Incomes and Poverty in Rural Zimbabwe During Adjustment: The Case of Shindi Ward, Chivi Communal Area

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Summary

As the 1990s have progressed, there have been increasing concerns expressed about the effects of the structural adjustment programme in Zimbabwe, both from within and outside the country. However, the debate between agencies supporting the adjustment programme and those critical of it has often lacked the kind of basic information required for an accurate assessment to be made of the effects of ESAP. In particular, there is an absence of accurate data on the evolution of the standards of living of certain critical segments of the economy, such as the informal sector and Communal Area households. Without these data, it is hard to establish whether conditions have improved or worsened for people in these economic sectors, and if things so, why any such changes have occurred.

It was in this context that the research underpinning this paper was conceived. The purpose of the research was to use a panel survey of households in a particular area of rural Zimbabwe, namely Shindi Ward, Chivi Communal Area, to provide some quantitative answers to certain key questions about the economic welfare of certain types of rural households during the adjustment programme. These can be summarised as follows:

1. What has happened to the survey households' incomes under adjustment? Have they increased or decreased?
2. What about their poverty? Has poverty amongst the survey households increased or decreased between the two survey periods?
3. What are the determinants of poverty in Shindi? How is poverty related to specific income sources? And have the causes of poverty changed at all between 93/94 and 96/97?
4. Given the answers to these first three questions, what has been responsible for changes in the incomes and poverty of our panel households? In particular, to what degree have structural adjustment policies caused these changes? And what role might have been played by other shocks faced by rural households, such as the massive drought in 91/92?

In this paper, we provide answers to each of these questions, based on both quantitative and qualitative data collected from two survey rounds in 1993/94 and 1996/97 respectively. The main conclusions are:

- There is no systematic evidence that overall household incomes in Shindi have either increased or decreased. Inequality, though, has definitely worsened.
there is likewise no robust evidence that poverty has either increased or decreased between 93/94 and 96/97.

poverty in Shindi is strongly linked to a lack of productive land and exclusion from formal or urban wage employment. These determinants of poverty have not changed over time.

there is likewise little evidence of structural adjustment policies having much impact on Shindi households. By contrast, the impact of the drought was severe and continues to be felt. Long-run drought impacts were also responsible for the worsening in income distribution in Shindi.

So for an area like Shindi, the adjustment programme has neither brought the benefits its proponents expected, nor harmed it as badly as critics of the programme might have believed.