



Investing in People for Social and Economic Justice

PRESS STATEMENT: 25 JANUARY 2018

On the day of Commemoration of the global Week of Action on Inequality- Dimensions and Manifestations of Inequality in Zimbabwe

Fellow CitizensIt is a fact that some Zimbabweans are more equal than others but we cannot just sit back and ignore such inequality in our motherland.

Inequality in its various forms has become a global cause for concern and therefore calls for global attention as this “monster” damages societies; hindering potential for growth and development especially in developing countries Zimbabwe included. Inequality can be basically understood as imbalance in terms of rights, status and opportunities. The adverse effects of inequality on individuals and national development cannot be overemphasised.

As the global business and political leaders meet in Davos Switzerland for the World Economic Forum, civil society members around the world galvanizes support in the fight against inequality. This period provides us a global moment to draw attention of governments and other world leaders around the issues of inequality. We thus seize this opportunity to highlight inequality crisis and propose solutions to tackle it. This press conference is exactly affirming our commitment to fight inequality.

Globally, the gap between the super rich and everyone else is growing tremendously. The world’s richest people have seen their share of the globe’s total wealth increased from 42.5% at the height of the 2008 financial crisis to 50.1% in 2017, or \$140tn (£106tn), according to Credit Suisse’s global wealth report. At the other end of the spectrum, the world’s 3.5 billion poorest adults each have assets of less than \$10,000 (£7,600). Collectively these people, who account for 70% of the world’s working age population, account for just 2.7% of global wealth.

For the same cause, activists in Zimbabwe who are members of the Fight Inequality Alliance, convened by the **Zimbabwe Coalition on Debt and Development (ZIMCODD)**, participated through various initiatives to commemorate the worldwide Fight Inequality Week of Action and present the press brief to proffer our concerns and recommendations.

DIMENSIONS AND MANIFESTATIONS OF INEQUALITY IN ZIMBABWE

Civil unrest

The recently held protests against fuel prices leave a lot to be desired in terms of the inequality in the country. The protests were a clear sign that Zimbabweans are existing in different social strata and social stratification is the greatest sign of inequality.

Protests loomed in high density residential areas and none was recorded in leafy suburbs. A whatsapp joke was circulating with a message that read “*Borrowdale is concerned about the ongoing protests in their neighbouring country, Zimbabwe.*” This was a clear commentary on how the elites living in low density suburbs are not affected by the socioeconomic woes bedeviling the country.

Poverty

According to the World Poverty Clock, close to five million people in Zimbabwe are living in extreme poverty. This constitutes about 28% of the country’s population thereby undermining the country’s capacity to meet the United Nations Sustainable Development Goal to end extreme poverty by 2030.

Inequality is also registering itself at provincial level. According to a research conducted by ZIMSTATS IN 2016, Matebeleland North is the poorest province in the country followed by Masvingo and Matebeleland South.

Uneven distribution of the tax burden

On the international scene ‘Paradise Papers revelations’ laid bare one of the main drivers of inequality – tax-dodging by rich individuals and multinationals.

In the recent penetrating Oxfam report launched as political and business elites gather for the World Economic Forum in Davos, Switzerland, 82 percent of the wealth generated last year went to the richest one percent of the global population, while the 3.7 billion people who make up the poorest half of the world saw no increase in their wealth

Billionaire wealth has risen by an annual average of 13 percent since 2010 – six times faster than the wages of ordinary workers, which have risen by a yearly average of just 2 percent.

To be sure, billionaire fortunes grew by \$2.5 billion a day last year, yet thousands have no access to medicines;

Reducing inequalities is one of the 17 Sustainable Development Goals, which constitute a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

Back home, the government made a damning revelation that over 4 000 big businesses in Zimbabwe are not registered with the Zimbabwe Revenue Authority (Zimra) for the purposes of tax evasion.

The 2% tax on all intermediated money transfers between \$10.00 and a \$10,000 flat tax for transactions above \$500,000 is very regressive because big sharks that deal with millions and billions of dollars will pay a flat fee that do not commensurate the wealth they have. The paradox gets even worse when we consider that the poverty datum line is \$574.

Gender Discrimination

- Women exclusion in decision making positions is still persistent 39 years after independence. In the presidium the percentage of women representation is 0%.
- The female to male ratio in cabinet is also distressful at 6:14
- The participation of 4 women out of 23 presidential candidates last year is worrying.

Unequal access to social services (Health)

Only the poor were hard hit by the recent nurses' and doctors' strike. According to the Zimbabwe Hospitals Doctors' Association, Mpilo Hospital certified an average of four deaths per day during the strike. Furthermore, the partial privatisation of public hospitals makes the poor more vulnerable as patients are asked to pay for certain services provided by private players. At Chitungwiza General Hospital, patients now pay for X-Rays, full blood count among other services.

Uneven income distribution

Income inequality in Zimbabwe is at its highest and shocking levels. Zimbabwe's GINI Coefficient is pegged at about 50%.

Key Asks

- The government must adopt pro poor social and economic policies; in consultation with other stakeholders to address the problem of inequality which divides societies.
- The presidential age limit must be reviewed and incorporate youths.
- Life style audits for the rich should be done without fear or favour to avoid revenue leakages and policies should be promulgated to enhance transparency and tax compliance;
- Deliver universal free healthcare, education and other public services that work for women and girls.
- Free up women's time by easing the millions of unpaid hours they spend every day caring for their families and homes.
- End the under taxation of rich individuals and corporations.
- Review the 2% tax in favour of low income earners to redeem them from the piercing economic meltdown.
- The government must improve budget allocation towards social services and investments that benefit vulnerable groups.
- Concerted effort and multi-sectoral approaches are required to tackle the drivers of poverty both at individual and provincial levels.

- Invest in increasing the participation of women and youth in politics and governance

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