



HOUSEHOLD INCOME AND EXPENDITURE SURVEY REPORT: PERI- URBAN MIGRATIONS TRENDS AND POVERTY IMPLICATIONS

1.0 Introduction and Background

Zimbabwe is a signatory to the Sustainable Development Goals (SDGs) agenda which was adopted by the United Nations on the 15th of September 2015. The new global agenda presents a much wider framework in that it incorporates a specific and unique goal to address the challenges of cities and urban population. The need to put more energy on this goal comes from the observation that growth of cities in Africa has been happening with increased social and economic challenges faced by the urban population and Zimbabwe is not an exception. The goal (number 11) speaks about the need to ensure that cities and human settlements are inclusive, safe, resilient and sustainable between 2015 and 2030. Its fulfilment provides a greater potential for the realisation of leaving no one behind principle and broad based human development. Some of the specific targets that this agenda intends to achieve under this goal are as follows;

1. Enhancing inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
2. Ensuring access for all to adequate, safe and affordable housing and basic services and upgrade slums
3. Provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

Although the government of Zimbabwe commits to the implementation of all 17 Sustainable Development Goals, it has prioritized only ten out of all the seventeen SDGs. By prioritizing the ten SDGs, the likelihood is that more focus and resources will be availed to this priority list first. However, goal (number 11) that speaks to the need to ensure that cities and human settlements are inclusive, safe, resilient and sustainable is becoming more critical and the country has to deliberately target its fulfilment to achieve broad based results on its priority goals such as inclusive and sustainable growth, poverty reduction and elimination of all forms of inequality. The government of Zimbabwe has a mammoth task of fighting urban poverty which is manifesting in a multiplicity of ways including lack of sustainable livelihood opportunities, poor access to social services, violation of social and economic rights in public resource allocation. The Minister of Finance and Economic Development has been on the record confirming the need to put in place policies to address social and economic challenges being faced by the large segment of urban population in Zimbabwe¹. Most of Zimbabwe's urban cities have experienced both increased urban growth and urbanisation and this has not been driven by improved

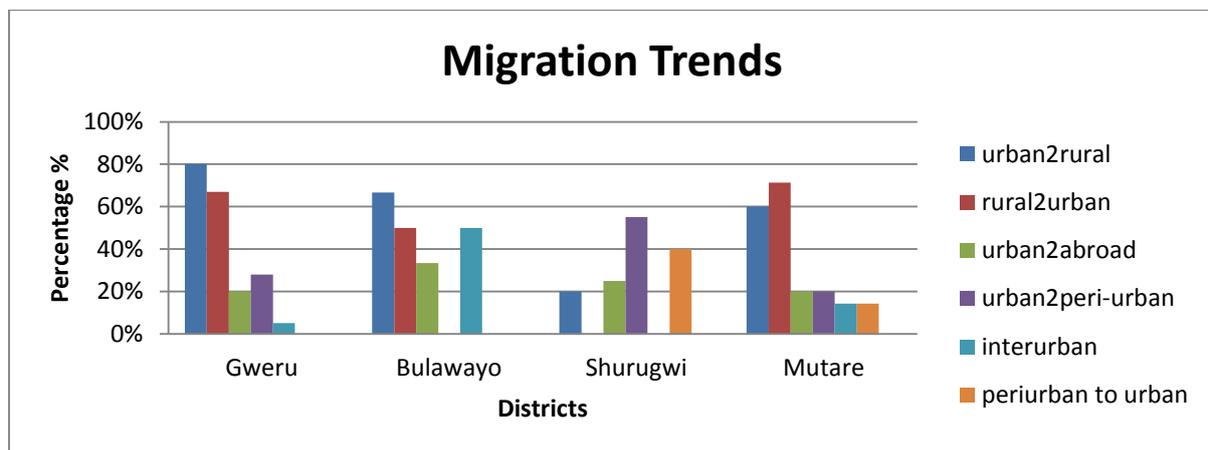
¹<https://www.newsday.co.zw/2014/09/20/resilient-strategies-curb-urban-poverty-vital/>
<https://www.newsday.co.zw/2014/11/20/address-urban-poverty-zim/>

economic opportunities in the manufacturing sector². Formal industries have collapsed and most people have lost their social and economic safety nets. This is culminating into higher incidences of urban challenges such as food insecurity

The persistent social and economic challenges, higher degree of informalisation of the economy, political decisions and government’s response to economic collapse and service delivery among other factors have presented both risks and opportunities in establishing infrastructure and cities for economic development. For example, government’s response in addressing housing deficits has produced peri urban settlements without adequate social amenities such as water and sanitation. This situation is impacting negatively on broad based human development agenda. Through the analysis of literature review and Household Income and Expenditure survey data generated from 4 districts³ in July 2016, PRFT has gathered evidence on the dimensions of urban - peri urban migration, underlying causes and their impacts on ensuring safe and sustainable cities in Zimbabwe.

1.2 Findings

1.2.1 Graph on recent urban and peri urban migrations trends between June 2015 and July 2016



An analysis of migration trends in the surveyed urban districts revealed different types of migrations with the urban – peri urban migration being the dominant one across all districts. Zimbabwe has been experiencing urban growth⁴ with smaller towns recording the highest growth rates⁵. Through its findings, PRFT notes that the growth of urban areas and establishment of more peri urban settlements is attributed to the following factors;

²Urban growth refers to the increase in the urban population that occurs as a result of any or a combination of rural-to-urban migration, natural increases, boundary changes or reclassification of rural villages/territories into urban areas while urbanisation refers to the proportion of the national population that resides in urban areas.

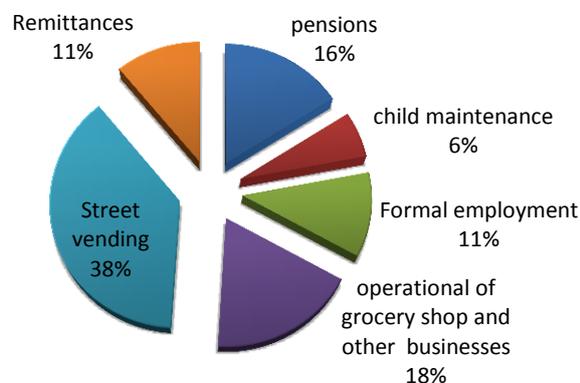
³ Surveys were undertaken in Mutare, Bulawayo, Shurugwi and Gweru

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⁵DFID Cities and Infrastructure for Economic Development in Zimbabwe Report, 2016

- The collapse of industries and loss of formal employment has pushed people to look for cheaper housing or stands for home ownership in peri urban areas. The cost of Basic Needs Basket has always been higher than incomes earned by the urban poor and housing rentals have been a major cost driver. PRFT's July Household Income and Expenditure survey in the four districts revealed an average household income of \$299, a figure which is below the average cost of the Basic Needs Basket of \$484 reported in the same month. More opportunities for home ownership in peri urban areas have contributed to a decline in inner suburb rentals as supply is exceeding demand. Houses have ceased to provide a commensurate income due to demand linked devaluation. Results from the PRFT's Household Income and Expenditure analysis show a reduction in proceeds from rentals by 50% between 2014 and 2016 in households who have been letting out their houses (either partly or in full). This has impacted on the economy in different ways. The economic collapse and subsequent decline in housing rentals has plunged the medium class into poverty as most of their properties have been left unoccupied due to declining demand. The country is left with mainly two classes, elites group and the poor, with the latter being the largest constituency. In a normal economy, the medium class should be seen contributing more to national savings which are essential for industrialization and economy growth.
- The findings also show a link between informalisation of the economy and urban sprawl. The urban and peri urban areas have become a hub of informal income generating activities as economic opportunities in the formal sector continue to shrink. More small informal businesses have been established to supply the needs of the "new urban", the peri urban settlements. The survey results on common sources of livelihoods illustrate this. The surveyed households reported operation of small informal business (18%) and vending (38%) as their major sources of livelihoods.

Common sources of Livelihoods/ Income for the poor urban



Implications

The survey results and follow up discussions with communities reflect an increase in vulnerability among households involved in unsupported informal businesses. This is also confirmed by the ZimStats' 2014 Labour Force Survey which indicates a higher informal sector poverty prevalence rate of 78% with 24% representing households in extreme poverty⁶. People's efforts and investments in the informal sector are yet to see them out of the poverty cycle and the country is yet to realize more economic gains from the informal sector. There are several challenges which are undermining their growth and productivity. Some of the critical issues are;

- i. Although the services and products provided for under the informal sector are very heterogeneous in nature, the bulk of the informal activities are in retailing rather than production and this makes it difficult for them to be integrated into the formal production value chains where there are more opportunities. The few entrepreneurs who are into production (such as production of furniture) have an opportunity to grow and create more employment opportunities in cities if there are deliberate policy measures to improve investment flows and capacity building on quality. High levels of social cohesion among the informal smaller business is already an opportunity which can be tapped into to improve their productivity.
- ii. The findings also revealed uneven distribution of services such as energy as a challenge affecting both small informal business and ordinary residents. Despite availing more rural land for housing development, the government is lagging behind with regards to providing these areas with electricity which is critical to raise productivity and competitiveness of small business including the ones that are participating in the informal sector. Unavailability and unaffordable of electricity has forced many peri urban residents to resort to unsafe and environment threatening sources of energy such as firewood.
- iii. Policy inconsistencies and uncertainty in economic policy direction are resulting in low levels of business confidence and subsequent reduction in capital investment in the informal sector

1.2.2 Urban land allocation and Housing development

The in-depth analysis clearly attributes the recent urban – peri urban migrations to government's policy on land distribution in urban areas. Processes of urban sprawl into rural farmlands are taking place around all urban areas. Places such as Seke and Caldonia, in Harare were once rural farm lands but have since been converted into peri urban settlements following government's policy stance to avail more land to local authorities for housing development.

The government is trying to address shortages of housing for the poor, a problem that has been accumulating since the onset of economic collapse in 2000. Through the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimAsset) under the Social Service and Poverty Eradication cluster, government committed to improve the standard of living by constructing 125 000

⁶ ZimStats, 2014

housing units. One of the key strategies identified in the cluster is to supply low cost housing land through Private Public Partnerships (PPPs). While the Ministry of Local Government, Public Works and National Housing has a policy direction (National Housing Policy) to address housing challenges , the current government's urban allocation process seems to worsen the challenges of fighting poverty and social injustice in urban areas. Media reports have revealed that the government is availing more idle urban state land to youth and ordinary residents for home ownership⁷. Some of the key issues of particular concern are as follows;

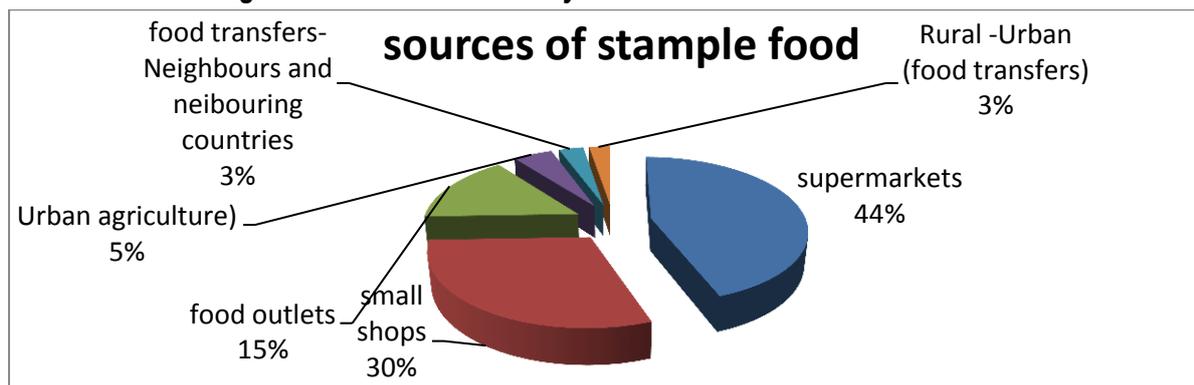
1)The government has not been following urban development and national spatial plans as vigorously as what it used to do before 2000. Many peri urban settlements have been informally produced and this has ultimately generated infrastructure deficits especially for water and sanitation, health and education services, as well as electricity, high levels of congestion on the limited transport infrastructure. More residents have to travel further distances to access basic services such as water and this is disproportionately affecting children and women. The risks of environmentally related health hazards including cholera are very high and government risks incurring high costs of medication to maintain the health of the residents. The high infrastructure deficit is also exerting pressure on few resources available for Water Sanitation and Hygiene (WASH) programme. A review of literature shows that Zimbabwe would need up to USD \$ 325 million per year for at least a decade for water and sanitation (WASH) alone to reverse the infrastructure deficit. Yet, in 2010 for example, the WASH sector allocation was a mere USD \$15 million or 16% of total spending⁸.

2)The current land distribution process demonstrates a piece -meal approach to poverty reduction since most of these residents are economically disempowered to raise revenue to build houses.The distribution of a public resource like land is always good as it presents an opportunity to address social injustices in house ownership. However, distributing land to the unemployed youths without initiatives to economically empower them to pay for the development of the land and construction of a proper house derails efforts to fight poverty and social injustice in a sustainable manner. The most common outcome is reselling of the stand or development of a substandard house and this is not what real social and economic empowerment should mean for the poor urban population. Most of these residents cannot meet the requirements to access financial assistance from banks to build the houses. The government and local authorities tend to lose out potential revenue sources through rates payment if a large proportion of beneficiaries of land are not in a position to build houses. There must be a balance between distribution of land to fill the immediate social justice needs of the homeless and improving productivity of land for industrialization. .

⁷<http://www.herald.co.zw/zanu-pf-hands-over-5-000-norton-stands/>

⁸WSP(2011:26)

1.2.3 Peri urban migrations and Food security



The survey has also established the role of socio-economic environment and government policy in shaping food sources for the poor urban population. The findings show that supermarkets, small shops and other food outlets have become the dominant sources of food for the urban population. Urban communities are increasingly relying on urban markets for food (such as mealie-meal) and less on food transfers from rural areas and neighbouring countries. Although 81% of the households reported on the importance of rural – urban food transfers in urban food security, the survey results indicate an insignificant share of food transfers from rural areas. These results are not surprising because Zimbabwe has recorded a high food deficit during the 2016 cropping season following an El Niño induced drought. Local maize production has significantly declined and the country has no surpluses even for rural consumption. More maize is being imported from neighbouring countries as a way to cover the high food deficit. Although the importation of maize in the country has improved supply and stabilised prices of maize mealie-meal, there are increasing risks of instability in food consumption by the poor households due to low income levels.

The surveys also revealed low contribution of urban agriculture as a source of food security in the past 6 months. Urban agriculture is an important source of food and livelihoods amongst the urban population. However, maize production in the urban areas may be decreasing due to both effects of urban land allocation and climate change. The results largely reflect more exposure of the urban population to the effects of climate change and collapsing rural agriculture. This implies that the government has to boost agricultural production and create surplus to reduce problems of food insecurity in both urban and rural population.

1.3 Recommendations

In light of the above analysis, PRFT makes the following recommendations.

- The government through the Ministry of Small to Medium Enterprise and Cooperative Development should support, organize and regulate small business in the informal sector in order to realize social and economic transformation. These interventions should be based on social dialogue. Economic policies should be reviewed to strengthen the growth capacities of the informal sector businesses so that they are able to make significant impacts on poverty reduction and economic growth. The government should identify the low hanging fruits in the informal sector, i.e. establishing and supporting the SMES which have capacity to grow and

create employment and incomes for both household economic security and industry recovery. The heterogeneity of the informality makes it a prerequisite for the government to device a policy framework that allows at least each type (for example SMES businesses owned by women) of informal business to benefit from local value chains or Economic Partnership Agreements (EPAS). Critical interventions that should be extended to informal small business include coordinating and integrating them into the ministry's SMES clusters, improving access to finance, energy, capacity building on business development and quality among others. Council's by-laws and policies should be reviewed with an objective of supporting informal businesses as they have emerged to be a major source of untapped resources for service delivery.

- The government through the Ministry of Local Government, Public Works and National Housing should prioritize upgrading of existing slums and peri urban settlements and provide essential social service infrastructure such as water and sanitation. Effective consultations should be done to residents a voice in prioritizing their needs in the process.
- The government through the Ministry of Energy and Power Development should invest more in energy generation and improve access to clean and affordable energy in urban areas.
- On land distribution and housing development, there is need for government to take a holistic and sustainable approach in responding to social injustice in urban areas. The government must think broadly on how it can make use of land as a source for industrialization. Land must be productive for it to contribute to both economic growth and poverty reduction. The government should harness the two way linkages between land development and industrialization. A sustainable land development should be backed by improvement in opportunities in the manufacturing sector whilst land development can be a source of economic resources such as savings, taxes for the country and the operations of local authorities. To achieve a balanced growth that will enhance poverty reduction and elimination of inequality, the country needs a domestic resource mobilization strategy which is anchored on harnessing all possible sources of savings and taxes especially those that are linked to immovable property such as land.
- Government and local authorities should accelerate the implementation of low costs PPPs in housing development to reduce the costs of land development. This can provide a win- win situation as the approach reduces the cost of developing land for home ownership and it makes it possible for councils to benefit from well-constructed and completed structures through rates payments.
- Government should speed up efforts to revive rural agriculture to improve food security for both rural and urban population. The government through ministry of Finance and Economic Development should be concerned about financing climate change resilient measures going forward. There is need to establish more irrigation initiatives to combat the effects of climate change. There is also need for government to invest in rural infrastructure (roads) and

agricultural value chains through resuscitation and de - politicization of rural development agencies such as District Development Fund (DDF) and Agricultural Rural Development Agency.

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