ZCC

Zimbabwe Council of Churches

Household Care Burden Survey

'HOUSEHOLD ECONOMY IN FRAGILE STATE'

Fourth Quarter 2018

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Acronyms

PDL	Poverty Datum Line
PPS	Probability Proportional to Size
PSU	Primary Sampling Unit
ZCC	Zimbabwe Council of Churches
ZIMSTAT	Zimbabwe National Statistics Agency

About the Zimbabwe Council of Churches (ZCC)

The Zimbabwe Council of Churches (ZCC) is a fellowship of churches that seek to contribute towards the achievement of a united, peaceful, just and prosperous Zimbabwe. It was formed in June 1964 in the then colonial Rhodesia as a protest movement drawing on biblical theological resources to speak out and stand against the subjugation of one race by another. Although the Council of churches did not always live up to the ideals of its calling, it has remained a true Christian witness for over 50 years. For example, the Council contributed to the early establishment of a robust health and education system; participated during the Lancaster House negotiations that paved the way for Independence after a protracted war; contributed to the post-war reconstruction processes after 1980; built leadership and other critical capacities of clergy and civic leaders; catalysed the development of key civic platforms such as the National Constitutional Assembly, Zimbabwe Coalition on Debt and Development, Zimbabwe Election Support Network, among others. In so doing, the ZCC contributed to nation building in pre and post independent Zimbabwe. In the last 20 years, the ZCC has had to address numerous challenges such as the fragmentation of society caused by unresolved violent conflicts and hurts from the past, the general sense of mistrust prevalent in society, divisions within the church, the breakdown of the family structure and the inability of the church to speak with one voice.

The church has also had to contend with the growing apathy and disconnection from national processes; the failure of the entrenchment of Constitutionalism and the general public ignorance of citizen rights and responsibilities and lastly the inability of the church to integrate citizenship in their religious routines.

The ZCC has also had to address the deprivation of young people of basic life necessities and employment opportunities resulting from the breakdown of the national economy caused by amongst other things rampant corruption, lack of transparency in the extractive industry, absence of a clear national economic vision and the wrong prioritisation of allocation of national resources. Related to this was the church's failure to interpret these challenges and give adequate responses in light of its theological resources.

Vision

The ZCC envisions a united, peaceful, just and prosperous nation in which all Zimbabweans live under holistic salvation as according to John 10 vs 10 "I came that they may have life in its abundance".

Inspired by the scriptures and working through its member churches, the ZCC seeks to contribute to a nation in which there is peace, the diversity of its people is celebrated, justice is delivered without fear or favour and in which every Zimbabwean has access to all resources for a dignified personal and communal wellbeing.

Mission

As a membership organisation the mission of the ZCC is 'to empower member churches to have an effective and sustainable Christian presence in Zimbabwe.'

Empowerment of member churches takes the form of membership that has capabilities to read its own context, identify challenges and opportunities and deploy critical and theologically informed responses for lasting solutions. This work of the church can only be effective if the church increasingly addresses the root and structural causes and not the symptoms of problems. This work is rendered sustainable by the church drawing mainly from locally generated resources, facilitating shared inter-generational sharing, enabling shared leadership between women and men. The work of the churches can only be called Christian if it draws from scripture, diverse Christian tradition and as it critically answers the pressing questions of the day.

Values

The Values of the ZCC derive from its vision: We aim to create a United, Peaceful, Just and Prosperous nation.

Acknowledgements

Foreword

Churches have a vital role in addressing humanitarian problems which include social, political and economic deprivation amongst people. Advocacy role of the Church requires in-depth appreciation of government policies and impacts on living standards. This is among the main reasons for contacting the household care burden surveys on quarterly basis. Household care burden surveys play a crucial role of informing the social and economic situation. Such vital information on changes in household incomes, expenditures and copying strategies assist churches to assess the extent of problems faced by communities at large and effectiveness of government policies in tackling poverty. This survey serves to provide evidence-based church interventions and advocacy for government policies that deliver justice, prosperity and dignified standards of living.

At a time, the Zimbabwean economy is on the verge of collapse, the Church remains an important stakeholder in advancing human dignity through such actions as direct interventions and advocacy for economic justice. Lobbying for pro-poor policies and direct service provision or interventions is primarily important during this transitional period. Conversations and reflections on the economy need to be informed by evidence and facts. The survey therefore serves as an important aid to advance evidence-based conversations, dialogues and policy engagements by the church all aimed at achieving an economy that delivers justice and prosperity for all its people.

Church's role must not be confined to the prayer room. Already, the church significantly contributes towards the provision of services such as food, health, education and training to many households in Zimbabwe, particularly in areas at the margins. Such efforts need to complement efficient government support programmes.
The Church must actively engage Government in supporting and advocating for policy measures that deliver prosperity to all by tackling different forms of socio-economic deprivations. Such measures must include broad infrastructure investments that sustains the household economy, promotion of decent working conditions, integrating the informal sector and building stronger institutions for public service delivery.

Policies must be chosen selectively to advance the diverse sources of livelihood being cognisant of the extent of suffering upon many households. While informal employment is vital, diverse livelihoods options that sustained many households for the past two decades of economic crisis need due consideration. Going forward, it is imperative to adequately incentivise formal employment, deal with corruption in a transparent manner, properly manage the currency to correct and stabilise prices, incentivise and integrate the informal sector, effectively subsidize health and education and adhere to good governance.

Zimbabwe is currently in a state of political and economic transitional period requiring the design of policies that support and improve the livelihoods of all Zimbabweans, the poor in particular.

This survey is intended to augment existing resources in depicting widespread economic deprivation in Zimbabwe for purposes of informing policy measures and interventions. Income and expenditure levels suggest that many people do not have enough command over food, education, health, shelter and clothing among other necessities. As Government has pronounced policy measures in the Transitional Stabilization Programme, it is vital for key stakeholders to assess and scrap elements likely to further entrench poverty and inequalities.

Executive summary

This household care burden survey commissioned by the ZCC intends to collect quarterly household data on household incomes, expenditures and expenditure patterns, livelihoods options, copying strategies and gender disparities, among others. ZCC plans to carry out this survey on a quarterly basis in order to trace changes in household living standards and how these changes relate to government policies. This is the first time the survey has been carried out hence the findings presented in this report are baseline findings. The findings provide information about the current state of household incomes, livelihoods and expenditure patterns which is crucial for the assessment of changes in living standards in the succeeding quarters.

The survey findings suggest the existence of severe livelihoods challenges amongst households in Zimbabwe. Majority of households are living below the poverty datum line of at least $600. Over 50% of the households have average monthly incomes below $250. The formal labour market is depressed hence most households are relying on the informal sector. Informal sector activities with low returns such as cross border trading, vending, artisanal mining and local informal trading are some of the most common livelihoods options available for households. Rural households mainly rely on incomes from agricultural produce while cross border trading and vending are more dominant among urban households. Self-employment is also dominant among both rural and urban households.

In an environment of increasing unemployment, many respondents identified socioeconomic problems such as inflation, shortage of basic commodities, lack of good governance, immoral behaviour, lack of agricultural inputs, human rights abuse and poor infrastructure as some of the challenges they are facing. In response to these challenges including reduced incomes, many households have largely altered their expenditure patterns. Cutting expenditure has become one of the most popular copying mechanisms.

Expenditures on education, food, health, transport and communication take the largest share of household budget in both urban and rural areas whereas rentals and energy have a larger impact on urban households. Generally, households' expenditures are in excess of their incomes implying many of them are in debt. Borrowing is common among households in both rural and urban areas and is mainly used to finance education and food purchases. The budget is not enough for the required expenditures. Borrowing is one of the several strategies applied by households to copy with excess expenditures. While borrowing is quite prevalent, many households have been cutting their food, education and health expenditures as a way of adjusting to low levels of incomes and acrimonious economic conditions. Households have reduced the number of daily meals and school dropouts are common among rural households.

The survey postulates a miserable state of the household economy. As the country is in transition, policy choices must be made to improve the state of the household economy. Efforts of the church must continue to be well aligned towards improving livelihoods in both rural and urban areas. The survey results further imply that the Government must adopt policy choices that consolidate and integrate the diverse livelihood options. Policies must promote formal employment while integrating other livelihoods options for both rural and urban households. More importantly, the government must act decisively to correct the current macroeconomic environment in order to prevent catastrophic living conditions in the future. Effective subsidizing of health and education can provide a relief to many households. Furthermore, we recommend good governance and decisive measures in combating corruption.

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1 Introduction

The Zimbabwe Council of Churches (ZCC) commissioned this quarterly Household Care Burden Survey during the fourth quarter of 2018 to provide an impulse on the state of livelihoods and care burden to households in Zimbabwe. The survey collects data on the shifts in household spending, expenditure patterns, indebtedness and cost adjustments patterns to inform the levels of socio-economic security in both urban and rural areas. It attempts to collect the same type of household data on a quarterly basis. The ZCC depended on its large church membership and local level structures covering all parts of the country to roll out the survey. Information generated from the survey provides a good indicator of the status of household incomes, expenditures and livelihoods in Zimbabwe. This information is crucial to all civic organisations when lobbying for government policy change in order to improve living standards among households.

The objectives of the survey are to assess:
• Household incomes, expenditures, indebtedness and livelihood options,
• Household expenditure patterns and changes in these patterns,
• Copying strategies, livelihood adjustments and survival strategies over times.

This survey report is the first and is therefore a baseline survey which does not provide comparable analysis of the targeted variables. It rather provides information on the current status of the variables of interest.

Household care burden surveys play a crucial role in understanding social and economic situation amongst households. Churches complements efforts to address humanitarian problems which include social, political and economic deprivation amongst people. Changes in household incomes, expenditures and copying strategies assist churches to assess the extent of difficulties lived by households and communities at large. Information about expenditures, expenditure patterns, incomes and livelihoods strategies, which are the key determinant factors of household welfare, are obtained from a household care burden survey. This is a powerful tool to inform the extent of income disparities and the extent of poverty among households. In addition to household income and expenditure, livelihoods strategies are clutched from the same survey.

The rest of the report is organised as follows: Section two presents the context of the survey, while section 3 presents the methodology used. Section four presents the results while section five concludes the report.

2 The State of the Economy

The Zimbabwean economy remains fragile resulting in widespread economic deprivation, endemic poverty, unemployment and food insecurity. The economy endures structural rigidities including deficit in public trust and confidence, high informality, unsustainable public debt, weak institutions and weak investor confidence. These structural rigidities and macroeconomic distortions are manifesting in slow and fragile growth, liquidity crisis, foreign currency shortages and inflationary pressures in the economy. Central to the economic crisis is the absence of a broader and inclusive national vision hence bad economic governance, political expediency, political polarization, policy inconsistencies, non-implementation of policies, corruption and stronger preference of foreign products.

Reflecting anaemic economic growth, Zimbabwe's economic growth was impressive at 12.8% in 2012 but declined to low levels of 0.6% in 2016 and 3.7% in 2017. In 2018, the economy will grow by an estimated 4%. Approximately 76% of households are classified as poor in Zimbabwe, lacking access to basic services . Moreover, the country is saddled by public debt estimated at US$17.69 billion (US$9.6 billion domestic debt and US$7.7 billion) by end of September 2018. In 2014, 94% of the employed persons were informally employed with the youth (97%) being the most affected group. This anaemic economic performance has been driven by the political economy of Zimbabwe that is characterised by corruption, weak public institutions, patronage, fiscal and debt mismanagement, poor governance and degeneration in public infrastructure and services.

The November 2017 political transition and the largely peaceful July 2018 harmonised elections steered a new hope for economic transformation and recovery. Most Zimbabweans desire a change in the direction of the economy and accentuate the urgent need for economic reforms that delivers justice and prosperity for all. The state of the economy remained unfavourable in 2018 as cash crisis and foreign currency shortages persisted, undermining production and producing poverty among many Zimbabweans.

Since the announcements of the Monetary Policy Statement (MPS) and the Fiscal Measures and Road Map, and the launch of the Transitional Stabilization Programme (TSP) in early October 2018, socio-economic crisis further deepened. The parallel foreign currency market collapsed to rates above 270% and fuel shortages emerged sparking shortages and spiralling of the prices of basic goods and services. Health system which was already struggling was largely affected. Health service providers demand payment in foreign currency thereby excluding access to health to most Zimbabweans whose incomes are in the form of electronic balances. Undoubtably, the current state of the economy results in widespread economic deprivations among the households. Many people are experiencing challenges in accessing enough or adequate food, cannot access health and education services, lack adequate shelter and clothing among other necessities.

The hopes for sustained economic transformation and broad-based socio-economic recovery that delivers decent living standards for all Zimbabweans are fast fading. Recently announced economic reforms such as new revenues collection modalities, expenditure cutting measures and privatization imposes misery among the impoverished majority. The 2% Intermediated Money Transfer Tax (IMTT) levies additional burden to the already overtaxed citizens. Moreover, there are signs of weak political will, inadequate institutional strengthening and deficit measures to combat corruption.

3 Methodology, Sample Size and Sample Distribution

The survey focused on the individual household unit. Data collection commenced on the 5th of November and ended on the 22nd of November 2018. Quantitative research instruments were used to collect data from the ten provinces of Zimbabwe. The questionnaire used for data collection also solicited qualitative views on the key challenges and constraints to the household. The qualitative views were captured to augment the quantitative views and were analyzed and reported according to their thematic groups.
The chief respondent in each selected household was the breadwinner or the individual responsible for conducting the household budget. A sample was selected to arrive at a nationally balanced survey with households drawn from different income groups spread across the urban, rural and peri-urban areas. A sample size of 5 208 households, one sixth of the sample size of 31 248 for the Zimbabwe National Statistics Agency (ZIMSTAT) Poverty Income and Consumption Expenditure survey of 2011/12 was selected. The survey focused on how an individual household allocated its income for the purpose of their upkeep. Thus, it gives a picture of household dimensions that include incomes, consumption patterns, levels of indebtedness and adjustment mechanisms.

3.1 Sampling

A multi-stage sampling strategy was employed in this survey as detailed below.

Stage 1

The probability proportional to size (PPS) approach was used to allocate the number of participants to be sampled from each of the 10 Provinces of Zimbabwe. Population sizes were drawn from the Zimbabwe 2012 Population Census . A summary of the targeted sample frame and the actual sampled units is presented in Table 1.

Table 1: Sample distribution by province

Province	Populations	Proportion	Target	Actual	Response Rate %
Bulawayo	653337	0.05	260	299	115
Harare	2123132	0.16	845	917	108
Manicaland	1752698	0.13	698	697	100
Mashonaland Central	1152520	0.09	459	437	95
Mashonaland East	1344955	0.10	535	524	98
Mashonaland West	1501656	0.12	598	502	84
Masvingo	1485090	0.11	591	484	82
Matebeleland North	749017	0.06	298	89	30
Matebeleland South	683893	0.05	272	262	96
Midlands	1614941	0.12	643	635	99
Total	13061239		5200	4846	91

[2] ZIMSTAT (2012). Population Census. Zimbabwe National Statistical Agency, Government of Zimbabwe, Harare

Stage 2

A stratified random sampling approach was employed on all the participants to be sampled in the survey. The strata in each province was divided into three. The first being the rural areas within each province and the second strata being the peri-urban population within each province and finally the third being urban. The allocation within the strata were split on the following ratio, rural 31%, peri-urban 10% and urban area 59%.

Strata 1 Urban

Strata 2 Peri-Urban

Strata 3 Rural

Stage 3

In stage 3, sub-strata were also identified in some urban areas. The sub-strata were situated in large cities, medium cities, small towns, growth points, mining areas, service centers and border towns. The sub-strata within each stratum was defined using income disparities; low income and high-income areas within each province. Samples from urban strata were divided equally in the ratio 50% to 50%. Stratification helps to account for household and area heterogeneity.

Stage 4

The fourth phase targeted and collected data from individual households as the primary sampling unit (PSU). The data was collected through the member church structures and leadership. Households were identified conveniently within each sub-stratum and province and were not limited to Church membership. The survey targeted bread winners and in a household with at least one bread winner, the older person amongst the bread winners was interviewed. By its purpose and subsequent design, the study focused on the income and expenditures from the breadwinner of the household, thus it does not attempt to estimate the consolidated incomes of a household

3.2 Survey Structure and Training

The process of data collection was preceded by technical training of the research teams. There were 10 research teams divided across the 10 provinces in Zimbabwe. Each team was led by a Provincial Coordinator. Provincial Coordinators were responsible for the coordination of data collection in the Provincial Clusters. Each Province was divided into at-most 5 Provincial Clusters that were further sub-divided into enumeration points.

The above survey structure reduced the time frame of data collection to less than three weeks. However, the survey structure demanded comprehensive training of coordinators, team leaders, assistants and enumerators to ensure quality collection of data. Training of the ZCC secretariat support staff, Provincial Coordinators and Coordinators of clusters occurred during the week 22nd to 26th of October 2018. Second level of trainings were held at Provincial level between the 29th of October 2018 and 2nd of November 2018. The trainings covered the Provincial Coordinators, Cluster Team Leaders and enumerators.

3.3 Data Collection, Methods and Instruments

Data collection commenced on the 5th of November 2018 and ended on the 22nd of November 2018. Considering the survey objectives, structured interviews were utilized to solicit data from the sampled households. A structured questionnaire was administered enumerators to the households. The questionnaire was designed to capture mainly six dimensions of the household economy namely:

1. Demographic characteristics of the household (household size, age, education, sex and type of residence)
2. Average monthly income for the individual household,
3. Average expenditures for a household on food, health, education, transport, communication, rent, etc.),
4. Levels of household indebtedness and the drivers of household debt,
5. Coping strategies for the individual households when expenditure exceeds income,
6. State of access to social security and the major sources of social security,

3.4 Pilot Survey

A pilot survey was held in Hatfield (Harare) with the ZCC programs team trained to administer the questionnaire. The objective of the pilot survey was to check effectiveness, reliability, suitability and flow of the questionnaire. Over 20 households were interviewed during the pilot survey and their responses were included in final data analysis.

3.5 Data Analysis

Survey data was collected and entered in the Statistical Package for Social Scientists (SPSS) and STATA for processing and analysis. Quantitative data was processed into averages, and percentages and summaries presented using graphs and tables. Qualitative data was analyzed along common themes and there was no attempt to quantify the common themes.

3.6 Ethical Considerations

Voluntary participation, informed consent and confidentiality were adhered to during the data collection process including the introductory part of the questionnaire. No individual names were requested during interviews. Data collected is used entirely for purposes of this survey and personal information of the interviewed households was not collected.

3.7 Limitation of the Survey

First, the survey was done under conditions of limited resources. Hence, it was not able to widely cover rural areas. Leveraging on the ZCC member churches implies bias towards convenience approach rather than the simple random sampling that is more expensive. This also led to interviewing of households are low to middle income areas in the Urban centers while in rural areas data was largely collected from respondents close to growth points and business centers. Second, the survey is a baseline survey (the first survey of this nature done by the ZCC), hence it does not show changes in household livelihoods and expenditure patterns over time.

But with future surveys, this limitation can be resolved. Thirdly, households in Zimbabwe do not keep record of their incomes and expenditures, thus the survey relied on recalling by households and considered the information provided by households as given.

3.8 Distribution of respondents

The survey recorded an average response rate of 91%. Harare province constituted the largest percentage of 19% with a total of 914 questionnaires collected in cluster 1 (low income areas) and cluster 2 (high income areas) throughout selected areas. Manicaland constituted a total of 14% (673 questionnaires) households and Matebeleland North had the least number of respondents constituting less than 2% (96 questionnaires) collected in the province. Table 2 provides distribution of respondents by provinces.

Table 2: Distribution of respondents by province

Province	Respondents (%)
Bulawayo	6.2
Harare	18.9
Manicaland	14.4
Mashonaland Central	9.0
Mashonaland East	10.8
Mashonaland West	10.4
Masvingo	10.0
Matabeleland North	1.8
Matabeleland South	5.4
Midlands	13.1

Source: Survey data

Respondents' distribution by location or place of residence is illustrated in figure 1 below. Majority of the respondents (59%) were from urban areas while 31.1% were from rural areas and only 10% were from peri-urban areas. Examples of peri-urban areas in the survey include Goromonzi, Insiza, Khami and Makoni.
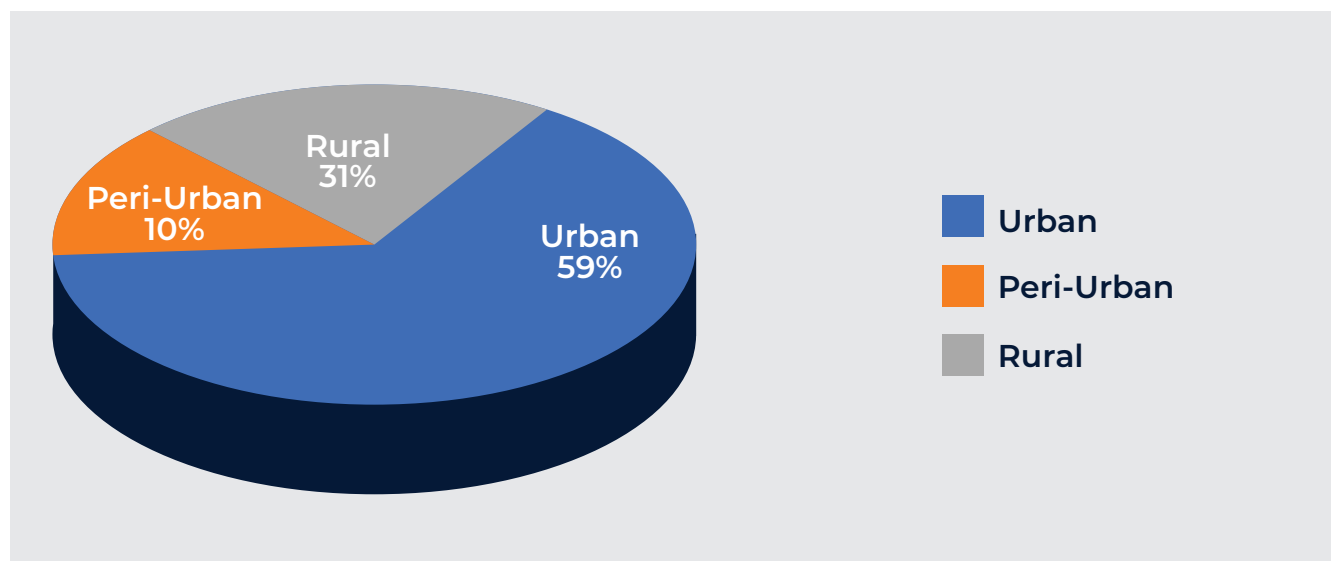
The distribution of responses fairly covers a reasonable part of the country, large enough to generalize the findings. The respondents are heterogeneous in terms of geographical location and demographic characteristics. The coverage in terms of heterogeneity is wide to allow analysis of the whole country. None interviewed people, despite being the majority, have characteristics falling in at least one of the interviewed heterogeneous groups. Therefore, generalizing the findings cannot lead to any major problem in analysis.

4 Findings of the 2018 Fourth Quarter

4.1 Characteristics of respondents

Most of the respondents are male (50.1%) and 49.9% are female. Given that the survey was targeting the breadwinner or the household member responsible with budgeting, the findings implies some gender balance in household decision making processes. Women, just like men, actively participate in the household economy. The harsh economic environment, burden and queue of household obligations may impose the balance between men and women. The current economic structure, particularly the thriving informal sector offers women numerous opportunities to engage in the market.

The average age of the respondents is 41.7 years with over 60 per cent of the respondents in the age group 24 to 60 years. Age distribution of the respondents is shown in Figure 2 below. It shows that the household economy is dominated by members who are young. Thus, despite the harsh economic environment that is depriving young people opportunities, the young people are the income earners and major anchors of household welfare.
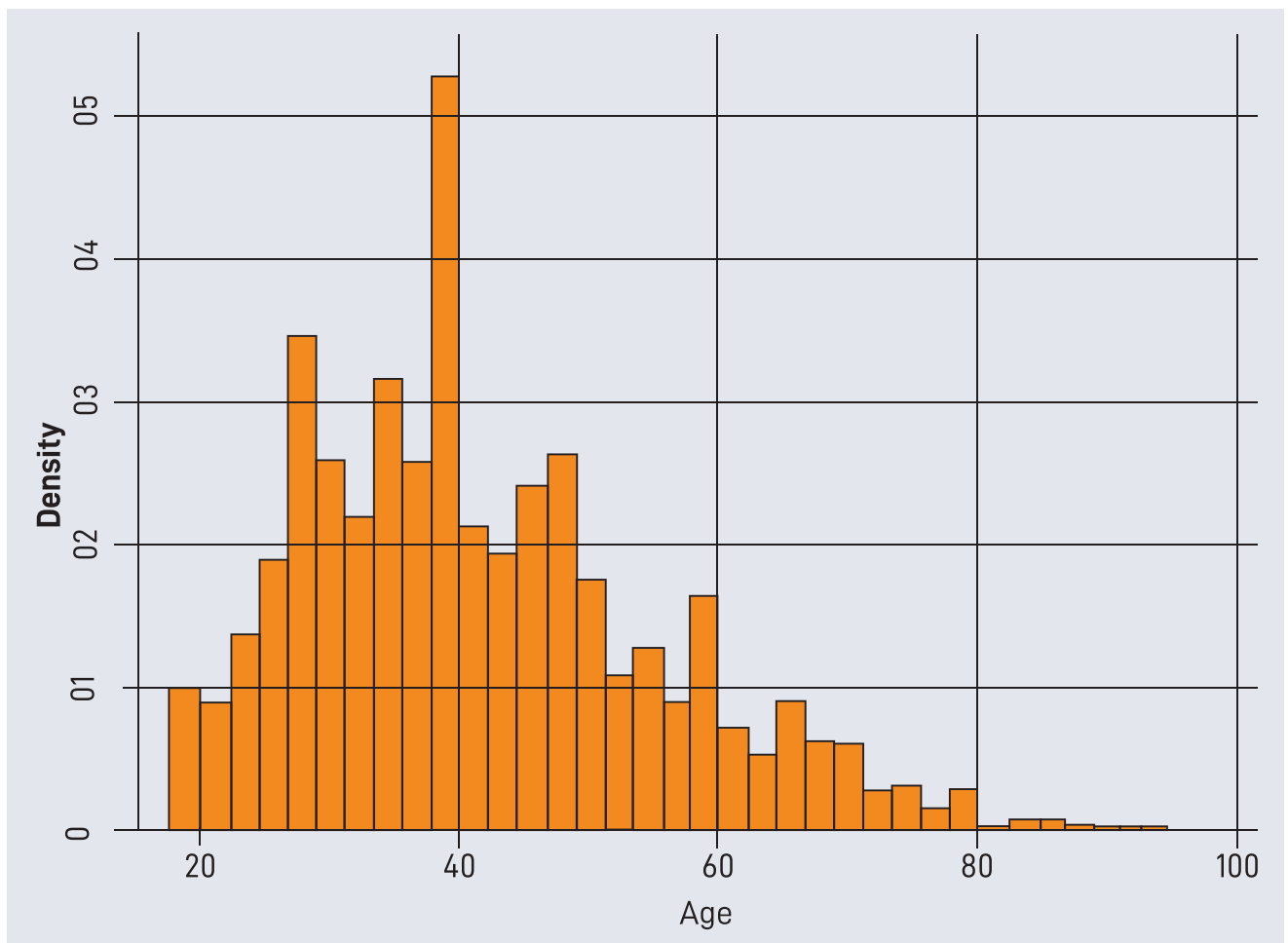

Figure 2:Age distribution
Source: Survey Data

Majority (62.2%) of the respondents are married while those single are 16.3%, widowed are 13.4% and divorced are 8.1%. In terms of education, most respondents have attained at least secondary education. About 48.5% of the respondents completed secondary education while 23.4% have at least a Diploma and only 10.7% have attained primary education only. Table 3 summarizes the demographic characteristics of the respondents while Table 4 illustrates education of respondents by place of residence.

Table 3: Demographic Characteristics

Demographic character	Percentage
Gender	
Male	50.1
Female	49.9
Residence	
Urban	58.6
Peri-Urban	10.3
Rural	31.1
Level of Education	
No Formal Education	3.1
Primary	11.2
Secondary	48.6
Diploma	23.2
University or Higher	13.9

Source: Survey data

Table 4: Education of respondents by place of residence

	Urban (%)	Peri-urban (%)	Rural (%)
No education	1.8	2.5	5.1
Primary	6.5	13.1	19.4
Secondary	46.7	47.1	53.2
Diploma	26.2	25.4	17.1
University	18.9	11.8	5.3

Source: Survey data

The findings show that Zimbabwe has an educated population despite having a larger percentage of school dropouts in the rural areas as indicated by a bigger percentage of respondents who attained primary education only. In terms of gender, there are less females with Diplomas and University Degrees compared to males. About 25.8% of male respondents hold a Diploma and 17.1% have a University Degree. On contrary, only 21.1% of female respondents hold a Diploma while 11.7% have a University Degree. Education disparities further exist based on place of residence. Only 5.3% of rural respondents had university education compared with 18.9% in Urban and 11.8% in peri-Urban areas. Thus, while Zimbabwe has a fairly educated population, there are significant education inequalities across gender and area of residence.

4.2 Nature of occupation

The results show that over 50% of the respondents are either self-employed or are not employed at all. Only 30.3% of the respondents indicated that they are formally employed. The findings in Figure 3 demonstrates that most respondents (30.7%) are self-employed (generally referred to as own account workers) and a large number (26.8%) are not at all employed with another 8.3% in the informal sector. This generally indicates a grave problem of lack of decent jobs on the labour market as most people are turning to the informal economy for their survival.

	Student	Informal	Not employed	Self employed	Formally employed
■ Total	3.9	8.3	26.8	30.7	30.3
■ Urban	4.5	9.7	19	31	35.9
■ Peri-urban	4.1	5.2	23.9	35.4	31.5
■ Rural	2.8	6.3	41.8	29.2	19.9
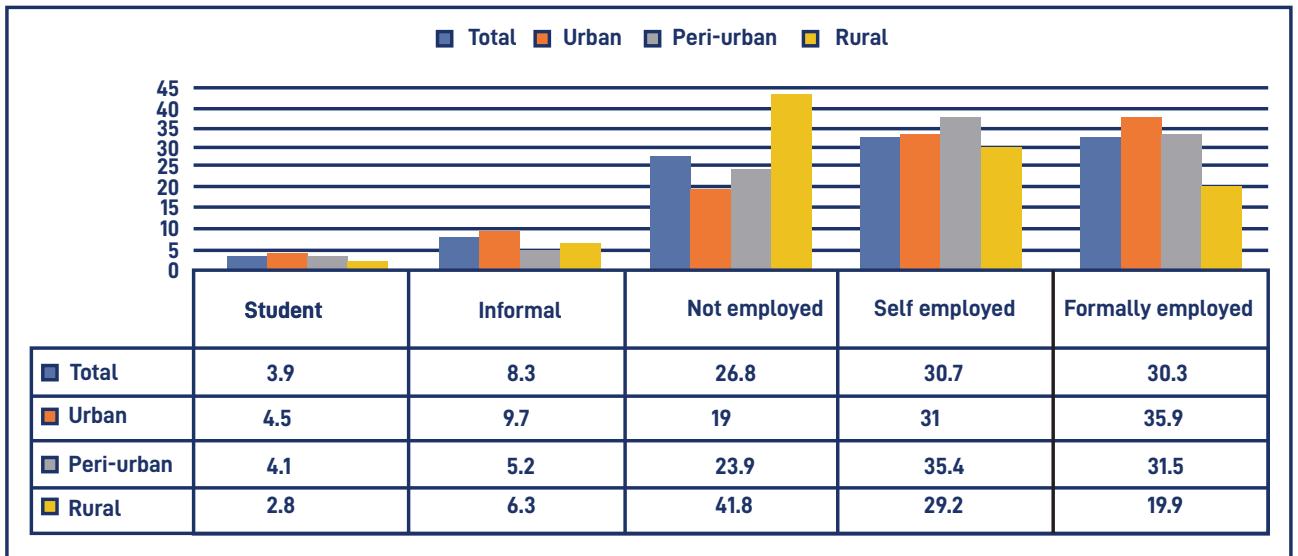
Figure 3: Occupation (percent of respondents)
Source: Survey Data

Unemployment is also more prevalent amongst rural households as shown in Figure 3. About 41.8% of rural respondents are unemployed and 29.2% are self-employed while 6.3% are in the informal sector. In urban and peri-urban areas, unemployed respondents are 19% and 23.9%, respectively. Self-employment is 35.4% in peri-urban and 31% in urban areas while informal employment is 9.7% and 5.2% in urban and peri-urban, respectively. These figures of unemployment are also larger in low income areas such as Budiriro, Warren Park, Chitungwiza and many others. The survey therefore show that people in urban areas are earning their incomes from both the formal and informal economy while households in peri-urban and rural areas largely depend on the informal activities for income generation.

There are more females in informal employment (9.1%) than males (7.4%). 30% of the female respondents are not employed compared to 23.5% of male respondents. About 31% of males are self-employed while 28.9% of females are self-employed. As the informal employment is characterised by harsh working conditions and low incomes, survey results imply that females are exposed to low levels of incomes and harsh working conditions than their male counterparts.

Table 5: Gender and occupation

Livelihood activity	Percent of males	Percent of females
Student	3.7	3.9
Informal	7.4	9.1
Not employed	23.5	30
Self-employment	31.1	29.8
Formally employed	34.2	27.2

Source: Survey data

The results further show that the formal labour market absorbs more males than females. Table 5 presents occupation by gender. 27.2% of female respondents are in the formal labour market compared to 34.2% of male respondents. Furthermore, the formal sector employs more females (9.1%) in the informal sector compared to males (7.4%). The findings suggest that women in Zimbabwe are still more disadvantaged than men when it comes to formal employment. The survey results validate that women are taking active roles in the labour market; however, they are currently absorbed in sectors characterised by harsh conditions and low levels of incomes. This further implies income disparities between men and women.

4.3 Livelihoods and incomes

Table 6 shows the distribution of preferences of households' livelihood options. Results show that most respondents ranked the livelihood options the least. Based on the rankings of the livelihood options, there was no dominant livelihood option in Zimbabwe. Thus, household incomes in Zimbabwe are generated from diverse sources with no dominant option as all options does not generate reasonable livelihoods and incomes.

Considering the livelihood options with score rank number one (1), the results show that cross border trading, sell of own agricultural produce, formal employment (wage/salary), petty trade (vending) and artisanal mining are more preferred compared to other options. 16.4% of those who ranked the livelihood options ranked wage employment as number one, 25% ranked cross border trading as the major income earning activity, 21.8% ranked agricultural sells as number one and 10.9% ranked vending as their main income generating activity. The percentages of rankings of livelihood options are presented in Tables 6, 7 and 8. The findings validate that the existing economic challenges are imposing suffering to households in different sectors of the economy.

Table 6: Percentage of households in each livelihood option

Livelihoods option	Percent of households in each rank				
	1	2	3	4	5
Sells own agriculture produce	21.8	10.9	9.1	14.5	43.6
Local informal trade	0.0	9.1	27.3	20.0	43.6
Petty trade (vending)	10.1	3.6	20.0	25.6	40.0
Cross border trading	25.5	7.2	3.6	1.8	61.8
Pension	3.6	12.7	0	1.8	81.8
Own enterprises	7.3	0.0	14.5	23.6	54.5
Casual labour	1.8	5.5	14.5	10.9	67.3
Remittances	1.8	7.3	0.0	3.6	87.3

Formally employed	16.4	5.5	1.8	0.0	76.4
Property income	5.5	12.7	9.1	20.0	52.7
Artisanal mining	9.1	0.0	3.6	1.8	85.5

Source: Survey data

Table 7: Ranking of livelihood options by residence

Livelihoods option	Urban	Peri-urban	Rural
Cross Border Trading	2	3	3
Own agricultural produce	5	3	1
Formal employment	1	2	3
Petty trade/ vending	4	4	2
Artisanal mining	5	5	3
Own business	2	1	2
Pension	5	5	5
Remittances, property income, casual labour	5	5	5

Notes: The importance of each option increases with decreases in ranking numbers
Source: Survey data

Table 8: Ranking of livelihood options by gender

Livelihoods option	Male	Female
Cross Border Trading	3	1
Own agricultural produce	3	3
Formal employment	1	2
Petty trade/ vending	4	4
Artisanal mining	5	5
Own business	2	3
Pension	5	5
Remittances, property income, casual labour	5	5

Notes: The importance of each option increases with decreases in ranking numbers
Source: Survey data

Formal employment is a more preferred livelihoods strategy among urban households while own business is the more preferred among peri-urban and own agriculture is the more preferred among rural households (see Table 7). As illustrated in Table 8, the most dominant livelihoods options among female are cross border trading, formal employment, own agricultural produce and own business. On the other hand, the most dominant options for males are formal employment, own business, agricultural produce and cross border trading. Informal employment which includes cross border trading, vending, local informal trade and self-employment have become major livelihoods options in Zimbabwe. These livelihoods options are associated by extremely low incomes.

The results as presented in Table 9 indicate that over 50% of the respondents belong to the lowest income bracket of less than $250. Over 88% of the respondents have monthly incomes below $600. Only 5.6% of the respondents have average monthly incomes above $1000. A majority of the households are living below the poverty datum line (PDL) of $600. The low levels of average monthly incomes of these households are an indication of the status of their livelihoods options which mostly fall under low income activities. Extremely low-income levels are more pronounced in rural areas and poor or low-income suburbs in urban areas. These income levels are an indication that the income levels of the various livelihood options are extremely low.

Table 9: Proportion of respondents in each income group

Income group	Percent of respondents (%)
Less than $250	50.2
$251-$450	22.7
$451-$600	15.2
$601-$1000	6.1
$1001-$1500	2.6
$1501-$2000	1.4
$2001-$3000	0.8
Above $3000	0.8

Source: Survey data

The above findings illustrate two important phenomena. Firstly, households are earning extremely low incomes from their livelihood activities. Secondly, the low-income levels demand people to engage in a range of activities for complementing incomes. Thus, the income levels of households are generated from multiple livelihood options. More importantly, the results show the fragile nature of livelihood options in Zimbabwe.

4.4 Household expenditures and expenditure patterns

This survey sought to establish the levels of household expenditures and spending patterns. Table 10 presents a summary of expenditures while Table 11 summarizes average expenditures and expenditure patterns by area of residence. Education, food and rentals are the main drivers of household expenditures. The average monthly expenditure on education was $82.8, on food was $49.4, on transport was $35.4 and on rentals was $32.5. The least expenditures were in equipment and household upkeep. Depressed levels of food expenditure indicates that many households are constrained in accessing food given the existing difficult macro-economic conditions.

Table 10: Average monthly expenditures

Variable	Obs	Mean	Std. Dev.	Min	Max
Food expenditure	4,846	49.42	37.18	1	112
Health	4,846	29.76	32.76	1	110
Education	4,846	82.83	79.02	1	247
Energy	4,846	27.35	26.05	1	92
House keeping	4,846	15.40	22.68	1	81
House rentals	4,846	32.51	39.41	1	117
Water	4,846	16.51	21.76	1	79
Equipment	4,846	10.83	18.20	1	76
Transport and communication	4,846	35.36	128.50	0	456

Source: Survey data

The expenditure pattern is similar for both rural and urban households, both experiencing largest expenditures in education and food. However, rural households spend more on health while urban households spend more on transport and communication. The higher expenditure on health in rural areas may be explained by dysfunctional public health system hence people access health services from private service provides or travel long distances to access the health service.

In terms of ranking food, education, rentals, health and transport are the five major household expenditures. In rural areas the five major expenditures are education, food, health, transport and communication and energy in that order while in urban areas the five major expenditures are education, food, rentals, transport and communication and energy. This pattern is the same for peri-urban households.

Table 11: Average monthly expenditures by residence ($)

	Total	Urban	Peri-urban	Rural
Food	49.4	46.1	51.8	54.9
Health	29.8	27.7	29.1	33.9
Education	82.8	77.4	84.5	30.8
Energy	27.4	31.3	25.8	20.5
Household upkeep	15.4	15.9	17.8	13.7
Rentals	32.5	42.5	31.1	14.9
Water	16.5	19.5	17.1	10.7
Equipment	10.8	10.5	12.5	10.7
Transport/Communication	35.4	41.3	26.1	28.3

Source: Survey data

Table 12 presents average expenditures in each income group. Expenditure patterns for basic commodities such as food, health, education, rentals, energy and water do not vary significantly among different income groups. Both low-income and high-income households have similar average expenditures for these goods and services. However, average expenditure on transport and communication vary significantly between low-income and high-income households.

High-income households spend more than twice the amount spent by low-income households (less than $600) on transport and communication. For instance, households with average incomes of less than $250 spend only $19.6 in transport and communication while those with average incomes of above $2000 spend over $140 in the same service. This difference in expenditure on transport and communication may be explained by different modes of transport used by households. Rich households usually use their own cars while poor households usually use public transport which is cheaper compared to buying fuel.

Table 12: Income groups and average expenditures ($)

	Income group							
	<$250	251-450	451-600	601-1000	1001-1500	1501-2000	2001-3000	>3000
Food	57.3	45.7	38.6	38.8	45.3	47.7	54.1	49.5
Health	26.6	32.5	36.5	37.0	31.9	33.7	28.1	34.9
Education	83.5	84.4	82.2	85.8	94.1	98.6	78.9	78.7
Energy	22.8	29.6	35.5	37.2	39.6	43.7	27.7	35.9
Upkeep	12.9	17.4	17.8	20.6	21.9	19.2	26.9	29.5
Rentals	30.5	35.5	33.9	35.9	35.2	47.8	35.3	41.9
Water	14.5	17.8	18.6	21.4	23.7	25.3	16.6	32.0
Equipment	9.0	12.3	13.2	16.0	11.7	16.3	15.4	11.6
Transport	19.6	41.5	45.8	71.8	77.5	103.2	150.0	143.8

Their average expenditure on food and health is smaller because high income households have smaller household sizes compared to lower income households. The average household size for households with incomes less than $1500 is 5 while high-income households (above $1500) have an average household size of 4.

A few conclusions can be deduced from the data on expenditures presented above. Results show that household expenditures outweigh incomes generated from the various livelihood options. Expenditure on food is extremely depressed implying many households are forgoing some basic food requirements. Education expenditure is accounting the larger proportion of household expenditures. The survey further established that there are no significant differences in expenditures across different income groups.

4.5 Social benefits

Figure 4 shows the distribution of respondents by coping mechanisms used. In the last three months, 10.9% of the respondents received social benefits for food, 3.7% received social benefits for education and 2.1% received social benefits for health. About 49% never received any form of social benefits. A larger number of the respondents who received social benefits are from rural areas and government and NGOs are the main sources of these social benefits. Thus, despite the obtaining socio-economic challenges in Zimbabwe, a few people are receiving social benefits.
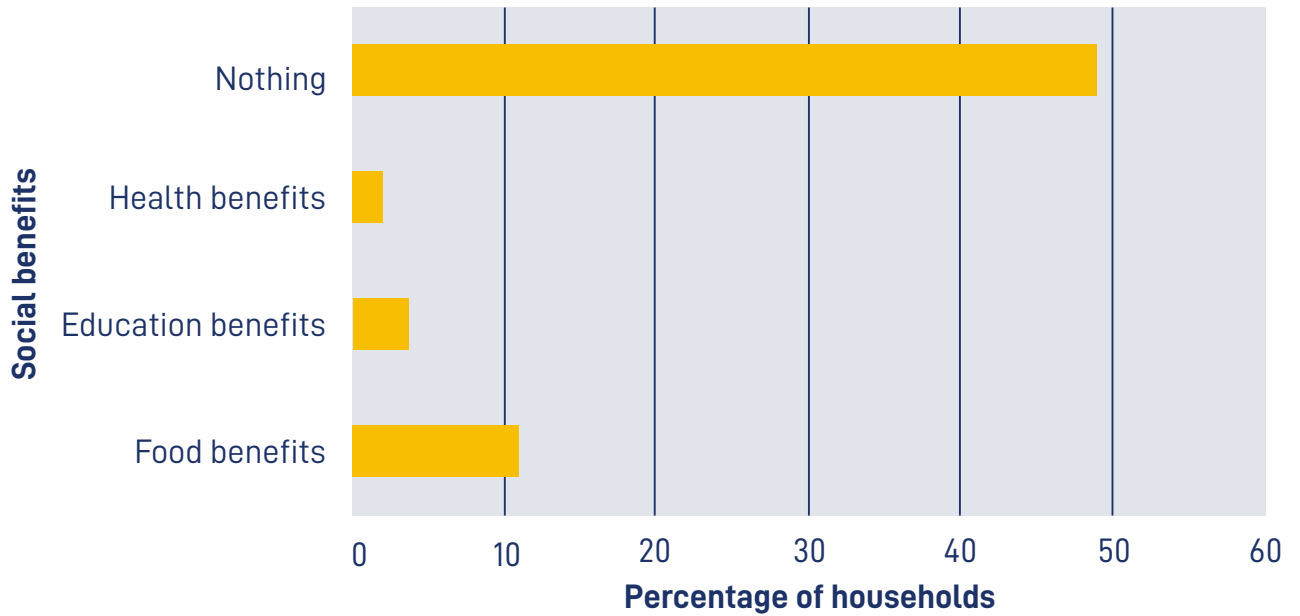
Figure 4: Households who received social benefits
Source: Survey Data

4.6   Coping mechanisms

Figure 5 illustrates different copying mechanisms applied by households in meeting their excess spending. Households meet their excess expenditures over their incomes through borrowing, assistance from friends and relatives, reducing food expenditure, reducing health expenditures or reducing education expenditures. The main copying mechanisms are borrowing (dominant in both urban and rural areas), cutting food expenditures and receiving assistance from relatives and friends. Many households have reduced their expenditures on food over the last three months. The average reduction in food expenditure for the past 3 months is $53.7 while expenditure on education was reduced by an average of $63.6. Figure 5 illustrates a reduction of money spent on education, food, health, energy, water, housing equipment and transport.
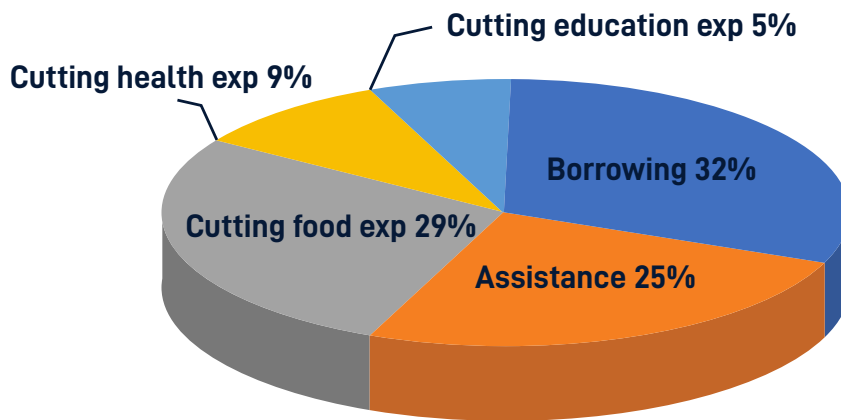

Figure 5: Expenditure cut over the past 3 months
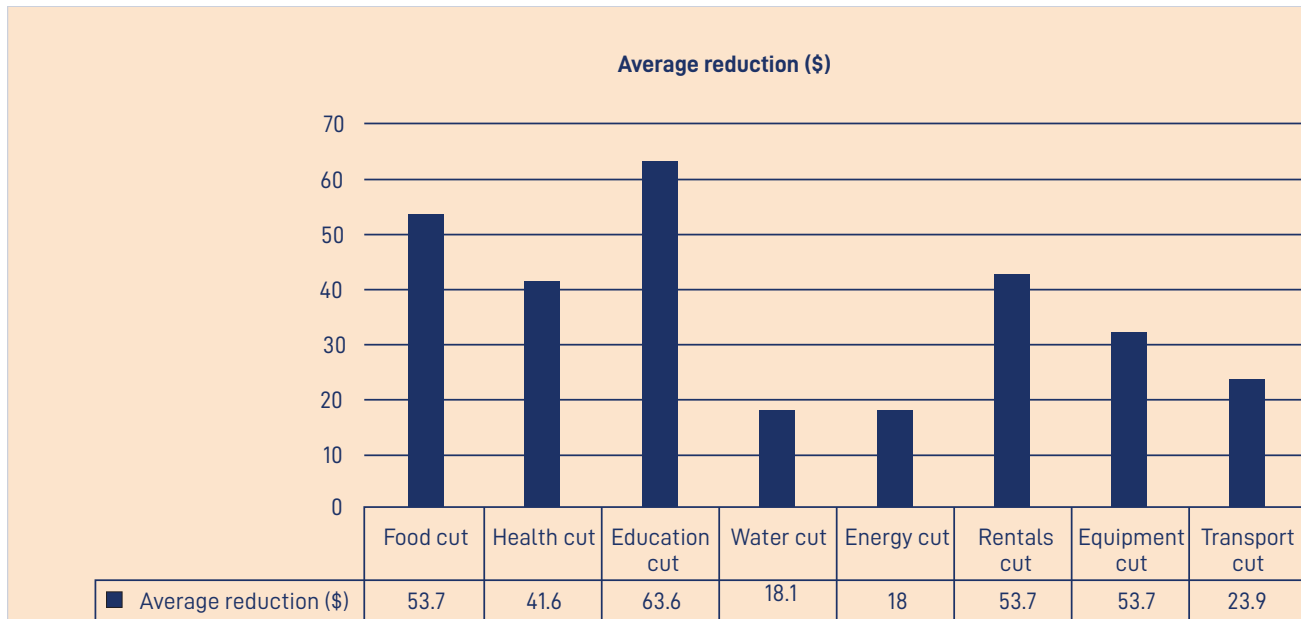*Source: Survey Data*

Figure 6: Expenditure reduction as a copying strategy
Source: Survey Data

Households are making many substantial changes and expenditure adjustments to balance household needs given insufficient incomes. Unfortunately, these substantial expenditure cuts are being adopted not on luxurious and non-essential expenditure components, but on critical lines including food, health and education. Thus, the survival and expenditure adjustment measures are further exposing the household to major risks.

Households indicated that they also borrow money to either pay school fees, pay health bills, pay rentals, buy food or pay service bills. The percentages of households using loans to pay different services are provided in Table 13. Borrowed funds are mainly used to pay school fees and buy food in both urban and rural areas while borrowing for health services is also more significant among rural households.

Table 13: Uses of money borrowed

Percentage of households				
Use	Total	Urban	Peri-urban	Rural
Pay for education	22.5	19.9	29.4	25.3
Pay for food	18.0	15.4	19.8	21.7
Pay for health	11.6	10.2	15.4	13.1
Pay for housing rentals	9.1	11.4	13.1	3.8
Pay for service bills	7.7	8.7	10	5.3

Source: Survey data

Above results are quite worrying as they show that households are accumulating debt to meet consumption. Reliance on debt for critical expenditure lines is unsustainable and has downside that include default and financial risks. Household debt may cripple future essential expenditures and may result in economy wide crippling credit crunch.

4.7 Qualitative Responses

The respondents provided qualitative information with regards to some of the most pressing needs for the households. The responses varied across areas of residence. Challenges that include inflation, poor governance and corruption, new education curriculum, child abuse, moral abuse and communication were highlighted across respondents from the rural, peri-urban and urban areas. Poor service delivery was largely mentioned by respondents from urban areas while rural respondents were further concerned with poor access to agricultural inputs. The qualitative responses are expounded in the subsequent sessions.

Inflation

The participants purported that the incessant and uncontrolled price increases in consumer products has led to some of them not being able to afford some basic commodities and services. In the past two months, the prices of consumer goods rose at unanticipated rates affecting the normal consumer spending pattern. Thus, consumers were forced to either increase their average monthly budgets or reduce their usual consumption of basic commodities. The rise in prices is forcing households to reduce their family food basket, a situation that will drive malnutrition especially for those in the rural areas. The respondents indicated that the continued limit(s) on quantities purchased and the unavailability of the most sought-after home commodities has severely affected many households.

The majority of participants are failing to save money since they are now living from hand-to-mouth. In this respect, respondents called for containment of economic distortions resulting in the spiralling of the prices of basic commodities, reviewing the 2% Intermediated Money Transfer tax and improve availability of fuel and transport fares.

Lack of Capital to Finance Businesses

Calls are being made for the government, the private sector and other key stakeholders to develop policies and create an environment that can support local start-ups to be able to grow and make a significant contribution to the country's fiscus and reduce the unemployment rate by creating employment opportunities for all.

Agricultural inputs

Research revealed that there is an outcry caused by the rise of prices of agricultural inputs as this has a direct impact on the day to day activities of households particularly those depending on agriculture. For many, agriculture is their major source of income and through selling they get to provide other necessary commodities that are required by their families. Households called for policies and measures to support them in terms of financial, technical and educational support. This in turn will help them fully utilize commercial and subsistence land. The study further established that some farmers were quite disheartened by the unfair distribution of agricultural inputs by the government, inadequate input packages and untimely distribution.

Poor Governance and Corruption

Respondents pointed to the issue of poor governance and corruption that has marred most of the public service and private sector institutions. The households highlighted the existence of corruption in both the private and public sectors. Views are that the atrocious act has been detrimental to socio-economic standing of the generality of the citizens. Households further stated that local government institutions (city councils and town councils) are using the pre-colonial systems of governance that are no longer compatible with present day demands.

Exchange Rate

The households insinuated that there is lack of clarity on the exchange rate critically affecting the day-to-day living of participants both at home and in private business. The so-called 1:1 (pegged) exchange rate between the Bond Notes (or RTGS) and United States Dollar is hardly practical but chaotic in the goods market where one has to buy in US$ or using the rating system where US$1 = $3.50 Bond Notes. Respondents claimed that some shops and companies are charging goods in United States Dollars insisting that they need foreign currency for restocking. Calls were made by the respondents for the government to monitor the exchange rate prevailing in the parallel market and improve their foreign currency allocation to the retail sector players so that the goods can be available and affordable in shops.

Service Delivery

The respondents pointed out the issues of poor service delivery especially by the city council in their mandate to provide adequate clean water to urban residents. Respondents have resorted to fetch water from wells and boreholes while a few (with financial muscle) buys water from bulk suppliers. Resultantly, cholera and typhoid epidemics emerged in 2018 due to lack of portable clean water, water disconnections, unmaintained sewer systems, late refuse collection and the creation of unauthorized dump sites. Worsening the situation is the inability by residents to pay their monthly service fees to the local councils and failure by the government to remit the local Councils budgetary allocations. Resultantly, respondents felt that local provision of health, water, sanitation and education by local authorities has all been curtailed. Participants further bemoaned the poor state of health provision at the public hospitals and the high costs of health service at the private health institutions.

New Curriculum on Education

Respondents further argued that the new education curriculum which seeks to improve the standards of learning in primary and secondary education is imposing hardships and entrenching education inequalities. The new curriculum was not supported with adequate infrastructure, equipment and finance for its smooth implementation. Respondents were of the view that teachers lack motivation, adequate knowledge and resources to implement the new curriculum thereby affecting the overall quality of learning process.

Child Abuse and Early Marriages

During the survey, cases of early child marriages were mentioned in some parts of the country. Accounting factors range from economic hardships and the absence of social security. Early marriage is being regarded a solution to overcome poverty and social pressures.

Immoral Behaviour/ Moral Decay

Respondents further insinuated that economic hardships are forcing people to indulge in prostitution, theft, drug abuse, domestic violence and social fragmentation. Unemployment, peer-pressure and stressful live difficulties were viewed as accounting for increased cases of prostitution, drug abuse and crime especially among the youth. Respondents further posited that these ills are contributing towards unwanted pregnancies, abortions and the spread of HIV/AIDS.

Communication and Road Challenges

Some of the respondents were from places that are difficult to access by road and mobile telecommunication. Respondents from these communities insinuated that poor roads and communication network marginalises their communities and entrench poverty.

5 Conclusion

Both quantitative and qualitative findings indicate the existence of serious livelihoods challenges among households in Zimbabwe. Most households are living below the poverty datum line of at least a $600 per day. Over 50% of the households have average monthly incomes below $250. The formal labour market is depressed hence most households are relying on the informal sector. Informal sector activities with low returns such as cross border trading, vending, artisanal mining and local informal trading are some of the most common livelihoods options available for households. Rural households mainly rely on incomes from agricultural produce while cross border trading and vending are more popular among urban households. Self-employment is also popular among both rural and urban households. Despite a declining formal employment, formal employment remains a major livelihoods option for urban households.

In an environment of increasing socio-economic challenges, many respondents identified socioeconomic problems such as inflation, shortage of basic commodities, lack of good governance, immoral behaviour, lack of agricultural inputs, human rights abuse and poor infrastructure as some of the challenges they are facing. In response to these challenges including reduced incomes, many households have largely altered their expenditure patterns. Cutting expenditure has become one of the most popular copying mechanisms.

Expenditures on education, food, health, transport and communication take the largest share of household budget in both urban and rural areas whereas rentals and energy have a larger impact on urban households. Generally, households spend in excess of their budgets. The budget is not enough for the required expenditures. Several strategies are applied by households to copy with excess expenditures. The most popular methods are borrowing and cutting expenditures. Many households have been cutting their food, education and health expenditures among others. The number of meals per day have been reduced in some households and school dropouts are common among rural households. Borrowing is common among households in both rural and urban areas and is mainly used to finance education and food purchases.

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