



MUTARE BASIC NEEDS BASKET

September 2013

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MUTARE BASIC NEEDS BASKET ANALYSIS

The cost of the Basic Needs Basket for Mutare has gone up by approximately 4.9%, from US\$474.33 in July to US\$497.42 in September 2013. The increase was mainly driven by a rise in the cost of prepaid electricity needed by a family of 5 from an average of US\$50 in July to an average of US\$ 65 in September. Mutare has fully adopted the prepared meter reading and families are now requiring more money than before in order to get enough electricity for the month. The month witnessed slight increases in the prices of food items especially of beef and tomatoes. The cost of beef which on average was costing \$6.44 per kilo in July has increased to an average price of around \$6.93 in September. The average price of tomatoes per kilogram went up from \$1.37 in July to \$1.62 in September. The table below is a detailed Mutare BNB for the month of September.

Mutare BNB¹ for September 2013

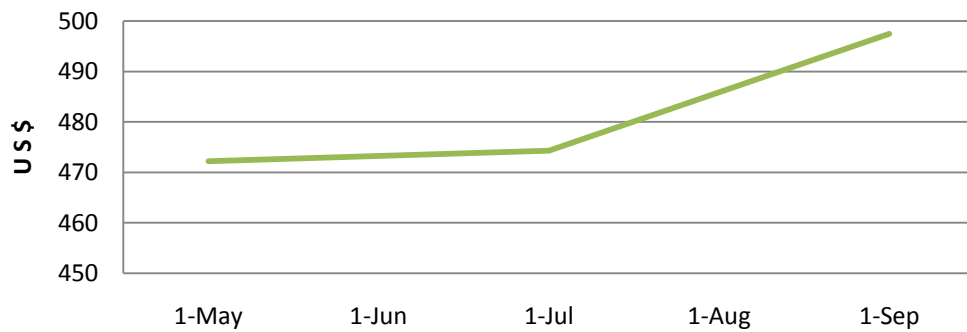
		<i>Unit Available</i>	<i>Quantity Required</i>	Mutare average (US\$)
A. Essential Food Items:				
Mealie Meal (breakfast)	Red Seal (Roller meal)	20kg	2	25.48
Cooking oil	D'lite	2Ltrs	2	8.82
Beef	Mixed	1kg	8	52.19
Chicken	Suncrest cuts	2kg	1	7.81
Beans	Sugar beans	500g	2	3.06
Fish	Fresh	1kg	2	8.15
Salt	Pro-brands	2kg	1	0.89
Bread	Bakers Inn	1loaf	30	30.00
Eggs	Standard	1 crates	2	11.08
Sugar	Gold star (white)	2kg	4	8.83
Tea (leaves)	Tanganda	250g	4	9.67
Milk	Steri	500ml	10	9.63
Margarine	Buttercup	2kg	1	11.50
Onions		1kg	5	8.45
Tomatoes		1kg	10	16.18
Vegetables (greens)	Rape	1kg	15	10.05
Sub-total				221.80
B. Essential Non-food items				
Washing soap	Green bar	1kg	3	4.72
Bathing soap	Geisha tablets	250g	4	3.72
Washing Powder	Omo	1kg	1	2.51
Toothpaste	Colgate	100ml	2	2.71

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

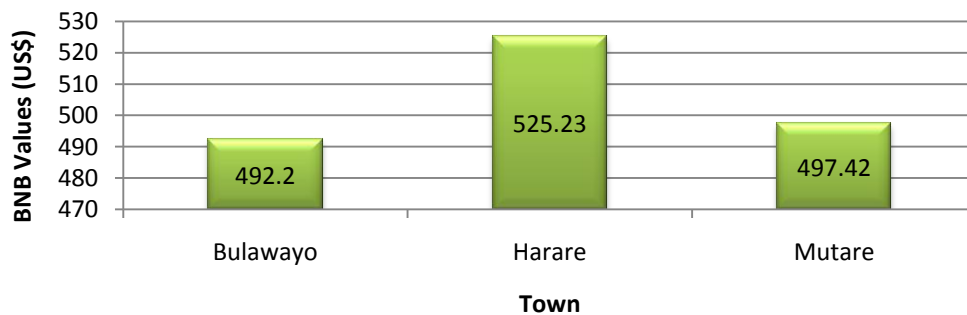
Sanitary pads	Farai	1 pack	3	3.26
Toilet paper	Softex	4 rolls	4	5.75
Jelly	Vaseline	250ml	2	5.95
Sub-total				28.62
C. Rates and other essential services				
Water & Sanitation (medium cost - fixed)	Water fixed			0.00
	Average usage/month	m3	40	16.00
	Sanitation (Sewage)	Fixed		6.00
Monthly rent (4 roomed 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				497.42
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 Basicare scheme			2 adults @ \$67 each and 3 children @ \$40 each
Fuel & Lighting	Paraffin			1.20
	Diesel			1.28
	Petrol			1.42
	Matches	Carton of 10		0.75
	Candles	pack of 6		1.98
	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.

Mutare BNB Trend Analysis BNB (May - Sept 2013)



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