



BULAWAYO BASIC NEEDS BASKET

September 2013

For more information contact: Poverty Reduction Forum Trust, 59 Mendel Road, Avondale, Harare.
Phone: +263 4 307472/3; Email: prftresearch@gmail.com or visit our website: www.prftzim.org.zw

BULAWAYO BASIC NEEDS BASKET ANALYSIS

The cost of the BNB for Bulawayo has continued to show a downward trend since May 2013. The month of September experienced a slight drop in the cost of BNB to US\$492.20 from US\$499.51 in July 2013. Such a trend in the cost of BNB in Bulawayo can be attributed to the South African rand which remained weak over the past month against the US\$. This may have likely caused slight decreases in the prices of most basic commodities especially food items during the month. Food items have dropped from US\$ 194.75 in July to US\$ 201.64 in September while non food items have slightly dropped from \$32.01 to US\$31.59. Bulawayo city is close South Africa and Botswana unlike Mutare and Harare and most of the food items sold in the city are imports from these neighbouring countries. This trend is a clear indication of deindustrialisation in Bulawayo which has led to foreign companies serving the market because most of local companies have since relocated or closed. Deindustrialisation has led to high levels of unemployment in Bulawayo as a lot of jobs are being exported to neighbouring countries. The table below presents a detailed BNB for Bulawayo for September 2013.

Bulawayo September 2013 BNB¹

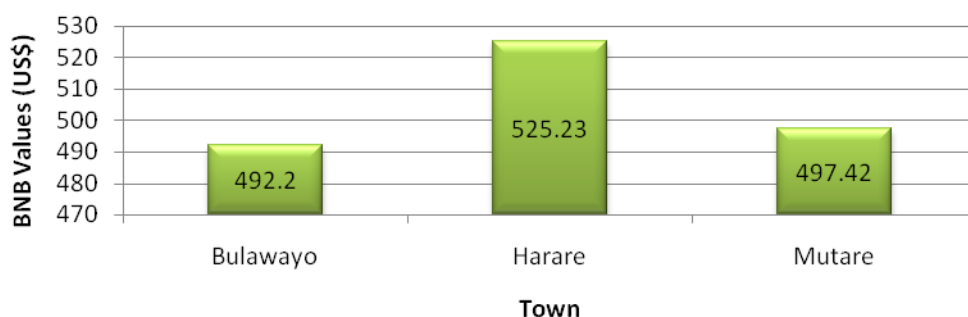
Item	Preferred brand	Unit available	Quantity	Bulawayo Average (US\$)
A. Essential Food Items:				
Mealie Meal	Red Seal (Roller meal)	20kg	2	25.22
Sugar	Brown Sugar	2kg	4	8.21
Cooking oil	Gold Star	2litres	2	8.06
Beef	Economy	1kg	5	30.16
Chicken	Chicken Cuts	2kg	2	14.82
Salt	Red Seal	1kg	2	0.75
Tea leaves	Stella Tea	250g	1	2.32
Bread	Lobels	1 loaf	30	30.00
Milk	Chimombe	500ml	12	9.02
Sugar Beans		500g	4	4.87
Vegetables		Bunche	22.5	16.84
Tomatoes		1kg	10	11.65
Kapenta		1kg	1	8.37
Onions		1kg	10	13.00
Eggs		1crate	2	11.48
Sub Total				194.75
B. Essential Non Food Items				
Bath soap	Geisha	250g	5	4.74
Laundry soap	Green Bar	1kg	5	7.06
Washing Powder	Sunlight	1kg	2	6.01
Petroleum Jelly	Vaseline	250g	2	3.80
Toothpaste	Colgate	100ml	2	2.40
Sanitary wear	Always	500g	1	1.50
Toilet paper	Softex	Pack of 4	6	6.08
Sub-total				31.59

¹ The following are the shops and markets where PRFT collected data on prices of basic commodities for the September 2013 BNB: City Centre (TM Hyper and SPAR); Lobengula (Mountview SPAR); Bellevue SPAR; Ascot (TM); Nkulumane (SPAR). The survey was conducted on the 18th and 19th of September 2013.

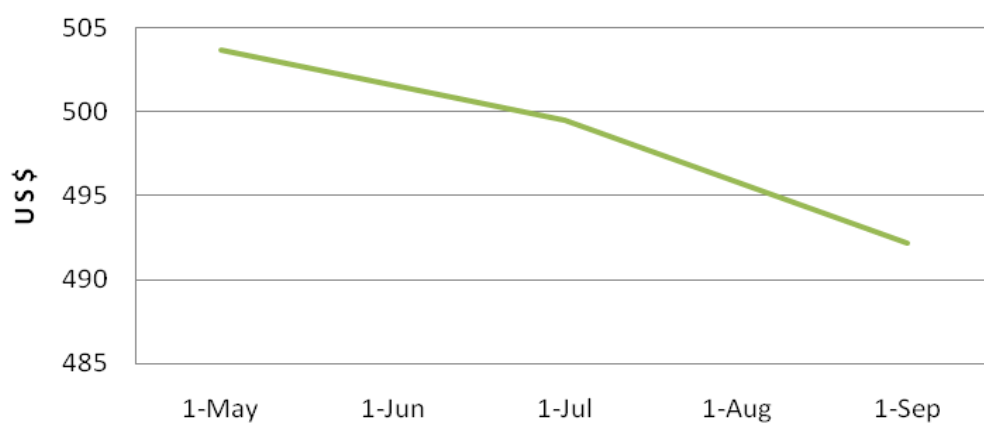
C. Rates and other services				
Water & Sanitation (medium cost - fixed)	Water	Fixed		1.21
	Average usage/month	m3	80	6.00
	Sanitation (Sewage)	Fixed		8.65
Monthly rent (4 roomed house)	Basic Accommodation	\$ 50 per room	4	200.00
Electricity ²	Average usage/month		0	50.00
Sub-total				265.86
Total BNB for Bulawayo				492.20
D. Other Costs				
Telephone/Communication		1\$/day		\$30/month
Transport (public)		\$0.50/trip		\$30/month
School Fees:				
Tertiary	University Public			\$420 - \$550/Semester
	Technical/Colleges (Polytechnic)	National certificate level		\$175 - \$200/term
		National Diploma level		\$225/term
	Secondary			\$ 55 - \$90/term
	Primary			\$45/term
	Creche			\$30 - \$60/term
School Uniforms	Girls			\$69 (complete uniform)
	Boys			\$50 (complete uniform)
Health care	CIMAS Basicare Package	2 adults @ \$67 each and 3 children @ \$40 each		\$254/month
Fuel & Lighting	Paraffin (Pump price)			\$1.25/Litre
	Diesel (Pump price)			\$1.39/Litre
	Petrol (Pump price)			\$1.53/Litre
	Matches			\$0.50/pack of 10
	Candles			\$1.81/pack of 6

² Electricity charges were estimated using averages that families are now paying following the installation of pre-paid meters in most homes.

Comparison of BNB values for Bulawayo, Harare and Mutare (September 2013)



Bulawayo BNB Trend Analysis BNB (May - Sept 2013)





Basic Needs Basket Analysis: Is The Introduction of Prepaid Electricity and Water Meters a Pro Poor Policy Framework?



In an effort to find a lasting solution to the Zimbabwe's challenges in electricity provision, the government has since introduced prepaid payment system for electricity in most towns and the installation of prepaid meters is still underway. During the month of September, the residents in Harare have received news that Harare City Council (HCC) is also considering to implement the same prepayment system in water as an attempt to address the water crisis. If this proposal is going to be implemented the implications are that residents will soon have to pay for their water consumption upfront, a move which may have some detrimental effects to the poor and vulnerable households. The fundamental question which needs to be answered is whether such a policy is in line with human right approach to poverty reduction. Is the new policy pro poor especially considering the deterioration of socio economic status of households in Zimbabwe?

With the introduction of the prepared meter reading systems for utilities such as water, PRFT is of the view that more households will sink deeper in poverty as they are currently facing a perennial struggle to meet the cost of essential needs. The 39.6% decline in capacity utilization recorded by the manufacturing sector this year from 44% in 2012 is one indication that there will be more job cuts and poverty levels will increase as more people lose their only source of livelihood and incomes. The introduction of the prepaid meters will therefore be a double jeopardy for most households. An analysis of the households under the Poverty Reduction Forum Trust (PRFT) sentinel surveys in Bulawayo and Mutare has revealed that the average household incomes in the month of September were approximately US\$427.33 and US\$420, respectively. From the PRFT's Basic Needs Basket (BNB) survey conducted in September, an average family of five in Bulawayo needs a minimum of US\$492.20 to live a descent and dignified lifestyle while for same sized families in Mutare and Harare, the minimum amount required was approximately US\$497.42 and US\$525.23, respectively already showing a gap between households' disposal incomes and cost of basic living. In addition to meeting the costs of basics, households require money for hospital bills, education and transport among others. The news for the introduction of the prepayment system for water bills has come while some families are failing to cope up with unjustified increases in rentals, pushing up the cost Basic Needs Basket. For example, in the past two months, a standard room in Mutare was going at an average of US \$50, a figure which is higher than the previous average price of US\$40.

Given the current socio economic challenges that are being faced by most households, installation of the prepaid system in both water and electricity will likely worsen the poverty situation. PRFT would like to add its voice to the sentiments already expressed by like-minded bodies that the use of prepaid water meters treats water as a luxury commodity rather than a human right and this promotes its privatization and inaccessibility by many.

Following a full adoption of prepaid meter reading for electricity in Mutare, an analysis of Mutare Basic Needs Basket for September has revealed that a family of five is now requiring an average of US\$65 to pay for electricity costs, a figure which is higher than the average of US\$50 previously required. Under this prepayment system, the residents who cannot afford to pay will increasingly resort to alternatives like use of firewood and unsafe water, rendering them more vulnerable to diseases associated with poor sanitation such as cholera and typhoid and untold environmental degradation. In contrast to this new prepaid framework, the previous arrangement was more inclusive since households had the leeway to arrange for a payment plan on how to settle their debts while at the same time having access to the power and water services.

In our view the prepayment system especially for water will increase the inequality gap between people and this is neither fair nor sustainable. The framework has also not demonstrated that it can bring about improvements in service delivery in the country. Since the introduction of prepaid meters in electricity, load shedding has not improved but the frequency has actually increased. Most households celebrated when they received the bill-write-offs in water and electricity in August, however, the celebrations have been short lived as service delivery is now worse than before and people spent more time in the dark gazing at dry taps. The Minister of Energy and Power Development, Dzikamai Mavhaire needs to urgently address the supply side bottlenecks related to the ongoing load shedding and the Harare City Council has to undertake broad-based consultations before they implement the prepaid water meters.

In its efforts to promote the development and implementation of pro poor policies, PRFT strongly recommends long term solutions to poverty eradication in Zimbabwe. Long term and sustainable policies should be made based on wide consultations to make the policies people driven. There is need for workable policies to improve availability of water and electricity which should not compromise human's rights. While it is important to embrace all tireless efforts being made by local authorities in trying to improve service delivery, they should craft policies that aim to address the root causes of the problems not their symptoms. Introducing prepaid meters without addressing the cancerous corruption that characterizes most of the city councils will not solve our problems. The calls made by the President to condemn and not tolerate corruption should be applauded by all concerned citizens.