



## **HARARE BASIC NEEDS BASKET**

**November 2013**

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## HARARE BASIC NEEDS BASKET ANALYSIS

The cost of the BNB for an urban family of five in Harare has declined by approximately 1.25 % to \$518.69 in November from \$525.23 in September 2013. The decline is attributed to the slight decreases in the prices of most food items during the month. During the month, price cuts were mainly witnessed in cooking oil, sugar and beef among others. For example, average cost of a 2 kg white sugar in Harare dropped from the average price of \$2.22 in September to approximately \$2.02 in November while the average cost of economy beef per kilogram decreased slightly from approximately \$540 in September to \$537 in November. The prices of basic goods and services in Zimbabwe have remained stable largely due to the weak aggregate demand and the continued depreciation of the South African rand against the United States dollar. The downward trend in the prices in the economy reflects that people's disposable incomes are stagnant due to illiquidity of the economy. The continuous fall in the prices may further weaken production as this means less and less incentives for the firms to produce. The table below presents a detailed November BNB for Harare.

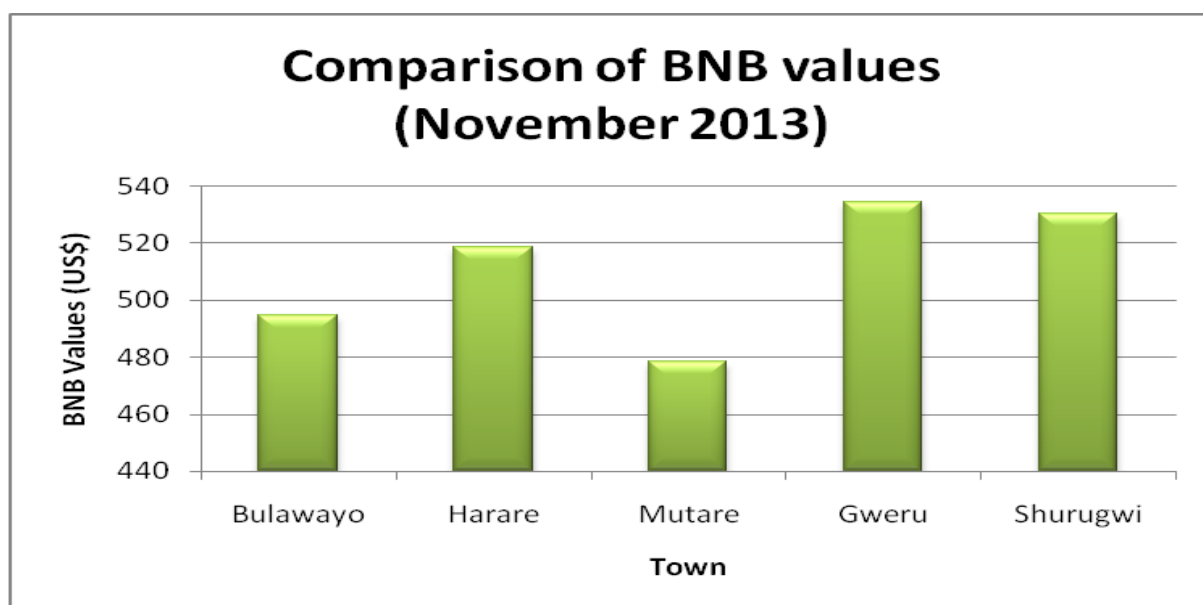
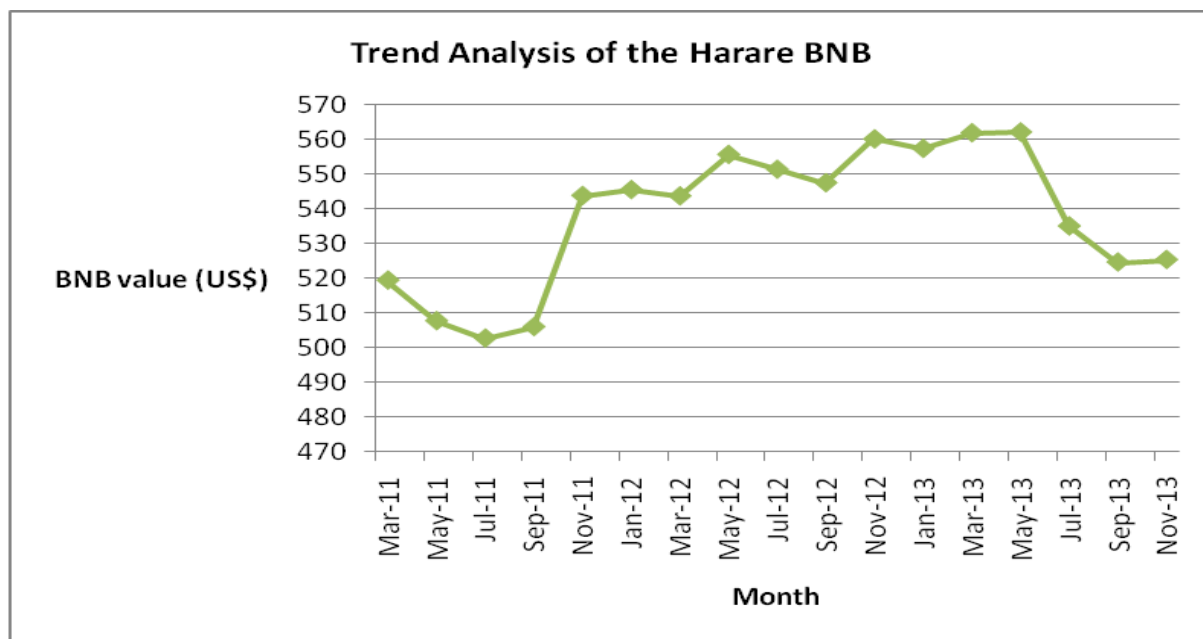
### Harare November 2013 BNB<sup>1</sup>

Item	Preferred brand	Unit available	Quantity	Harare Average (US\$)
<b>A. Essential Food Items:</b>				
Mealie Meal	Red Seal (Roller meal)	20kg	2	25.14
Cooking oil	D'lite	2Ltrs	2	8.49
Beef	Mixed	1kg	5	27.05
Chicken	Suncrest cuts	2kg	1	7.75
Beans	Sugar beans	500g	4	5.86
Fish	Fresh	1kg	2	7.84
Kapenta	Dried	1kg	1	9.27
Salt	Pro-brands	2kg	1	0.91
Bread	Bakers Inn	1loaf	30	30.00
Eggs	Standard	1 crate	2	10.96
Sugar	Gold star (white)	2kg	4	8.18
Tea (leaves)	Stella	250g	4	7.84
Milk	Steri	500ml	12	11.24
Margarine	Buttercup	2kg	1	11.11
Onions		1kg	10	12.05
Tomatoes		1kg	10	9.73
Vegetables (greens)	Rape	1kg	22.5	21.09
<b>Sub-total</b>				<b>214.48</b>
<b>B. Essential Non-food items</b>				
Washing soap	Green bar	1kg	5	7.51
Bathing soap	Geisha tablets	250g	5	4.53
Toothpaste	Colgate	100ml	2	2.28
Toilet paper	Softex	4 rolls/pack	6	6.77
Jelly	Vaseline	250g	2	4.63
<b>Sub-total</b>				<b>25.71</b>

<sup>1</sup> The following are the shops and markets where PRFT collected data on prices of basic commodities for the November 2013 BNB: City Center (TM Robson Manyika, Prime Meats); Epworth (Domboramwari shopping centre); Hatcliffe (Hatcliffe shopping centres); Mbare (OK Mbare and Mbare musika market stalls); Mabvuku (Mabvuku Shopping Centre); Waterfalls (Zindoga shopping centre); Mabelreign (OK and Spar); Newlands (TM); Helensvale (Helensvale Spar). The survey was conducted on the 23<sup>rd</sup> of November 2013.

C. Rates and other services				
Water & Sanitation (medium cost - fixed)	Water	fixed		5.00
	Average usage/month	m3	40	12.00
	Sanitation (Sewage)	fixed		11.50
Monthly rent (4 roomed house)	Basic Accommodation	per room	4	200.00
Electricity	Average usage/month			50.00 <sup>2</sup>
<b>Sub-total</b>				<b>278.50</b>
<b>Total BNB for Harare</b>				<b>518.69</b>
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			\$80/term
	Primary			\$40/term
	Creche			\$30/term
School Uniforms	Girls			\$69 (complete uniform)
	Boys			\$50 (complete uniform)
Health care	CIMAS Basicare Package	2 adults and 3 children @ \$10 each		\$40/month
Fuel & Lighting	Paraffin (Pump price)			\$1.25/Litre
	Diesel (Pump price)			\$1.39/Litre
	Petrol (Pump price)			\$1.53/Litre
	Matches			\$0.58/pack of 10
	Candles			\$1.75/pack of 6

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



### Poverty in the Mining Communities: Where Are the Mining Companies' Priorities?

Poverty has remained a major issue of concern in Zimbabwe with many people struggling to access basic services such as food, health care, clean water and education due to the deterioration in their socio and economic status. While mining in Zimbabwe is now a fast growing sector and a key driver of economic growth, the mining communities have remained underdeveloped. Poverty is an emerging reality in mining towns such as Shurugwi, which is located in the mineral – rich Great Dyke belt, 33km outside Gweru. The mining of precious

minerals such as gold, chrome and platinum has not brought real transformation in the social and economic livelihoods of the residents.

The Poverty Reduction Forum Trust's recent Basic Needs Basket consultative meetings in the mining towns of Gweru and Shurugwi have revealed a number of socio economic challenges which are affecting people's livelihoods. Some of these challenges include shortage of clean water, unaffordable housing rentals and high levels of unemployment. In Shurugwi, it has emerged that the water crisis has brought untold suffering and hardship in the mining town. Due to the erratic water supply in the town, most residents have indicated that they are relying on a few boreholes which were sunk by Zimasco mining company. However, since the boreholes are meant to serve mainly the Zimasco workers, they are located in the mining compounds. This is making life difficult for the residents in other locations especially women and children because they need to travel a distance of about three kilometres to get water. As a result, it has emerged that some households are resorting to hiring individuals who have enough time to walk such long distances to get water for them at a cost. These individuals are taking advantage of the water crisis to earn a living. According to the households, a 200 litre water drum costs about US\$5.

With escalating cost of living and high unemployment levels in the mining community, the situation is becoming unbearable for most households. An analysis of the households under the Poverty Reduction Forum Trust (PRFT) sentinel surveys in Shurugwi and Gweru has revealed that the average household incomes in the month of November 2013 were approximately \$289.50 and \$324.00, respectively. From the PRFT's Basic Needs Basket (BNB) survey conducted in the same month, an average family of five in Shurugwi town needs a minimum of \$530.47 to live a decent and dignified lifestyle while for the same sized families in other cities such as Gweru, Harare, Bulawayo and Mutare, the minimum amount required was approximately \$534.29, \$518.69, \$494.75 and \$478.55, respectively. Already the figures are showing a huge gap between households' disposal incomes and cost of basic living. To save their hard earned income, it has emerged that residents are resorting to using contaminated water from the river for other purposes such as laundry, washing dishes, bathing and cooking. However, the use of unclean water in homes is now costly to the residents as they need to buy more of the monthly non-food requirements such as surf, washing soaps, sunlight liquid to make their clothes and dishes clean. More so, the use of unclean water has exposed residents to various health diseases such as cholera and typhoid. While it is important to embrace all tireless efforts being made by the local mining companies such as Unki and Zimasco in trying to plough back to the communities in various ways, the question which needs to be answered is whether their corporate social responsibility funds are being channelled to programs that are addressing the real challenges that the majority of the residents are facing.

The mining sector in Zimbabwe has a potential to play a significant role in the achievement of Millennium Development Goals (MDGs) such as poverty reduction through social corporate responsibility programs. Besides their mandate to contribute to the fiscus, the mining companies should be more socially responsible. The fact that they are responsible for

the negative impacts of their activities on the environment, they should invest more in corporate social responsibility programs that benefit the communities. The failure to invest adequately in corporate social responsibility programs that have positive impacts on the livelihoods of people increases the incidence of poverty linked social problems and illegal activities in mining communities such as prostitution, robbery and gold panning. In Shurugwi town, a lot of the unemployed youths are engaged in gold panning activities to earn a living.

## **Policy Recommendations**

PRFT is of the view that mining companies should increase their commitment to contribute towards sustainable development of the country. PRFT calls for a strengthened cooperation between the mining companies and the local authorities in projects that aim to improve service delivery and the quality of life in the communities at large. PRFT advocates for a participatory approach in determining and designing corporate social responsibility programs and projects that benefit communities. The communities should play a pivotal role in program design and implementation of the corporate social responsibility programs. Real corporate social responsibility programs should contribute towards poverty eradication through employment creation for the locals.

At policy level, PRFT strongly supports the Publish What You Pay (PWY) initiatives which have already been adopted by other countries to improve transparency and accountability in the extractive sectors. In order for the mining sector in Zimbabwe to contribute significantly to the socio- economic development of the country, there is need for a legal framework that compels mining companies to disclose their earnings, what they pay as taxes and what they reserve for the communities. Under the same framework, the government should also disclose what it earns from these mining companies. More transparency and accountability in the mining of Zimbabwe's mineral resources will go a long way to bring a close cooperation between the three parties, government, the mining companies and the communities. Furthermore transparency removes suspicion as to what each party is supposed to do and contributes towards a win-win situation.