

Poverty & Equity Brief

Africa Eastern & Southern

Zimbabwe

October 2020

The latest household survey data suggest that poverty is rising rapidly. Between 2011 and 2017 extreme poverty – using the national extreme poverty line of US\$ 1.8 per day – rose from 23 to 30 percent. It then increased further to 38 percent in April/May 2019, with urban poverty rising faster in relative terms (from 4 percent to 10 percent) than rural poverty (43 to 51 percent). 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. Preliminary estimates suggest it will reach 50 percent in 2020. Welfare inequality, as measured by the Gini index has risen from 42 in 2011/12 to 44 in 2017 and 50 in 2019. Extreme poverty has traditionally been high in various remote and poorly connected but densely populated rural areas where agricultural production conditions are not optimal. These form severe spatial poverty traps.

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 fast deterioration of household incomes in both rural and urban areas. 6.6 million people were estimated to be extremely poor in 2019 up from 4.5 million in 2018. Preliminary estimates suggest this may climb to 8 million in 2020, as the COVID-19 crisis has further exacerbated the situation.

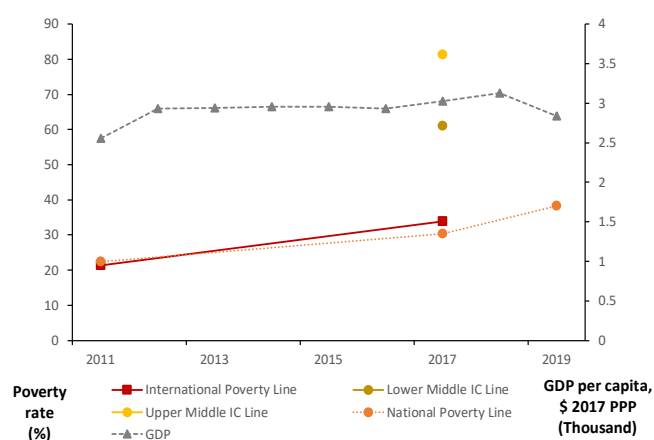
Poverty in Zimbabwe is largely a rural phenomenon, but the COVID-19 pandemic has most impacted urban areas. Here, 23 percent of those that were working for pay before the COVID-19 pandemic no longer were in July 2020, compared to 19 percent in rural areas. A large proportion of those in urban areas still working in wage jobs or having a non-farm household business have seen their income drop. Rural areas are particularly affected by food security problems as 50 percent were moderately or severely food insecure in April/May 2019, compared to 27 percent in urban areas. This appears to have worsened further in 2020. In July 2020, social assistance including food aid only reached a quarter of rural people and hardly anyone in urban areas.

School closures have disproportionately impacted learning in rural areas as only a quarter of children here was able to continue to engage in learning activities, compared to 70% in urban areas. More broadly, the delivery of both education and health services has worsened due to eroding salaries of teachers, nurses and doctors. Lack of medicines and lack of household ability to pay school fees have further exacerbated the quality of health and education services. During April/May 2019 a quarter of households that were prescribed medicine due to an illness were unable to obtain it.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	5.6	38.3	2019
International Poverty Line 1 in U.S. dollar (2017) or US\$1.90 (2011 PPP) per day per capita	4.8	33.9	2017
Lower Middle Income Class Poverty Line 1.7 in U.S. dollar (2017) or US\$3.20 (2011 PPP) per day per capita	8.7	61.0	2017
Upper Middle Income Class Poverty Line 3 in U.S. dollar (2017) or US\$5.50 (2011 PPP) per day per capita	11.6	81.3	2017
Multidimensional Poverty Measure		N/A	N/A
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		-3.75	2011-2017
INEQUALITY			
Gini Index		44.3	2017
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

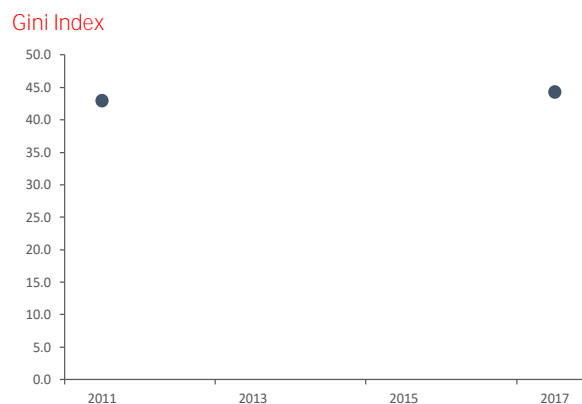
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2020, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2011-2019



Source: World Bank using PICES/SSAPOV/GMD

INEQUALITY TRENDS, 2011-2017



Source: World Bank using PICES/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2017	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	95	5	7	93	Monetary poverty
Rural population	53	47	55	45	Daily income/consumption less than US\$1.90 per person
Males	66	34	40	60	
Females	66	34	40	60	Education
0 to 14 years old	59	41	48	52	At least one school-aged child is not enrolled in school
15 to 64 years old	71	29	35	65	No adult has completed primary education
65 and older	71	29	35	65	
Without education (16+)	59	41	47	53	Access to basic infrastructure
Primary education (16+)	58	42	49	51	No access to limited-standard drinking water
Secondary education (16+)	75	25	30	70	No access to limited-standard sanitation
Tertiary/post-secondary education (16+)	98	2	3	97	No access to electricity

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 July 2020 which is likely to include the SWIFT methodology to update poverty estimates.

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 good 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 poverty rates with 1-2 percentage points.

The official national general poverty line is relatively high (PPP US\$ 4.7) as it adopts the upper ceiling of the basic needs method, resulting in high official national poverty rates. The lower ceiling poverty line is equivalent to PPP US\$ 3.5. The national extreme poverty line is valued at about PPP US\$ 1.8 per day. Given Zimbabwe's GDP/capita status the latter two lines are most relevant and are now most commonly used.

Following the gazetting of a micro-data dissemination policy in August 2018, the PICES 2011 and PICES 2017 micro-data sets as well as the Labor Force Survey data were released to users in 2019 and can now be downloaded from the ZIMSTAT website for in-depth research. A WB-managed call for proposals for poverty research using these datasets led to 60 concept notes being submitted by Zimbabwean researchers, showing the high interest of national researchers in using household survey data for policy analysis.

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 four 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.