



## THE WEEKEND READER

"Your Weekly Read on Debt, Development & Socio-Economic Justice"

### PEOPLE-CENTRED POLICIES FOR ENHANCED LIVELIHOODS AND FOOD SECURITY

In the last 9 months of 2022, citizens have worsening price volatility of basic food commodities. Price instability coupled with a currency crisis have characterized the lives of poor citizens. Majority of the employed population who earn in local currency had to deal with double pegging of prices on the local markets with retailers fixing their products in both the US dollar and in ZWL. Albeit, in local currency the prices would be too exorbitant such that the consumer struggles to purchase the basics. At the same times, few are earning in US dollars. A recent report by the World Bank showed that Zimbabwe topped the list of countries hardest hit by food inflation. The former breadbasket for Southern Africa tops the list of 10 countries with the highest food inflation. Zimbabwe ranks at 353% with Lebanon second at 240% and Venezuela in third place with 131%. According to ZimStats, the Food Poverty Line (FPL) for one person in July 2022 was \$17,909.00 while the Total Consumption Poverty Line (TCPL) for one person stood at \$23,479.00 in July 2022.<sup>1</sup> To further testify, in April 2022, Cooking oil was going for \$US2.50 for 2 litres.<sup>2</sup> Now it sells at about US\$5. This is beyond the reach of many living on hand to mouth given the fragile incomes earned by most employees and those in informal sector working multiple jobs in order to make ends meet.

According to the World Bank's economic and social update report, almost half of Zimbabwe's population fell into extreme poverty between 2011 and last year with children bearing the brunt of the misery.<sup>3</sup> The Zimbabwe Vulnerability Assessment Committee (ZIMVAC) Rural Livelihoods Assessment Report for 2022 (ZIMVAC) revealed that 38% of the rural population is food insecure. On the other hand, half of Zimbabwe's population is reported to be in extreme poverty. Zimbabweans in extreme poverty are estimated at 7,9 million with the COVID-19 pandemic worsening the situation.<sup>4</sup> An analysis of urban food insecurity by World Food Programme (WFP) showed that about half of urbanites in Zimbabwe, roughly 2.4 million people go to bed hungry.<sup>5</sup>

#### FUNDAMENTAL FACTORS ON THE RISE OF FOOD INFLATION

Some of the contributing factors which exacerbated Zimbabwe's food security situation include, limited employment opportunities, liquidity challenges, recurrent climate-induced shocks and economic instability. Zimbabwe is not spared by the effects of climate change. The country faced subsequent drought seasons resulting in a decline of maize production. Poor harvest undermines food security and forces most citizens to depend on retailers which creates a demand on the national supply chain.

1. <https://www.thezimbabwemail.com/headlines/zimbabwes-annual-inflation-rises-to-256-9-in-july/>

2. <https://www.starfm.co.zw/show.php?id=432>

3. <https://www.wfp.org/countries/zimbabwe>

4. <https://www.newsday.co.zw/2021/06/covid-19-50-of-zimbos-thrown-into-extreme-poverty>

5. <https://www.wfp.org/stories/zimbabwe-urban-poor-grapple-high-prices-and-hunger>

For example, Matabeleland North had the highest food insecurity with 58% households in need of food support. Some of the areas with the most insecure households are Hwange which had 73%, Binga 71% and Buhera 75%.<sup>6</sup> The more food insecure a country, the more pressure on national food supply chain.

Cost-pushing inflation also played its fair share in worsening the context. Since the outbreak of the COVID-19 pandemic, production cost has been higher due to the closure of industries and business slowdown that took place. The economic contraction encountered between 2020-2021 is believed to be far greater than that of the Great Depression. This was followed by the Russian-Ukraine war which interrupted the global supply chain of fuel, wheat and maize. However, despite such global interruption, Zimbabwe's challenges remain unique and more internal rather than external. For instance, Zimbabwe has the highest fuel prices in the SADC region and there is no prudent reason to that except that the fuel industry is dominated by cartels.

Command Agriculture culminated in high agricultural production costs as prices were inflated. At the same time, government subsidies are distributed along partisan lines, thereby excluding other competent farmers. All this influences agricultural expenditure. Last year, 2021 agriculture expenditure was 170% yet no prudent expenditure audit was carried out.

## **OF CONCERN**

As a pro-poor movement, we are concerned by the rate of food price hikes which widen the gap between the rich and the poor. Food price inflation continues to marginalize vulnerable groups such as the elderly, women and youth. It is a major push factor of poverty and drives away skilled resource persons which negatively affects human capital development, leading to the derailment of attaining Vision 2030. The social implications of rising food prices can be severe for the poor as demonstrated in some parts of Africa where food price-related riots erupted for example in Burkina Faso and Cameroon where.

## **POLICY ALTERNATIVES AND RECOMMENDATIONS**

1. There is need to revamp the National Agriculture Policy Framework (NAPF) to guarantee food security. Policy framework must be depoliticized and hinged on competitiveness and productivity.
2. There is need for the Ministry of Finance and Economic Development and Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement to invest in resilient and national smart agriculture projects to create a balance between aggregate demand and aggregate supply.
3. Consistent implementation of economic blueprints and economic policy.
4. Increase transparency and accountability in the agriculture support programmes so citizens know where the funds were spent and who should account for previous disbursements.
5. Food aid programmes by the government and humanitarian organizations should be executed in a non-partisan manner.
6. Increased targeted subsidies for example to the most vulnerable groups such as the elderly and people with disabilities.

6. [https://zimcodd.org/sdm\\_downloads/may-2022-policy-digest/](https://zimcodd.org/sdm_downloads/may-2022-policy-digest/)