

Poverty & Equity Brief

Africa Eastern & Southern

Zimbabwe

October 2021

The latest household survey data suggest that poverty is rising rapidly. Between 2011 and 2017, extreme poverty – using the national extreme poverty line of 2011 PPP US\$ 1.83 per day – rose from 23 to 30 percent. It then increased further to 38 percent in April-May 2019. Simulations of the impact of rapid price rises and poor crop yields in 2019 suggest extreme poverty is likely to have increased to 42 percent in the whole of 2019. Welfare inequality, as measured by the Gini index, rose from 43 in 2011/12 to 45 in 2017 and 50 in April-May 2019. Extreme poverty has traditionally been high in remote and poorly connected but densely populated rural areas where agricultural conditions are not optimal, forming severe spatial poverty trap.

The rise in extreme poverty during 2017-2019 was largely driven by the economic crisis and exacerbated by poor rains during the 2018/2019 growing season and cyclone Idai. This has led to a deterioration of household incomes in both rural and urban areas. About 6.6 million people were estimated to be in extreme poverty in 2019 up from 4.5 million in 2018.

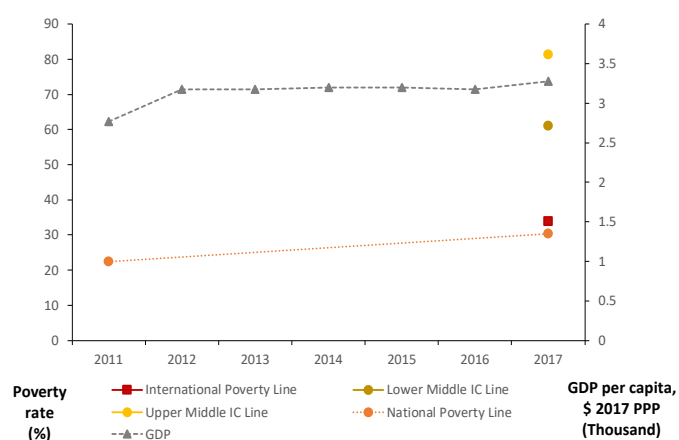
Poverty in Zimbabwe is largely rural, but the rural-urban gap has narrowed in recent years. Accompanied by the inflation and economic crisis of 2019, urban poverty rose faster in relative terms (from 4 percent to 11 percent) than rural poverty (43 to 52 percent). Due to the nature of the shock and the containment measures, the COVID-19 pandemic also affected urban households relatively more, at least in the early stages, with 18 percent of those in urban areas who were working for pay before the COVID-19 pandemic no longer doing so in June-July 2020, compared to 10 percent in rural areas. National extreme poverty is estimated to have risen to 49 percent in 2020, with higher proportion increase in urban areas (from 10 percent to 16 percent).

Although poverty levels remain high, there are tentative signs of recovery of economic activity in 2021. The share of households that were able to buy basic food items increased noticeably in the round three of the PICES (conducted between December 2020 and March 2021) compared to survey results of round two (September 2020) and round one (July 2020). The share of households experiencing severe or moderate food insecurity also declined in early 2021 from mid-2020, which could partly be due to the record maize yields in 2021. Further, more people are working again, with 57 percent of working-age adults employed in round three of phone survey, an increase from both the first and the second-round surveys (51 and 52 percent, respectively). Nevertheless, the poverty and vulnerability levels remain high; a significant proportion of households report reduced or no income since the onset of the pandemic and the coverage of social assistance programs remains low.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	5.6	38.3	2019
International Poverty Line 1 in U.S. dollar (2019) or US\$1.90 (2011 PPP) per day per capita	5.8	39.5	2019
Lower Middle Income Class Poverty Line 1.7 in U.S. dollar (2019) or US\$3.20 (2011 PPP) per day per capita	9.3	63.8	2019
Upper Middle Income Class Poverty Line 3 in U.S. dollar (2019) or US\$5.50 (2011 PPP) per day per capita	12.1	82.8	2019
Multidimensional Poverty Measure		41.7	2019
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		-3.75	2011-2017
INEQUALITY			
Gini Index		50.3	2019
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-0.25	2011-2017
GROWTH			
Annualized GDP per capita growth		2.86	2011-2017
Annualized Consumption Growth per capita from Household Survey		-3.50	2011-2017
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		-4.54	2011-2017

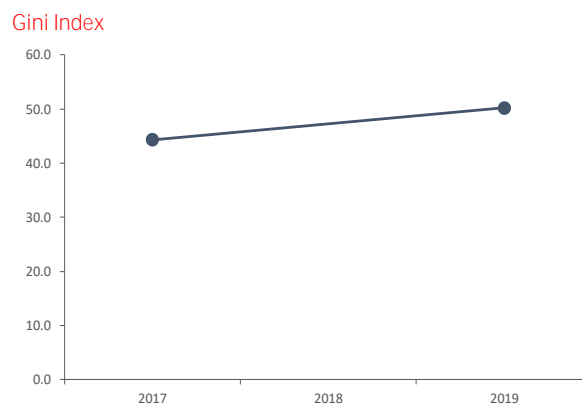
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVICALNET as of September 2021, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2017-2019



Source: World Bank using PICES/SSAPOV/GMD

INEQUALITY TRENDS, 2017-2019



Source: World Bank using PICES/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2019	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: 2019 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	89	11	11	89	Monetary poverty (Consumption) Daily consumption less than US\$1.90 per person 39.5
Rural population	48	52	53	47	
Males	60	40	40	60	Education At least one school-aged child is not enrolled in school 0.3 No adult has completed primary education 0.9
Females	61	39	40	60	
0 to 14 years old	53	47	47	53	Access to basic infrastructure No access to limited-standard drinking water 19.3 No access to limited-standard sanitation 38.3 No access to electricity 38.0
15 to 64 years old	65	35	35	65	
65 and older	67	33	33	67	
Without education (16+)	49	51	52	48	
Primary education (16+)	53	47	48	52	
Secondary education (16+)	68	32	33	67	
Tertiary/post-secondary education (16+)	95	5	5	95	

Source: World Bank using PICES/SSAPOV/GMD

Source: World Bank using PICES/SSAPOV/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

POVERTY DATA AND METHODOLOGY

Household expenditure surveys were conducted in 1995, 2001, 2011, and 2017, while a rapid expenditure survey using SWIFT methodology was conducted in April-May 2019. A high-frequency phone survey was initiated in June 2020 and a second round was completed in September which included the SWIFT methodology to update poverty estimates. Third, fourth, and fifth rounds were completed in March, May, and July 2021 respectively. The 2020 poverty rate was estimated using the SWIFT survey-to-survey imputation methodology. As such, the estimate may differ from that obtained through distribution-neutral GDP per capita growth projections.

Comparison of past official estimates of poverty should be treated with care, as there have been some changes in methodology, for example in the calculation of the user value of assets and housing. Poverty measurement was rebased in 2019 with close World Bank support, starting with the PICES 2017 survey. This involved adopting best practice approaches for measuring the consumption aggregate. It also led to the calculation of a new minimum food needs basket and new poverty lines. The rebasing only changed the poverty rates by 1-2 percentage points.

The official national general poverty line is the lower poverty line equivalent to PPP US\$ 3.5. The other two poverty thresholds in use are the upper poverty line (PPP US\$ 4.7) which is the upper ceiling of the basic needs method and the national extreme poverty line corresponding to the food poverty line valued at about PPP US\$ 1.8 per day. Given that Zimbabwe is a lower-middle-income country just above the income threshold, the extreme and lower poverty lines are most relevant.

Zimbabwe amended its statistical law in January 2017 which allowed ZIMSTAT to release anonymized micro-data to researchers. Implementing regulations were adopted in August 2018 and the first set of micro-data was released towards the end of 2019. Several household surveys can now be downloaded from the ZIMSTAT website and are used for further analysis by national and international researchers.

HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 45 out of the 48 countries in the SSA region. The three countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.