



June 2014 Policy brief

Household Income and Expenditure Analysis: Deteriorating Social Infrastructure Is Dragging Urban Households Into Poverty, says PRFT

Addressing poverty in urban Zimbabwe continues to be a major challenge worsened by collapsing social infrastructure. Poverty Reduction Forum Trust (PRFT) is greatly concerned with the state of urban infrastructure which has translated to poor social service delivery and unsustainable livelihoods. Through its research desk, PRFT has noted that deteriorating social infrastructure particularly roads in urban areas has increased the number of accidents, thus destroying the family and sometimes taking away the bread-winner hence making the households more vulnerable to poverty and deprivation of happiness.

From its June household and income surveys carried out in Gweru, Bulawayo, Shurugwi and Mutare, PRFT has gathered evidence on how poor state of the roads in most suburbs has negatively impacted on the livelihoods of households. In Gweru for example, the surveys have established that dilapidated roads coupled with so many police road blocks in the high density suburbs such as Mkoba 6/7 and Senga - Nehosho have created transport shortages. The surveys revealed that many public transport operators have shunned routes that pass through these suburbs in fear of incurring high penalties from the police. The situation has forced households living in these suburbs to walk long distances in order to get transport to the town centre or pay exorbitant fares being charged by few motorists who are taking advantage of the desperate residents. PRFT's research team has established that few motorists operating in Mkoba 6/7 have hiked their fares from 3 Rands to 5 Rands for a route which links residents to the main road where transport is available. This therefore means that households affected are forced to budget an extra dollar on transport to and from town every day. This is a double jeopardy on households working or selling their wares in town who previously forked out a dollar on average for their daily transport costs. The surveys revealed that the households who are doing vending business in the urban centre have been greatly affected by the transport crisis as they are spending most of their time waiting for cheaper transport to ferry them to the town centre at the expense of conducting their income-generating activities. On the other hand, the motorists raised concern over the huge amounts of money they are spending on maintaining their vehicles as a result of deteriorating road infrastructure.

Through these surveys, PRFT has discovered that poor state of the road infrastructure is not only negatively affecting urban livelihoods through loss of income but also it is exposing households to accidents and diseases. It is already evident that several accidents in urban centres in Zimbabwe are linked to poor road infrastructure. The households under PRFT's

sentinel in Shurugwi particularly in Sebangwa extension and Mambowa have revealed that the dust emanating from dilapidated roads is exposing them to respiratory related challenges.

Thus, it is evident that poor households bear the consequences of the deteriorating social urban infrastructure. Urban livelihoods in Zimbabwe have been mainly centred on unsustainable informal businesses in urban centres due to higher levels of unemployment in Zimbabwe. Due to the closure of industries and depressed business in Zimbabwe, most households are failing to generate income to sustain their livelihoods and unaffordable basic services such as public transport make them poorer. An analysis of the households under the Poverty Reduction Forum Trust (PRFT) sentinel surveys in Gweru, Bulawayo and Shurugwi has revealed a drop in the average household incomes in the month of June. In Bulawayo, the average household monthly income has decreased from approximately \$444 in May to about \$379 in June while in Gweru the average income has dropped to \$425 in June from \$459 in May 2014. From the recent BNB surveys conducted in May 2014, an average family of five in Gweru required a minimum of \$ 522 for dignified human survival while for the same sized families in Harare, Bulawayo, Mutare and Shurugwi, the BNB values were \$520, \$492, \$482 and \$532, respectively. A closer comparison of the costs of the Basic Needs Basket (which excludes the cost of transport, education, health, personal care, etc.) with average household monthly incomes reveals the extent to which poverty is striking low income earners in urban Zimbabwe. Poor households living in Gweru high density suburbs are feeling the pinch as the analysis has shown an increase in expenditure on water bills following an extra charge of \$20 which the City of Gweru gazetted in May 2014.

The results from the Household and expenditure surveys together with the first hand experiences from households under PRFT's sentinel surveys speak volumes regarding the extent to which deteriorating social infrastructure is dragging urban households into poverty and depriving them of a quality life.

Policy Recommendations and Guidelines for sustainable actions

The Poverty Reduction Forum Trust strongly recommends immediate actions from both the central government and local authorities as the present status of the urban road infrastructure is intolerable. Infrastructure in Zimbabwe needs real attention if development and socio-economic benefits are to be enjoyed by all sectors of society.

PRFT has noted that the current urban development model where residents' money is the only source of financing capital projects is not sustainable as it requires an enabling environment for residents to raise income and pay for the services. Due to the current high levels of unemployment in Zimbabwe, local authorities should not only rely on residents' rates payments to sustain urban development projects. Therefore PRFT urges the local authorities to think outside the box and venture into other income generating projects to increase their revenue base to augment their budgets. The residents have recommended local councils to increase their revenue base from;

- maintenance and upgrading of council halls and recreational facilities so that they can be used as venues for private functions at competitive rates
- Availing of affordable market stalls through wide consultations with the residents

At national level, PRFT urges the government to begin to do more in research on new financing models that can sustain urban development.

PRFT believes that sustainable strategies to solve infrastructure challenges both in the short and long term require the collective approach which should involve all stakeholders. PRFT calls for dialogue platforms that bring the local authorities, the government, private business, civil society organisations and residents to put together their efforts towards urban development. To that effect, PRFT is further recommending that local authorities should accelerated efforts to foster partnerships with private business in urban infrastructure investment since going it alone has proved to be an insurmountable challenge. More so, local business operators and industrialists are encouraged to assist in road infrastructure development and maintenance as part of their corporate social responsibility (CSR) to the communities. However, it is important for the city councils to be more accountable in public resources management if there is going to be a buy in from other players. Through its regular researches, PRFT has noted that poor service delivery has been accelerated by misappropriation of public resources and residents have been on the losing end. PRFT calls for more transparency in the use of ZINARA funds in urban road development.

PRFT applauds the government for putting infrastructure development as one of the pillars of ZIMASSET and it believes the implementation of the blueprint will go a long way to spur economic growth and social and economic development. Poverty Reduction Forum Trust continues to research deeper and bring to the fore, systems and policies that push ordinary Zimbabweans into poverty and proffer recommendations towards abating the situation.

For more information about Poverty Reduction Forum Trust (PRFT) and the BNB initiative please contact us on Number 59, Mendel Road , Avondale, Harare; Tel: +263 4 307472; Email: info@prftzim.org; Website: www.prftzim.org