



BASIC NEEDS BASKET REPORT- HARARE

August 2013

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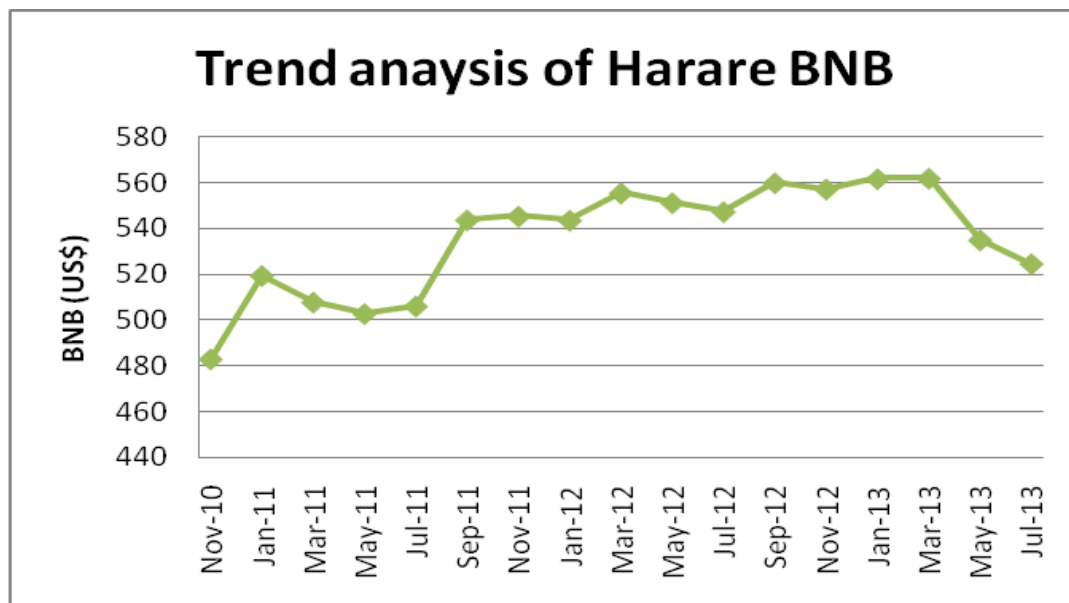
HARARE BNB¹ for JULY 2013

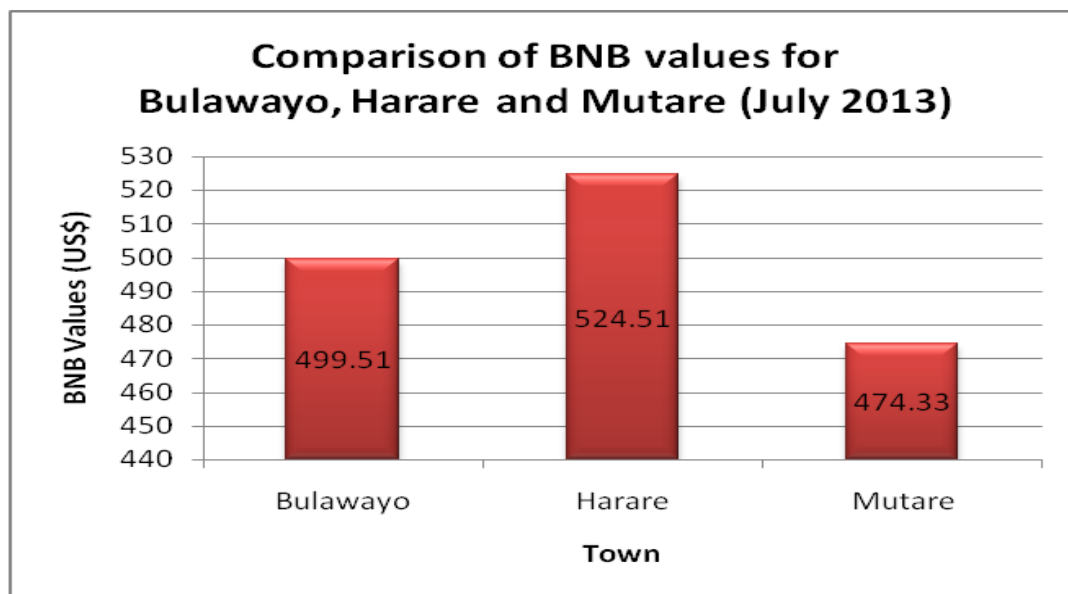
Item	Preferred brand	Unit available	Quantity	Harare Average (US\$)
A. Essential Food Items:				
Mealie Meal	Red Seal (Roller meal)	20kg	2	25.17
Cooking oil	D'lite	2Ltrs	2	8.71
Beef	Mixed	1kg	5	25.81
Chicken	Suncrest cuts	2kg	1	7.98
Beans	Sugar beans	500g	4	9.52
Fish	Fresh	1kg	2	7.70
Kapenta	Dried	1kg	1	9.17
Salt	Pro-brands	2kg	1	0.91
Bread	Bakers Inn	1loaf	30	30.00
Eggs	Standard	1 crate	2	11.58
Sugar	Gold star (white)	2kg	4	9.11
Tea (leaves)	Stella	250g	4	8.48
Milk	Steri	500ml	12	10.23
Margarine	Buttercup	2kg	1	11.63
Onions		1kg	10	14.76
Tomatoes		1kg	10	9.86
Vegetables (greens)	Rape	1kg	22.5	21.04
Sub-total				220.65
B. Essential Non-food items				
Washing soap	Green bar	1kg	5	6.90
Bathing soap	Geisha tablets	250g	5	5.03
Toothpaste	Colgate	100ml	2	2.39
Toilet paper	Softex	4 rolls/pack	6	6.73
Jelly	Vaseline	250g	2	4.32
Sub-total				25.36
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 ²
Sub-total				278.50
Total BNB for Harare				524.51
D. Other Costs				
Telephone/Communication			1\$/day	\$30/month
Transport (public)			\$0.50/trip	\$30/month
School Fees:				
Tertiary	University Public			\$420 - \$550/Semester

¹ The following are the shops and markets where PRFT collected data on prices of basic commodities for the July 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 26nd and 29th July 2013.

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

	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 @ \$67 each and 3 children @ \$40 each	\$40/month
Fuel & Lighting	Paraffin (Pump price)		\$1.20/Litre
	Diesel (Pump price)		\$1.35/Litre
	Petrol (Pump price)		\$1.18/Litre
	Matches		\$.70/pack of 10
	Candles		\$1.85/pack of 6





Household Income and Expenditure Analysis: Does Writing Off Of Bills Bring About A Win-Win Situation?

An analysis of the households under the Poverty Reduction Forum Trust (PRFT) sentinel surveys in Bulawayo and Mutare has revealed a slight increase in the average household monthly incomes for August. In Bulawayo, the average monthly income increased from approximately US\$373.33 in July to about US\$427.33 in August while in Mutare the average income went up to US\$420 from US\$336 in July. The increase in average incomes was mainly attributed to an increase in income realized from buying and selling. The proportion of additional income from street vending and flea markets as percentage of total household income increased to 53% and 21% in Bulawayo and Mutare, respectively. High unemployment rate in Zimbabwe has resulted in most households resorting to informal businesses such as street vending in a way to earn a living. Even with formal employment, poor remuneration has forced families to engage themselves in buying and selling businesses in order to supplement their incomes. With increasing income earned from street vending and flea markets, there is evidence to suggest that the informal sector has contributed positively to the livelihoods of urban households as they try to meet daily basic life requirements.

The analysis of the households shows that out of the four components (food items, non food items, rental and bills) that constitute the Basic Needs Basket (BNB), the monthly expenditure on food as proportion of total expenditure continues to be relatively higher. In Bulawayo, the sentinel survey shows that food expenditure constituted about 52% of the monthly total household expenditure while in urban Mutare, expenditure on food constituted approximately 33%. This could have been as a result of food prices which remained higher during the month despite the depreciation of South African rand during the month. Non food items and bills (water and electricity) have contributed the least to the total household expenditure during the month.

While the analysis from the sentinel survey has shown that there were some improvements in average monthly household incomes in the two urban areas, the average incomes continue to be well below the Poverty Datum Line (PDL) income which is currently around US\$540.

From the PRFT's Basic Needs Basket (BNB) survey conducted in July, the cost of Basic Needs Basket for an average family of five to live a descent and dignified lifestyle in Bulawayo was US\$499.51 while the cost of the basket for same sized families in Mutare and Harare was about US\$474.33 and US\$524.51, respectively. The households continued to experience poor service delivery. For example, the month of August has begun with massive load shedding and unavailability of water in most urban suburbs. This comes in the wake of the recent directive by the government for city councils to write-off all household bills before July 2013. Due to high load shedding, households were forced to fork out part of their income to buy firewood despite having paid their electricity costs. As it turns out, purchasing fire wood for a week or month's use is more expensive than purchasing electricity for the same period, hence households have become more vulnerable and cash strapped.

For a better future, residents are pinning their hopes in the coming new government. The new government is expected to come up with strategies that will address the immediate needs of poor whether in urban or rural areas. PRFT is of the view that any policy package that aims to cushion vulnerable groups of the society should prioritise service delivery and access to affordable food, housing, health and education. The newly elected local authority policy makers should work towards ensuring adequate electricity, clean water and refuse collection and maintenance of roads in urban areas. In the herald of 22 July, the outgoing minister of local government gave a directive to all local councils to write off bills which accumulated since 2009. While this is likely to bring some reprieve to the ordinary Zimbabweans, the celebration will be short-lived as it is unsustainable as councils have no alternative sources of income to meet the gap created by this move. A sustainable strategy is for local councils to charge affordable and realistic bills to avoid cases of defaulting payment by ratepayers.

The question we should be asking ourselves is after the bills write off and the next revised bill is received, is the same household automatically in a position to now pay the bill? For this situation to be attainable there has to be some positive changes in the household's economic situation. It is therefore important that as the in-coming government takes office that the revival of industries is prioritized so as to create more employment for its economically active population. Currently, there is high level of unemployment in the country as many jobs are exported to South Africa where a lot of products are imported from. Through its role as a developmental state, the government should put more resources in sectors such as manufacturing and agriculture where most people can benefit. At policy level, the government can generate more stable and rewarding jobs through formalization of the informal sector where most people are currently earning a living from. Although indigenization and empowerment is viewed as a good policy, and has potential to bring about the long-awaited development, its starting point could be the removal of the restrictive laws which make it difficult for ordinary citizens to get licenses to operate small businesses. The current regulatory framework is not supportive for small-scale operators and they are criminalized at every turn as they try to make a living for their families. The new government should dispense of the business-as-usual attitude and seriously put people at the centre of planning for moving Zimbabwe forward.