



## **HARARE BASIC NEEDS BASKET**

**September 2013**

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## HARARE BASIC NEEDS BASKET ANALYSIS

The cost of the BNB for an urban family of five in Harare has increased by approximately 0.14% to \$525.23 last month pushed up mainly by the increases in price of beef. The cost of beef which on average was costing \$5.06 per kilo in July has increased to an average price of around \$5.41 in September. Despite a slight increase from \$524.51 in July, the month of September witnessed decreases in the prices of food items such as cooking oil, eggs, sugar and onions among others. The prices of other basic commodities which include salt, chicken and mealie meal remained stable. The table below presents a detailed September BNB for Harare.

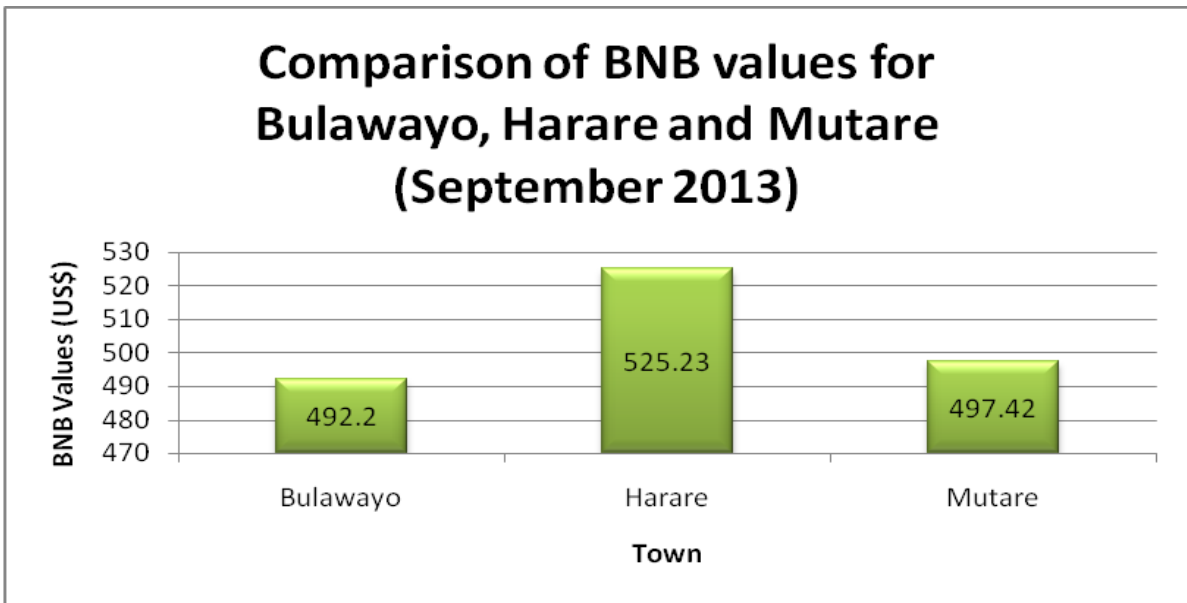
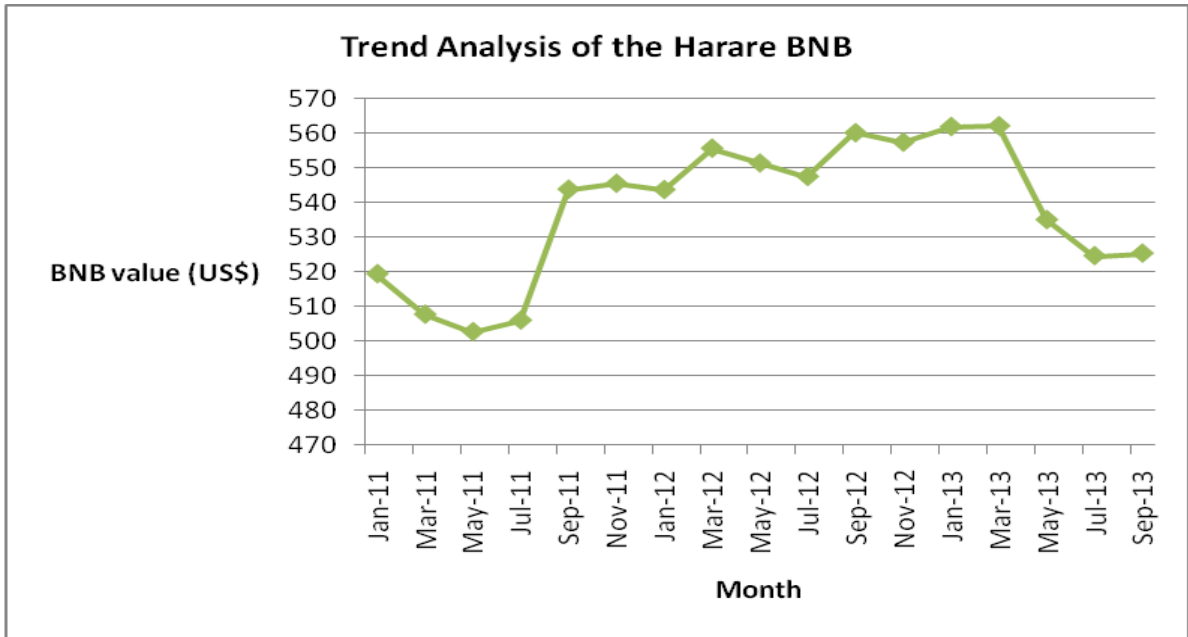
### Harare September 2013 BNB<sup>1</sup>

Item	Preferred brand	Unit available	Quantity	Harare Average (US\$)
<b>A. Essential Food Items:</b>				
Mealie Meal	Red Seal (Roller meal)	20kg	2	25.02
Cooking oil	D'lite	2Ltrs	2	8.65
Beef	Mixed	1kg	5	27.74
Chicken	Suncrest cuts	2kg	1	7.78
Beans	Sugar beans	500g	4	9.47
Fish	Fresh	1kg	2	7.63
Kapenta	Dried	1kg	1	8.90
Salt	Pro-brands	2kg	1	0.89
Bread	Bakers Inn	1loaf	30	30.00
Eggs	Standard	1 crate	2	10.68
Sugar	Gold star (white)	2kg	4	8.93
Tea (leaves)	Stella	250g	4	7.78
Milk	Steri	500ml	12	10.46
Margarine	Buttercup	2kg	1	11.22
Onions		1kg	10	12.54
Tomatoes		1kg	10	10.99
Vegetables (greens)	Rape	1kg	22.5	21.94
<b>Sub-total</b>				<b>220.59</b>
<b>B. Essential Non-food items</b>				
Washing soap	Green bar	1kg	5	7.41
Bathing soap	Geisha tablets	250g	5	4.54
Toothpaste	Colgate	100ml	2	2.41
Toilet paper	Softex	4 rolls/pack	6	7.18
Jelly	Vaseline	250g	2	4.60
<b>Sub-total</b>				<b>26.14</b>
<b>C. Rates and other services</b>				
Water & Sanitation (medium cost - fixed)	Water	fixed		5.00

<sup>1</sup> The following are the shops and markets where PRFT collected data on prices of basic commodities for the September 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 26<sup>th</sup> of September 2013.

	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>525.23</b>
<b>D. Other Costs</b>				
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 @ \$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)			\$1.48/Litre
	Matches			\$0.60/pack of 10
	Candles			\$1.85/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.





## **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.