverty in Zimbabwe

Zimbabwe uses a variety of money metric measures to analyse poverty. Although the poverty datum line is still official policy, there is broad acceptance of the multidimensional understanding of poverty. Chapter Three describes the Food Poverty Line (FPL) and Total Consumption Poverty Line (TCPL), which captures the value of non-food items that are used as a measure of poverty and extreme poverty in Zimbabwe.

Table 4.1: Poverty incidence for the sampled households

	Poor			Very poor		
	All	Urban	Rural	All	Urban	Rural
Poverty incidence (per cent)	81.6	62.6	95.1	44.4	8.5	68.3
Poverty depth (per cent)	52.8	27.2	71.1	20.6	2.3	33.6
Poverty severity (per cent)	39.2	14.9	56.7	21.1	0.9	19.4

Note: The indices for the very poor are based on the food poverty line as defined by ZIMSTAT

'Poor' households are classified as those whose consumption of food and non-food items falls below the TCPL, but above the FPL. Those whose consumption falls below both the TCPL and FPL are classified as 'very poor', and unable to meet minimum food requirements of 2,100 calories per day (ZIMSTAT 2011).

Survey results: Magnitude of poverty in the sampled districts

The magnitude of poverty and extreme poverty found was high. Over 80 per cent of sampled households were classified as 'poor', and over 40 per cent as 'very poor' (Table 4.1). Using ZIMSTAT classifications, this indicates that nearly one in every two of households were very poor, and unable to meet their minimum food requirements.

We can look further at poverty depth by measuring the poverty gap, which measures the shortfall in household per capita consumption necessary to raise a household above the poverty or extreme poverty line. The higher the poverty gap, the deeper experiences of poverty are, and the greater the resources necessary to raise a household above the poverty line. With a poverty depth of 52.8 per cent, Zimbabwe's poverty was deep, with many households earning enough to bring them only halfway towards the national poverty line. This has implications on the resources necessary for facilitating poverty reduction in Zimbabwe: theoretically, the government needs to spend 52.8 per cent of the poverty line each month on each poor household to raise them above the poverty line.

Spatial distribution of poverty in the sampled households

Rural-urban divide

Table 4.1 also highlights the noticeable differences in the incidence and depth of poverty across rural and urban areas. Rural households are particularly vulnerable to poverty and extreme poverty, both in incidence and intensity. Ninety five per cent of all rural households were classified as 'poor' and nearly 70 per cent as 'very poor'. Poverty is still a major threat to urban households, with more than 60 per cent living in poverty. Food security was much better in urban areas, however, with less than 10 per cent of urban households being classified as 'very poor' and under the food poverty line.

Rural poverty was also almost twice as deep as that in urban areas, these locations displayed a poverty gap of 71 and 27 per cent respectively. This suggests that Zimbabwe would have to spend more than twice the amount of resources in rural areas compared to that in urban areas to raise poor households above the Total Consumption Poverty Line threshold.

Looking at differences in per capita expenditures between poor and non-poor rural and urban households also reveals the magnitude of the rural-urban divide. Table 4.2 displays the mean monthly expenditures for rural and urban households. The monthly mean expenditures of poor urban households (USD 54) was double that of poor rural households (USD 25), although this in part reflected the higher urban costs of living, where households have to pay the costs of food, rent, utilities and transport, amongst others.

Table 4.2 also illustrates high levels of inequality, which again was aggravated in rural areas. While non-poor households in rural and urban areas displayed similar expenditure profiles, this was approximately four times that of the urban poor and up to eight times that of the rural poor.

Agro-ecological regions

Opportunities to make a living off the land in rural Zimbabwe vary significantly by location along Agro-ecological Regions (Chapter Two), with over half of the country's land lying in regions classified as unsuitable for dry land farming without additional investment in water technology (Vincent and Thomas, 1961). Only 38 per cent of the country is deemed to have 'natural' farming potential. Regions IV and V are deemed too dry for crop production without irrigation. Small grains, particularly millet and sorghum, can be produced in some parts of this region, although seasonal and periodic droughts are a common feature afflicting most farm-based livelihoods. With up to 74 per cent of all communal lands located in the drier Regions IV and V, it is not too difficult to see why there is this marginality which, combined with remoteness and relatively basic production technologies, compromises the ability of families in the marginal lands to make a living and stay out of poverty.

Table 4.3 and Figure 4.1 show that households in the dry

Table 4.2: Rural-urban differences by poverty category in Zimbabwe

	Urban		Rural	
	Poor	Non-poor	Poor	Non-poor
Average monthly per capita household expenditures (USD)	54	225	25	190
Average monthly per capita food expenditures (USD)	22	54	10	55

and marginal lands of Agro-ecological Regions IV and V had the highest incidence of poverty at 94 and 90 per cent, respectively. These two regions also displayed the highest incidence of extreme poverty. At 67 and 61 per cent, respectively, this was approximately double the proportion of households living in extreme poverty as those living in Regions I, II and III. The regression analysis (Appendix 4.1) revealed that households in these two Agro-ecological Regions had significantly lower consumption expenditures than those in Agro-ecological Regions I, II and III. These differences highlight that a lack of alternative livelihood options was a major challenge for households living in vulnerable regions, who were subsequently predisposed to live in poverty and extreme poverty.

Figure 4.2 shows poverty incidence by district for the households sampled in the survey. Poverty incidence was very high (above 90 per cent) in all rural districts in the sample. The poverty incidence ranged from 90 per cent in Mazowe to 99 per cent in Hwange. The household respondents from Mazowe, which is in Agro-ecological Region II, with the highest agricultural potential, consisted of communal and newly resettled farmers, and former farm workers.

In the case of Kariba, which had a relatively high proportion of non-poor households, several of the enumeration areas were in the urban area, and Kariba also falls within the Agro-fisheries Livelihood Zone, where fishing provides an additional source of income. Interestingly, during the focus group discussion with a fishing village on the lake shore, the community seemed at face value to be extremely impoverished, with poorly constructed huts, no vegetable gardens, no sanitation facilities, no health services or schools. During discussions, however, it became apparent that fishing was a lucrative enterprise and the money was being spent elsewhere. The majority of villagers had homes in other areas, even as far as Masvingo where their families live, and they considered

the fishing village a temporary home. The fishing village leader was supporting his daughter, who was studying medicine at the University of Zimbabwe.

Poverty by livelihood zones

Zimbabwe is divided into 24 livelihood zones based on the manner in which their populations obtain food (ZIMVAC 2010). Fifteen out of the 24 zones listed by ZIMVAC (ZIMVAC, 2010) were represented in the sampled districts (Table 4.4). As noted earlier, the poverty incidence was lowest among urban households, where livelihood opportunities were more diverse. Caution should be exercised when interpreting results from Table 4.4, however, since the indices for some livelihood zones are based on relatively small samples. Despite this limitation, it is nonetheless useful to illustrate how poverty varies by livelihood zones. Different zones offer opportunities for escaping poverty as well as risks for falling into poverty.

There were differences across zones in poverty severity. While the Masvingo, Manicaland Middlelevel Smallholder¹² and Cattle and Cereal Farming¹³ livelihood zones had similar poverty incidences, they differed significantly in poverty depth and severity. Poverty depth was 71 per cent in the Masvingo, Manicaland Middlelevel Smallholder Livelihood Zone in comparison with 79 per cent of households engaged in cattle and cereal farming.

The results suggest that the Government would be required to spend on average USD 79 per person (based on the average poverty line of 100 USD) for the cattle rearing/cereal farming group compared to USD 71 per person in the Masvingo, Manicaland Middlelevel Smallholder group. Likewise, while the Highveld Prime Communal,¹⁴ and Cereal and High Cotton Communal¹⁵ zones had similar poverty headcount indices (96 per cent), they too displayed differences in poverty depth and severity. It would cost the government USD 47 per person to eliminate poverty in

Table 4.3: Incidence of poverty by Agro-ecological Regions

Agro-ecological Regions	Number of households sampled	All poor (percentage)			Very poor (percentage)		
		All	Rural	Urban	All	Rural	Urban
Regions I and II ⁸	1,286	74.8	92.8	64.4	25.9	54.2	9.5
Region III ⁹	744	73.8	96.6	56.2	35.7	73.1	6.9
Region IV ¹⁰	621	94.4	95.7	76.7	66.7	70.5	16.3
Region V ¹¹	789	89.7	95.6	66.7	60.6	74.4	5.6

⁸Two Enumeration Areas in Chimanimani District were in Region I, while Harare and Mazowe and parts of Hurungwe and Mutoko Districts are situated in Region II.

⁹The following districts fall in Region III: Gweru Urban, Mutare Urban, and Mutare Rural and parts of Hurungwe and Mutoko Districts.

¹⁰The following districts fall in Region IV: Mbire, Gokwe South and Bulawayo and some parts of Gwanda, Gokwe North and Mutoko.

¹¹The following districts are in Region V: Chiredzi, Hwange, Kariba and parts of Chimanimani, Gokwe North and Gwanda Districts.

¹²Part of Chimanimani District falls in the Masvingo, Manicaland Middlelevel Livelihood Zone.

¹³Part of Chiredzi District falls in the Cattle and Cereal Farming Livelihood Zone.

¹⁴Parts of Hurungwe, Mutare Rural and Mazowe Districts fall in the Highveld Prime Communal Livelihood Zone.

¹⁵Parts of Gokwe North and Gokwe South Districts fall in the Cereal and High Cotton Communal Livelihood Zone.

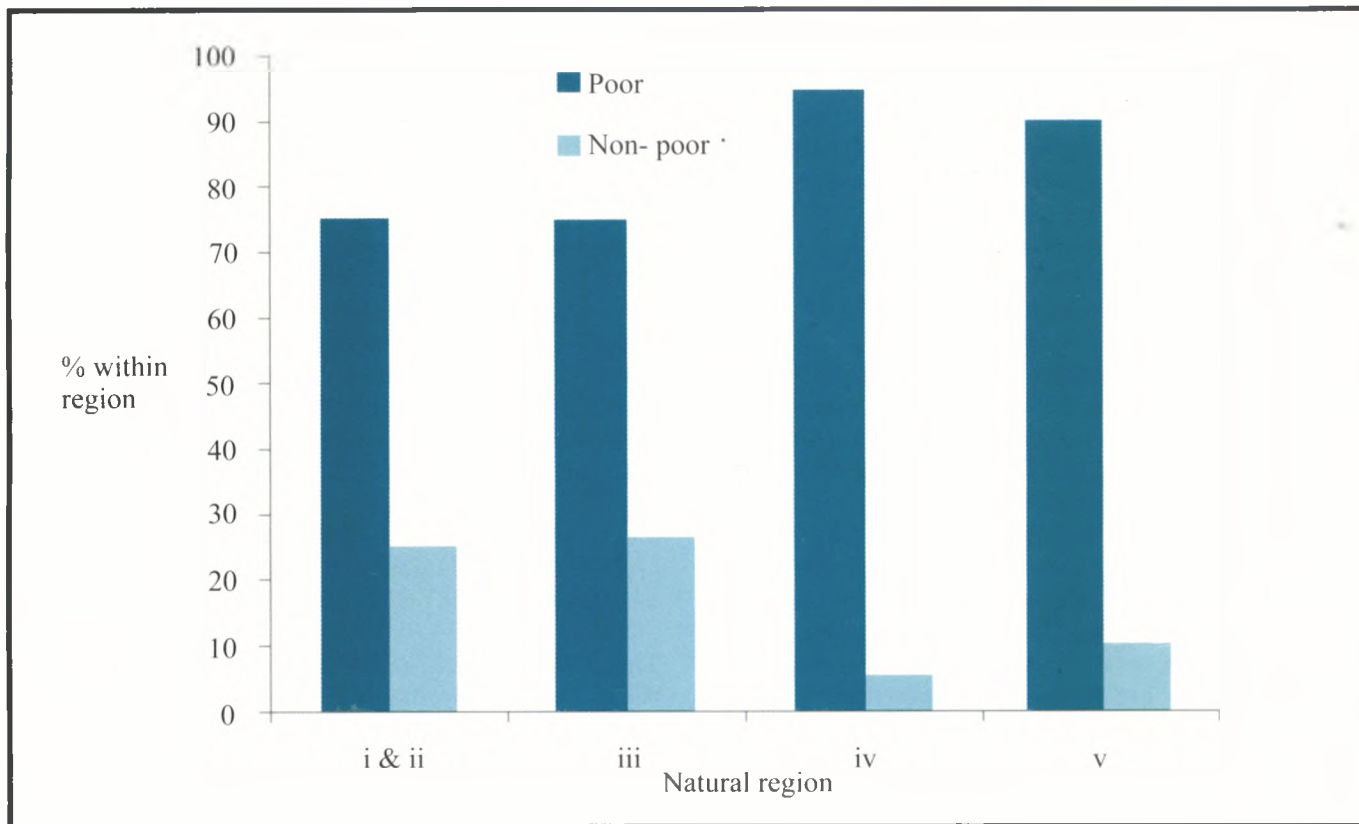


Figure 4.1: Poverty by Agro-ecological Regions

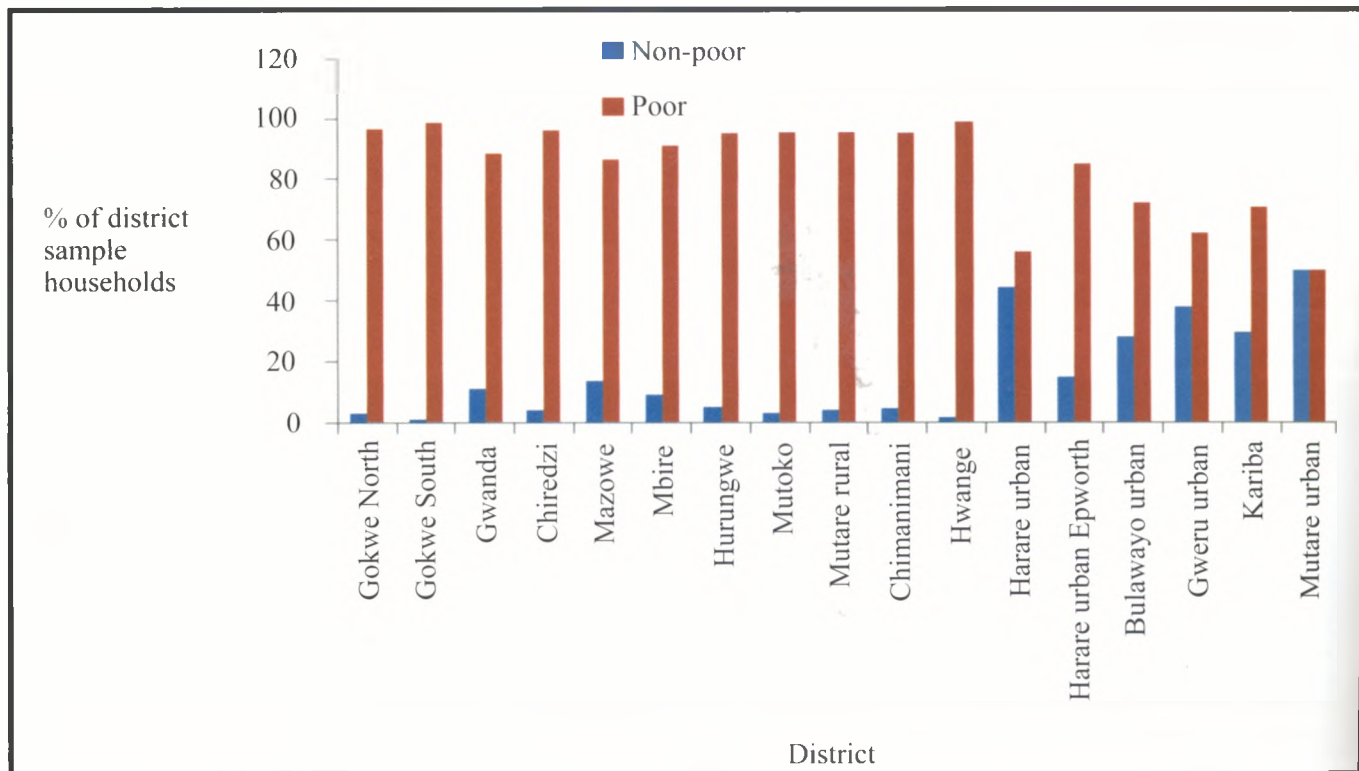


Figure 4.2: Incidence of household poverty by District

Table 4.4 Poverty indices by Livelihood Zones in 16 Districts of Zimbabwe*

Livelihood Zones	Number of households in sample	Poverty incidence PO (%)	Poverty depth P1 (%)	Poverty severity P2 (%)
Highveld Prime Communal Masvingo, Manicaland Middleveld	203	96.5	69.4	53.2
Smallholder	59	94.9	70.7	54.9
Cattle and Cereal Farming	39	94.9	79.1	67.9
Eastern Highlands Commercial Farming	84	95.2	72.6	58.1
Highveld Prime Cereal and Cash Crop Resettlement	203	87.6	52.4	36.1
Northern Zambezi Valley Communal	163	93.9	65.1	49.6
Central and Northern Semi-intensive Farming	266	98.8	79.1	65.8
Agro-fisheries	60	61.7	23.3	11.1
Kariba Valley and Kariangwe-Jambezi Communal	184	98.9	80.5	68.2
Beitbridge South Western Lowveld Communal	84	92.9	63.5	47.9
Cereal and High Cotton Communal	135	96.3	47.1	59.6
Lusulu, Lupane and Southern Gokwe Mixed Agricultural Communal	107	99.1	75.1	64.1
Irrigated Commercial Sugar and Fruit Farming	79	94.9	74.6	62.1

* The Cereal and Low Cotton Communal that covered Gokwe North and Hurungwe districts had too few respondents to provide meaningful statistics and are not included here.

the Cereal and High Cotton Communal zone, compared to the USD 69 in the Highveld Prime Communal zone.

The survey included resettlement areas where households had benefited from the Land Reform Programme. Households in enumeration areas in the Highveld Prime Cereal and Cash Crop Resettlement¹⁶ Livelihood Zone had a relatively lower incidence of poverty, at 87.6 per cent, and also lower poverty depth (52.4 per cent) and severity (36.1 per cent) than other agricultural livelihood zones. Households in the Agro-fisheries¹⁷ zone had a much lower incidence of poverty, 62 per cent. Finally, based on poverty severity measure, Table 4.4 shows that poverty within the 16 districts was most severe among households in Kariba Valley and Kariangwe Jambezi Communal¹⁸ (68 per cent); Cattle and Cereal Farming (68 per cent); Central and Northern Semi-intensive Farming¹⁹

(66 per cent); the Lusulu, Lupane Southern Gokwe Mixed Farming²⁰ zones (64 per cent); and the Irrigated Commercial Sugar and Fruit Farming zones (62 per cent)²¹. The survey also included State Land, with 33 households living in a settlement within the Mafungabusi State Forest in Gokwe South District. The poverty incidence for these households was 100 per cent. While most households were poor regardless of the livelihood zones in which they lived, these differences were important because they illustrate the considerable differences in poverty severity across zones.

Household experiences of poverty

With the vast majority of Zimbabwean households (particularly in rural areas) living in poverty, it is important to understand what this means at the household level.

¹⁶Parts of Mazowe, Hurungwe and Mutoko Districts fall in the Highveld Prime Cereal and Cash Crop Resettlement Livelihood Zone.

¹⁷Part of Kariba District falls in the Agro-fisheries Livelihood Zone.

¹⁸Part of Hwange District falls in the Kariba Valley and Kariangwe Jambezi Communal Livelihood Zone.

¹⁹Parts of Mutoko and Hurungwe Districts fall in the Central and Northern Semi-intensive Farming Livelihood Zone.

²⁰Part of Gokwe South District falls in the Lusulu, Lupane Southern Gokwe Mixed Farming Livelihood Zone.

²¹Part of Chiredzi falls in the Irrigated Commercial Sugar and Fruit Farming zone.

To put together a picture of household experiences of poverty, the survey data and regression analysis were combined with analytical insight from focus group discussions, which were conducted across the 16 sample districts to explore local perceptions of poverty.

Community perceptions and experiences of poverty

Focus group discussions revealed that at the community-level, asset-based definitions of poverty prevail. In rural areas, it is ownership of productive assets – especially land, livestock (cattle) and farm equipment – that distinguishes the poor from the non-poor. In urban areas, it is access to regular paid employment, property ownership, access to capital for income-generating activities and the ownership of machinery that were perceived to distinguish between these two groups. There were also several determinants of welfare status that were common across urban and rural areas, namely access to adequate nutrition and clothing, type of shelter, and the ability to meet education and health bills, as discussed in the following sections.

Food

Across focus group discussions, the accessibility of food, both in terms of *type* and *quantity*, were commonly identified as an indicator of poverty. Respondents argued that poor households eat food of poor nutritional quality and sometimes eat once or twice per day because they cannot afford three meals per day. In one area, the respondents said, '*chikafu chacho ndebekutamburira*' (meaning the food is obtained after a struggle). Hunger and malnutrition, therefore, are central to experiences of poverty and extreme poverty in Zimbabwe. Local people may not be able to differentiate between foods in terms of kilocalories, but demonstrate clear knowledge of the types of food that poor and non-poor households eat (Box 4.1).

A meal which is equated to poverty consists of the maize staple *sadza* with vegetable relish (possibly collected from the wild or garden weeds such as *nyerhi* and *mona*) cooked without oil. Where there are no vegetables, very poor families eat *sadza* with salt or wild fruit pulp. Foods regarded as 'luxury' foods are rice and potato eaten with chicken and meat at lunch or dinner, as well as bread and tea for breakfast. 'Take-aways' and fast foods such as fried chicken are considered foods of the urban better off. The PASS report for 2003 observed that the per cent share

of cereals, sugar, fats and oils and vegetables increased as households became poorer, while consumption of meat, poultry, eggs, dairy products, fruits and beverages increased as households became less poor (GoZ, 2006). This indicates that poorer households have more starchy diets than less poor households, thus making poorer households more vulnerable to malnutrition.

Shelter

Focus groups in both rural and urban areas highlighted that the type of house and ownership status was important in the definition of poverty, although experiences differ across these two geographic locations. In rural areas (including communal and resettlement areas), those living in houses made from pole and *dagga* (mud) were regarded as poor. In peri-urban areas, in contrast, those living in small houses roofed by plastics (*Chiimba chitukutuku, chakapfuirirwa nemapepa, zvinyeda*, meaning small houses built with paper and plastics) were regarded as poor. In urban areas, the poor were defined as those living in poorly planned and unfinished houses.

The household's tenure status was also considered a key definition of poverty in all areas. In urban and peri-urban areas those in overcrowded rented accommodation, usually with rooms divided by curtains, were considered poor.

In peri-urban areas, another dimension was the legality of the place where the house or shack is constructed. Those who build houses on illegal spaces usually have no proper water and sanitation facilities. In rural areas the poor were regarded as those who do not own the land but work on, or keep the land of absentee owners who reside in cities or outside Zimbabwe.

Education

Focus groups also characterised the poor by their inability to send children to school given the prohibitive costs of education. In addition, the need to help parents in trying to eke out a living also adds to the high school dropout and absenteeism rates among children from poor households. These findings were reflected in the survey, which found school attendance, especially for secondary school, to be lowest amongst the very poor.

Box 4.1: Poverty in Hwange

The community group in Sidobe village noted that one of the major features of poverty in their community was lack of food, especially for children. A mother of three said '*Abantwana betbu bayaddla isitshwala lomubbida that is why bengakhuli. Ngyathi nginothile nxa abatwana bami besidla inyama, uncago ledhobi*'. (We feed our children with *sadza* and green vegetables that is why they cannot grow fast. I will say I am rich if I can feed my children with milk, meat and peanut butter). Poor households are also characterized by lack of blankets, and use cloth in lieu of blankets.

Table 4.5: Children's school attendance by poverty status and per capita expenditure quintile

	Children 6-12 years	Children 13-18 years	Children 6-18 years
	Percent	Percent	Percent
All	87	64	76
Poverty Status			
Non-poor	94	72	82
Poor	86	63	76
Very poor	83	58	72
Per capita expenditure quintiles			
1	83	56	71
2	83	60	73
3	90	69	81
4	93	70	82
5	93	72	82

Table 4.5 shows that when enrolment rates were correlated to the household's status on the welfare distribution, there was a ten percentage point difference in school attendance for children aged 6 to 12 years between the bottom per capita expenditure quintile (1) and top quintile (5).

For children in the secondary school aged category (13 to 18 years), there were also significant differences in enrolment rates by welfare status, where only 56 per cent of children from the poorest quintile were enrolled into school, while the corresponding rate for the top quintile was 72 per cent.

The survey revealed four most frequently cited barriers to school attendance, which included a lack of books; a lack of school uniforms; the absence of teachers; and problems paying school levies (Table 4.6). A lack of books was the most cited challenge, particularly in rural areas. A lack of school uniforms also provided a major obstacle for nearly one in five households. Some of the most disadvantaged children, mainly orphans, are assisted by the Basic Education Assistance Module (BEAM) programme, but focus groups argued that its benefits did not reach enough households (See Box 4.2)

Table 4.6: Main problems experienced at school during the last 12 months, by location (per cent)

	All	Location	
		Rural	Urban
Lack of books	35.2	39.1	29.2
Lack of uniform	17.5	23.0	9.0
Lack of teachers/poor teaching/sick teachers	5.6	5.2	6.4
Non-payment of school fees/ levies	18.3	17.5	19.5
No problem at all	14.6	6.2	27.7
Other*	8.7	9.0	8.3
Sub Total	100	100	100

Notes: Other* includes: shortage of classrooms; hunger; insufficient subsistence money; illness of the child; and illness of family members

Box 4.2 Problems with school attendance

Several of the focus groups mentioned that they would like to see the Basic Education Assistance Module (BEAM) extended. For example in Sidobe village, Hwange, the community group wished that BEAM would expand its programme so as to accommodate more poor and vulnerable children. 'Currently BEAM is only catering for orphans, which is wrong because some children with living parents are equally vulnerable, for example a number of children in this community have parents who are sick and some are disabled and cannot pay the fees'. The communities also want supplementary feeding at primary school in the form of porridge or sadza, because they did not harvest enough last season, hence they cannot afford to feed their children, especially young ones who cannot go without three or more meals a day. In Mushimbo, Mutoko complaints about BEAM were that it targeted only double orphans, yet widows also struggled with school fees.

Box 4.3: Problems with education in Hwange

Poverty may be perceived to be as a result of lack of education or awareness. For example, in Hwange District most people do not attain ordinary level education. Out of a total of 129 household heads that were surveyed in the study, only 17 per cent had advanced up to O level and beyond. Nearly 30 per cent of household heads in Hwange had no education at all (or had not completed primary school). Female household heads fared worse, with 44 per cent having no education. This has implications for the ability of the household to cope with poverty, as the uneducated are unlikely to get formal and well paid jobs in and outside Hwange.

Lack of education had also promoted the cycle of poverty as the poor and uneducated were not able to find money to send their children to school. There was also a challenge of the availability of high schools in Hwange as well as a critical shortage of trained teachers at both primary and secondary schools; consequently the pass rate of students was low.

Box 4.3 illustrates how lack of education can result in cycles of poverty.

Clothes

All focus group discussions defined the poor by the type of clothes, their size and where they are bought. The poor relied mainly on second-hand clothes from wellwishers or second-hand markets, which is why in the majority of cases they were oversized clothes. It was stated that '*hembé dzachó dzinenge dziri dzemumabhero*' (the clothes would be coming in bales). Bales of second-hand clothes come mainly from Mozambique. In Harare, the clothes are then sold at Mupedzanhamo (a local open market) whose name in English means 'eliminate poverty'. Table 4.7 shows the average expenditure on clothing by the poor households to be almost USD 49 in the last twelve months while that of the non-poor households was USD 82. The rural poor spend half the monthly expenditure on clothes as those in urban areas – USD 36 in comparison with USD 75. Non-poor households in rural areas spend USD 52 per month, reaching to USD 90 for non-poor urban households. This reflects their ability to buy a greater volume and quality of clothes.

Drivers of poverty in Zimbabwe

The MZI household survey found that the incidence and intensity of poverty across Zimbabwe was high; focus

group discussions created a broader understanding of the multidimensional nature of poverty, and the problems poor households face in accessing food, education, shelter and clothing. The survey was also able to untangle the characteristics of poor households in Zimbabwe, to identify household determinants of poverty and extreme poverty, such as the age, education, gender, and employment of the household head. Household size and composition also influence a household's likelihood of being in poverty or extreme poverty, as does a household's asset base, labour force, and receipt of money transfers, as the following sections discuss in greater detail. Three regressions were conducted to filter and identify the key drivers of poverty (Appendix 4.1). The first model regressed household consumption for all households, while the second two ran separate regressions for rural and urban households, as drivers across these two geographic locations are likely to vary. These regressions identified household size, education, economic activities and geographic location as key determinants of poverty.

Age of household head

Given that poverty was nearly universal in rural areas, the age of a household head was not a significant determinant of poverty here. At the urban and national level, however, poverty levels varied by the age of household head (Table 4.8). Urban households headed by those over the age of 55 were eight percentage points more likely to be poor and six

Table 4.7: Household expenditure on clothing – last 12 months (USD)

Poverty category	Amount (USD)		
	Rural	Urban	All
Non-poor	52.48	89.55	82.48
Poor	35.89	74.51	48.59
Overall average	36.88	79.84	54.77

percentage points more likely to be very poor. Interestingly, urban households headed by young household heads (30 to 35 years) displayed a high likelihood of being in poverty, perhaps reflecting barriers to employment to young people. For households in extreme poverty, there was a correlation with the age of household head, with the percentage of very poor households increasing in line with the age of the household head.

Education level of household head

During the focus group discussions, participants revealed the centrality of education to poverty and wellbeing (Box 4.3). Table 4.9 shows the distribution of poverty by education attainment level of household heads in rural and urban areas. As expected, the incidence of poverty reduced as the educational attainment of the household head increased. The link between education of household head and the household being very poor was even more marked. Two-thirds of very poor households were headed by people with the attainment of education below Grade 7 (primary level).

Again, there were differences in the strength of correlation across rural and urban areas. Rural household heads that had attained Form 6 education or above had a relatively high incidence of poverty (85 per cent) in comparison with their urban counterparts (39 per cent). This is likely to reflect differences in rural and urban labour markets,

but these figures must be viewed with caution given the small sample available. Only 394 household heads attained Form 6 education or above, of which only 82 lived in rural areas.

Gender of household head

Female-headed households were found to have a slightly higher incidence of poverty than male-headed households, at 83 per cent and 81 per cent, respectively (See Table 7.1 in Chapter Seven on Gender). The same trend was observed for very poor households, with female- and male-headed households displaying an extreme poverty incidence of 48 and 42 per cent, respectively. These findings suggest a smaller gender difference than other surveys have found. The PASS of 2003, for example, found poverty levels in female- and male-headed households at 68 and 60 per cent, respectively (GoZ, 2006). The ZIMVAC (2011) found the incomes of female-headed households to be only half that of male-headed households. ZIMVAC (2011) also showed that nearly 70 per cent of all female-headed households were always food insecure and needed food aid in any given year.

Focus groups specified widowhood as a dimension that depicts poverty in rural areas, given the role a male household head plays as the breadwinner and the weak economic position of most women. Out of 538 widowed household heads in the MZF survey, 86 per cent were

Table 4.8: Age category of household head, by poverty category and rural and urban location

Age category of household head	All poor (percentage)			Very poor (percentage)		
	All	Rural	Urban	All	Rural	Urban
Less than 30 years	79.2	94.7	57.7	39.8	64.7	5.2
30-35 years	80.5	93.6	65.4	38.2	55.5	6.6
36-41 years	78.3	94.5	59.6	40.5	69.9	6.3
42-47 years	81.7	96.2	65.6	39.9	66.7	10.0
48-54 years	80.6	95.4	62.4	45.4	72.5	12.4
55+ years	86.4	95.9	65.5	51.5	70.4	11.6

Table 4.9: Incidence of poverty by education attainment levels of household head

Highest education attainment of household head	All poor (percentage)			Very poor (percentage)		
	All	Rural	Urban	All	Rural	Urban
Below Grade 7	93.2	96.9	72.8	66.5	74.6	21.4
Grade 7	90.8	96.3	74.2	57.8	72.5	12.6
Form 2	88.2	95.9	74.2	48.5	67.3	14.1
Form 4	76.0	92.5	65.0	27.3	58.2	6.7
Form 6 and above	48.7	85.4	39.1	12.2	48.8	2.6

poor. The majority of these (65 per cent) lived in rural areas, and these constituted the majority of those classified as poor (73 per cent). Gender differences are a result of some customary practices that predispose female-headed households to poverty, which are further explored in Chapter Seven.

Economic activities

The economic activities that support a household are a determinant of household poverty. Households whose members were permanent employees displayed the lowest poverty status of 63 per cent (Table 4.10). Having at least one member working as a permanent employee also greatly reduced the likelihood of a household being 'very poor', even in rural areas. A clear message emerging from the data is that quality employment matters in taking households out of poverty in both rural and urban households. The multivariate analysis revealed that permanent employment was associated with a 29 and 13 per cent rise in consumption expenditures in rural and urban areas, respectively (Appendix 4.1).

Although small businesses are often seen as a solution to poverty, households with a business enterprise still displayed a poverty incidence of 72 per cent, ten percentage points higher than that of households with a permanent employee. This suggests that ownership of a business enterprise does not confer as many advantages as being permanently employed, and that many businesses may be small-scale survival businesses rather than profitable enterprises. The most common enterprises revealed by the survey were small-scale vending of

various commodities including vegetables, food, natural resources (such as wild fruits, mushrooms and firewood), and clothes. Business enterprises such as knitting, basket weaving and shoe repairs are regarded as low value and low income generators. Only 16 households owned a shop or butchery that generated relatively higher incomes. Most of the enterprises were engaged in as extra or part-time, supplementing activities to farming.

The multivariate analysis highlights, however, that even small-scale businesses played an important role in boosting consumption expenditures, particularly in rural areas, by up to 24 per cent. Regardless of their modest scale, this suggests that they can play an important role as a driver of escaping poverty, and need to be encouraged and supported.

Households dependant on agriculture and livestock displayed the highest rates of poverty and extreme poverty. About 90 per cent of households in the surveyed districts who depended on agriculture and livestock were poor, with over 60 per cent of them being very poor. Mining activities in rural areas play an extremely important role by offering alternative income generating activities to these options. The regression analysis showed that being involved in gold and diamond panning and small-scale mining activities raised monthly household expenditures by about 29 per cent. These activities occur in a number of districts, particularly Chimanimani and Mazowe.

Family size and composition

Although ZIMSTAT has traditionally modelled a standard

Table 4.10: Incidence of poverty of the household based on economic activities

Household characteristic	Number of households in sample	All poor (percentage)			Very poor (percentage)		
		All	Rural	Urban	All	Rural	Urban
Household has at least one permanent employee	867	62.9	85.3	54.5	13.9	37.4	5.1
Household has at least one temporary employee	520	85.5	94.1	69.3	36.5	64.4	9.4
Household has a business enterprise	661	72.0	91.1	62.2	23.6	54.9	7.5
Household is engaged in agriculture	1,741	93.7	96.9	68.1	66.9	74.0	9.9
Household keeps livestock	842	91.8	96.2	59.8	64.6	72.3	7.8
Household owns land ²²	1,461	89.4	96.1	59.3	59.7	71.3	6.8
Household has access to cultivable land	1,943	90.8	96.3	62.4	61.4	71.9	6.1

²²This includes those with customary rights in communal lands and resettled households with permits or leases.

family of six, the Zimbabwean household has undergone significant changes, with average household sizes ranging from three to five. The migration of able bodied adults during the prolonged socio-economic crisis and high mortality rates as a result of HIV and AIDS have changed household level demographics.

The regressions highlight that family size and household composition were a significant determinant for household poverty. Larger households composed mainly of non-productive members were more likely to be poor in both rural and urban areas than smaller households. The regression model showed that having more members in the household reduced monthly consumption per person by as much as 73 per cent, with the worst effects registered in rural areas (79 per cent reduction). The family size and composition factor was so significant that when further analysis was done on the interaction amongst the variables, a high dependency ratio even eroded the effect of literacy, gender and region – rural and urban (see Table 4.11).

The presence of orphans in the household had a negative impact on household expenditures, especially in urban areas. In particular, households with orphans in urban areas had on average 13 per cent less consumption expenditures per person. Research in other African countries has revealed that orphans tend to be taken up by relatively well-to-do households (see for example Evans and Miguel (2007) research in Kenya). The MZF findings show that this was not the case in Zimbabwe, where households who raise orphans were relatively poorer.

Primacy of assets

The MZF survey revealed an interesting observation with

regards to the role of land as a determinant of poverty. Access to land was not itself a determinant of poverty, especially for rural households. Instead, it was the ability to use it that matters. The focus groups, too, highlighted that the ability of poor households to use land productively was constrained by a number of factors. The multivariate analysis revealed that the ownership of productive assets, such as peanut butter machines or scotch carts, significantly improved household consumption expenditures. A lack of other farming inputs was also identified as a constraint on agricultural productivity. In Mutoko and Hurungwe, lack of production resulting in poverty was attributed to lack of farming inputs such as seeds, fertilizer and draught power, especially cattle. In Magunje, Hurungwe District, the community noted that where inputs such as fertilizers were provided, they were only given one bag (50 kgs), which was inadequate for their needs.

Focus groups revealed that livestock ownership was considered very important in all communal and resettlement areas. Households in these areas who lack livestock, especially cattle, were considered to be poor (See Box 4.4). Findings from the questionnaire survey established that overall, 44 per cent of rural poor households owned cattle, which were predominantly of the local Mashona breed. The proportion of rural non-poor households that owned cattle was low, at 25 per cent, suggesting that the rural non-poor were not engaged in agriculture, or that they used tractors (or donkeys) for ploughing. The ownership of livestock, too, improved consumption, but to a lesser extent than other covariates.

The ownership of bicycles was another determinant of improved consumption expenditures in both urban and rural areas.

Table 4.11: Effect of number of children on selected variables

Number of children	Literacy of household head		Gender of head		Region	
	Illiterate	Literate	Male	Female	Rural	Urban
0	0.8171	0.759	0.7897	0.7586	0.87	0.6183
1	0.8802	0.8382	0.8607	0.8379	0.9167	0.7271
2	0.9235	0.8949	0.9104	0.8947	0.9476	0.8142
3	0.9521	0.9334	0.9435	0.9332	0.9675	0.8781
4	0.9703	0.9584	0.9649	0.9583	0.9800	0.9222
5	0.9817	0.9743	0.9783	0.9742	0.9877	0.9512
6	0.9888	0.9842	0.9867	0.9842	0.9925	0.9697
7	0.9932	0.9903	0.9919	0.9903	0.9954	0.9814
8	0.9958	0.9941	0.995	0.9941	0.9972	0.9886
9	0.9975	0.9964	0.997	0.9964	0.9983	0.993

Box 4.4: The importance of cattle

Cattle are used for wealth storage, rather than investment of capital among smallholder farmers in Zimbabwe. Cattle have multiple uses such as draught and providing milk, meat, hides and horns. They also have spiritual and traditional values. It is traditional that bride-wealth payments (*lobola*) are made in cattle. Sometimes there is a ritual requirement for a household to keep a mature bull upon which an ancestral spirit (*mudzimu*) is installed by a spirit medium.

During discussion with communities in Chiredzi, it transpired that one of the major livelihood activities in the district was livestock rearing, including cattle, donkeys and goats. Most households endeavour to keep cattle as these are seen as a symbol of wealth and assets for production. Those owning at least 30 heads of cattle are considered better off. Some well-off families have up to 300 head of cattle. These enable families to sell some of their livestock during times of need, such as droughts, to enable their household to get some money to cover living costs. A beast was sold for as much as South African Rand 1,500 in March 2011, equivalent to about USD 200. This is, however, considerably below the real market value of cattle which is between USD 300 and 800 depending on the size of the beast.

Other forms of livestock kept included goats, chickens and guinea fowls. Donkeys were used for transportation and draught. Many farmers in Zimbabwe sell their small stock, usually goats and chickens, to meet occasional cash requirements. These small stock are mainly regarded as belonging to women.

There is also an informal (and illegal) livestock trade where local farmers cross into South Africa or Mozambique and sell or barter trade their cattle. This allows them to come home with basic products such as clothes, groceries or cash.



Photograph: J. Manjengwa

The survey found that 21 per cent of households owned a bicycle, with both rural and urban areas owning similar proportions. The ownership of other luxury items assets was considered to differentiate between the poor and non-poor in urban areas. In Epworth, a peri-urban settlement outside Harare, people emulated life in the urban areas, and focus groups defined poverty as a lack of electric gadgets such as television sets, radios and fridges, as well as lack of formal employment. The same characteristics used by respondents to measure poverty in peri-urban areas were used to measure poverty in urban areas. In peri-urban areas poverty was therefore defined in terms of a rural lifestyle.

In the case of mobile phones, 55 per cent of all households owned a mobile phone. Mobile phone ownership was much more prevalent in urban areas, where 87 per cent of households owned one. In contrast, only one in three rural households had a mobile phone. During focus group discussions in Hwange, Mbire and Chiredzi, people complained that they did not have cell phone coverage. This suggested that the percentage of mobile phones in areas where there was network coverage was considerably higher than 55 per cent. In the case of Chiredzi, those nearer the border used a South African service provider, MTN.

Financial transfers are important

Receiving cash transfers was also found to be a determinant of poverty, whether through remittances from relatives, and handouts from the government or donor organizations. Cash transfers were particularly important in urban areas, where households receiving cash transfers had, on average, higher consumption expenditures by 15 per cent.

Exposure to shocks

Zimbabwean households can be hit by a variety of shocks that influence their wellbeing. Agricultural-related shocks that affect entire communities can be particularly detrimental.

The only consistently significant shock revealed by the MZF survey was the experience of food shortages in the past 12 months, which was found to reduce current consumption expenditures by 17 per cent in rural and 26 per cent in urban areas. This suggests that food shortages have more detrimental effects in urban areas. The insignificance of other shock variables may be partly explained by the high correlation between shocks. Droughts, for example, are most likely to cause food shortages and food shortages may have a knock-on effect to account for the other shocks experienced by the households. Shocks and their influence on movements into poverty will be discussed further in the following chapters.

Extent of income inequality in the surveyed districts

Inequality is a broader concept than poverty. Rather than focusing only on the portion of the population that lives below the poverty line, it is defined over the entire population (Haughton and Khandker, 2009). Inequalities are not just the result of poverty; they help to generate it, and if left unchecked make poverty reduction even more difficult to achieve (Berg and Ostry, 2011).

Inequality is a measure of skewness in the distribution of resources such as land or income relative to households or population. Inequality can be assessed using the Lorenz curve which relates the share of households to the share

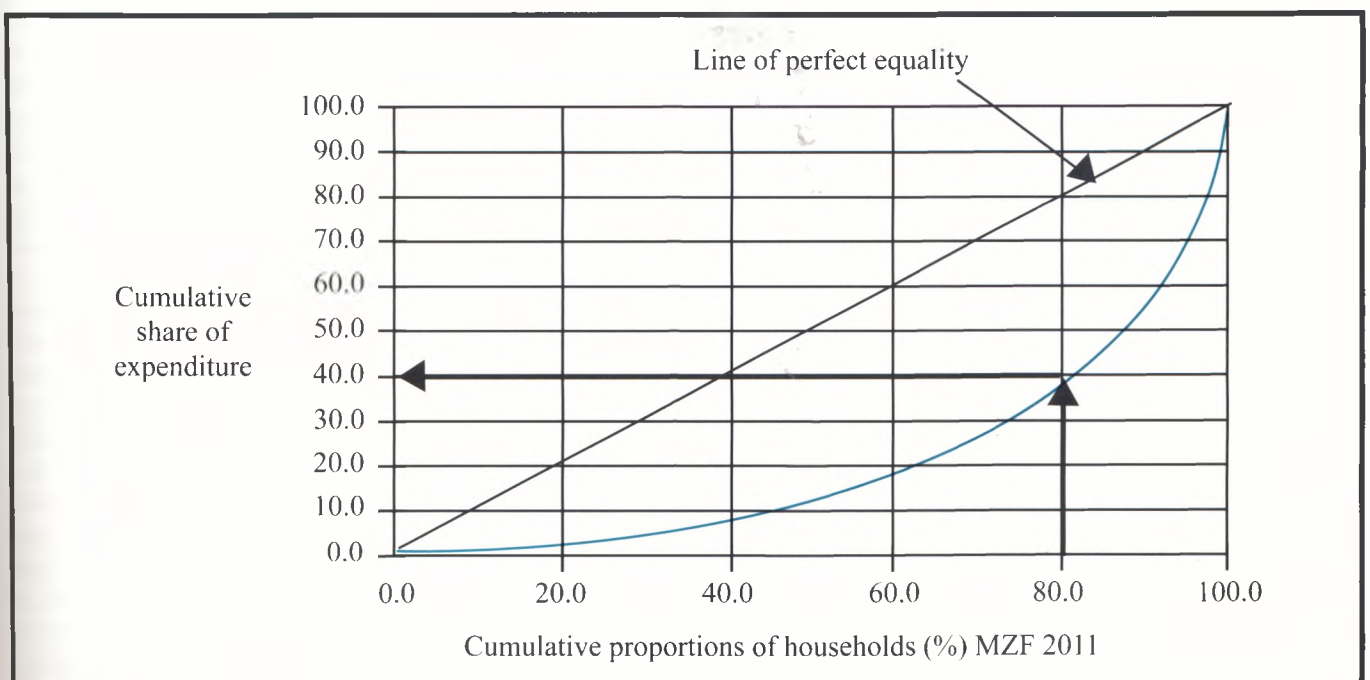


Figure 4.3: Lorenz curve, Moving Zimbabwe Forward study 2011

of valued resources. Figure 4.3 shows the Lorenz Curve based on the survey. Results indicate that the largest share of expenditure – 60 per cent – was concentrated amongst only 20 per cent of sample households. Approximately 80 per cent of the sample households had an expenditure share of only 40 per cent (Figure 4.3). In 2003 income distribution was slightly more skewed with 80 per cent of households having an income share of about 35 per cent (GoZ, 2006).

The Gini coefficient which indicates the extent of income inequality for the 16 districts, was 0.50 suggesting a relatively high level of inequality. However, this is lower than previous Gini's calculated for Zimbabwe, which were over 0.6. The coefficients for Zimbabwe's neighbours were South Africa 0.77; Zambia 0.526; Botswana 0.425; and Mozambique 0.396 (Schwabe, 2004; CPRC, 2005). While Zimbabwe must attain high growth to reduce poverty (Hawkins, 2009), this is not sufficient on its own to reduce poverty. The government can play an important role in making sure that the benefits of growth reach poor households through taking appropriate redistributionary measures, such as social protection.

In 1991 it was estimated that 50 per cent of the population received less than 15 per cent of total incomes, while the richest three per cent received 30 per cent of the total (Stenflo, 1993). The Gini coefficient for the country at that time was estimated to be 0.57 (Killick, *et al*, 1998). By 1998, the national Gini coefficient, based on mean consumption per person, had risen to 0.63 (GoZ 1998). Kinsey (2010) suggested that underlying the high inequality of that time was the highly skewed distribution of ownership of land, where the Gini coefficient for inequality was actually worse in rural areas than urban. By 2003, inequality had reached a peak of 0.64 (GoZ, 2006).

Although not directly comparable with these previous surveys, the current study suggests that inequality has reduced between 2003 and 2011, from 0.64 to 0.50.

Further studies will be required to establish if this is a trend and what factors are influencing it. Mazingi and Kamidza (2011) have put forward that decisive steps to reduce resource-based racial inequalities were taken after 2000 when the government embarked on the Fast Track Land Reform Programme. This resulted in a more equitable distribution of land resources.

Conclusions

The extent of poverty in Zimbabwe is striking, and should be an important policy priority. Four out of every five households sampled across the country were poor, and more than 40 per cent were classified as 'very poor', and unable to meet their minimum food requirements. While

the proportion of extremely poor households has fallen since 2003, the number of households in poverty has increased. In rural areas, 95 per cent of households were poor.

The MZI² survey reveals a number of determinants of poverty and extreme poverty. A household is more likely to be **poor** if:

- it is located in a rural area
- it has a high dependency ratio
- the head of household is older than 49 years
- the head of household has less than 13 years of education
- it has no-one in permanent formal employment
- it has a female head
- it receives no migrant remittances, or cash transfers.

A household is likely to be **very poor** if it has all these features and is also:

- located in a rural district in Agro-ecological Region IV or V.

The depth of poverty is also a concern. The deepest and most severe poverty was found in rural areas, with the depth of poverty in rural areas twice that of urban areas. In urban areas, income inequality was a greater concern. Although national inequality appears to have dropped, it remains high. The narrowing of the gap may be attributed to more smallholder farmers accessing higher potential agricultural land, under the Fast Track Land Reform Programme.

A two-pronged strategy is evident, including the need both to increase agricultural productivity and open up alternative livelihood options. There is a need for ensuring increases in productivity in rural areas as households depend on their own production for food security. There is need to adopt and implement a comprehensive rural development strategy to address the root causes of rural poverty and inequality. The Land Reform Programme is helping to reduce poverty, particularly in areas of high agricultural potential, such as in the Highveld Prime Cereal and Cash Crop Resettlement Livelihood Zone. In these areas, land shortages are no longer a major cause of poverty, rather it is the lack of ability to utilise the land effectively. Smallholder agriculture and other rural livelihoods need to be supported to increase production and boost incomes. There is need for a massive injection of resources into infrastructure, particularly roads and irrigation; and into farming equipment. Available and affordable inputs are crucial, and a subsidies package for small-holder farmers (both communal and resettlement) for inputs, tillage and irrigation would go a long way towards revitalising the

rural areas and reducing poverty.

In urban areas, employment is a critical priority. Relevant training and affordable loans are needed for start-up capital for business enterprises. There is need for a drive towards resuscitating industries to improve employment, together with encouraging the education of children as these have a significant bearing on reducing poverty. Having explored the extent and depth of poverty, alongside some local definitions and determinants of poverty in Zimbabwe, the following chapter now investigates poverty dynamics in Zimbabwe, to better understand what causes households to move into and out of poverty over time.

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