ZIMBABWE’S AGRICULTURAL REVOLUTION REVISITED

Edited By:
Mandivamba Rukuni,
Patrick Tawonezvi,
Carl Eicher
with Mabel Munyuki-Hungwe
and Prosper Matondi
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The poorest households tend to be concentrated in lower potential natural regions
In the 1990 income and expenditure surveys, the Central Statistics Office estimated that 40 per cent of Zimbabwe’s population (4.2 million people) were poor and 17 per cent were very poor (CSO, 1990). By the mid-1990s a comparable survey estimated that 63 per cent of Zimbabwe’s population were poor and 35 per cent were very poor (CSO, 1995; PASS, 1995). Whilst there is some debate on the absolute levels of poverty (discussed below), most observers agree that poverty increased in the early 1990s. From 2000, the stagnation in the overall growth of the economy indicates a continuing deterioration in the levels of poverty.

Poverty in Zimbabwe is primarily a rural phenomenon although urban and peri-urban poverty have grown since the 1990s. Reducing poverty therefore means giving high priority to rural development and sustainable natural resource management. As a key sector in determining overall economic performance, agriculture has the potential to make a significant contribution to poverty reduction. However, despite some well-known success stories, in practice the agricultural sector has not yet made a significant, sustained contribution to improving household security in rural areas (Poulton et al., 2002). Although still of central importance, agriculture and natural resource based activities are increasingly unable to provide sufficient means of survival in rural areas (Ellis, 1999).

The poorest households tend to be concentrated in the lower potential natural regions but various studies have shown that even communities in areas of high agricultural potential are differentiated internally (Rohrbach, 1989; Stanning, 1989; Amin and Chipika, 1994). Geographically based or natural region targeted poverty reduction strategies are therefore likely to leave out a significant section of the poor (Jayne et al., 2001).

Rural households pursue a diverse portfolio of farm and non-farm activities and the intensity of involvement in these activities varies in response to outside factors such as drought and other economic shocks. The tendency of rural households to engage in multiple occupations is an important feature of rural survival and can in some instances be an important path out of poverty. Future poverty reduction strategies in the rural areas need to take this behaviour into account in a more systematic way.
Zimbabwe needs a clear understanding of the characteristics of the rural poor and those factors associated with rural poverty in order to design interventions that will improve living standards and enhance rural livelihood security. This chapter synthesizes current knowledge about the extent and nature of rural poverty in Zimbabwe. It highlights a number of old and emerging issues from Zimbabwe's post-independence experience and raises awareness of important themes in rural development, including sustainable livelihoods approaches that are of greatest relevance in designing poverty reduction interventions.

Overview of poverty in Zimbabwe

How prevalent is poverty in Zimbabwe?
Information on poverty prevalence in the 1990s was provided by two national income surveys popularly referred to as the income and expenditure surveys conducted by the Central Statistics Office in 1990 and 1995, along with the poverty assessment sample survey (PASS) conducted in 1995 by the Ministry of Public Service, Labour and Social Welfare as part of the poverty alleviation action plan. All three surveys were of national coverage and defined poverty in terms of ‘inability to afford’ a defined basket of consumption goods (food and non-food) which were necessary to sustain life’. However since the income and expenditure surveys and the poverty assessment sample survey differed in the way the poverty line was estimated, they are not strictly comparable.

The income and expenditure surveys estimated a total poverty line based on consumption expenditure required to purchase a minimum basket of goods and services. The poor were those with expenditure below the total poverty line. The extremely poor (a subset of the poor) were those with an expenditure level below a food poverty line which was based on expenditure required to meet minimum food needs.

The major criticism of the income and expenditure surveys was that the total poverty line and food poverty line did not vary for urban and rural areas. Considering that some foodstuffs were cheaper in rural areas, the use of a single food poverty line and total poverty line tended to overstate rural poverty (Poulton et al., 2002). To overcome some of these problems the World Bank recalculated the numbers in poverty in Zimbabwe in 1990 using income and expenditure surveys data combined with its own estimates of costs of food and non-food items in urban and rural areas (World Bank, 1995) and found that 25 per cent of the population (2.6 million) were poor and only 7 per cent were classified as very poor.

Although the poverty assessment sample survey in 1995 used different food baskets for urban and rural areas, the estimated poverty figures for the total poor were of the same order of magnitude as those given by the 1995 income
and expenditure survey. However, the poverty assessment sample survey estimated a much higher proportion of very poor (46 per cent). Poulton et al. (2002) note that the poverty figures generated by this survey had been criticised as being implausibly high. Whilst available estimates agree that poverty worsened in the early 1990s, the prevalence of poverty in Zimbabwe would appear to depend closely on how the poverty line is calculated.

Although traditionally poverty is defined in terms of low incomes, income alone does not capture all indicators of human development such as health and education. The *Zimbabwe human development report* published by the United Nations Development Programme in 1998, the Poverty Reduction Forum and the Institute of Development Studies measured the state of human poverty using a human poverty index that comprises three composite indices – a life expectancy index, an educational index and an index for the deprivation of a decent standard of living. Using the human poverty index, only 17.4 per cent of Zimbabwe's rural population were classified as poor in the mid-1990s. However the data also showed that in rural areas 36.5 per cent of people did not have access to safe water, 19.62 per cent of the adult population were illiterate, 16.85 per cent of the population did not survive to the age of 40 and 14.7 per cent of children under five were malnourished (UNDP, 1998). The low average figure also masked wide regional variations, differences between rural and urban areas and high levels of intra-regional inequality.

A factor that is often ignored in the discussion of poverty is that poverty is not a static condition but a dynamic process. At any one time, some people are moving into poverty and others are moving out. Distinctions therefore can be made between the 'always poor', the 'sometimes poor', 'tomorrow's poor' and the 'never poor'. In most countries, the 'sometimes poor' exceed in numbers the 'always poor' (DFID-NRIP, 2001:3). In the absence of annual poverty surveys, data from Zimbabwe's annual food security vulnerability assessments conducted by Zimbabwe's Early Warning Unit in association with United States Agency for International Development provide an indication of the likely dynamics of poverty in Zimbabwe's rural areas. The extent of vulnerability to food insecurity (a variable strongly associated with poverty) varies from year to year. For example, between 1990 and 2001, up to 57 per cent of the population in communal areas was classified as having on average insufficient food entitlements to ensure basic food security at some point in time. But in some years (for example, 1997/98) this figure fell to as low as 4 per cent. It should be noted that not all households in communal areas identified as being food insecure are necessarily insecure as each household has different methods of accessing food. Similarly not all households in communal areas identified as secure have sufficient food access since communal areas have a high level of inequality. The assessments simply identify those areas where there was the greatest probability of finding households or communities short of minimum
food access entitlements in a particular consumption year. Notwithstanding this caveat, the annual vulnerability data support the concept of poverty as a dynamic rather than static process. A considerable proportion of variation in rural poverty over time could be due to rainfall (and other climatic variation) rather than a reflection of a long-term trend.

It is important to understand the factors that may plunge individuals or groups into poverty. Rural livelihoods are vulnerable to shocks (drought, conflict, economic structural adjustment, health and diseases like AIDS), overall trends (for example, in resource stocks or population density) and seasonal variations (for example, in agricultural output). These factors influence people’s vulnerability to change or constrain their capacity to accommodate it.

The economic or social arrangements that either protect or facilitate recovery from the worst effects of these shocks are also critical variables. Evidence suggests that this depends on assets and capacity to accumulate which have frequently been shown to be a function primarily of non-farm incomes and/or remittances. The dynamics of poverty may well pivot on links (or absence of links) between rural households and incomes that have their source outside agriculture (Jackson and Collier, 1991; Kinsey, 1998).

Where do the poor live?
The overwhelming majority of the country’s poor people are found in rural areas (table 26.1). Based on the World Bank adjusted income and expenditure

Table 26.1 Distribution of poverty by land-use group in 1990/91

<table>
<thead>
<tr>
<th>Areas</th>
<th>Prevalence of poverty (% hhlds)</th>
<th>Prevalence of extreme poverty (% hhlds)</th>
<th>Share of poor (%)</th>
<th>Share of very poor (%)</th>
<th>Share of population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>31</td>
<td>9</td>
<td>88</td>
<td>92</td>
<td>69</td>
</tr>
<tr>
<td>Communal</td>
<td>33</td>
<td>10</td>
<td>76</td>
<td>82</td>
<td>51</td>
</tr>
<tr>
<td>LSCF</td>
<td>16</td>
<td>3</td>
<td>6</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Resettlement</td>
<td>41</td>
<td>14</td>
<td>5</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Urban</td>
<td>10</td>
<td>2</td>
<td>12</td>
<td>8</td>
<td>31</td>
</tr>
<tr>
<td>Total population (%)</td>
<td>25</td>
<td>7</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

KEY: hhlds = households  LSCF = large-scale commercial farming areas

Rural poverty: challenges and opportunities

Table 26.2 Poverty by natural region in rural areas

<table>
<thead>
<tr>
<th>Natural region</th>
<th>Poverty (%)</th>
<th>Extreme poverty (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>62.4</td>
<td>36.2</td>
</tr>
<tr>
<td>III</td>
<td>77.3</td>
<td>51.4</td>
</tr>
<tr>
<td>V</td>
<td>79.5</td>
<td>55.7</td>
</tr>
</tbody>
</table>

Source: Poulton et al. (2002) citing income and expenditure surveys 1995

survey figures, an estimated 31 per cent of the rural population were poor in 1990/91 compared with 25 per cent of the population as a whole. The share of the poor was also higher. Some 88 per cent of the country’s poor and 92 per cent of the very poor lived in rural areas. Because communal farming areas constitute such a large proportion of the overall population, they dominate the total although they were not the group with the highest poverty prevalence. Analysis of the income and expenditure survey surprisingly shows that resettlement areas had the highest poverty prevalence in 1990/91 although difficulties with small sample sizes and inherent reporting biases in the survey made these rates less reliable than the rates for the larger population groups (World Bank, 1995). Although the largest proportion of the poor live in the country’s communal areas, it is important to note that the 1991 income and expenditure survey found that two thirds of communal households in 1991 had incomes above the poverty line. A favourable agricultural season in 1990/91 may explain this change.

Poverty in Zimbabwe is predominantly associated with households in the less favourable agro-ecological regions IV and V. Table 26.2 shows that in 1995 the incidence of poverty increased in lower potential natural regions. Since about 64 per cent of communal areas are located in the two lowest potential regions, it could be concluded that the share and total numbers of poor people within semi-arid communal areas is higher than that within high potential areas.

What sort of households are poor in rural areas?

It becomes important to consider what sort of households are poor in rural areas and the source of income for the poor. A lack of assets (or capital) is fundamental to poverty – whether it is lack of natural, physical, human, financial or social assets (World Bank, 2001: 34). This is clearly reflected in national survey data which found the following characteristics closely associated with poverty in Zimbabwe.
Household’s demographics
Poorer households are associated with larger families where each income-earning family member has to care for a large number of children and/or the elderly. The prevalence of high dependency ratios among the poorest groups is likely to increase as the effects of HIV and AIDS become fully apparent. Regional data support these findings (Cavendish, 2000). Further, the sex of household head has often been cited as significant but the exact nature of the relationship is difficult to determine as few studies make a clear distinction between households with 
*de jure* female heads (widows, single unmarried women and divorcees) and *de facto* female heads (husbands are absent). The poverty assessment sample survey data indicates that a feature of poverty is that most female-headed households are below the poverty line (Nkum, 1998 cited in Poulton et al., 2002). However, studies have indicated that *de facto* household heads were often less poor, providing husbands send them remittances (Stack and Chopak, 1990; Cavendish, 2000).

Productive assets
Smaller landholdings are often cited as a characteristic of poorer households although the evidence is rather mixed. Several studies (Amin, 1989; Rohrbach, 1989; Stack, 1992) show that households in the poorer categories tended to cultivate smaller plots compared with those classified as better off. Other studies (UNDP, 1998; Kinsey, 1998; Govereh, 1999) suggested that size of landholding is not the problem per se and cite various other factors such as poor quality of land and vulnerability to dry spells, inability of poorer households to adequately use available land and a lower proportion of cultivated land given over to cash crops. Access to non-land assets, such as livestock, farm equipment and financial resources to purchase inputs, was clearly an important determinant of poverty outcomes.

Analyses of many surveys indicated a close correlation between poverty and access to non-land productive resources such as cattle and farm equipment (Amin, 1989; Jackson and Collier, 1991; Stack, 1992 and 1994; Cavendish, 2000). A vivid example of this relationship is presented by Amin (1989). Average figures on the number of cattle owned by households increased exponentially from about one among the poorest households to an average of 32 among the richest group of households (figure 26.1). With no access to cattle and hence draught power, the poor either cultivate using hand hoes or borrow or hire the draught power from those who have sufficient cattle or donkeys to spare. In most cases, those without animal draught power tended to till their land last which affected their yields due to variability of late season rains.

Lack of farm implements (plough, cultivator, harrow, planter) was also closely related to poverty. Using a weighted index of major implements owned, surveys by Amin (1989) showed that the value of the index progressively in-
Figure 26.1 Cattle ownership by wealth category, Zvimba district, Mashonaland West

<table>
<thead>
<tr>
<th>Wealth Category</th>
<th>Number of Cattle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper rich</td>
<td>32</td>
</tr>
<tr>
<td>Moderately rich</td>
<td>13</td>
</tr>
<tr>
<td>Neither rich nor poor</td>
<td>8.76</td>
</tr>
<tr>
<td>Moderately poor</td>
<td>4.3</td>
</tr>
<tr>
<td>Poor</td>
<td>0.87</td>
</tr>
</tbody>
</table>

Number of cattle

The number of cattle increased from 8.7 among poor households to 68 among the richest group of households. Lack of implements, as is the case with draught power, affects timeliness of farm operations leading to poor productivity.

Local perspectives on the characteristics of poor households were provided by a 1997 survey conducted by Kinsey (1998) in selected resettlement and communal areas in Shamva and Odzi. In a study of poverty and household incomes, information was collected on the reasons why households classified themselves into one or other of the wealth categories. The dominant explanation for both relative poverty and relative wealth was possession of livestock. In general, farming equipment and other capital were important for both groups. Kinsey notes that very few households identified lack of land as a poverty-identifying factor but rather emphasized factors that affect how available land was used. Furthermore, in an exercise to identify the best solutions to alleviate poverty, locals primarily identified mechanisms that would enable them to make better use of the land they already had, for example, irrigation (20 per cent), livestock (11 per cent) and other explicitly farming-related factors, including inputs, farming loans and tillage (13 per cent). Respondents in the survey also emphasized infrastructure of various kinds, including transportation, as positive elements in reducing poverty (Kinsey, 1998).

Sources of income for poor rural households

An important dimension of poverty is the activities and sources of income that poor and non-poor households are engaged in. Although agriculture plays a vital role in rural livelihoods, the contribution of non-farm income sources, remittances and activities based on environmental resources has increasingly been recognized. Several characteristics of rural incomes in general and the
income of the poorest households in particular were consistently identified in both national and regional surveys:

- Rural households in all income groups tended to have multiple income sources (Jackson and Collier, 1998, Stack and Chopak 1990, Cavendish, 1997);
- Agricultural activities account for the dominant share of total income (cash and in kind);
- Poorer households have a greater dependence on environmental income than the average communal household but better-off households use considerably more in absolute terms;
- The poor depend on remittances more than the non-poor as a proportion of total income but absolute amounts were larger for non-poor households.

A distinctive characteristic of rural households in Zimbabwe is that families in all natural regions attempt to secure their livelihoods from a mixture of activities that range from crop and livestock production, natural resource based activities, casual labour, non-farm income-generating activities and remittances from relatives working away from home (Stack and Chopak, 1990; Cavendish, 1997). Households can also generate income either in cash or in kind which includes food that it produces which is consumed by the household and forestry products (such as fuel wood, wild fruits and edible insects, like mopani worms, honey, tubers and roots) collected by household members, and imputed value for own produced goods used as inputs (livestock, manure, and so on). The difficulty in collecting information to value in kind income often led to some or all of it being excluded. Nevertheless, the value of goods the households produce make up a substantial share of rural incomes.

Findings however have differed on the relative importance of different sources of cash income. The 1990/91 income and expenditure survey found that poor rural households derived 42 per cent of their cash income from agriculture compared to 30 per cent for all rural households and 28 per cent for non-poor households. Maize was the largest single source of marketed agricultural produce for the poor as a group although very poor households relied more on vegetables and on other grains (World Bank, 1995: 32). This has led to the conclusion that poor households have a greater dependence on cash income from agriculture than non-poor households. However, this was not supported by regional studies. In the income and expenditure surveys study, employment in the formal sector was of key importance to non-poor households. Poor households derived a smaller proportion of their cash income from employment than did non-poor. While 30 per cent of rural households were living in poverty in 1990/91, only 10 per cent of those families with a family member employed outside of farming were poor (World Bank, 1995: 32).

Regional surveys also show certain regularities. The importance of the sub-
Rural poverty: challenges and opportunities

Sustenance income component decreases from lower to higher rainfall areas and from lower to higher income categories. The reverse is true for the market income component. However, a number of regional surveys have shown that the dependence of the poorest households on cash from agriculture was lower than their dependence on non-farm and remittance income taken together (This was contrary to the 1990 income and expenditure survey study). Income generated through non-farm activities tended to be of greater importance to better-off households whereas remittance income was more important for poorer households. However, in absolute terms, cash income from agriculture, non-farm sources and remittances were all consistently higher for better-off households (Stack and Chopak, 1990).

An income study in the 1990s in Shindi ward, Chivi communal area, natural region IV, found that income sources of poor and non-poor rural households had an additional dimension when environmental income was included which reflected the contribution that natural resources made to rural welfare. Rural households in Shindi had extremely low incomes. Their impoverished economic status was ameliorated by access to environmental resources – largely common property resources. Cash income from farm and non-farm sources accounted for 26–34 per cent of total income, depending on the season; own produced goods for 26–37 per cent and environmental resources for over 35 per cent of total income in both seasons. It was found that dependence on environmental resources was greatest for the poorest households (39 per cent in 1993/94 and 44 per cent in 1996/97) but that better-off households consumed considerably more in absolute terms (4–5 times that of poor households).

Several lessons emerge:

• A narrow anti-poverty focus on agriculture may ignore the role of a diverse set of activities (farm and non-farm) which contribute to rural livelihoods;
• Agriculture and natural resource based activities are an important source of in kind and cash income for poor households;
• An important aspect of income diversification for all households is access to non-farm income sources;
• Employment and remittances are key factors in enabling households to accumulate income and stay out of poverty.

Agricultural policies and poverty alleviation in Zimbabwe

Agricultural performance in the 1980s
In the first ten years after independence, smallholder farming in Zimbabwe was widely regarded as an agricultural success story. However, despite efforts to send resources to low potential regions, the increase in smallholder production was largely generated by smallholder households in higher potential areas. More than 75 per cent of smallholder official maize sales were accounted for
by smallholders located in the three Mashonaland provinces (Stack, 1994). Within all regions, but especially in those favourable for maize production, the bulk of sales were accounted for by the top 40 per cent of households. Taking into account both inter-regional and intra-regional variations, it is estimated that 15–20 per cent of smallholders were responsible for the smallholder marketed maize surplus (Stack, 1994). Striking inequalities in the distribution of production were also observed for other crops such as cotton. However, since 1985/86, agricultural growth has not kept pace with population growth in the communal and resettlement areas.215

Land reforms in the 1980s, aimed at addressing the inequalities in land distribution created during the colonial period, met with mixed success. Early evaluations of the resettlement exercise revealed that the agricultural activities of resettled farmers produced yields that were below expected targets compared to the large-scale sector and the resettlement exercise was widely criticised. However, some observers have pointed out that the judgements were premature given that the criteria originally employed to choose farmers for resettlement emphasized the selection of poor and landless people (who were usually without draught animals). In any case the planners anticipated a 15–20 year maturation period which was only reached for the earliest schemes in the late 1990s (Kinsey, 1998). Studies had started to indicate that farmers in resettlement areas were beginning to lift themselves out of poverty as they learned better farming techniques and accumulated sufficient farming and other livelihood resources to better use available land (Deininger et al., 2002).

Many smallholders felt the positive impacts of government support for agriculture even though distributional factors indicated that the impact of poverty alleviation was not as strong or widespread as might have been hoped for. This is supported by participatory research approaches studies and surveys conducted in the 1990s in communal areas located in regions II, III and IV. Respondents recalled the early 1980s as a boom time (characterized by favourable commodity prices, public investments in agricultural services, education and health and a growth in job creation in the formal sector). The mid-1980s were seen as a turning point when jobs became scarce, production incentives declined and households had to diversify to survive into various non-farm activities. The 1990s were seen as the most difficult times, characterized by simultaneous hardships of drought and structural adjustment (blamed for increase

215 The human poverty index is the arithmetic mean of the following indicators: $P_1 =$ percentage of people not expected to survive to four years old; $P_2 =$ percentage of illiterate adults; and $P_3 =$ a living standard deprivation index composed of the arithmetic mean of three health indicators (percentage of underweight children, percentage of the population without access to safe water and percentage of population without access to health care). The data for Zimbabwe give $P_1 = 16.85, P_2 = 19.62, P_3 = 15.16$ which translates into a human poverty index of 17.40.
in inflation and contraction in formal sector employment) and growing prevalence of hardships associated with the deadly advance of HIV and AIDS (Campbell and Makamuri, 1998).

Agricultural performance in the 1990s
The 1990s were characterized by a number of economic changes: macro-economic reforms had major effects on formal sector employment and agricultural prices; marketing reforms led to greater participation and reliance on private sector marketing initiatives; and the simultaneous occurrence of drought exacerbated the negative aspects of these changes. Maize output per hectare and total maize production in communal areas, which rose in the early 1980s, declined somewhat in the 1990s.

By the end of the first decade of independence, the fiscal burden of providing agricultural support services and food subsidies resulted in government deficits. The economic structural adjustment programme, introduced in the early 1990s, was motivated primarily by a desire to cut the high fiscal expenditure although stated objectives included an improvement in the overall efficiency of the economy and thereby increased economic growth and reduced poverty. Policy reforms under the economic structural adjustment programme included the following: a reduction in the fiscal deficit; the creation of a free market in foreign exchange; trade liberalization; labour market reforms; service cost recovery; liberalization of agricultural marketing; and increased exports. The implementation of the economic structural adjustment programme resulted in cuts in government budgets, especially for social expenditure. This meant that spending on agricultural services, such as extension, research, finance and market outlets deteriorated in real terms throughout the 1990s.

Between 1990 and 1995 the country experienced two droughts – in 1991/92 it was the worst in the twentieth century and in 1995 a less severe drought followed. Agricultural production fell by 25 per cent in 1992 and many rural households suffered serious reductions in livestock numbers and food production and resorted to perverse coping mechanisms. Following the 1991/92 drought, a number of social assistance programmes (for example, the supplementary feeding scheme and the grain loan scheme) were initiated to temporarily cushion the poor and to alleviate food security problems. Some 75 per cent of the rural population were assisted through various recovery programmes.

Several lessons emerged:

• The poverty reduction impact of the post-independence smallholder maize revolution in the early 1980s was limited by its concentration in high potential areas with limited multiplier effects on the poor in other parts of the country. For agricultural growth to stimulate a broad process of poverty reduction, it needs to be stronger, to cover a wider range of crops and increase productivity in less favourable areas;
• The land reform process would increase the number of smallholders able to participate in commercialized agriculture and had the potential to reduce poverty but this required a long maturation process;
• High valued cash crops, such as cotton and tobacco that grow under lower rainfall conditions, represented one potential path out of poverty both in the direct contribution they made to incomes and through household level synergies between cash crops and food crops. However, these crops are vulnerable to climatic variability. Attention is needed in developing appropriate crop insurance which is an essential component of the support services that have developed around large-scale producers of these crops;
• Agricultural market reform may benefit poor consumers by improving the private production, distribution and processing of the types of foods consumed by the poorest. The suspension of the market reforms reversed the benefits;
• Drought had its greatest impact on low rainfall areas where the bulk of the rural poor live. Consequently, drought management strategies play an important role in pro-poor growth.

Implications for poverty reduction and pro-poor growth

In discussing poverty reduction strategies for the rural poor, it is important not to over-generalize. Different narratives are appropriate in different areas since the natural and socio-economic environments in which the rural poor are located vary. But, as Maxwell (2001) notes, approaches need to be consistent with current thinking on poverty alleviation in general as captured in the World Bank poverty report which emphasizes the following framework of action based on three important areas that directly address the needs of poor people (World Bank, 2000):

1. **Promoting opportunity**: expanding opportunities for poor people by stimulating economic growth, making markets work better for poor people and working for their inclusion, particularly by building up their assets, such as land and education;
2. **Facilitating empowerment**: strengthening the ability of poor people to shape decisions that affect their lives and removing discrimination based on gender, race, ethnicity and social class;
3. **Enhancing security**: reducing poor people’s vulnerability to sickness, economic shocks, crop failure, unemployment, natural disasters and violence, and helping them cope when such misfortunes occur.

Despite the rapid growth in the 1990s of urban and peri-urban poverty, the majority of Zimbabwe’s poor still live in rural areas and will continue to do so for many years in the future. Reducing poverty therefore means giving high
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priority to rural development. Whilst rural development is not synonymous with agriculture, most of the poor are rural-based and, even when not engaged in their own agricultural activities, they rely on non-farm employment and income that depend in one way or another on agriculture.

Rural households engage in multiple activities and rely on diversified income portfolios. It is widely believed that a capability to diversify is beneficial for households at or below the poverty line. Having alternatives for income generation can make the difference between minimally viable livelihoods and destitution. There is wide scope within existing policies for support to beneficial forms of diversification. Such action does not mean increasing the role of the state nor does it mean manipulating prices and costs to achieve specified outcomes. Rather, it is about improving the institutional context of private decision making by, for example, reducing risk, increasing mobility, minimizing barriers to entry (for example, licensing regulations). It is also about facilitating the poor to improve and increase their assets and to make use of those assets to best effect (Ellis, 1999).

In low potential areas where rainfall is often inadequate to provide even subsistence requirements, raising entitlements through improved agricultural production is difficult without agricultural technology better suited to low rainfall areas. Raising entitlements of poor people in the short and medium term is therefore most likely to be through supporting livelihood diversification. Ellis (1999) identifies five general policy areas - education, infrastructure, micro-credit, enabling environments and safety-nets - that are likely to feature in micro-policy priorities in relation to poverty reduction.

The neglect of the diversified nature of rural livelihoods has sometimes led to wrong assumptions or lack of understanding of key income sources for poor people. It follows that there is a need for better ways of capturing the diversity of livelihood systems and the way they change over time. The sustainable livelihoods framework (Carney, 1998), which considers people's assets and constraints, is a valuable tool for finding ways to improve the livelihoods of poor people. It recognizes that the modes of livelihood are diverse, transcending sectoral boundaries and often themselves subject to rapid change over time.

The sustainable livelihood framework identifies five types of capital endowment which people can manipulate - human, environmental, financial, social and physical. These endowments constitute livelihood building blocks. The activities people adopt and the way they invest in asset building depend in part on their goals and priorities. However they are also influenced by the type of vulnerabilities they face including shocks (drought, conflict, economic structural adjustment, health and disease, for example, HIV and AIDS), overall trends (for example in resource stocks and population density) and seasonal variations (for example, in agricultural output). These factors influence people's vulnerability to change or constrain their capacity to accommodate it. The in-
stitutions and structures (governance, leadership, markets, tenure) people face also determine their options. In aggregate, these conditions determine their access to endowments and livelihood opportunities and the way in which these can be converted into outcomes. In this way, poverty and the opportunities to escape from it depend on all of the above. The sustainable livelihood framework is a useful tool for investigating the complexity of livelihood strategies and differences between the poor and better off in relation to the sources of income that feature most strongly in their respective livelihood portfolios. It also helps in understanding transitory poverty and vulnerability, for example, how changes in vulnerability (HIV infection, drought), institutions (market reforms) or endowments (soil degradation) impact on livelihood outcomes (incomes, food security).

In the light of current thinking on poverty alleviation and taking into account the changing context of rural development, Maxwell (2001) notes that although, in practice, the choice of strategy will vary, any strategy will need to pay special attention to the following: the growing diversity of livelihood strategies; rural poverty in low potential areas; providing effective mechanisms which reduce the risks poor people face; the crisis of HIV and AIDS; and conflict resolution and management.

Postscript: post-2000 events and poverty alleviation

Developments since 2000 have had drastic impacts on vulnerability to poverty and implications for poverty alleviation strategies. The controversial fast track land reform programme, international perceptions on poor governance, withdrawal of balance of payments support by the Bretton Woods institutions and general economic stagnation have negatively affected livelihoods. In addition, the recurrent droughts in a period of land transfers worsened the living conditions of most people.

The fast track land reform programme had taken up more than 90 per cent of white-owned farms by the end of 2002 for distribution to the landless and land short such as former communal farmers, some farmworkers, urban people (model A1 schemes) and resourced black commercial farmers on small to medium-scale plots (model A2 schemes) (Magaramombe, 2003). The programme led to loss of jobs for a large number of farmworkers as well as reduction in production of major food crops, industrial and export crops and livestock. Many downstream industrial activities and export earnings were negatively affected.

Prior to the implementation of the fast track programme, commercial farmworkers and their families were variously estimated to comprise between 1.75 to 2 million people, or 15 per cent of the population (Magaramombe, 2003). A significant proportion of this segment of the population is of foreign origin – mainly from Malawi, Zambia and Mozambique. Unlike their indig-
enous workmates, these groups do not have land rights in communal areas. This is more so in the Mashonaland provinces where only 40 per cent maintain homes in communal areas. Even though in other provinces the proportionate number of indigenous farmworkers ranges from 56 to 74 per cent, the population of farmworkers in these provinces is low since most of the farms are under low intensity production systems such as livestock and game ranching which do not require a lot of labour. The takeover of farms therefore left most farmworkers without homes as well as any means of supporting livelihoods. Government estimates show that only 2,017 or 0.5 per cent of commercial farmworkers had been resettled by March 2002. This percentage estimate was conservative when it is taken into account that between 2000 and 2002 disruptions caused by farm occupations had led to a loss of 140,000 workers as farmers downsized their operations (Magaramombe, 2003). Very few commercial farmworkers have managed to find employment on the new farms created as the rate of plot uptake by A2 scheme beneficiaries has been very slow (ranging from 40 to 60 per cent) while those who had taken up plots were still to use the land to the maximum potential.

The period 2000 to 2003 was characterized by severe economic stress. Zimbabwe's economy grew by a mere one-tenth of a per cent in 1999 and shrunk by more than 7 per cent in both 2000 and 2001. The negative growth was felt by all major sectors of the Zimbabwe economy. Agriculture, the mainstay of the economy, declined by 12.2 per cent in 2001. Manufacturing levels fell by 7.5 per cent. Mining dropped by 7.4 per cent on the back of poor commodity prices and reduced investments. Construction fell by 5.2 per cent while tourism, a significant foreign currency earner, had stopped its once phenomenal growth (Budget statement for 2002).

The recession led to significant job and income losses. A Zimbabwe Chamber of Commerce survey conducted in 2001 indicated that 400 companies (including 171 motor traders, 92 steel manufacturers, and 45 clothing and textile companies) closed during 2000 alone. Business closures and the downsizing of an additional 350 companies led to 10,000 workers losing their jobs (Zimbabwe Chamber of Commerce, 2001). In addition, most companies have been operating at greatly reduced capacity. The Herald newspaper (30 July 2001) quotes Confederation of Zimbabwe Industries chairperson as saying: 'Things are quite tough and some companies are operating at 10 per cent capacity while others are below that. The situation is quite serious and people have to know how bad it is.'

All these have helped push the rate of unemployment above 50 per cent. This has been translated into significant reductions in per capita incomes. Per capita income declined to US$85 in 2001 from US$398 and US$432 in 2000 and 1999, respectively. The loss of jobs and reduction in per capita incomes has greatly affected production and livelihoods as most smallholder farmers
depend on remittances and part-time employment for their livelihoods.

Poor export performance and withdrawal of assistance from most governments and development institutions has led to an acute shortage of foreign currency which has created shortages of fuel and spare parts for all productive sectors, including agriculture. High domestic borrowings have helped fuel an increase in domestic interest rates raising cost of borrowings and effectively crowding out private sector investment. This, together with the strategy of increasing money supply (75 per cent in 2000) to help finance budget deficits, has led to hyperinflation. Inflation rates, which were in the 50 per cent region prior to 2000, rose to above 200 per cent early in 2003 and to 626 per cent by the end of 2003. This led to dramatic increases in prices of food and other essential commodities not matched by increases in incomes.

The government responded to increases in agricultural input prices and food products by intensifying market and price controls. In an effort to boost production and control prices, the government sold inputs through the Grain Marketing Board at controlled prices. However the scheme, faced with high demand and a poor distribution system, led to poor access to inputs by most farmers. By forcing prioritization for government programmes in getting products from manufacturers, the distribution scheme effectively crowded out private input dealers. Allegations of corruption in the scheme led to leakages of inputs to a thriving parallel market where prices of inputs were at least twice those on official controlled markets. The scheme also delayed the distribution of inputs. Rationing of inputs meant farmers could only apply suboptimal quantities leading to poor yields.

Price and market controls for food commodities led to shortages and reliance on the very expensive parallel market. By setting prices at unrealistically low levels, processors reduced their supplies to the open markets preferring to either export or illegally supply the parallel market where prices were high. The government then reverted to controlling movement of grain in the country. All grain produced had to be sold to the Grain Marketing Board which in turn sold it to millers. This negatively affected access to maize by poor urban dwellers who depended on grain bought on open markets for custom milling. Maize accessed this way was much cheaper than the mealie meal processed by large and medium size millers.
References


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