ZIMBABWE POVERTY UPDATE 2017–19

ZimStat — Zimbabwe National Statistics Agency

zimref

WORLD BANK GROUP

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Why Mini-PICES 2019?

- ZIMSTAT completed a Poverty, Income, Consumption and Expenditure Survey (PICES) in 2017 that generated a welfare aggregate and poverty estimate

- However, there were significant economic and social events in late 2018 and early 2019. Notably, rapid food price inflation, coupled with poor rainfall during the 2018/19 agricultural season, may have significantly affected poverty levels.

- These developments suggested the need for an update on poverty, food insecurity, and other outcomes

Mini-PICES survey 2019

- A 10% subsample of PICES 2017 sample (3000 households) was revisited during mid-April to mid-May 2019 with a shortened questionnaire

  - Overall response rate = 73% (2201 full responses)

  - Data were collected using tablets

  - Detailed consumption data as well as other data were collected from only one fifth of the households (478 out of 600 households. Response rate = 80%)

  - For the remaining four fifths of households, consumption levels were imputed, based on a regression of per capita consumption and poverty proxies (asset ownership, education levels, house type, household size, etc.)

  - Poverty lines were updated to April/May 2019 using food prices for these months for each of the food items in the food basket, and the CPI for the non-food component.
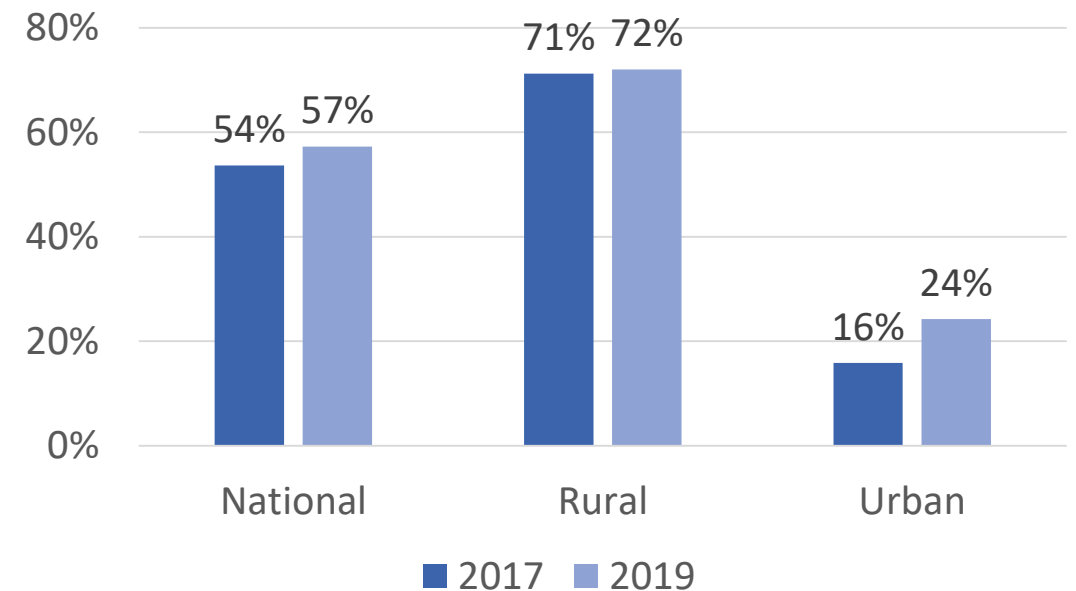
Poverty levels increased between 2011/12 and 2017 and then again in 2019

- Extreme poverty (using the food poverty line) rose faster than general poverty

- The number of extreme poor increased from 4.6 million in 2017 to 6.0 million in 2019

- Urban poverty rose faster then rural poverty


Poverty 2011/12-2019 (food poverty line)
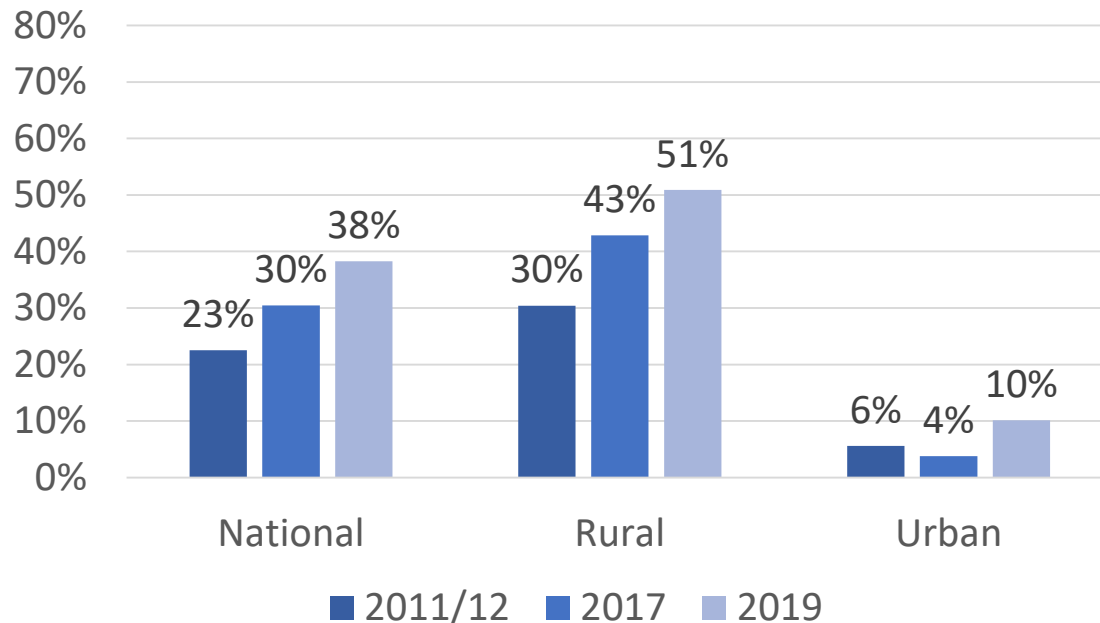
Poverty 2017-2019 (lower poverty line)

Standard errors for 2017 where 0.6% for rural and 1.3% for urban
Standard errors for 2019 where 2.9% for rural and 4.3% for urban

...and welfare dropped relatively more among the poor, particularly in urban areas...

Per Capita Consumption Growth Rate from 2017- April/May 2019
by welfare group (decile)

Consumption Growth Rate (%)
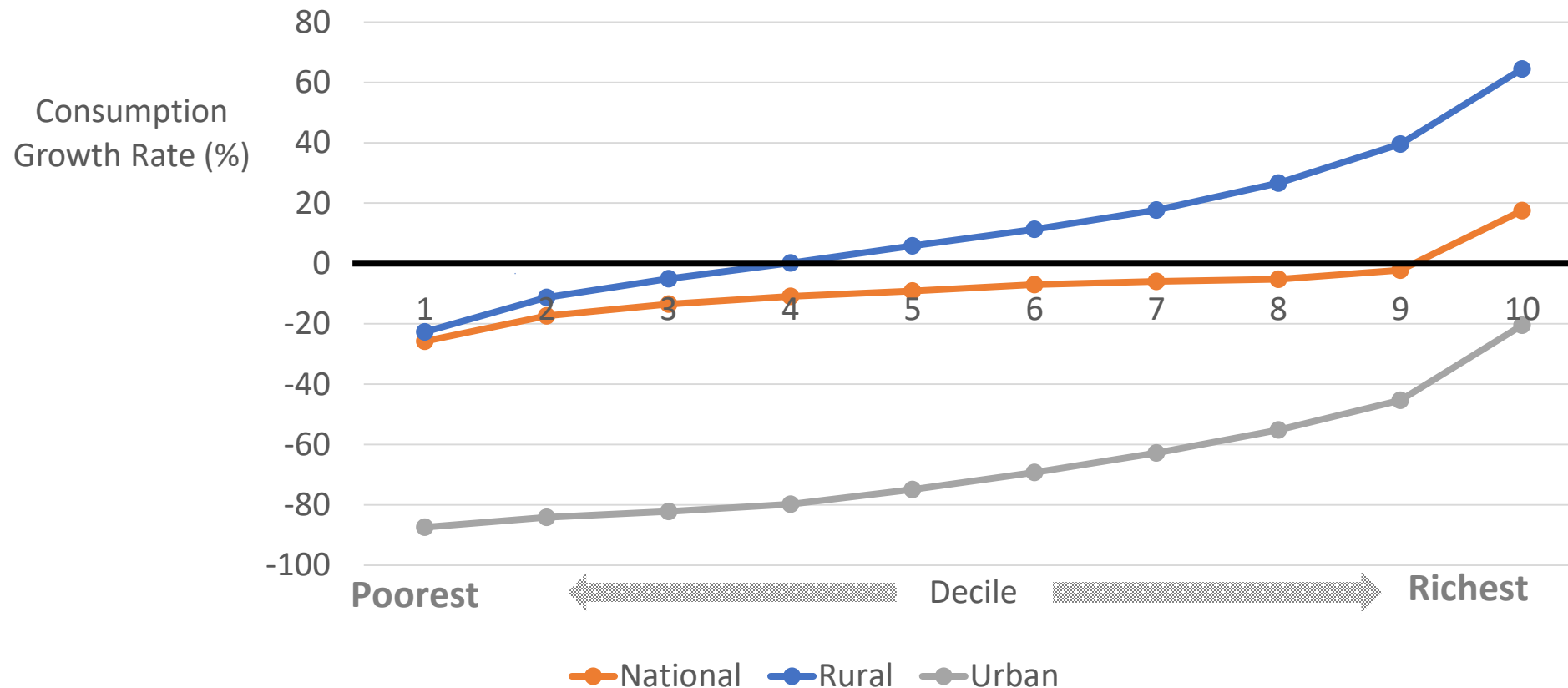
Of the rural population only the bottom 4 deciles had a negative consumption growth rate.

Among the urban population this was the case for everyone

...leading to an increase in inequality

- Inequality, as measured by the Gini index, rose from 44.7 in 2017 to 50.4 in 2019.

- Only 12 other countries in the world have a higher Gini index.

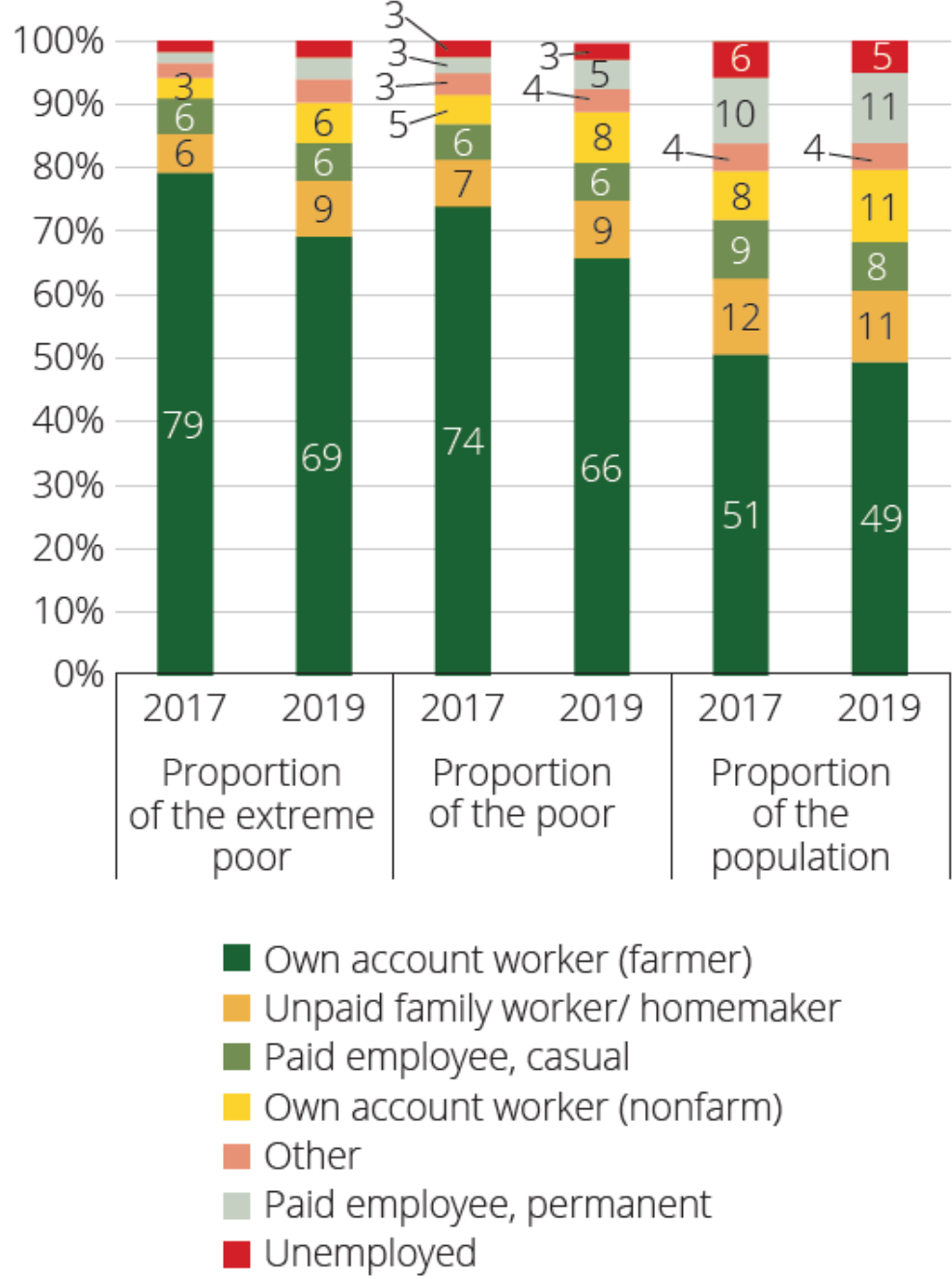The richest 10% of the population consumes 40% of the total national consumption
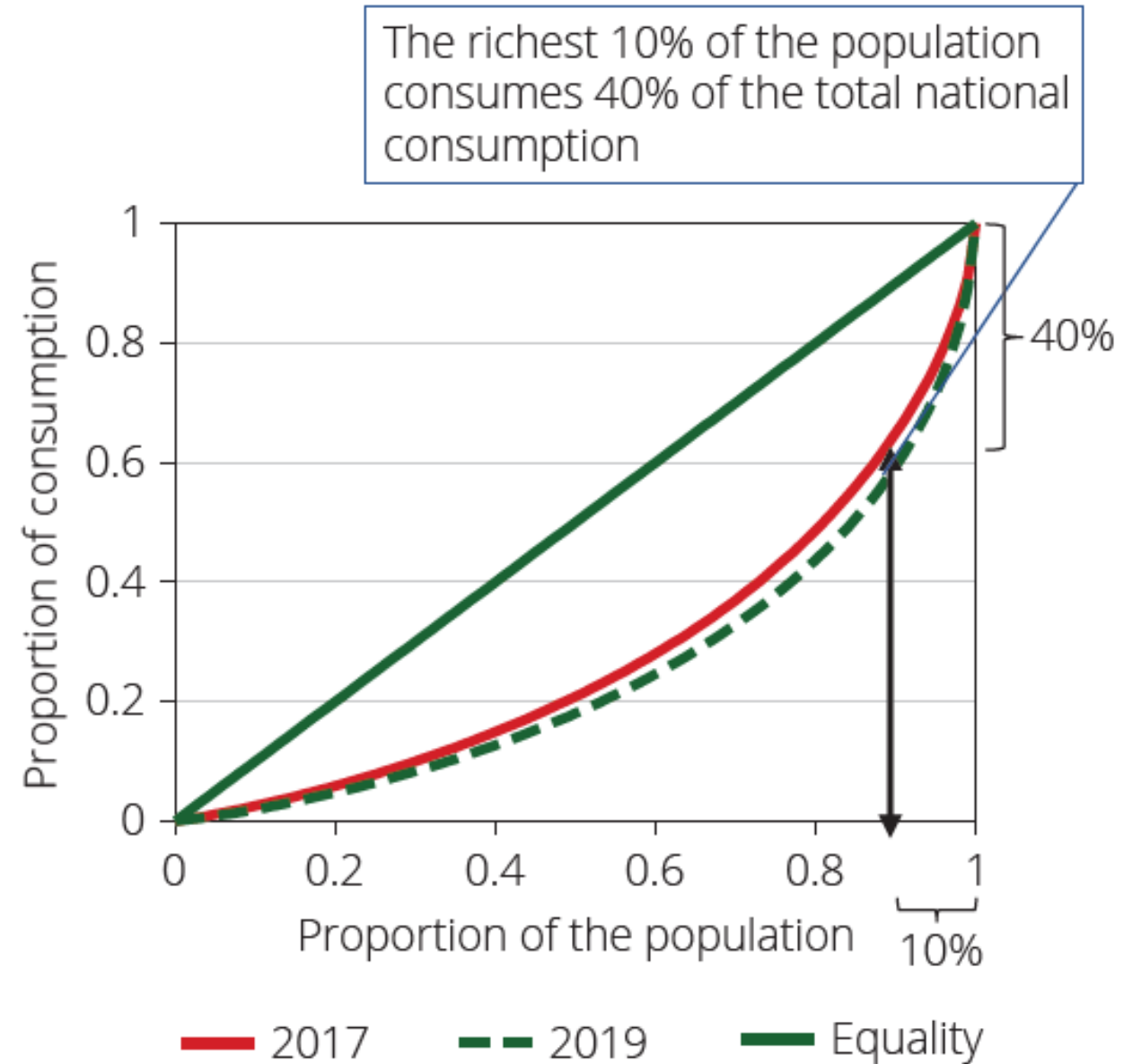
Source: Based on the PICES 2017 and Mini-PICES 2019.

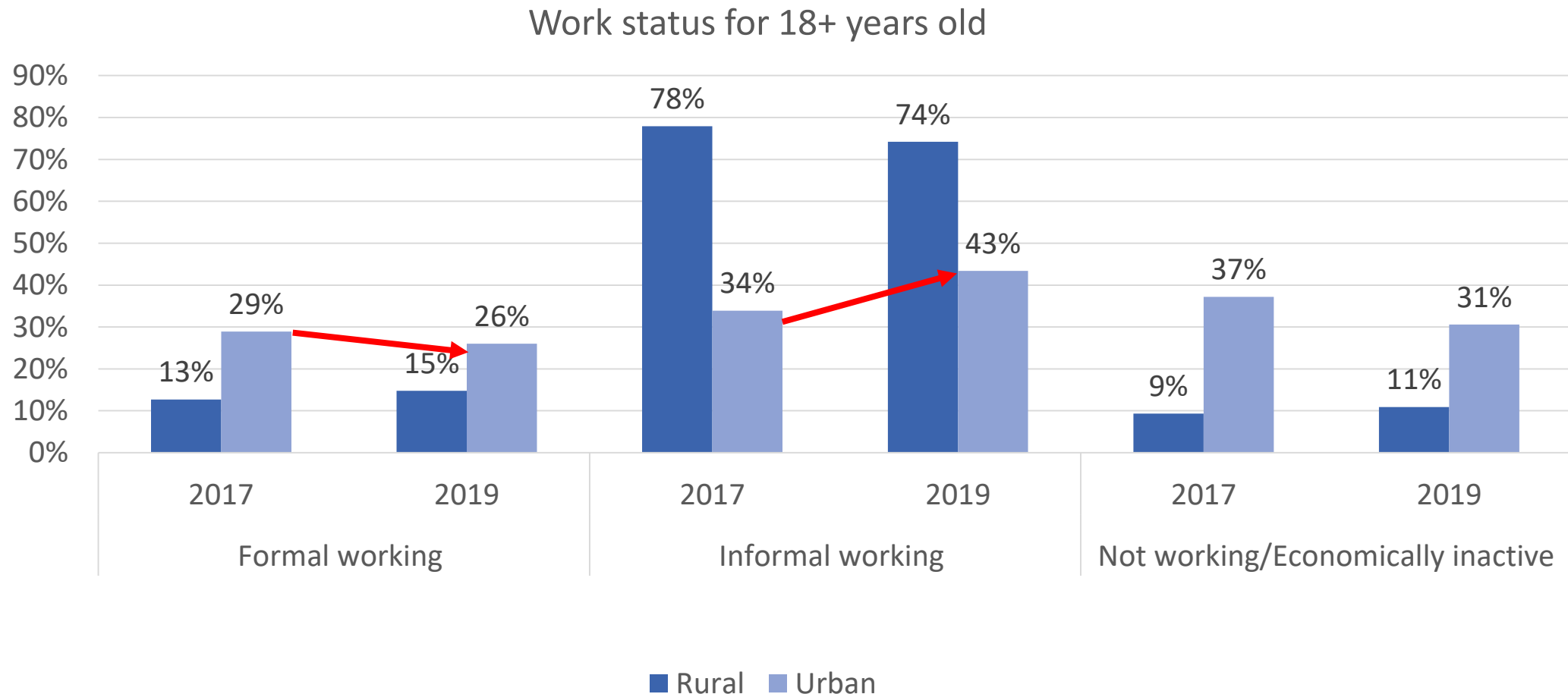The self-employed in farming remained by far the largest group of poor households.

But the economic downturn appears to have hit the nonfarm sector disproportionately, increasing the representation of nonfarm workers among the poor.

Legend:
- Own account worker (farmer)
- Unpaid family worker/ homemaker
- Paid employee, casual
- Own account worker (nonfarm)
- Other
- Paid employee, permanent
- Unemployed

In urban areas, the proportion of working-age adults in informal employment had gone up while the percentage working *formally* had dropped

Work status for 18+ years old

Legend: ■ Rural ■ Urban

Formal working
- 2017: Rural 13%, Urban 29%
- 2019: Rural 15%, Urban 26%

Informal working
- 2017: Rural 78%, Urban 34%
- 2019: Rural 74%, Urban 43%

Not working/Economically inactive
- 2017: Rural 9%, Urban 37%
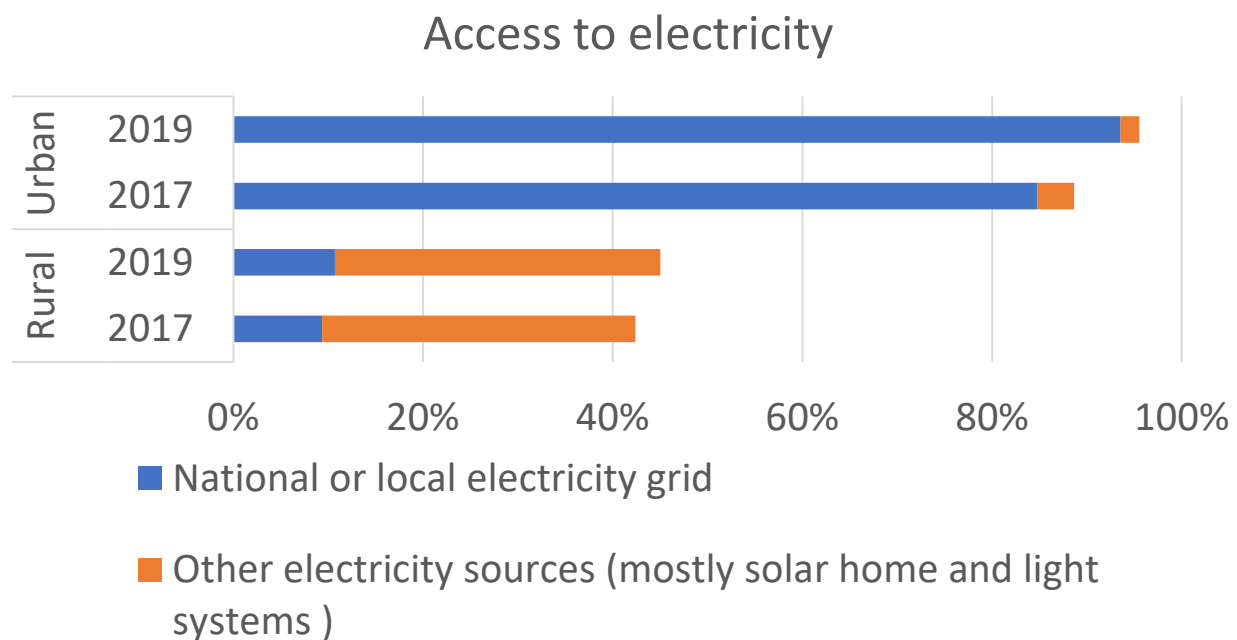- 2019: Rural 11%, Urban 31%

The proportion of children out of school had dropped, possibly because of the policy of allowing children to remain in school even when school fees were unpaid.

But among those not in school, high cost was frequently cited as the reason for leaving school, especially for children in the 14-17 age group in urban areas

At the same time, the proportion of children working had doubled

Proportion of children out of school by age group (%)

6-13

14-17
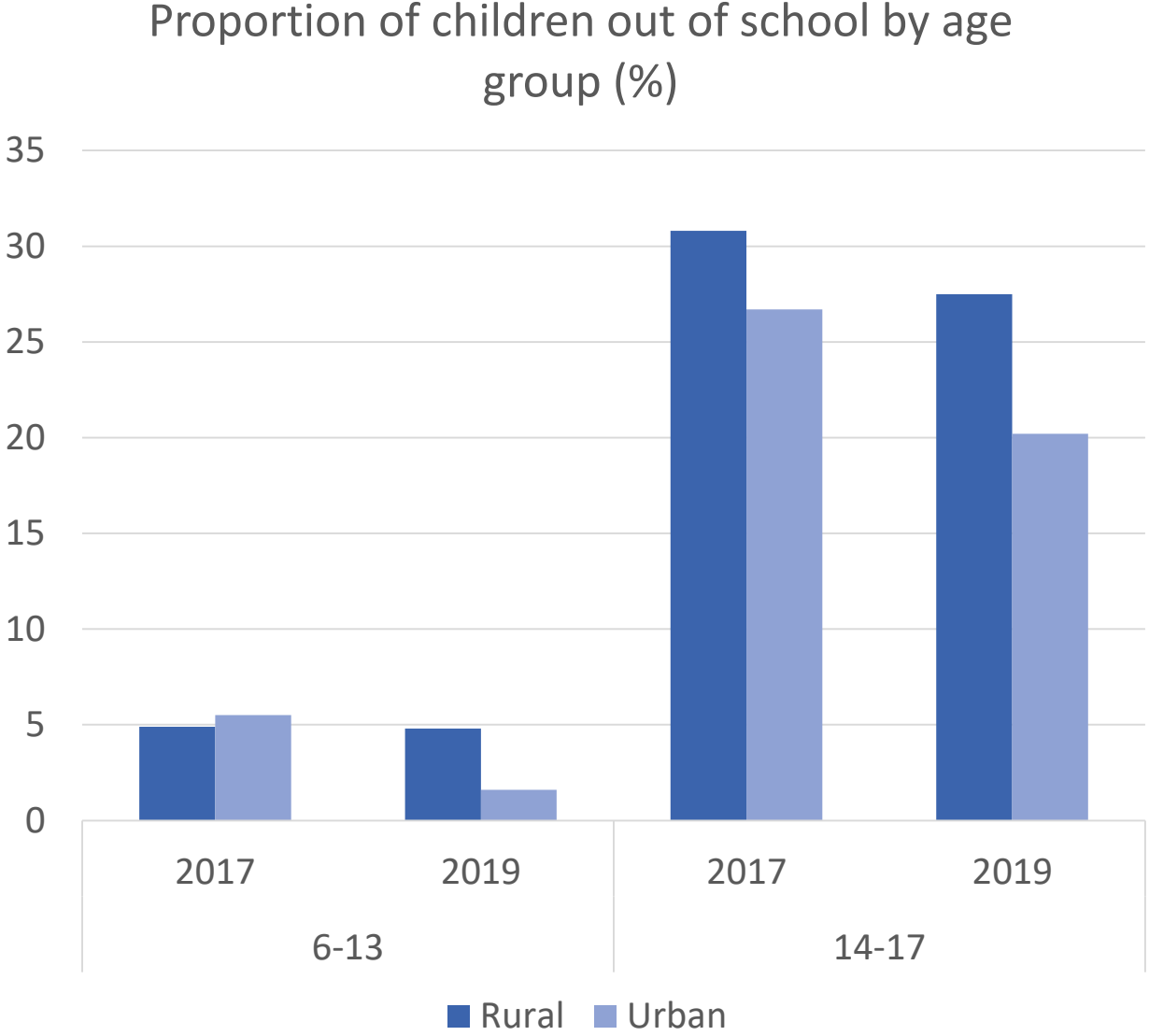
Rural   Urban

Access to electricity increased slightly

Access to drinking water was stable but the quality of service deteriorated

Access to electricity


	Urban	2019
		2017
	Rural	2019
		2017

- National or local electricity grid
- Other electricity sources (mostly solar home and light systems)

	Rural		Urban	
	2017	2019	2017	2019
Borehole/ protected well	59.2	60.8	22.2	29.5
Piped water inside house	1.5	2.8	38.7	38.6
Unprotected well	21.4	17.8	1.2	2.9
Communal tap	4.5	4.9	2.8	1.3
River/Stream/ Dam	8.2	6.1	0.1	0.1
Other	0.5	0.6	0.5	0.4
Total	100	100	100	100

But in urban areas unpredictable interruptions of electricity became a major problem in 2019
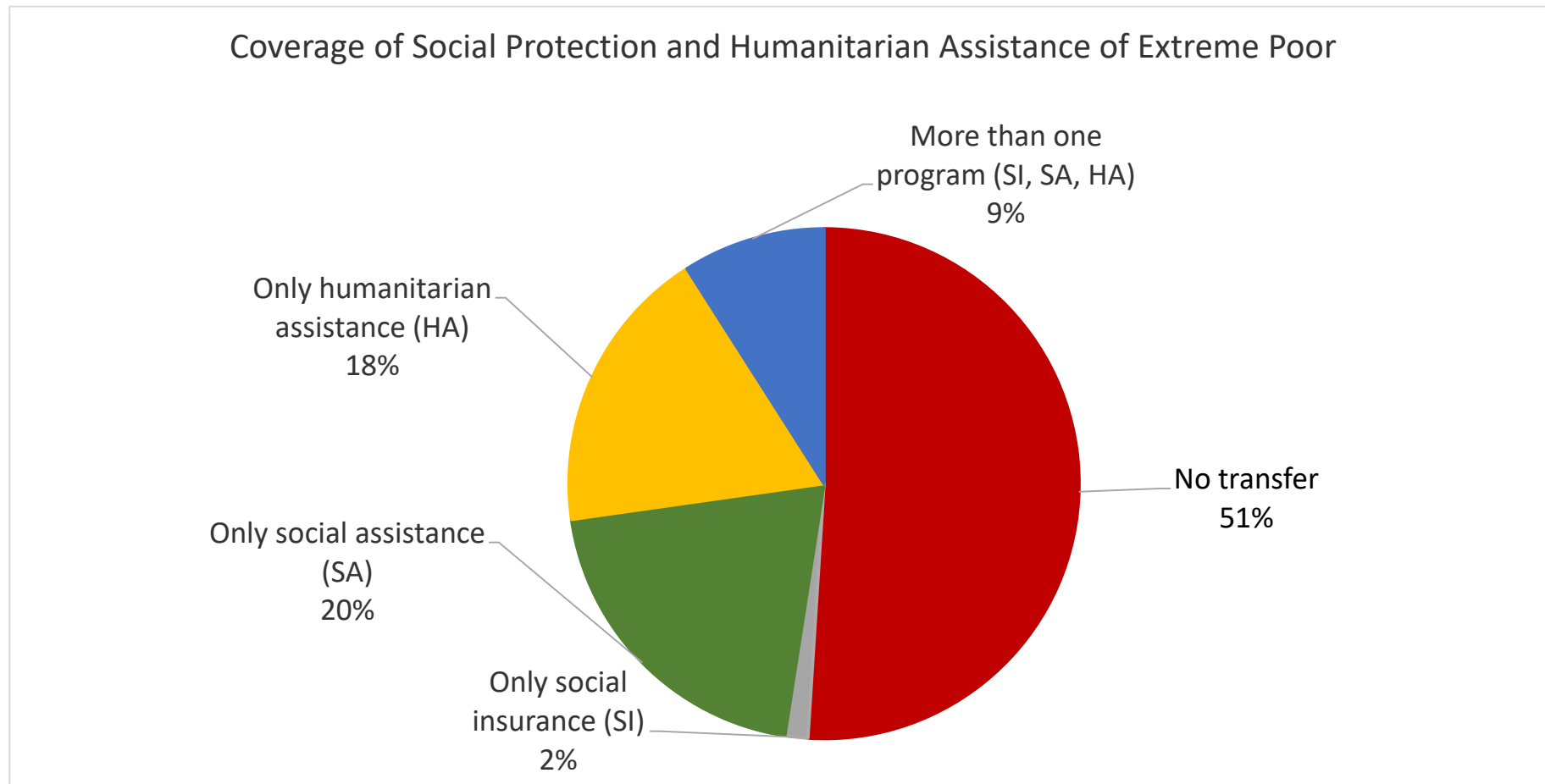
Six percent of urban households lost access to piped drinking water in 2017-2019 due to service breakdowns

In 2019, a higher share of the extreme poor was covered by social assistance programs, but the coverage was still low

Social Assistance Coverage of the Extreme Poor

BEAM and STEM programs had the highest coverage, reaching 20% of the extreme poor
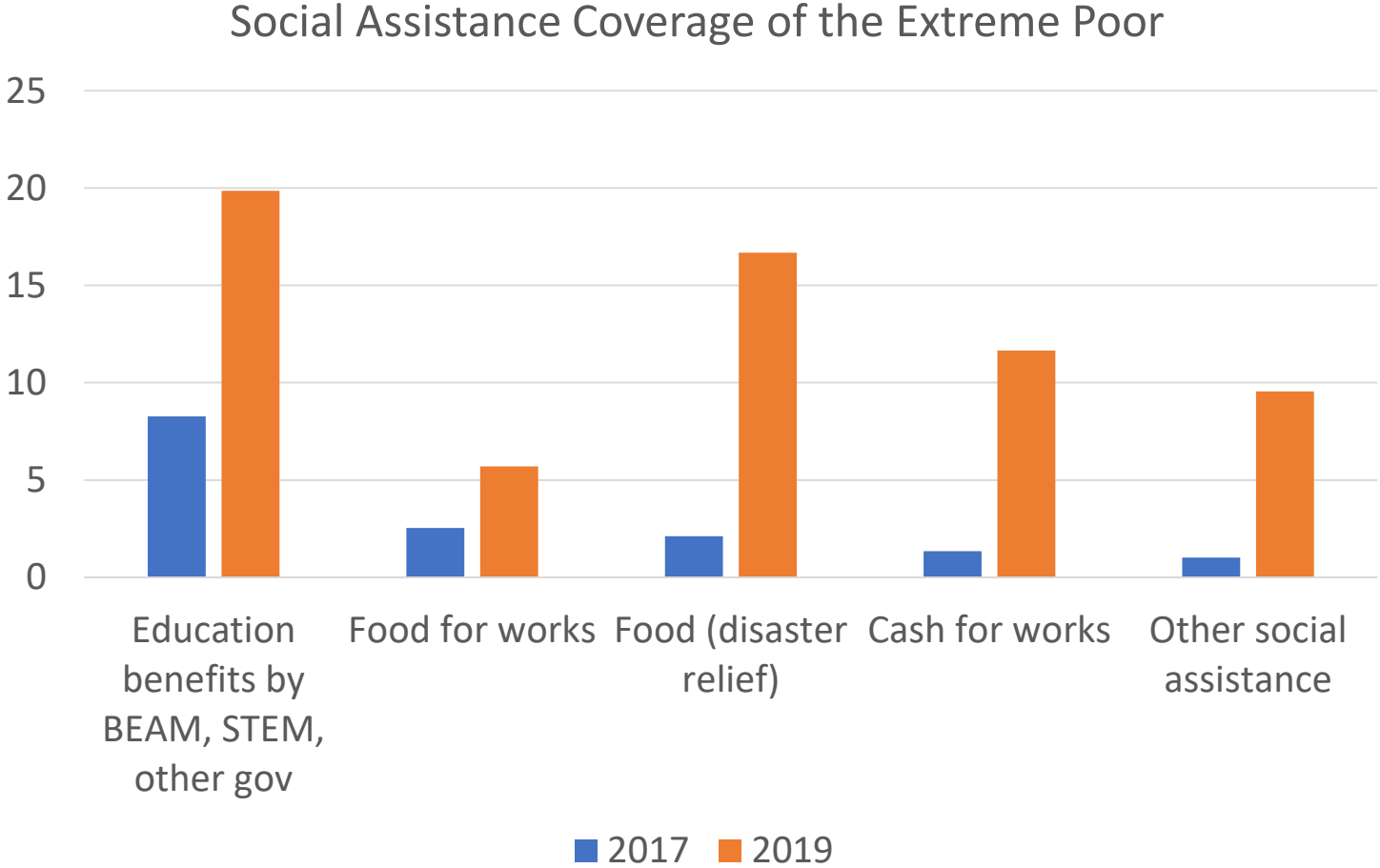
Only half of the extreme poor were covered by at least one social assistance programs in April/May 2019

Coverage of Social Protection and Humanitarian Assistance of Extreme Poor

More than one program (SI, SA, HA)
9%

Only humanitarian assistance (HA)
18%

No transfer
51%

Only social assistance (SA)
20%

Only social insurance (SI)
2%

*World Bank staff calculation based on PICES 2019 data. Covers both government and DP financed programs.

Some social assistance programs were better targeted than other

Distribution of Social Protection Beneficiaries, by quintile of pre-transfer consumption
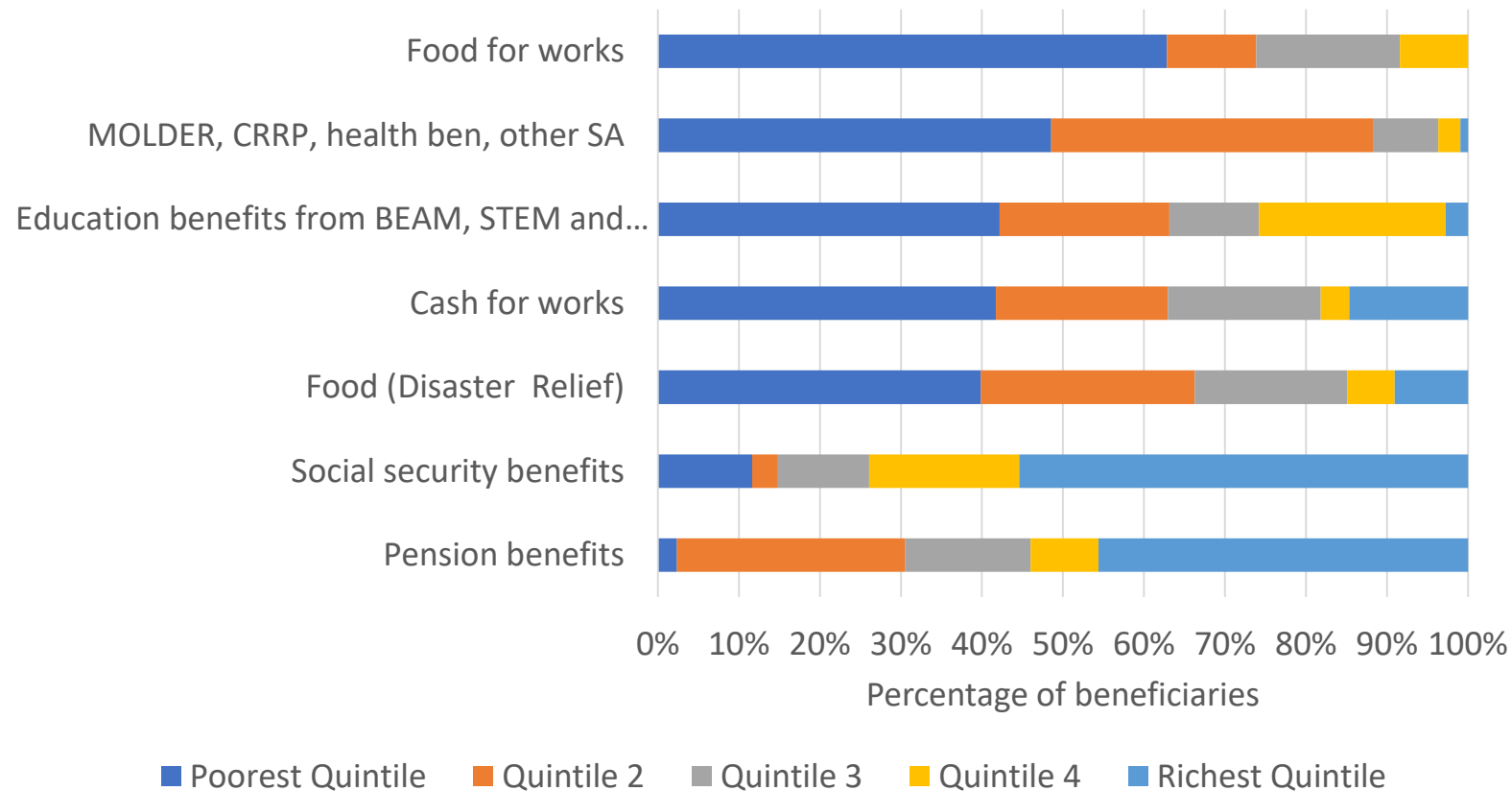
=> 62% of BEAM beneficiaries were in the poorest two quintiles (bottom 40%)

=> 73% of food-for-work beneficiaries came from the poorest two quintiles

Conclusion

- The poverty situation in Zimbabwe had deteriorated between 2017 and 2019

- Social assistance coverage of the extreme poor had increased, mostly humanitarian assistance

- The mini-PICES 2019 offered a quick and low-cost method for updating poverty indicators for urban and rural areas.

- Rapid-PICES builds on mini-PICES to provide frequent update on poverty and living conditions in the country
  - Telephone-based survey
  - A focus on key indicators of wellbeing (employment, food security, access to basic services, etc.)
  - Questionnaire adapted from round to round to capture seasonally pertinent information

Thank you!