

# Getting out of poverty

“I have money to travel to the local town where I buy soap. I bring it back to the village and sell it in exchange for maize. I use the maize to make beer, which I sell for cash. I then go back to the town and use the money to buy more soap.”

Esther gains as much as 500% mark-up on the soap and a further 200% on the sale of beer.

“I collect seeds that people spit out as they eat fruit. I have set up my own orchard by germinating the seeds in pots and then planting them out into a garden. I also sell the pot plants to other gardeners for cash.”

These are just two striking examples from this preliminary study undertaken into the ways in which poor people living in villages in Zimbabwe have been able to diversify their livelihoods from a dependency on subsistence agriculture and use their entrepreneurial skills to climb out of poverty.

A substantial number of Zimbabwe's poor are located in the semi-arid regions and despite the excellent national infrastructure, these dry regions have been neglected both by state policies and systems as well as the private sector. They have not been well integrated into markets nor are their needs and demands well articulated through the political or policy process. The severe droughts, which devastated the region in 1991-92, only exacerbated these problems to the point where many people even lost their livestock. One of the early signs of drought is the selling of livestock. Sales of goats and poultry start in the early stages but once cattle are sold then recovery becomes much more difficult. They are a key household asset and an insurance against bad times and so their loss deprives households of a major means of recovery.

This research project set out to try and understand the problems that poor rural households face in the semi-arid areas of Zimbabwe as a basis for identifying new options for improving their livelihoods.

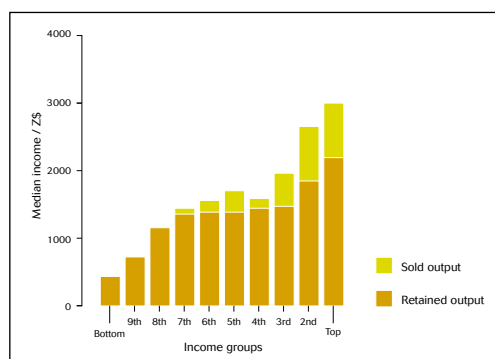
## *Diversification from farming into the non-farm sector is the pathway out of poverty*

### **DIVERSIFICATION**

For the poorest households, the opportunities to increase income and reduce vulnerability lie principally in diversification, within the farm enterprise, but more importantly from farming to non-farm activities.

Once a poor household has satisfied its basic food needs it usually seeks to diversify. There is a cycle of investment following a severe drought. First, farmers start to grow drought-resistant low capital and labour intensive crops, especially the small grains. They exploit natural resources and seek opportunities for casual labour to earn some ready cash. Once the means of growing food for the household is assured they then start to diversify into more risky crops and then into non-farm enterprises.

But the constraints to diversification have been severe throughout the 1990s. Rural markets in



semi-arid areas are not well organised and there is not a lot of interest in their products from the already well-organised private sector in Zimbabwe. So it is difficult for people to add



value to rural products that would bring more benefit to the village rather than to the town. Examples of this are the processing of cotton and food products which could be done equally as well in the village as in the town. There is also a chronic shortage of savings and working capital to start up and expand such enterprises and there are few success stories except for initiatives such as CAMPFIRE that enables poor people to benefit from wildlife, and the development of small-scale irrigation.

Poor farmers find it more difficult to become involved in the institutions that support agriculture. Joining a farmers' club, which the more wealthy farmers take for granted, is difficult, but there were fewer barriers to poor women farmers joining gardening clubs, which cater for women's horticultural activities. Membership of these clubs can improve access to finance and markets and help to reduce vulnerability through community based work parties and safety nets such as grain banks, fodder and seed banks.

Poor households were slow to build up their livestock resources, which indicates that families were finding it difficult to re-establish their basic assets. It also meant that they did not have enough animal power on the farm for ploughing which is a vital part of weed control. So insufficient cattle risks poor crop yields.

Although goats and poultry were alternative and more rapid ways of diversifying there were problems of security and a lack of veterinary services. So venturing into small stock was not without its risks.

These constraints have produced a group of chronically poor households who have found it very difficult to accumulate the resources to move out of the precarious positions they occupy. At first it was thought that they were simply at a stage in the life cycle when they had insufficient numbers of adults for labour. But this seems not to be the case and indicates that other processes are at work.

Only the richest groups have the choice to diversify away from farming into the more profitable occupations such as trading. The poor have had no such choices and have to concentrate on farming. Developing and expanding realistic 'new' options, which fit into a diverse household portfolio, is therefore critical for their well-being.

#### AGRICULTURE AND CPR

Agriculture and common property resources (CPR) are central to the livelihoods of the majority of poor people and so any improvements made in accessing and using these resources are likely to be more equitably distributed than non-agricultural interventions. Improving crop yields, for example, still



remains an important issue as a very substantial proportion of production is for home consumption. The benefits of genuine improvements are likely therefore to be very widespread.

The possibilities of market integration for poor households are currently dismal. They are much less able to take the risks that are necessary to achieving higher incomes. Poor households lack basic transport such as donkeys and carts and smaller households may

also lack adequate adult labour for some of the more arduous farming tasks. Poor management of resources has led to a lack of raw materials for non-farm enterprises too, such as charcoal for blacksmithing and wood for carpentry.

## **EDUCATION**

Education and better paying jobs continue to offer an alternative pathway out of poverty, though both the availability of jobs and access to post-primary education are more constrained for poor people than they were.

Broad investments to enlarge the accessibility of post-primary education would bring benefits. However, in a declining or stagnant economy this may result in the longer run in educated people increasingly taking jobs for which they are effectively over qualified. This is a classic sequencing problem. As far as poor households are concerned, equalising their chances of getting a good post-primary education would contribute significantly to their ability to diversify, even if it was at the expense of other less poor households in the short to medium term.

## **LIVESTOCK OWNERSHIP**

Critical to coping with drought (by far the major shock for semi-arid area households) has been livestock ownership, employment opportunities and food for work. Retaining livestock through a major drought is the only widespread guarantor of post-drought recovery. The failure of livestock insurance in the 1991-92 drought was the major reason for the absence of widespread recovery.

Livestock continue to provide a variety of benefits; manure, draught power, transport, opportunity for quick distress or pre-distress sales, meat and other products add up to a range of entitlements unmatched by any other type of enterprise. For those households who lost all their livestock during the drought, the constraints to

## *Education and better paid jobs - access to both is difficult for the poor*

restocking were formidable. Livestock prices were high in the post drought period and have remained high during the 1990s.

## **THE NEXT STEP**

Much has been learnt and is now understood as a result of this research about the issues that constrain the rural poor from getting out of poverty and possible options for improving livelihoods in semi-arid Zimbabwe. But much more needs to be understood about such factors as employment opportunities, access to markets and the structure of market systems. This might be done by using farmers' and gardening clubs more explicitly to improve access to markets and to support information flows to and from poor households. If diversification is the way out of poverty then improved links are needed between poor farm-households and policy makers and development programme designers so as to cater properly for their needs.

### **R7545 – Coping strategies of poor households in semi-arid Zimbabwe**

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