



MUTARE BASIC NEEDS BASKET

November 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

MUTARE BASIC NEEDS BASKET ANALYSIS

The cost of the Basic Needs Basket for Mutare has decreased by approximately 3.8%, from US\$497.42 in September to US\$478.55 in November 2013. The month of November witnessed slight decreases in the prices of food and non food items such as cooking oil, eggs, sugar and washing soap. The cost of a 2 litre (Delite) cooking oil bottle which on average was costing \$4.41 in September has decreased to an average price of around \$4.00 in November while the cost of a 2 kg white sugar went down from an average price of \$2.20 in September to an average price of \$2.12 in November. In the same month, the average price of 1kilogram washing soap (Green bar) also went down from an average price of \$1.57 in September to \$1.43. The coming of a new supermarket (Cost-It Ent) in Chikanga following the closure of Spar has brought a reprieve to the residents. The prices of most basic commodities in the supermarket are lower as compared to the previous Spar and other BNB sites. Below is a detailed Mutare BNB for the month of November.

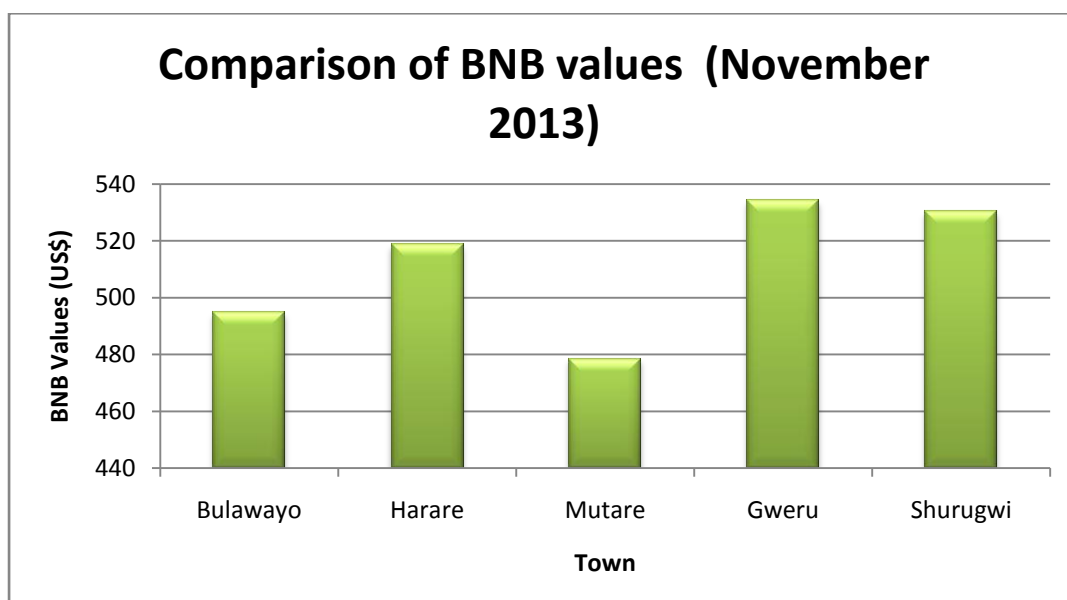
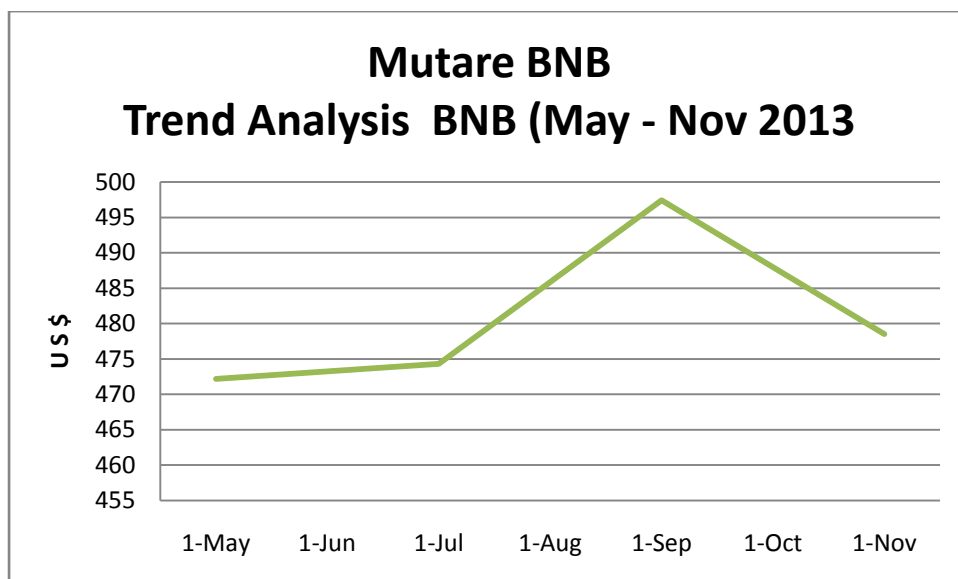
Mutare BNB¹ for November 2013

		<i>Unit Available</i>	<i>Quantity Required</i>	Mutare average (US\$)
A. Essential Food Items:				
Mealie Meal (breakfast)	Red Seal (Roller meal)	20kg	2	25.71
Cooking oil	D'lite	2Ltrs	2	8.02
Beef	Mixed	1kg	8	49.80
Chicken	Suncrest cuts	2kg	1	7.34
Beans	Sugar beans	500g	2	3.01
Fish	Fresh	1kg	2	7.71
Salt	Pro-brands	2kg	1	0.89
Bread	Bakers Inn	1loaf	30	30.00
Eggs	Standard	1 crates	2	10.71
Sugar	Gold star (white)	2kg	4	8.49
Tea (leaves)	Tanganda	250g	4	9.03
Milk	Steri	500ml	10	9.17
Margarine	Buttercup	2kg	1	11.26
Onions		1kg	5	6.12
Tomatoes		1kg	10	10.05
Vegetables (greens)	Rape	1kg	15	7.60
Sub-total				204.90
B. Essential Non-food items				
Washing soap	Green bar	1kg	3	4.30
Bathing soap	Geisha tablets	250g	4	3.79
Washing Powder	Omo	1kg	1	2.79
Toothpaste	Colgate	100ml	2	2.30

¹ The following are the shops and markets where PRFT collected data on prices of basic commodities for the November 2013 BNB; Dangamvura TM, Sakubva TM, Sakubva Spar, Chikanga COST IT - ENT, TM City centre, OK City Centre. The survey was conducted on the 19th and 20th of November 2013.

Sanitary pads	Farai	1 pack	3	3.09
Toilet paper	Softex	4 rolls	4	4.61
Jelly	Vaseline	250ml	2	5.88
Sub-total				26.65
C. Rates and other essential services				
Water & Sanitation (medium cost - fixed)	Water fixed			0.00
	Average usage/month	420 m3		16.00
	Sanitation (Sewage)	Fixed		6.00
Monthly rent (4 roomed house)	Basic accommodation	per room	4	160.00
Electricity ²	Fixed		1	0.00
	Average usage/month	Units		65.00
Sub-total				247.00
Total for Basic Needs Basket for Mutare				478.55
Other Costs				
Telephone/Communication		\$/month		30.00
Transport (2-way)		\$1/day		30.00
School Fees				
Tertiary	University			420.00
	Technical/Professional College		National certificate	175.00
			National Diploma	225.00
	High School (Forms 5&6)	per term		120.00
	Secondary (Forms 1-4)	per term		70.00
	Primary	per term		25.00
	Creche	per month		30.00
Uniforms	Girls	Complete set	Enbee Prices	70.00
	Boys	Complete set	Enbee Prices	60.00
Health care	CIMAS Basic care package		2 adults and 3 children @ \$10 each	40.00
Fuel & Lighting	Paraffin (pump price)			1.25
	Diesel (pump price)			1.39
	Petrol (pump price)			1.53
	Matches	Carton of 10		0.55
	Candles	pack of 6		1.85
	Firewood	per month		20.00

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



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.