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EXPLORING THE ROLE OF REMITTANCES IN HOUSEHOLD LIVELIHOOD STRATEGIES IN GLEN-NORAH, HARARE

By

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A research report submitted to the Faculty of Humanities, University of the Witwatersrand, Johannesburg in partial fulfillment of the requirements for the degree of

Master of Arts in Development Sociology

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Declaration

I declare that this research report is my own work. It is submitted for the Degree, Master of Arts in Development Sociology at the University of Witwatersrand, Johannesburg and it has not been submitted before for any other degree or examination in any other University. Where I have used the work of other authors, I have properly acknowledged them and I have not copied any author or scholar's work with the intention of passing it off as my own. All the interviews and informal conversations that have been conducted for the purposes of this research report have also been cited correctly and I have not passed off any of my participants work, suggestions and quotes as my own.

Signed: ----------

On ---------- Day of----------, 2009

Abstract

The political and socio-economic challenges over the last nine years broadly referred as the 'Zimbabwe crisis' have witnessed the flight of millions of Zimbabweans to save themselves and their families left behind. As a result, remittances being sent back to support families are estimated to be around USD1 billion a year. However, despite these huge flows of remittances, studies that try to understand this phenomenon especially amongst recipients are scant. This study takes a micro-level approach by exploring the role of remittances in household livelihoods in the high density suburb of Glen Norah in Harare. The study utilises in-depth interviews with recipient household heads in Glen Norah as the primary data collection technique and also uses informal conversations and observation to support them. The research also uses these methods to draw information from remittance senders and other actors involved in remitting in Johannesburg.

This research shows that households in Glen Norah have adopted multiple strategies to allow them to manage in the crisis. However, it will be argued that as resources have dwindled in the country, an external means of sustenance in the form of remittances has increasingly been playing a more central role as the crisis has deepened. The study shows how patterns of remittances have changed to allow households to cope as the crisis has deepened. It also shows how remittances have been used to support survival and livelihood strategies before concluding that remittances have enabled households in Glen Norah to manage at probably the most difficult juncture of the crisis and may have capacitated them to engage in livelihood strategies.

Dedication

To my mother Theresa Shupikai Mushore Mukwedeya

Acknowledgements

I would like to extend my utmost gratitude to my supervisor Dr Noor Nieftagodien for his guidance and support in shaping my ideas in this project. A special thank you to my academic mentors, Dr Lucien Van Der Walt, Dr Shireen Ally, Dr Terry-Ann Selikow, Dr Michelle Williams, Kezia Lewins for all their support during the course of my studies.

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Acronyms and Abbreviations

Central statistical office	CSO
Central business district	CBD
Economic Structural Adjustment Program	ESAP
Gross domestic product	GDP
International Organisation for Migration	IOM
International Fund for Agricultural Development	IFAD
International Monetary Fund	IMF
Multilateral Investment Fund	MIF
Movement for Democratic Change	MDC
Millennium Economic Recovery Programme	MERP
National Economic Revival Program	NERP
Public order and security act	POSA
Reserve Bank of Zimbabwe	RBZ
United Kingdom Department for international Development	DFID
Zimbabwe African National Union (Patriotic Front)	ZANU (PF)
Zimbabwe Vulnerability Analysis Study	ZVAS
Zimbabwe Electricity Supply Authority	ZESA

Chapter 1

INTRODUCTION

International remittances by migrant workers represent the second most important source of external funding in developing countries after foreign direct investment and are about double the level of official aid-related inflows to developing countries (Adams and Page, 2005). The International Organisation for Migration (IOM[1]) pointed out that remittance flows have continuously increased in the last twenty years and have until recently remained largely unaffected by the woes affecting global financial markets and violent conflicts (although the effects of the most recent financial crisis on remittances are yet to be quantified). Therefore remittances have represented a more stable source of poverty reduction than other capital flows. In 2005, remittances to developing countries totaled $188 billion, increased to $229 billion in 2006 and then to $265 billion in 2007. According to the World Bank, the figure for 2008 was expected to increase to over $283 billion (World Bank, 2008). Resultantly, these capital flows have had a significant impact on the lives of people in developing countries.

In 2007, the International Forum on Remittances, organised by the International Fund for Agricultural Development (IFAD) and the Multilateral Investment Fund (MIF) to raise awareness of the challenges and opportunities of remittances, highlighted the growing global importance of remittances:

> Nowadays, remittances represent the human face of globalisation, in which people migrate in search of a better life in order to provide for their loved ones

[1] International Organisation for Migration, http://www.iom.int/jahia/Jahia/about-migration/developing-migration-policy/migration-dvlpment/md-remittances, retrieved 13 January 2009

> back home. One person out of every ten in the world is personally affected by the hundreds of billions of US dollars in remittances that are sent every year by migrants to families back home. These flows of human and financial capital have profound implications for the economies and societies of the sending and the receiving countries[2].

Growing economic inequalities, extreme poverty, breaking down of national economies, declining of traditional industry, environmental degradation, revival of tribal, ethnic, and religious fundamentalism, conflicts and wars to name only a few are some of the direct and indirect results of globalization that have contributed towards increased migration. In essence, globalization facilitates rather than mitigates pressures on migration (Akokpari, 2000). This increase is associated with growing flows of remittances as migrants support their families left behind and one outstanding implication of this phenomena pertains to their potential to reduce poverty as they increase individual household income. However, it must be noted that there are conflictual views with regard to the broader effects of remittances with some scholars arguing that most of these resources are used to fund conspicuous consumption rather than productive or investment uses. Nonetheless, numerous studies have highlighted the contribution of remittances to poverty reduction, particularly in those countries with relatively long histories of labour migrancy (see for example Jongwanich 2007, Mundaca 2005, Maimbo 2006). Unfortunately, less written evidence exists on countries such as Zimbabwe that have experienced lower levels of labour migrancy until recently. The sudden upsurge in migrancy seems to have left scholars shell-shocked, with only a handful having made the effort to research and explain this phenomenon in Zimbabwe.

[2] International Forum on Remittances 2007, http://www.ifad.org/events/remittances/

Until the mid-1990's, Zimbabwean migration lagged behind other countries in the region because its economy was relatively stable which reduced its dependence on income derived from such employment. In the mid 1990's, the failure to meet the ill-informed prescriptions of the International Monetary Fund and the World Bank through the Economic Structural Adjustment Program (ESAP, 1992) resulted in increased unemployment and economic stagnation. This led to a steady increase in out migration to other countries in the region and overseas. Zimbabwean migration increased sharply at the beginning of the new millennium when the country began its generalised plunge that was set into motion by the fast track land reform program initiated in 2000. Recurring droughts and international isolation have also contributed to Zimbabwe's rapid social and economic deterioration, which has been characterised by hyperinflation, unemployment and a continued decline of the Zimbabwe Dollar against major currencies, (Bird and Busse, 2007). Political intimidation has also been rife during this period.

As a result, international migration has risen sharply with an estimated twenty-five percent of Zimbabwe's population, about 4 million people believed to have already fled the country in recent years according to Curnow[3]. South Africa has attracted the vast majority of these migrants, with an estimated 2 to 2.5 million Zimbabweans living in the country. In addition, approximately half a million and 400 000 Zimbabweans are believed to be in the United Kingdom and Botswana respectively (Bracking and Sachikonye, 2006).

[3] Robyn Curnow, Zimbabwe and the rest of Africa, 15 April 2008, http://edition.cnn.com/2008/WORLD/africa/04/14/zimbabwe.questions/index.html, retrieved 11 January 2008

Aims

This study seeks to understand the role of remittances in household livelihood strategies in Glen-Norah, Harare in a situation of socio-economic and political crisis. The study will also attempt to understand the practice and character of remittances by establishing the value, frequency and use of remittances.

The primary objective of this study is to understand how remittances are being used in the volatile socio-economic and political environment in Zimbabwe. Therefore the primary question that will be addressed is:

- How do people use remittances in a situation of crisis?

To address this question, this study will also attempt to examine the following related questions;

- How are remittances used in household survival strategies?
- How are remittances used in household livelihood strategies?
- How are remittances used in human capital accumulation?

Rationale

Remittances have received considerable scholarly attention globally and in different parts of Africa but there exists a dearth of such studies on Zimbabwe. The most significant contribution to the field in Zimbabwe is the work by Maphosa (2007[4]), although others such as Bracking (2003), Bracking and Sachikonye (2006) have also made valuable contributions. Nonetheless, these studies have barely scratched the surface in understanding the use of remittances which are estimated to be around $1 billion per annum. As the economic crisis has deepened, people have devised multiple coping strategies to supplement their incomes and remittances have continuously changed to be relevant to peoples lives therefore it is against this

[4] Maphosa, 2007, 'Remittances and Development: the impact of migration to South Africa on rural livelihoods in southern Zimbabwe', Development Southern Africa, 24:1, 123-136

backdrop that this study seeks to understand how remittances are used in a country in crisis.

Maphosa's study is a central reference because it provides us with an understanding of the importance of remittances in a district in Southern Zimbabwe which has a longer tradition of migrancy to South Africa than other parts of the country. In fact, this form of migrancy as he reports 'has become embedded in the cultural practice of the area and is perceived as a rite of passage, a signal of maturity for young men'. As a result, the people in this area have also used remittances for a long time (Maphosa, 2007:127). My research will build on this study and contribute to building an understanding of remittances and household coping strategies in conditions of economic crisis by focusing on one urban context in the capital Harare where several livelihood strategies interplay. This research focuses on Glen Norah because it will give a fair and detailed depiction of how remittances are being used among the urban population.

As mentioned above, several studies refer to the significance of remittances in Zimbabwe but knowledge of the dynamics and effects of remittances on individual recipients and their households remains limited. In addition, besides the aforementioned studies, much of the information on the current role of remittances in households is largely based on anecdotal evidence therefore this research seeks to establish an evidence based relationship between remittances and the various strategies being adopted by households.

METHODOLOGY

Study area

This study undertook a micro-level approach focusing on a sprawling 38 year old high density suburb located 15km south of Harare called Glen Norah as the research site. Harare has a population of 1 896 134 (CSO, 2004) and close to 70 % of the population is estimated to live below the poverty datum line which gauges the cost of living by measuring the median income of people living below a certain income quintile (Frye, 2005). As a result, households have devised various strategies to sustain and safeguard their position in the deteriorating economic conditions.

Glen Norah was a middle class suburb before the onset of the economic crisis that housed generally skilled and semi-skilled workers that worked in the nearby Southerton industrial area. It also attracted young teachers, nurses and other civil servants who wanted cheaper accommodation close to their workplaces in the city centre whilst nurses and other health workers were close to Harare Central Hospital and Beatrice Road Infectious Diseases Hospital. With the advent of Zimbabwe's economic freefall, a significant proportion of residents in Glen Norah were better placed to seek employment outside the country because they were relatively skilled or could afford to send family members abroad, thus migration emerged as an obvious coping strategy. Those who did not leave the country began to adopt various coping mechanisms with some using their skills to set up backyard industries and other forms of self employment. As a result, Glen Norah was also the target of the notorious 2005 government driven Operation Murambatsvina that sought to get rid of informal activities.

Glen Norah is similar to other closer townships like Glen View, Budiriro, Kambuzuma and, therefore provides a window into how urban households in Harare

are using remittances in a context of crisis. Although this study focuses on urban households, it also has some relevance for understanding coping mechanisms within the broader Zimbabwean society. Urban and rural households often cooperate in establishing coping strategies and rural households are also becoming more reliant on remittances. Nevertheless, one cannot generalise about Zimbabwe from a study in Glen Norah, but it must be noted that it paints a generally indicative picture of remittance use amongst recipient urban households in a crisis situation but through urban-rural links, the implications even extend to rural areas.

Glen Norah was also selected as the study area because the researcher is familiar with the suburb and this allowed for easier access. Access to a study area is always crucial to any research, but in Zimbabwe it has become increasingly important because of suspicion that has resulted from the government's policies on information for example through the draconian laws such as the Public Order and Security Act (POSA) that has truncated freedom of association. The atmosphere was even worse during the data collection period which coincided with the 2008 presidential election run-off. Consequently, the suspicion and scepticism was tackled through the assistance of a acquaintance who has resided in Glen Norah for 25 years. A relationship and trust was established because I was introduced to households by someone they knew and the households in turn referred me to other households. I approached the first household with my friend known to the household and after being introduced, I explained the purpose of my research, showed them my student card after which I could see that they were convinced I was a student and not an intelligence operative. Similarly, Bracking and Sachikonye (2006) in their study[5] also note that some households were in fear of being victimised by the researcher, who they thought might be a government agent, therefore researchers in Zimbabwe

[5] Bracking.S and Sachikonye. L, 2006, Remittances, Poverty Reduction and the Informalisation of Household Wellbeing In Zimbabwe, Global Poverty Research Group

should be as creative as they can to gain their respondents trust because there is a high degree of skepticism and distrust created by the political environment.

I had to provide copies of my passport and student card along with the information sheet to show my legitimacy before seeking permission to commence the interview. After these proceedings, my friend would then leave us and I would begin the interview. Because I had approached households with someone they knew, I was not perceived as a stranger but rather was associated with my friends household, of which they could refer to. It would have been difficult to gain access without someone who knows the local political dynamics at play for example I had decided to interview the councillor but I was advised not to approach him because he was from the Movement for Democratic Change (MDC). Apparently, as my friend went on to explain, if I was seen with the councillor or at his residence or office, people would associate me with the MDC and they would have avoided talking to me for fear of being associated with MDC too because of political violence and intimidation that was rampant at that time. Therefore I had to be apolitical during data collection. The following section will discuss the overall approach and research tools that I adopted.

Overall approach and research methods

Lindley (2007:6) notes that remittance studies tend to draw on survey data and focus on the economic dimensions of remittances. Conversely, economic anthropology and sociology emphasise the social embeddedness of economic action, encouraging analysis of both economic transactions and 'the quality of relationships which these transactions create, express, sustain, and modify'. Similarly, the main aim of the study is to explore the role of remittances in recipient household's lives in the context of economic collapse facing Zimbabwe therefore a qualitative approach was adopted.

A qualitative approach is based on the need to understand human and social interaction from the actor's point of view according to (Maxwell, 1998:49). This approach was adopted because it reveals much more information on how households comprehend their own actions. In addition, a qualitative study allows for households to explain how they use remittances whereas a quantitative approach would be more suitable for measuring what is happening with remittances, like the form, frequency and amount of remittances. Households react to crises differently because of their heterogeneity, thus they are most likely to use remittances differently for varying reasons. A standardised questionnaire for example, cannot cover all these issues plus the unanticipated actions, therefore a qualitative approach that gives households the platform to express their actions was deemed suitable for this study.

The research used three qualitative research techniques. In-depth interviews with household heads were the primary data collection method. Observations and informal conversations formed the secondary data collection methods that also generated valuable information. Access to official data from the government or other institutions was fruitless because recording data and the generation of data through research seem to have come to a standstill as the crisis has deepened. This has worsened due to the suspension of work by institutions like the World Bank and others, therefore there is virtually a lack of official data and when it is available, its reliability is greatly questionable as the government has continuously biased data for its own agendas. However, there is a fair amount of data generated by private consultants, indicating some kind of privatisation of knowledge because it accessible, but unfortunately at a price.

Nonetheless, this virtual absence of reliable official data in Zimbabwe also validates the use of qualitative research methods like in-depth interviews because they have the ability to provide thick descriptions of how people experience a given research

issue. Therefore to deal with this absence of official data, one has to go and source the information directly from the remittance recipient households by talking to them through interviews and observations to understand how they use their remittances. The following section describes the research methods used to source the information.

In-depth interviews

Weiss (1994) in trying to answer why we interview, points out that interviewing allows one to learn about what happens in families or any other settings. Thus interviewing can inform us about the nature of social life. Weiss (1994) also adds that research aims should dictate research method and interviewing is necessary when trying to develop descriptions and learning how events are interpreted. For the purpose of this research, in-depth interviews are important because they allow the uncovering of the dynamics and importance of remittances to households that receive them. The concept of household strategy itself also necessitates the use of interviews because one must ask households or individuals themselves what they are doing in order to understand how they make sense of their own environment.

However, a weakness of interviews is that they are susceptible to interviewer bias, which is the distortion of responses that results from the interviewer's physical characteristics, style of research and more importantly the way the researcher interprets responses. Another challenge confronting interviews is that the method only allows studying a small group of people unlike questionnaires which can collect data from a large population sample therefore interview based studies cannot be generalised beyond the study. Falk and Guenther (undated) also agree that you cannot make generalisations from results when the sample is not statistically representative of the whole population in question but also identify views in research literature that say 'yes', you can generalise, but if you do, you have to issue cautions about the limited capacity to do so based on the limited numbers (see Benz and

Newman 1998). With this in mind, I argue that this study can be broadly generalized to the urban population because of the similarities households in Glen Norah have with other suburbs. However, it must be noted that the sample was relatively small, thus there might be variations in how households use their remittances. This study paints a rough picture of how remittances are being used in the crisis.

15 in-depth interviews were carried out with household heads or their representatives in cases were they were not accessible and an additional three interviews were carried out with Zimbabwean migrants in Johannesburg, to get a sense of how the senders comprehend the remittances they send and their use. One interview was carried out in English whilst the rest were carried out in Shona and all interviews were conducted in the interviewees' places of residence. In terms of gender, there was an almost even distribution with fifty four percent of my participants being female and forty six percent were males whilst in Johannesburg, I interviewed two women and a male. All interviews were recorded except for two that refused to be recorded for fear of victimization. In citing interviewees, pseudonyms are used to protect their privacy and preserve their anonymity.

Observation

Observation involves recording observable phenomena or behaviour in a natural setting and the researcher can assume different role from being a complete observer to an observer-as-participant and being a complete participant (Baker, 2006). In this study, the role of a complete observer was adopted were the researcher is present on the scene but does not participate. Observation was also important to the study because it allowed the researcher to put some of the responses into the context of Glen Norah. For example when participants mentioned their use of remittances on physical items, the researcher would then support these responses by observing. In some cases the researcher would observe some developments that were not

mentioned in the interviews like the installation of satellite dishes. Almost all of the households with a member outside had installed satellite dishes and made some visible improvements to the homes but some did not mention their use of remittances on these expenditures.

Informal interviews

Cohen and Crabtree (2006) point out that informal interviewing is typically done as part of the process of observation and it is best used in the early stages of the development of an area of inquiry, where there is little literature describing the setting, experience, culture or issue of interest. It involves the interviewer talking with people in the field informally, without the use of a structured interview guide and the researcher will try to remember his or her conversations with informants using jottings or brief notes taken in the field to help in the recall and writing of notes from experiences in the. Important benefits of informal interviews are that they foster 'low pressure' interactions that allow respondents to see them as just a conversation. Consequently, respondents may speak more freely and openly. In addition, informal interviewing can be helpful in building rapport with respondents and in gaining their trust field (Cohen and Crabtree, 2006[6])

In this study, informal interviews contributed to establishing trust with participants and also generated valuable information especially in understanding the various coping strategies people are adopting and how they interact with each other in households. Other informal conversations were also carried out at the Johannesburg bus terminus with bus drivers and other migrants to understand the largely informal processes of remitting.

[6] Cohen D, Crabtree B. 2006 "Qualitative Research Guidelines Project, http://www.qualres.org/HomeInfo-3631.html, retrieved 6 February, 2008

Sampling procedures

The lack of good census data and bureaucratic invisibility of remittance recipient households made it difficult to systematically random sample. Officials at the local municipality said that they did not have the statistics and township maps of Glen Norah from the last census in 2002 and on another day said that I had to come with a letter requesting the information which would be sent to the head office after which I could then access the census data on Glen Norah. This whole process could have taken weeks with a small chance of success hence the decision to go ahead and use purposive and snowball sampling. There were complaints from residents regarding the lack of work ethic now common at the local municipality who were referring issues to the head office to avoid work even on issues that they could attend to.

Purposive sampling was therefore utilised and it involves sampling with a purpose in mind which involves targeting a group with predefined characteristics that you are seeking, in this case being recipients of remittances. It would have been welcome to include households that do not receive remittances, but due to the constraints of time and resources, this was not possible. This method was chosen because people were reluctant to talk to strangers because of the scepticism and suspicion associated with the presidential election run-off that coincided with the data collection period. Therefore targeting specific households was necessary to gather data from recipient households. Snowballing was also used as participants recommended other households that had a member outside the country

Data analysis

Tere (2006) notes that for those at the highly qualitative end of the continuum like ethnography and in-depth interviews, data analysis tends to be an on-going process, taking place throughout the data collection process as the researcher thinks about and reflects upon the emerging themes, adapting and changing the methods if required.

This study was highly qualitative and the interview schedule was modified and refined as the interviews progressed. The interviews were recorded and after transcribing the interviews, thematic analysis was utilized.

Thematic analysis is when data is analysed by theme and focuses on identifiable themes and patterns of living and/or behavior. From the transcribed conversations, patterns of experiences can be listed. This can come from direct quotes or paraphrasing common ideas. After this, the researcher should build a valid argument for choosing the themes and this is done by reading the related literature. By referring back to the literature, the interviewer gains information that will allow him or herself to make inferences from the interview (Aronson, 1994). For this study, themes and patterns were identified that related to the research questions and direct quotes from the participants are used were possible throughout the report to bring out the role of remittances in household coping strategies from the recipients points of view. A constant reflection on the literature was also done concurrently to situate the findings within the broader literature.

Ethical considerations

Ethics clearance was obtained from the University of the Witwatersrand Non-Medical Ethics Committee and the research adhered to these principles. Even though there were no vulnerable groups that were included in the study, ethical issues always arise when relating to other human beings therefore the necessary precautionary measures were taken. Most importantly, the study made sure it would not bring any harm to participants involved therefore informed consent was obtained after explaining the purposes and nature of the study after which participants were asked to sign informed consent forms and consent to tape recording. An information sheet also providing the purpose and nature of the study was available to participants (see appendices 2, 3, 4 for the information sheet and consent forms). Confidentiality and

anonymity throughout the research was guaranteed to all participants through the use of pseudonyms.

Limitations

The overall purpose of this study is to take a micro-level analysis of the role of remittances in recipient households' strategies and thereby contribute to our understanding on how remittances play out in socio-economic fragile settings. However, despite this modest contribution, the study was not totally representative of the population in Glen Norah because of the size of the project. Another limitation is that households that are not recipients of remittances were not included, yet these could have facilitated a comparative study. Researchers have to decide on what is possible under various constraints, therefore in as much as I thought it was important to address these issues, the research had to be narrowed down and focused to address this niche in remittance studies in Zimbabwe.

Chapter 2

LITERATURE REVIEW

This chapter examines the literature on migration and remittances in order to situate this study within its scholarly position. The literature review will provide an overview of the underlying source of remittances, namely migration, on a global level and on Zimbabwe. After defining remittances, global trends and Sub-Saharan African trends and remittances in crisis areas will be examined before looking at remittances in Zimbabwe to appreciate the contributions by various scholars from different disciplines on remittances and their effects on households.

Defining remittances

Some studies like those conducted by the International Monetary Fund (IMF), have taken up an econometric approach to remittances by focusing on formal cash transfers and the balance of payments framework that rests on the identification of residents and non residents of a reporting economy. The World Bank (2007) has adopted a more wide ranging approach and defines remittances as cash or in kind transfers by migrant workers to their countries of origin. This study is premised on this holistic definition that combines cash and goods as the primary components of remittances because such an approach is especially relevant to Zimbabwe where the scarcity of basic commodities over the last few years has pushed migrants to increasingly remit goods, especially from migrants in the sub-region.

Recently scholars have drawn attention to the differences between formal and informal remittances, which pertain to the character of the channels through which remittances are transferred because informal remittances are said to be as high as 50% of the total formal remittances flows (Gupta, Pattillo and Wagh, 2007).

According to the IMF, formal remittances are transfers sent through official channels like banks and dedicated money transfer operators like Western Union. Informal remittances are sent through unconventional channels like traders, travel agencies and courier and bus companies without regulation or oversight for its remittance services. in most cases, these informal remittance strategies are a reaction to weak or non existent financial systems and barriers created by financial and monetary policies and are largely dependent on the utilisation of informal networks like the *hawala*[7] system of money transfer (World Migration, 2005).

Global trends

The rapid increase of globalisation in the past decades has facilitated a significant increase in migration. Between 1960 and 2005 the number of international migrants in the world more than doubled from an estimated 75 million to almost 191 million according to the United Nations (2005). Currently the number of international migrants is estimated to be around 200 million. Remittances have also increased over this period, especially over the last decade or so. In 1970, remittances to developing countries amounted to less than $2 billion but increased to $188 billion in 2005 and are estimated to reach $283 billion in 2008 according to the World Bank (2008). It should be noted as highlighted earlier that this figure could be 50% more if informal remittances are added. In essence, remittances have become the largest source of external financing in many poor countries according to the Migration and Development Brief 3 (2007).

Latin America and the Caribbean region is the largest recipient of recorded transfers to developing countries with an estimated share of $29.6 billion in 2006. South Asia

[7] The *hawala* system of money transfer is conducted via a network of brokers that take a commission for the transaction and benefit from bypassing official exchange rates. Networks like the *hawala* maybe an attractive means by which to transfer funds because they usually provide relatively cheap, fast and convenient transfer of funds and do not require the kind of identification demanded by financial institutions (Bradford, 2008).

was the second largest recipient, with receipts amounting to $18.2 billion whilst East Asia and the Pacific recorded $17.6 billion in the same year. Lastly Sub-Saharan Africa accounted for only $4.1 billion in the same year (World Bank, 2007). The smaller share for Sub-Saharan Africa can be attributed to underreporting and lack of data because a larger proportion of the remittances may be sent via informal channels. Some scholars have suggested that even the official figure for remittances received by Sub-Saharan Africa between 2005 and 2006 was at least $7 billion (see Gupta, Pattillo and Wagh, 2007). It must be noted that remittance estimates vary because scholars use different models to estimate them whilst informal remittances are difficult to account for, thus discrepancies in remittance estimates are common.

Literature on global remittances has shown a largely positive phenomenon in which migrants' earnings have assisted families and communities to alleviate poverty (see Gupta *etal*, 2007; Adams and Page, 2005; Bracking and Sachikonye, 2006, Acosta, 2007). However, it must be noted there is some debate concerning the impact of remittances on poverty with some scholars adopting a pessimistic view. Some of these arguments are discussed in a later section titled *Behind the Mask Of remittances* in this chapter. Adams and Page (2005) using a highly statistically oriented data set from 71 developing countries found out that migration and remittances have a strong statistically significant impact on reducing poverty. They argue that on average, a ten percent increase in the share of international migrants in a country's population will lead to a 3.5% decline in the share of people living on less than $1.00 per person per day. Similarly, Acosta (2007) also using an econometric approach, found out that increases in remittances result in decreases in the level of poverty. In all these studies, the reductions in poverty are achieved mostly due to the higher levels of income of remittance recipient households.

Migration and Remittances in Sub-Saharan Africa

Sub-Saharan Africa has also been part of the overall rising global trend of remittances. Between 2000 and 2005, remittances to the region increased by more than 55 percent, to nearly $7 billion with informal remittances expected to be as high as 45-65% of the formal flows compared to only about 5-20 percent in Latin America (Gupta *etal*, 2007). In Africa, remittances represent an important financial flow with significant development potential because they are private income transfers that directly address Sub-Saharan Africa's ultimate challenge of poverty (World Migration, 2005). Similarly, Gupta *etal* (2007) note that remittances address poverty because they are part of a private welfare system that transfers a degree of purchasing power from relatively richer to relatively poorer members of a family or community. In addition, remittances tend to be countercyclical in that they increase in times of economic distress. Nevertheless, Gupta *etal* (2007) point out that the relationship between poverty and remittances is not unidirectional because whilst remittances reduce poverty, there is the possibility that in Sub Saharan Africa, the severity of poverty might be motivating greater migration.

In southern Africa, migration has historically been an important part of the socio-economic life. Under colonialism, the form and patterns of migration were largely determined by the economic needs of metropolitan powers as migrants from present day Mozambique, Malawi Lesotho and Zimbabwe came to work in the cane fields of Natal and the diamond mines of Kimberley. With the discovery of gold in the 1880s, the mines had a huge demand for cheap male labour and the rural areas of the subcontinent began to supply their demand. By 1973, the biggest supplier was Malawi, followed by Mozambique, Lesotho and Swaziland. Zimbabwe lagged behind at this time because it had its own mining industry (McDonald, 2000:14-15). Therefore South Africa has been the main destination of migrant labour and biggest source of remittances for migrants from other SADC countries. To illustrate this,

McDonald (2000) adds that a significant proportion of the population of the surrounding countries has been to South Africa with 42% of resident adults from Lesotho, Mozambique and Zimbabwe alone having gone to South Africa in the past, with a high of 81% in Lesotho and a low of 23% in Zimbabwe. This picture drastically changed after 2000 with the onset of the crisis; therefore it is important to briefly describe Zimbabwean migration.

Zimbabweans on the move

During the first decade after independence, Zimbabwe's average economic growth rate was 5%, whilst the average growth rate for Sub-Saharan Africa in the 1980s was 2, 3%. Towards the end of that decade GDP grew faster than at any time since the 1960's (Parsons 2002). During this period, the new government sought to redress colonial inequalities and legitimately spent vast amounts of money on social services like health, education, welfare and so forth through various policies that resulted in very strong social indicators (Zimbabwe Millennium Development Goals, 2004). By 1989, 2.3 million children were attending primary school with a completion rate of 75% and there was an impressive decline in infant mortality to 63/1000 in 1989 and an 80% full immunization rate for children aged 12-23 months (Tumwine, 1992). However, from the late 1980's the Zimbabwe government came under growing pressure from the World Bank and IMF to curb its public spending resulting in the adoption of liberalisation policy reforms better known as the Economic Structural Adjustment Program (ESAP) in 1992. The failure of ESAP coupled with recurring droughts and floods resulted in increased poverty during the 1990s with an estimated 35% of households living below the poverty line by 1995(Zimbabwe Millennium Development Goals, 2004). By 1998 less than one million people in a total population of 12.5 million were in formal employment.

The Zimbabwean economy began its abrupt decline in 1997 when President Mugabe granted 50 000 war veterans massive payouts and announced that government would begin implementing the Land Designation Act through compulsory acquisition with only partial compensation (Bond and Manyanya 2002). It was only in 2000 that the fast track land reform program was initiated, which most commentators agree to have contributed to Zimbabwe's rapid social and economic deterioration (Bird and Busse, 2007). Since the late 1990's, the country has therefore been in the grip of a severe economic crisis characterised by hyperinflation, a sharp decline in investment and massive unemployment. The social effects of this crisis have been devastating on the country's population, a situation that has been aggravated by recurring droughts, the HIV/AIDS epidemic and international isolation.

Attempts by the government to kick-start the economy through policies such as the 2001 *Millennium Economic Recovery Programme (MERP)* and the 2003 *National Economic Revival Program (NERP)* failed miserably. Resultantly, the number of people in need of food aid had risen to 7.2 million in 2002 according to the 2002 Zimbabwe Vulnerability Assessment. The government admitted that Zimbabwe was facing a major humanitarian challenge which resulted in a higher incidence of vulnerability of the population (Zimbabwe Millennium Development Goals, 2004). From 2000 onwards, Zimbabweans began to leave the country in large numbers in search of a better life (Bird and Busse, 2007). The controversial Operation Murambatsvina (Restore Order) of May 2005 aggravated the situation by destroying household livelihoods. A United Nations special envoy estimated that some 700,000 people in cities and across the country lost either their homes or source of livelihood or both as a result of the crackdown on flea markets, tuck-shops, craft markets, vending stalls and urban agriculture and a further 2.4 million were indirectly affected in varying degrees (Tibaijuka, 2005). This operation can be said to have added to the push factors that were already forcing people to migrate.

In terms of the macro-economy, Zimbabwean inflation has been the highest in the world for several years now and is projected to be at unsustainable levels. It is being fuelled by excessive money printing due to the unavailability of external funding partly as a result of European Union and American targeted sanctions. Robertson (2003) noted that the government was borrowing extensively from the Reserve Bank, a procedure that forces the Reserve Bank to print the additional funds needed and this is the most inflationary conduct of all, because the money is being used for consumption purposes, not for investment. Unemployment is beyond 80 percent while average life expectancy stands at 37 years (newzimbabwe.com, 10 April, 2008). The UK Department for International Development (DFID) stated in 2007 that 56 percent of the population lived on less than US$1 a day whilst 80 percent lived on less than US$2 a day[8]. In response to the economic disaster and political crisis of the last several years, huge numbers of people have been leaving Zimbabwe, with an estimated 3 million leaving between 2000 and 2005 (Savage and Harvey, 2007). In sum, migration from Zimbabwe has been motivated by a collapsed economy, lack of jobs, hyper-inflation and human rights violations which has witnessed families of all social classes increasingly being compelled to send members abroad to cope or escape the crisis (Bloch, 2008).

However, the situation on the ground in some cases is characterised by seasonal fluctuations. In southern Africa particularly, migration has for decades been characterised by contract labour, predominantly within the mining industry in South Africa. Commercial agriculture also provides employment to seasonal and contract workers from the region (Sander and Maimbo, 2003). According to the *Business Day* (20 January, 2008), Limpopo farmers bring thousands of Zimbabwean labourers into the country to do seasonal jobs that unemployed South Africans are not prepared to

[8] UK Department for international Developmentdfid.gov.uk

do. In the same article, the writer indicates that 80% of the workers on farms in Musina are from Zimbabwe and most of these are seasonal fruit pickers. This trend therefore indicates that remittance flows have periods they peak or fall depending on the season especially for agricultural workers. INSTRAW[9] notes that South Africa provides special permits and has a formal system of recruitment for agricultural migrant workers and women are more concentrated in tasks such as harvesting, packing and pruning, and by consequence their work is more seasonal and poorly paid.

Remittances in crisis areas

Lindley (2007) remarks that remittances have been highlighted as significant in many conflict/crisis affected areas. However, this has just began to generate research because remittance literature has avoided crisis and conflict affected because they do not seem to fit with dominant understandings of remittance behavior and the optimistic migration-development consensus (Lindley,2007:2). The recent burgeoning literature in the field has focused on countries emerging from or still experiencing conflict and crisis and those affected by environmental catastrophes (see for example Fagan 2006, Suleri and Savage 2006, Lindley 2006 and 2007, Young 2006).

Fagan and Bump (2006) observe that researchers are beginning to call attention to how assistance and investment from migrant communities to countries beset by conflict and plagued by repressive and predatory governments, enable national societies to function. In this regard, Afghanistan, Sri Lanka and Somalia have received considerable attention, resulting in the documentation of the role of

[9] U N, International Research and Training Institute for the Advancement of women(INSTRAW) http://www.uninstraw.org/index.php?option=com_content&id=491&lang=en&task=view&Itemid=449, retrieved 8 February.

remittances in contributing to livelihood and survival strategies (Fagan and Bump (2006: 12). Before engaging with the use of remittances in these countries, it is therefore important to distinguish between survival and livelihood strategies in households.

Household survival strategies are short-term ways of coping with the impact of a variety of constraints at the household level (Lingam, 2005). These constraints can be economic, political and ecological, for example the loss of employment due to closure of public sector companies under Structural Adjustment Programs (SAP's), civil war or natural disasters like floods and drought. To illustrate that survival strategies are temporary short term solutions, Lingam (2005:16) remarks that the term 'household survival strategy' is extensively used to connote the deliberate social and economic moves by the poor who can be poignantly expressed as holding their 'heads above water' or keeping the 'wolf away from the door'. Therefore survival strategies are a temporary fix in the process of establishing longer term livelihood strategies. Golooba-Mutebi and Tollman's (undated[10]) argument that many Mozambican refugees in South Africa have managed to move on from initial short-term survival strategies to achieve long-term livelihoods suggests an important difference that survival strategies are short term coping mechanisms whilst livelihood strategies are long term coping mechanisms.

The concept of a livelihood has numerous meanings and is sometimes referred to as a means of making a living, or actions to meet socio-economic obligations. Chambers and Conway (1991) define a livelihood as comprising people, their capabilities and their means of living including food, income and assets(including both material and

[10] Frederick Golooba-Mutebi and Stephen Tollman (undated): 'Survival to livelihood strategies for Mozambican refugees in South Africa'

social assets). Livelihoods in this study will be understood simply as means of subsistence or the sum of ways in which a household obtains things necessary for life. As noted earlier, the defining characteristic of a livelihood is that they are more stable longer term means of sustenance. They are strategies that go beyond just holding people heads above water, but rather entail lifting people out of the water all together. Therefore livelihood strategies may pertain to activities that facilitate some kind of improvement or lift households out of poverty.

Coming back to crisis areas, the extent to which remittances are used for survival or livelihood varies between countries, but an overarching similarity in crisis states is that this difference is blurred due to the internal local conditions. The uncertainty that prevails in conditions of crisis generally limit the ability for long term planning thereby constraining livelihood strategies whist some investments like in education can be deemed livelihood strategies. Activities in uncertain environments can also be said to be coping strategies. These are activities that fall between survival and livelihood strategies which allow households to manage but do not facilitate longer term progress or improvement. Coping strategies therefore allow households just to manage in conditions of crisis.

Nonetheless, remittances in crisis countries play a crucial role in sustaining the economic survival of a significant proportion of the population. Savage and Harvey (2007:13) add that people who receive remittances may play an important part in the recovery process once channels are re-established through sharing of remittances within and between communities which may increase their impact beyond the immediate receivers. Remittance flows into local communities may have positive multiplier effects on local economies because of increased disposable income for example through higher demand for local services, construction jobs and other activities. To this extent, remittances in Somalia seem to have contributed to the

establishment of livelihood strategies especially those used in different investments. Fagan and Bump (2006) highlight that private sector investment mainly through remittances is the economic mainstay of the Somali economy and seems to be behind the development and state rebuilding now underway. Expatriate Somalis have made this possible by investing in trade and telecommunications, helping to establish and maintain vital services, and enabling millions of dollars of remittances and investment funds to enter the country despite the absence of local or national government structures, banks, and well-known international institutions(Fagan and Bump, 2006:15). However, Lindley (2006:13) also found out that whilst remittances may be used for business investments in Somalia, the majority of respondents (96%) were using remittances for *biil* (regular basic expenses that may include food, health, education, rent and household items). Thus in this sense, remittances are also largely used to support survival strategies although more long term investments in education and health can be regarded as part of livelihood strategies.

The use on health and education deserves special attention because it entails investments in human capital. The United Nations defines human capital as productive wealth embodied in labour, skills and knowledge. The use of remittances in human capital accumulation has therefore attracted attention from scholars interested in the positive impacts of migration in sending countries hence the focus on 'Brain gain' which is the resultant investment in education and health by migrant workers through remittances. The argument for 'brain gain' is as follows. Where migration offers additional employment possibilities there can be a net gain in human capital, "brain-gain", despite the losses from "brain drain" (Brown, 2008). While individuals and their families invest more than otherwise in human capital, with a view to enhancing their prospects for migration, not all will necessarily succeed in finding jobs abroad, and, some will eventually return home bringing back with them the additional human capital acquired both before leaving and while working abroad

(Brown, 2008:14). In Lindley's(2006) study in Hargeisa, Somalia, around two thirds of the respondents spent remittance money on education and health which not only improves the social welfare of the household, but can also help its long term economic prospect. This thus indicates the use of remittances on education and health as contributing to the establishment of longer term livelihood strategies.

There is a general agreement in the literature that remittances positively contribute to stability in crisis situations. Savage and Harvey (2007) (see also Suleri and Savage 2006) observe that remittance income tends to be constant and has low volatility, which allows households to absorb shocks and economic downturns, acting as a form of insurance for use at a time of urgent need. These authors also note that the insurance they provide may probably be incomplete because the losses are sometimes simply too large for migrants to fully bear.

Production is usually very low in crisis countries, increasing the dependence on imports at a time when the country is least capable of affording them. In this context, in-kind remittances are welcome as they contribute to this insufficiency. Savage and Harvey (2007:15) suggest that non-cash remittances are very important to Haitian recipients because a high cost of living plagues Haiti, due largely to the fact that so little is produced in the country and what is manufactured is poorly distributed. Nearly everything is imported and sold at high prices. Hence, it is reportedly less costly to ship common items needed on a daily basis, such as clothing, oil, rice, salt, shoes and spaghetti, than to buy them in Haiti. In situations like these similar to the Zimbabwean context were production has also been very low, non-cash remittances have played a greater role assuring a source of livelihood in these communities hence the need for a broader definition of remittances in this research that includes cash and in-kind remittances. Binzel and Brück (quoted in Lindley, 2007) have provided an apt description of the state of Somalia, "While in many respects the city is in a phase

of post-conflict reconstruction, the social, economic and political uncertainties faced by its people are persistent and significant, justifying its description as a fragile setting". The social, economic and political conditions being faced by most Zimbabweans can also justify the country as a fragile setting therefore the uses of remittances are different from conventional stable settings and thus require a different explanation with this background on mind.

Remittances in Zimbabwe

The total flow of remittances to Zimbabwe is unknown because most of the remittances are sent through informal channels which include cross-border transport operators, personal delivery by the remitter or collection by the beneficiary (Maphosa, 2007). This behavior can be seen as a reaction to the non-existent financial systems that promote formal remitting and barriers created by financial and monetary policies. However there are few estimates on the magnitude of remittances Zimbabwean migrants send home. The state run daily, *The Herald(*7 December 2007*)* reported that Zimbabweans in the Diaspora sent home US$361 million in 2006 excluding hand- in-hand transfers, representing 7,2 percent of the country's 2006 GDP. Besada and Moyo (2008) believe that remittances inject approximately US$490 million into the national economy every year. A recent estimate was published in the South African weekly the *Mail and Guardian* (7-13 March, 2008) which estimated that more than US$1 billion finds its way into Zimbabwe each year, and about $500 million of this arrives via Zimbabweans in South Africa with the bulk of it leaving South Africa informally via taxi and bus services, traders and friends.

Despite these significant flows of remittances to Zimbabwe, their effects in recipient households or even the whole country for that matter have not been comprehensively studied. The major studies on remittances in Zimbabwe include (Bracking, 2003;

Bracking and Sachikonye, 2006 and Maphosa, 2007). Maphosa's study is particularly important because it provides recent statistical data on reasons for emigration, uses of remittances and channels for cash remittances. Maphosa (2007) asserts that Zimbabwean migrants transfer significant value in the form of remittances which are the most important source of income for many households in Zimbabwe. He concludes that remittances from migrants in South Africa contribute significantly to the welfare of many households in the southern districts of Zimbabwe by improving standards of living and better access to health care and education and, to a lesser extent, are invested in productive activities. However, his analysis only focuses on migrants in South Africa and does not focus on remittances as a coping strategy among others therefore making it difficult to situate remittances in the wider household coping strategies. Similarly, Bracking and Sachikonye (2006) in their survey of 300 households in several suburbs in Harare and Bulawayo also found out that remittances are critical to alleviating household poverty in urban Zimbabwe and a substantial majority of them are dependent on remittances for essential household goods, including food. Most importantly, Bracking and Sachikonye (2006) highlight the importance of in-kind and goods transfers which they argue may probably outweigh the value of money transfers.

In terms of the proportion of households that receive remittances, all studies have shown that most households have a least a member outside the country and are receiving remittances. In Maphosa's sample, 68.7% of the households had at least one member who had migrated whilst Bracking and Sachikonye (2006) found out that half of the households in their survey received income and goods from an absent family member reflecting that migrancy and exit have become key coping strategies in Zimbabwe. The discrepancy in their figures can be attributed to their study areas because Maphosa's study is situated in an area where remittances have traditionally played a central role in household livelihoods whilst the other study looks at

Bulawayo and Harare. Nonetheless, the general trend is that a significant proportion of households is receiving remittances and the overall effect has been according the 2007 Zimbabwe Vulnerability Analysis Study(ZVAS) households receiving remittances were less likely to in the lowest income and expenditure categories and less likely to be food insecure (Kavishe, 2008). In addition, remittances in Zimbabwe, like anywhere else, are also used in health care and education and due to the collapse of these two social sectors in Zimbabwe, it is even more necessary to measure the extent to which remittances have been used for human capital accumulation.

Household diversification

The household has been an important unit of analysis in sociology. However, other sociological analyses tend to assume a rather limited view of what a household is by focusing on a heterosexual couple family ignoring the role of other family members making these approaches culturally limited in their scope (Wallace, 2002: 280). Therefore this term should be flexible enough to include a variety of family forms, thus for this study, a broader approach that includes kin relations to the household will be adopted because of the perceived importance given to the extended family. In addition, the household is important because decisions are not always individually derived but are sometimes the product of the whole household. McDowell and de Haan (1997) observe that it is not the individual that decides about migration, but rather decisions are taken in the context of the family and the household and migration is seen as a form of portfolio diversification by families.

As McDowell and de Haan (1997) note, migration should be seen as just one of the coping strategies open to households that is often combined with other strategies. However, while livelihood and survival strategies are diverse and multiple, for many poor people, migration represents a central component of these strategies according

to Kothari (2003). A study that sought to situate the importance of remittances in household strategies by Jose (1995) on Latin America and the Caribbean in the 1980s concluded that remittances are very important and central to the well-being of middle and low-income households. However, it must be noted that households respond to household constraints by diversifying their income sources through various household livelihood strategies. Economic meltdown coupled with recurring droughts and harsh government policies like Operation Murambatsvina are some of the livelihood constraints Zimbabwean households have and continue to face[11]. Ellis (1998) defines livelihood diversification as the process by which families construct a diverse portfolio of activities and social support activities in their struggle for survival and in order to improve their standards of living. As has been noted earlier, since the late 1980s Zimbabweans have been devising various strategies for coping with the economic challenges including an expansion of informal sector activities, urban farming, letting out rooms and cross border travel (Zinyama, 2000). Most households in Zimbabwe have therefore managed to cope with the crisis by diversifying into different strategies.

Behind the mask of remittances[12]

A considerable amount of literature has focused on the development potential of remittances, primarily their effects on poverty and the possibility of providing a stable source of foreign currency whilst ignoring some drawbacks associated with them. These approaches miss an important point that remittances are not uniform in their effects since individuals remit to their kin within a specific class and social hierarchy therefore exacerbating inequalities and marginalization (Bracking, 2003). In addition, this can lead to more exclusive social and governance contracts as the

[11] http://www.icrisat.org, retrieved 10 May 2008

[12] Heading taken from Firoze Manji, 'Behind the mask of remittances', Pambazuka news, 2007-12-04, http://www.pambazuka.org/en/category/features/44839, retrieved, 30 April 2009

political elite are also members of remittance recipient households who are likely to take advantage of the divided economy organized to benefit the foreign currency receiving class sidelining the poor (Bracking, 2003).

Brain drain is also another cost that limits the development potential of remittances. In Zimbabwe, the drain of skilled labour has been identified as a major obstacle to any recovery efforts because by 2003, more than 490,000 skilled Zimbabweans had emigrated due to limited employment opportunities and a weakening economy. This figure has probably doubled since then according to Besada and Moyo (2008). The country's health sector has been particularly hard-hit and it is thought that up to 80 percent of pharmacists, therapists, doctors, nurses and radiologists who were trained in the country after independence have already migrated. Approximately 90 percent of junior doctors trained at the University of Zimbabwe's medical school leave the country within four years of graduating (Besada and Moyo, 2008: 17). From this one can draw his/her own conclusions on the implications of this flight of skills on the economy and obviously the people.

Fajnzylber and Lopez (2007) also highlight important costs on family members who are left behind, especially children who grow up without the presence of a parent or both parents. There are negative social implications associated with the fact that important segments of the younger generation are dependent on receiving steady flows of remittances thereby reducing their incentive to work. Various studies have also demonstrated that remittances contribute to household consumption with little investment in productive activities questioning their whole development potential. Manji'[13] also critically reviewed remittances which are generally used for subsistence and argues that they barely enable people to keep their heads above water. Manji's

[13] Firoze Manji, 'Behind the mask of remittances', Pambazuka news, 2007-12-04, http://www.pambazuka.org/en/category/features/44839, retrieved, 30 April 2009

argument therefore denoted remittances as mere survival strategies because they are not used to create employment or develop new initiatives but rather are primarily used to supplement income when wages or income from agricultural production, petty-commodity production, or whatever activity people are engaged in to 'make a living' is inadequate.

Despite the questionable contribution of remittances to development in broad terms, it is beyond doubt that they play a crucial role at local levels which is the central aim of this study to unearth their contribution at household level.

Chapter 3

HOUSEHOLD SURVIVAL AND LIVELIHOOD STRATEGIES IN GLEN NORAH

The severe crisis in Zimbabwe has driven people to engage in a variety of coping strategies. The volatile and uncertain political economy characteristic of the crisis has also limited people's ability to engage in livelihood strategies but has resulted in the proliferation of various survival strategies. Importantly, Zimbabwe has managed to avoid total collapse because of the massive emigration over the last several years which has drastically reduced the number of people dependent on dwindling resources in the country. Moreover, emigration has provided much needed remittances from those outside the country that have contributed to people's ability to develop survival and livelihood strategies and even investments in human capital. This chapter examines the diverse range of strategies being adopted by households in Glen Norah to defend their standard of living. In order to understand how remittances are used in a crisis situation, it is important to first understand the different strategies adopted by households to cope with the crisis. It should be noted that these coping strategies are not separate to remittances, but there is a continued interplay and overlap between them to meet the overall goal of securing a household's means of living. This discussion will begin by briefly describing the current socio-economic environment generally in Zimbabwe and in Glen Norah particularly, so as to put the accruing discussion into context before moving to the myriad of strategies undertaken by households in Glen Norah.

The situation on the ground

The depth of the crisis in Zimbabwe is arguably best reflected with the hyperinflation figures (by far the highest in the world for several years now) and the high levels of unemployment. The country is currently facing its worst economic crisis which is characterised by an ever deteriorating socio-economic and potentially politically volatile environment. Inflation stood at over one million percent by the end of May 2008 and by the end of June it was over nine million percent[14]. In August of the same year, the Reserve Bank removed ten zeroes from the currency to slow down the galloping inflation, but even this desperate measure failed to curb the serious problems facing the country. Official inflation was over 231 million percent in October but the CATO[15] institute put the annual inflation rate as of 31 October 2008 at 2.79 Quintillion[16]. The Reserve Bank was forced to introduce high denominations of ten and twenty thousand dollar notes in September and by the 5th of November, it rolled out one million dollar bank notes[17]. On December 3 2008, the Reserve Bank unveiled higher denominations including a 100 million dollar note and in January 2009, a 100 trillion note was launched. There has been no official inflation rate since November 2008 (*Mail and Guardian,* 16 January 2009). In early February 2009, the Reserve Bank slashed 12 zeros from the country's currency (*The Times*, 3 February 2009). Twenty-seven new currency denominations were introduced in Zimbabwe in 2008 alone[18]. From this one can draw a rough picture of the economic environment and extent of inflation.

[14] Figures accessed from on http://allafrica.com/stories/200806270894.html, 7 November 2008

[15] CATO institute, http://www.cato.org/zimbabwe, retrieved 8 November 2008

[16] A Quintillion has 18 zeroes

[17] http://newzimbabwe.com/pages/banks73.18985.html

[18] $100m note introduced, withdrawal limits hiked, http://www.newzimbabwe.com/pages/banks74.19097.html, retrieved 6 November 2008

Employment in the formal sector has been dropping rapidly resulting in unemployment levels of around 80%. Unfavourable economic conditions and government policies have forced most companies to shut down. For example, Coltart (2008) notes the government's price control policy announced at the end of June 2007 that halved prices in an effort to stem runaway inflation resulted in manufacturing output falling by fifty percent in the six months that followed. Due to the limited capacity to export their goods, many manufacturing firms had to shut down. Other sectors have also not been spared such as gold which in 2006 suffered its lowest annual output since 1907 whilst annual foreign earnings from tourism in 2006 were less than one-tenth of what they were in 1996. The overall economy has shrunk by about 44 percent between 1998 and 2007(Coltart, 2008: 4-5).

All this has translated into increased poverty as the proportion of Zimbabweans living below US$1 was estimated to be over 80 percent in 2008, up from 36 percent in 1990. Life expectancy collapsed from 59 years in 1990 to 37 years in 2005, and is now among the lowest in the world, apparently the combined result of declining nutrition and the spread of the HIV/AIDS epidemic (Besada and Moyo, 2008). According to the UNDP[19], Zimbabwe's development indicators now rank 151st out of 177 countries with data. The number of employed minors with ages ranging from 5 to 17 jumped from 60 percent in 2007 to 75 percent in 2008 according to IRIN[20] also reflecting the dire circumstances experienced by households in the country. IRINnews talked to Ziruvi, a 13 year old boy who has ambitions; his eyes are set on the black market foreign currency trade and said "I am confident that one day I will

[19] United Nations Development Program
http://hdrstats.undp.org/countries/country_fact_sheets/cty_fs_ZWE.html, retrieved 3 December 2008

[20] IRIN, humanitarian news and analysis: UN Office for the Coordination of Humanitarian,
Zimbabwe: economic crisis hits children harder,
http://www.irinnews.org/report.aspx?ReportID=81062,
http://www.irinnews.org/report.aspx?ReportId=80858, retrieved 8 November 2008

drive one of the latest BMWs on the road. I am planning to get into forex, and then *ngoda* (diamonds) and possibly fuel". Ziruvi is among thousands of children below the age of 18 who have quit school and are on the streets trying to help families make ends meet[21]. Shortages of basic commodities, which are accessible on the black market at exorbitant prices, continue to plague consumers. Some shops and supermarkets had groceries imported mainly from South Africa and other countries, but like the black market dealers, the prices were far above the ground, usually double the price they go for in South Africa. Daily commodities like bread were also scarce due to the shortage of flour, driving the prices beyond the reach of many.

Coltart (2008:9) best describes the situation in Zimbabwe when he says that "never before has one country seen such a convergence of severe economic collapse, high levels of HIV/AIDS infection, and chronic malnutrition. Zimbabweans are suffering from the consequences of the fastest economic contraction anywhere in the world and high AIDS/HIV morbidity exacerbated by the scarcity and widespread shortages of medicine and food".

In Glen Norah, unemployment is high but it appears from my sample that the suburbs level of unemployment is lower than the national rate. Sixty one percent of the economically active people in my sample had no formal jobs whilst the remaining thirty nine percent had formal jobs in the civil and private sector. A significant proportion of the unemployed were engaged in a variety of informal activities whilst some were self-employed. If I remove these people engaged in some kind of economic activities from the unemployment figures for the area, the unemployment level drastically decreases to around twenty percent. The national growth of the

[21] IRINnews, Zimbabwe: economic crisis hits children harder, http://www.irinnews.org/report.aspx?ReportID=81062. retrieved, 4 December 2008

informal economy is also evident in Glen Norah although it has tended to become more underground in nature. Tuckshops and market stalls common before Operation Murambatsvina have now been replaced by notices and signs indicating whatever will be on sale in people houses. Glen Norah shopping centre provides an insight of the national economy as it has become a kind of an informal business district with a flourishing foreign currency black market. The exchange rates are competitive with those in Harare CBD, the hub of forex dealings thus discouraging residents to travel into town to perform their transactions. Other commodities like fuel and various groceries are also available from informal traders at the shopping centre. In terms of the general living conditions, there is a lack of social services evidenced by the roads which are full of pot holes whilst uncollected trash is ubiquitous. Water and electricity supply are erratic. As a result, in November, there was an outbreak of cholera which spread from the nearby township of Budiriro believed to be the nucleus of the disease and has spread to the entire country and to neighboring states.

Of those employed, a significant number of my respondents were civil servants such as teachers, nurses and policemen whilst some were employed in quasi-governmental entities like the Zimbabwe Electricity Supply Authority (ZESA). Sixty three percent of those in formal employment worked for the government or quasi-government institutions whilst thirty seven percent worked in the private sector. Those in the private sector were involved in the industrial and financial sectors. In most countries, the concentration of civil servants in a community denotes a middle class community but this is not the case in Zimbabwe because their salaries are totally outpaced by hyperinflation and have continuously been eroded by the increase in prices making them part of the lowest earning and often below those in the informal economy.

It is against this background that people have diversified their sources of sustenance in order to manage in the dire circumstances. Households have combined survival

and livelihood strategies that complement and supplement each other making it difficult to distinguish the strategies. The next section will now look at the portfolio of strategies established by households in Glen Norah.

Household Survival and Livelihood Strategies in Glen Norah

As noted earlier in the literature review, the difference between survival and livelihood strategies is distorted in conditions of crisis as households formulate multiple strategies. However one can draw the difference by looking at survival strategies as short term responses to constraints whilst livelihood strategies are established to be long term sources of sustenance. This section will examine the various strategies being adopted by households as a means of living in Glen Norah including their classification as survival or livelihood strategies were possible. Whilst examples will be drawn from the whole sample, more attention will be given to several households that display a wider diversification of a portfolio of strategies.

Formal employment

Formal employment includes those working for the government and private companies or any other formally registered organization. Sixty six percent of households in my sample had at least one member who had a formal job. But in a situation of hyperinflation, salaries for the vast majority are largely irrelevant especially when they are paid in the local currency. As a result, all participants reiterated that the salaries could not even sustain a family or that person going to work for that matter. Monica's household is illustrative because both parents are teachers but their combined salaries cannot sustain their family of six which comprises of two college students, one high school student and an older unemployed

graduate. Monica revealed that their combined salary was ZWD300 billion which was equivalent to about R80 at the time of the research.

Due to the irrelevant salaries, moonlighting has been on the increase. It involves engaging in other economic activities outside ones job, mostly in the informal economy. Moonlighting is evident as workers actively try to supplement their meager salaries. It merges formal and informal activities as most moonlighting activities engaged in are in the informal sector. One respondent, Joe[22] indicated that, "…what is happening with those who go to work is that in their workplaces they take care of each other. Some have farms, so they sell maize-meal. So those who go to work link with others to get whatever they can...". In other words, the work environment is being used as a platform to engage in other more rewarding activities, it is now being used as a space to establish networks. Whilst employment in a normal context would constitute a livelihood option for households, in Zimbabwe people have not been able to sustain themselves from their salaries. The economic freefall has rendered formal employment worthless for workers who earn in the local currency because of the hyperinflationary environment and cash shortages. Workers have therefore resorted to moonlighting to compensate for the irrelevant salaries therefore moonlighting emerged as a survival strategy to cope with insignificant salaries.

In addition the job market has significantly shrunk such that the unemployment levels have skyrocketed. All this has forced people into the sprawling informal economy as they actively try to cope in the hostile economic environment.

[22] Interview with Joe, 17 June 2008 at Glen Norah

Informal economy

A recession in the formal economy has caused the informal economy to flourish in recent years (Shinder, 1998). The high rate of unemployment has made the informal economy an obvious opportunity for households to sustain themselves. Hart (1973) defines the informal economy as unregulated economic enterprises or activities whilst Leonard (2000: 1073) defines the informal economy as the myriad of ways of making a living outside the formal economy either as an alternative to it or as a means of supplementing income within it. This best describes the informal economy in Zimbabwe because the shrinking of the formal economy has led to the growth of the informal economy as an alternative whilst those in the formal economy have increasingly been relying on the informal economy to supplement their income. The informal economy is diverse and as Leonard (2000) points out, there is a diversity of informal economic strategies and there is a possibility of higher earnings being achieved in the informal rather than formal sector. There are also a wide range of terms used to describe this diverse range of economic practice including "black market?", "parallel", "shadow", "submerged", "clandestine" and "cash economy" (Leonard, 2000; 1073).

Due to the collapse of the formal economy, Zimbabwe's informal economy now constitutes nearly sixty percent of the countries GDP, the largest such proportion in Africa. It is followed by Tanzania at 58.3% and 57.9 for Nigeria[23]. The magnitude of the informal sector is also evident in my sample as every participant indicated that they or a member of their household was engaged in some kind of informal activity of some sort. However, the informal economy might be even larger, was it not for the May 2005 "Operation Murambatsvina" Seventy percent of urban dwellers before the

[23] Mambodiani, 2008, Market hemorrhaged by massive profit taking, http://newzimbabwe.com/pages/markets26.17426.html, retrieved 24 October 2008

operation had been engaged in the informal economy and the primary sources of income that were disrupted by the operation include tuck shops, vegetable vending, offering accommodation and petty trade (Action aid, 2005).

Coltart (2008) observes that the informal economy had effectively become the main source of income for the majority of Zimbabweans by 2005 when Operation Murambatsvina took place. It has still not yet recovered. In Glen Norah, concrete slabs of buildings destroyed during the operation are noticeable. They are now just scars of previous livelihood strategies. Despite Operation Murambatsvina, the informal economy has been resilient and is probably the biggest employer presently. The informal economy is now very broad and diverse as people supplement their earnings through an amalgamation of different types of informal economic activities but it can be broken down into several activities as highlighted by the participants as below:

a) Informal trading

Mambondiani (2008) asserts that it is quite possible that approximately 60 percent of the population has turned into traders as there are three or more layers of middle men such that the same commodities are sold several times before they get to the final consumer. As the formal economy has succumbed to the crisis, individuals have stepped in to provide the goods and services creating an informal economy that has effectively dwarfed the formal one. Chronic shortages of virtually all commodities have made the trading of almost anything profitable. Scarce goods are being sourced from within or outside Zimbabwe for re-sale on the parallel market. As an example, during the time of this study, because of the flour shortage, the few deliveries of bread made were being hoarded by traders and sold for double or triple the price just outside the shops. Fuel drained from cross border trucks was being sold for US$1 per litre in backyard fuel stations. There was also mention of bigger but also illegal deals

in gold and diamonds, popularly known as *ngoda*. There was talk of people who have become very rich from this diamond rush in eastern Zimbabwe since 2007.

Ndinongokiyakiya is a common but vague response to describe activities undertaken by some members in households. Some participants said *tinongodealer* usually referring to the same phenomena. Literally these terms mean "doing this and that" and "we just deal" respectively. However, this may be the best way to describe the nature of tactical surviving adopted by households in a volatile economic environment. It is tactical in the sense that it involves acquiring a sixth sense to source and sell scarce commodities in an uncertain environment. People have to constantly change what they are involved in depending on what is available at that time. *Kukiyakiya* thus involves a variety of informal dealings in scarce commodities like selling fuel, trading foreign currency, hoarding and selling groceries on the parallel market and do fourth.

Sixty seven percent of the participants confirmed that they or a member of their household was involved in some kind of informal trading or dealing. The economy has been informalised to such an extent that virtually anything can be sourced on the informal market. As noted earlier, those in formal employment sometimes utilize this opportunity and engage in informal economic activities to supplement their incomes. Wes[24] works as a human resources officer for ZESA[25] and is greatly dependent on remittances from his father in America and elder brother in South Africa to look after the family. But as he explained, "there is something we do here and there besides employment, as you know Zimbabwe, there are some deals which arise here and there which can bring some money". He added that he sold anything that he could lay his hand s on from fuel and foreign currency to cement.

[24] Interview with Wes 12 June 2008 at Glen Norah

[25] Zimbabwe Electricity Supply Authority

Despite its importance as a source of income, the nature of informal trading in Glen Norah can be categorized as a survival strategy. Informal trading is more of a short term coping strategy that depends on available opportunities because of the uncertainty and dynamism characteristic of the economic environment in Zimbabwe. Monica illustrates how they adopt informal trading as a survival strategy to supplement other sources of sustenance. She is an unemployed graduate who lives with her two siblings who attend at the University of Zimbabwe whilst their parents and two other siblings stay in Masvingo. The family mainly survives on remittances from her sister in England. To supplement their remittance income, Monica's sister also doubles up as a foreign currency trader occasionally whilst Monica is an informal trader without a particular commodity that she trades in, but rather deals in anything that she can get her hands on. In her own words, Monica said;

> "I deal, you know how it is here in Harare, if you just hear that there is a shortage of something and if you can get it from somewhere, you just get it and supply it and you know how it is, that's it."[26]

Almost all informal trading activities are in the parallel market and the trade is dominated by unemployed youths in attempts to supplement their household's income. Whilst the type of goods traded is diverse, basic commodities especially groceries tend to dominate this trade. Foreign currency trading was common during the data collection period, but the move by the reserve bank to legalise the use of foreign currency has probably eroded this trade because there is no need for people to exchange their foreign currency for the local dollar.

b) Informal Cross border trading

Cross border trading forms part of the informal sector and is defined as trade where the movement of goods and services across borders is, by and large, not officially

[26] Interview with Monica 30 June 2008 at Glen Norah

recorded and at times may even be outright illicit and of a contraband nature. It characteristically involves the frequent movement of people across borders with small consignments usually making it uneconomic to follow the official documentation procedures. As a result, most of this business goes unrecorded for official trade statistics and gross domestic product (GDP) purposes, despite the continuously increasing volumes, as evidenced by the rise in migration/immigration figures, (Ndlela, 2006: 8).

Cross border trading in Zimbabwe dates back to the pre-colonial period but with the erection of borders under colonialism, this trade was made illegal through the imposition of tariff and various non-tariff barriers. Informal cross border trade re-emerged after independence in the mid-1980s with people going to Botswana and later to South Africa after 1994 but was despised and associated with low-income earners and unemployed people who had no alternative means of living. It was a mere survival strategy by the poor to cope with their economic situation (Nyatanga, Mpofu and Tekere, 2000). However, due to the deteriorating socio-economic conditions it is no longer only the low income earners or the unemployed who are engaged in this form of trade. Also, Zimbabwean informal traders have widened their coverage to include South Africa, Botswana, Mozambique, Zambia, Malawi and Namibia, (Nyatanga, Mpofu and Tekere, 2000). The research also revealed that the coverage of cross border traders has further broadened to include overseas destinations like Dubai and China although none of my participants mentioned that they were involved in cross-border trading to these destinations because of the high capital input required. This challenges the association of cross border trading with low income earners and unemployed people and shows that cross border trading is now a larger phenomena than it used to be, at least in Zimbabwe.

Twenty seven percent of my participants said that they had a member involved in cross border trading. In some households, it has established itself as a stable source of livelihood. Chipo's[27] case is illustrative. She is 51 years old and has never had a formal job in her life. Her husband is a teacher and she mentioned that from around 1997, the family was struggling because they had another child whilst the eldest was about to begin his university studies. This is when she decided to venture into cross border trading mainly to South Africa and to a lesser extent to Zambia and Botswana. She would export croichery and other artifacts to South Africa and import second hand clothes to sale in Zimbabwe whereas to Zambia, she used to smuggle whiskeys, spirits and brandies. With the advent of the crisis, Chipo now mainly imports groceries and other consumables from South Africa. A notice at her gate indicates that soap and cooking oil were available for sale. She indicated that, they managed to send their eldest son to University, something she said they could not have done if she had not ventured into cross border trading. Their son now works in South Africa and has taken over some of the responsibility to educate his siblings.

There is also an increasing tendency by households to do their shopping across the border in neighboring countries. Cross border shoppers are different from cross border traders in that they only buy goods for their own consumption and use. Cross border shopping is largely financed by international remittances from migrants who cannot send goods and will therefore be discussed in the next chapter on remittances in Glen Norah.

c) Self employment

Leonard (2000: 1076) notes that self employment refers to a heterogeneous set of activities and range of individuals and is utilized to refer to small-scale producers who operate small-scale units to produce and distribute goods and services generally

[27] Interview with Chipo, 13 June 2008

within their own communities. Often the activities of those involved in this type of self-employment centre on providing goods and services necessary to meeting some of the daily needs of low income households. A study of street traders in Columbia found that the majority preferred informal self employment to formal wage employment (Nelson, 1988 quoted in Leonard, 2000:1076). The reason cited was because most traders amongst the respondents felt they could achieve greater economic security engaging in street vending than in formal employment. This was because formal employment tended to be sporadic and short-term. Hence in the absence of welfare benefits, there was always the possibility of being left with no source of income whatsoever therefore street trading provided an independent, if somewhat irregular, source of income (Leonard, 2000).

The picture given of Columbia is similar to the situation in Zimbabwe. Nevertheless, Zimbabwe is peculiar because it is a case of the employment not being available altogether plus people have lost faith in formal employment which is now regarded as futile and worthless as illustrated by the following response:

> "With the way things are, the money we get is not enough. It may only help on small things, but if we talk about real groceries, it is not enough to such an extent that it cannot sustain the whole family for a month" (Wes, 12 June 2008, Interview).

A range of self employment activities were uncovered from observations and interviews with participants in the Glen Norah. These included backyard industries, specifically welding and fabrication, peanut butter making, plumbing and vegetable markets. Other forms of self employment have been discussed above on informal trading therefore this part will focus on small scale providers of goods and services. It should be noted that there is a thin line of differentiation because informal trading

in most cases involves middlemen who buy and resale and are thus not involved in the production of goods and services.

Joe[28] is self employed and responsible for three of his siblings after their parents died. Three other siblings work in South Africa but they are married and help out when they can because they have their own families to look after. Joe used to work as a welder before he was retrenched in 2003. After that he has been working alone manufacturing different products and doing repairs in the neighborhood. Even though he mentioned that they are struggling, the family gets by and he pays school fees for his siblings whilst those in South Africa help out with groceries. He is fairly satisfied with being self employed and has no motivation or need whatsoever to be formally employed. The independence and irregularity of income from self employment are some of the merits that encourage self employment as evidenced by Joe when he says:

> "I do my own things…I am involved in welding and fabrication, so I do services to people with broken/damaged things and then I make my own stuff for resale like TV stands and peanut butter making machines. Plus I am also involved in peanut butter making which I also sell…we are helping were we can because our money does not wait for a pay day. So sometimes I can get it today or tomorrow, so it helps because it is not fixed….I can get it today and buy whatever will be required at home that day".

Through involvement in a wide range of informal practices, individuals, households and communities can and do make choices and some of the decisions they make enable them to respond actively to the social and economic constraints which they face, (Leonard, 2000:1079). The above discussion on different activities in the informal economy in Glen Norah is evidence to this as households have adopted

[28] Interview with Joe, 17 June 2008 at Glen Norah

multiple informal activities as alternative sources of income. Whilst most of them are survival strategies dependent on available opportunities, some of these activities like self employment in the informal sector can offer stable sources of livelihood because they provide goods and services constantly in demand in their local communities.

Urban farming

Urban farming appears to expand during economic crisis highlighting its use as a coping mechanism that contributes to food availability in the cities and therefore to the diet of the urban consumers (Egal, Valstar, Meershoek, 2003). Urban farming enhances urban food security and whilst vegetables dominate, the production of staple foods in urban areas is seen as a coping mechanism in situations of severe food insecurity. According to Egal *et al* (2003:2), fifty per cent of Harare's urban farmers initiated production activities in the early 1990s when maize became the main crop. At this time, since access to land was insufficient, these urban farmers began using public land. Thus, approximately 75% of the open spaces of public land were utilised for maize cultivation, and 25% used for sweet potato. Today, ninety four percent of farming households in Harare grow maize and 25% grow sweet potato which is used as a substitute for bread. Masiya and Mazuruse (2007) note that the rise of urban farming in Zimbabwe is largely attributed to economic hardship as households seek to assure a consistent food supply and sustain their livelihoods. Widely practiced by the poor and the lower income groups in Harare, urban farming is becoming common in affluent areas as well. In affluent suburbs like Avondale and Mabelreign, maize and vegetables plots are sprouting up to counter expected food shortages brought about by the economic meltdown (Masiya and Mazuruse, 2007).

In Glen Norah, urban farming also consists of home gardening and farming on public land. Whilst participants indicated that urban farming was largely for household

consumption, excess produce was sold providing a small source of income. Martin and Oudwater (undated[29]) found that in some parts of the city, more than two-thirds of households carry out some farming either around their homes or on public land. The role of sweet potatoes as a substitute for bread was striking and explains its increased cultivation. Popularly referred to as *chingwa* which literally means bread, sweet potatoes are common in public spaces. In Glen Norah, seventy three percent of households in my sample indicated that they had small gardens and fields in the area that contributed to their consumption needs. Gladys[30] looks after three children and two grand children in their Glen Norah residence; she has a son and daughter working in South Africa and England who have been remitting between US$200 and US$300 almost every month for the past four years. However she is very proud to be a self proclaimed sweet potato master farmer and boasts that they have overcome the erratic bread supply. She said that;

> …you cannot get bread anywhere in the shops…we now grow our bread, we just grow our sweet potatoes and eat them with tea for breakfast.

Gladys is just one in many households that have been growing sweet potato and other crops to cushion themselves from food insecurity rampant in the Zimbabwean economy. Even though it was winter during data collection, I noticed that open spaces close to residencies and rivers were green with vegetables and sweet potatoes whilst land preparation for the coming maize season was already underway. Produce from urban farming like vegetables contributes to providing food to city dwellers and to nutritional security. Urban farming is thus, a positive response to partial or complete lack of food or income to purchase various foods to meet nutritional requirements (Kageni, 2004).

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[29] Martin and Oudwater, http://www.nri.org/projects/InTheField/harare_peri_urban.htm, retrieved 23 January 2009

[30] Interview with Gladys, 30 June 2008 at Glen Norah

Urban-Rural linkages

Seventy three percent of participants in my sample maintain their rural links in such a way that it is a deliberate investment that contributes to household wellbeing. The urban-rural linkage manifests in reciprocal obligations with kin. Family members in the urban areas provide groceries and fertilizer which are not accessible in the village whilst kin in the rural areas supply grain and other produce from their cultivation. Muzvidziwa's (1997:108) study of rural-urban linkages in Masvingo found out that continued utilisation of rural-urban networks as a survival option was a pragmatic response to scarcity of resources, including jobs. It must be noted here that the rural-urban linkages operate under the broader conception of what constitutes a household discussed in the literature review that includes kin relations. Therefore family members in rural and urban areas function as one single unit supporting each other. As Wes[31] said,

> "we do not buy things like maize and peanut butter, we get them from my mother because she's a farmer…we send groceries, money and things like fertilizer, because they do not have any other source of income in the rural areas".

Similarly, Lindley (2007) remarked that over half of the urban households in Hargeisa, Somalia supported relations in rural areas with monthly contributions of $10-100 whilst they were in turn supported by migrant relatives indicating layers of social relations. Lindley (2007:9) notes that the transnational social relations that channel remittances interweave with these local social relations and in contemporary Hargeisa, many people have immediate family members in the city, in the rural area, and abroad, with different layers of transfer activity between these locations. These

[31] Interview with Wes, 12 June 2008 at Glen Norah

social relations are also evident in my sample. For example Shupikai[32] works for a private company and lives in Glen Norah with her 2 children and 2 nieces left behind by her late sisters. She is also responsible for her father and other relatives in their village home. Her sister in England supports her every month with and average of $US250 and she in turn makes sure that their father has his medication and food to eat using the remittances. Shupikai also mentioned that they do not have to buy maize-meal that often because they receive grain from their father.

Conclusion

As highlighted in the chapter, households in Glen Norah have devised multiple strategies to defend their living standard in the socio-economic collapse has progressed. However, due to the extent of the predicament, most of these strategies have failed to provide a stable means of living and are therefore largely survival strategies. However, I will argue that with the incorporation of another external coping strategy in the form of remittances, households have managed to further endure to some extent the ravages of the economic collapse in Zimbabwe. The chapter that ensues will focus on remittances as one of the livelihood strategies that households in Glen Norah have adopted together with the ones mentioned in this chapter as a strategy to reinforce their livelihoods.

[32] Interview with Shupikai on 22 June 2008 in Glen Norah

Chapter 4

REMITTANCES IN GLEN NORAH

Crises induced by conflict, natural disasters or economic failure affect the ability of people to provide for themselves and increase the number of people whose survival depends on assistance from outside sources. Remittances in these contexts are an important source of income that is used to maintain or uplift households (see Fagan and Bump 2006, Lindley 2006 and 2007, Fagan 2006). In Zimbabwe's crisis, the informal economy has provided some opportunities for households to defend their standards of living. However, as resources have continued to dwindle in the country, people have increasingly been looking outside the country for options to defend their living standards as a result of the decrease in employment, income and shortages of goods. Remittances have therefore been central in contributing to household survival and livelihood strategies. This chapter will look at the practice and character of remittances, to get a sense of periodicity, frequency, amounts and mechanisms of remittances. It will then turn to the uses of remittances paying attention to their use in survival and livelihood strategies and in human capital accumulation. It is argued that remittances have become increasingly significant in Zimbabwe and in Glen Norah particularly given the current socio-economic environment and are even fostering other local livelihoods.

Practice and character of remittances: The Patterns

In order to properly understand the role of remittances in household livelihood strategies, it is necessary first to get a sense of the whole phenomenon by establishing the patterns, nature, frequency and volume of the remittances. As already noted, research on remittances has mainly focused on money sent to recipient households

and its effect on them. However, the Zimbabwean case is peculiar because in-kind remittances are significant due to chronic shortages of basic commodities in Zimbabwe. However, the effect of remitted goods has been largely ignored. It will be argued that the role of material goods is increasingly important and therefore any studies on remittances in Zimbabwe should consider the implications of in-kind remittances to fully understand remittances in the country. In addition, the volatility of the money market has also discouraged people from using formal financial institutions inn their transactions. The shortage of basic goods and the collapse of the financial sector have therefore greatly shaped remitting behavior in the country. Importantly, this section will examine how these patterns have changed as the crisis has progressed to allow households to cope. These patterns relate to how remittances are used, therefore this section also serves as an introduction to the next section on understanding how remittances are used in crisis situations. Crush (2008) also notes that understanding the processes and patterns of remittance behavior can help shed light on their usage and impact, both on recipient households and on wider socio-economic development in migrant-origin countries.

Before discussing the patterns, it is important to briefly note the extent of migrancy and source of remittances in Glen Norah. Sixty seven percent of households in my sample had more than one migrant outside the country compared to thirty three percent who had a single migrant. In contrast, Lindley (2006) in Hargeisa found that the majority of respondents, around 80% received money from one relative and about 15% received from two people. This shows at least anecdotally that the level of Zimbabwean migration and subsequent contribution of remittances to household livelihood is higher than in other crisis states. Zimbabwe's proximity to Africa's biggest economy has led to the biggest migrant group settling in South Africa (Zimbabwean migrants in South Africa are estimated to be around 3 million). The dominance of South Africa as a destination country is also evident in my sample as

fifty six percent were said to be in South Africa. Twenty seven percent are in England whilst the rest are in other countries regionally and internationally. It must be noted that the practice and character of remittances from developed countries like the UK is different to those from within the region like South Africa, therefore this section will constantly reflect on these differences when discussing the form, frequency, volume of remittances and channels used.

Forms of remittances

Remittances from South Africa are largely in-kind whilst those from international destinations tend to be mostly cash remittances. A definition that includes both cash and non-cash remittances (World Bank, 2007) was adopted for this study because both forms of remittances are evident in Zimbabwe. Pendleton (undated[33]) reported that the importance of goods remittances is noteworthy in Zimbabwe since the proportion of households receiving remittances in the form of goods is approximately 68%. Similarly, eighty seven percent of households in my sample received significant in-kind remittances, especially from South Africa which confirms Pendleton's estimate. The main types of goods received are basic commodities like cooking oil, soaps, rice and other groceries.

The rapid growth of remittances as goods to Zimbabwe is also evidenced at the departure terminus of Johannesburg's cross border buses. The rank marshal revealed that about 23 buses depart everyday from Johannesburg to Zimbabwe. This excludes taxis, private vehicles and trucks which carry goods and people across the border. Similar traffic flows are also evident in other cities in South Africa. Most of the buses are overloaded with various goods ranging from electrical appliances, motors

[33] http://www.queensu.ca/samp/sampresources/samppublications/policyseries/policy44.htm, retrieved 17 November 2008

spares and beer to various groceries (see appendix 1 for photos of the field trip to the bus station in Johannesburg).

Through observations and informal conversations, I noticed two particular commodities that signify a great change in goods remittances. These include maize-meal and meat to a lesser extent. These goods have traditionally been available in Zimbabwe even in the advent of the crisis, especially maize-meal, but as evidenced, this highlights the extent of food insecurity. This is illustrated by Munashe[34]. He came to South Africa in 2003 and has been working as a boiler maker ever since. He has a wife and two children in Zimbabwe dependent on his support. He used to send cash and only a few goods but he said he started to send goods around 2006 and 2007. After that, he has been sending mainly goods because everything was in short supply in Zimbabwe. He sends groceries every month ranging from food stuffs to toiletries worth around R2000. Munashe indicated that he had never sent maize-meal back home ever since he came to South Africa. He went on to add that this was unheard off because maize has been available although it has been scarce, but an absolute shortage had never occurred.

A bus driver also echoed the same sentiments and indicated that buses have been overloading due to the bulkiness of maize-meal, he went on to add that; "our tires are bursting because of the bags of maize-meal we are now carrying…people are carrying 50kg bags because there is nothing back home[35]". Some migrant workers could be seen sending meat in cooler boxes to their loved ones. In previous years the government imported grain to cater for deficits but it has been failing to do this recently leading to the severe shortage of grain. Households have had to devise their

[34] Informal conversation with Munashe on 30 October 2008 in Johannesburg

[35] Informal conversation with Bright, a bus driver on 14 November 2008 at the Braamfontein bus terminus

own interventions to deal with these deficits by relying on their family members outside the country. Migrants have had to send more commodities adjusting to the shortages in Zimbabwe and the demands of their households. This is similar to Haiti as Fagan (2006) also notes that non-cash remittances are very important to Haitian recipients. This is because a high cost of living plagues Haiti, due largely to the fact that so little is produced in the country and what is manufactured is poorly distributed. Nearly everything is imported and sold at high prices. It is reportedly less costly to ship common items needed on a daily basis, such as clothing, oil, rice, salt, shoes and spaghetti, than to buy them in Haiti.

International remittances from England or the USA are largely cash remittances because it is easier and cheaper to send cash than goods from these countries. However, in a few instances, goods like clothing, cell phones are also received. Participants stated that the freight charges for goods were too expensive hence the dominance of hard currency. Monica[36] whose sister is in the UK indicated that,

> "sometimes we get clothes, but she says that it is very expensive…She has always said that it is very expensive to send goods, you know shipping and stuff. She has told us that she has bought flat screens and the like, but she says it's too expensive to ship the items, so she's going to take forever".

Even though international remittances are largely in cash, a part of them are being transformed into goods through shopping trips to neighboring countries. Cross border shopping has been fuelled by the deteriorating macro-economic environment in Zimbabwe characterised by chronic food shortages. Polzer (2007;6-7) even categorises 'shoppers' as one 'type' of Zimbabwean migrants who enter South Africa to shop for food and basic goods and return to Zimbabwe almost immediately.

[36] Interview with Monica 30 June 2008 at Glen Norah

Shopping across the borders for basic commodities is a survival initiative to improve food security by households and to maintain their standards of living. IRIN[37] reported that the UN estimates that in the first quarter of 2009 more than 5 million will require food assistance, and shortages of basic foods are forcing people to buy in neighbouring countries with proceeds from informal trade or remittances from more than three million family and friends thought to have left the country. An article in the *Mail and Guardian* (14 January 2008[38]) also noted that Zimbabwean cross border shoppers were largely responsible for the growth in retail sales in South Africa which rose from 8,7% in 2006 to 18% in 2007 when Zimbabweans spent R 2,2 billion in the South African economy making them the biggest non-South African spenders.

Monica's household regularly makes this shopping trip to South Africa to buy their groceries. Because goods are scarce in Zimbabwe and when they are available they are too expensive, the eldest daughter in England sends money every 3 to 4 months for one family member to take the trip to South Africa to buy groceries. They buy everything they need in bulk for the coming months so that they can only buy a few daily requirements. These shopping trips are done to avoid the erratic supplies in Zimbabwe and the high prices charged by traders. Monica also pointed out that it was a lot cheaper for them to do this because everything has become so expensive and it is understandable since people include their transport costs and profit. This tendency of cross border shopping is common amongst households with international migrants who cannot send the goods and in my sample other households with

[37] UN Office for the Coordination of Humanitarian Affairs, http://www.irinnews.org/Report.aspx?ReportId=80951, retrieved 5 November 2008

[38] Mail and Guardian, 14 January 2008, Zimbabweans turn to cross border shopping sprees, http://www.mg.co.za/article/2008-01-14-zimbabweans-turn-to-crossborder-shopping-sprees, retrieved 7 November 2008

member in the USA or England also indicated that they had made the shopping trip to South Africa, Mozambique or Botswana. A major bus company has introduced shopping trips to and from Musina to cater for shoppers indicating the generally high occurrence of cross border shopping in Zimbabwe.

It is clear that the economic crisis has shaped the forms of remittances. As the crisis has progressed and has manifested in the shortage of basic commodities, remittances especially from South Africa have increasingly been in the form of scarce commodities not available in Zimbabwe. Cash remains the dominant form of remittances from international destinations largely because of cost, but they are being transformed into goods through shopping in neighboring countries.

Frequency and amounts remitted

Recipients normally receive remittances on a monthly basis but this varies with the place of origin of remittances. Places of origin will be broadly divided into two with South Africa representing closer destinations where large groups of Zimbabwean migrants have settled. England will be the other source of remittances representing countries further afield were significant numbers of Zimbabwean migrants have also settled.

The frequency of remittances from South Africa is more difficult to discern because they tend to be haphazard and households can receive several times in one month. However there was general agreement that remittances are received normally once a month. The haphazardness can be attributed to the proximity and ease of receiving remittances from South Africa which allows migrants to send remittances at any time of the month. John, an unemployed plumber in Johannesburg who depends on doing plumbing piece jobs highlighted that he normally sends once a month, but pointed out that "if there is a need that arises and I have the money, I can always go to the

buses and send what is needed, so its depends with the situation, sometimes I can even send twice or thrice in a month"[39]. Biri echoes this view that family members in South Africa are very sensitive to the dire situation confronting people and as a result, goods from South Africa come at any time of the month, she said "when they get stuff, they just put them on the bus. So it's anytime"[40].

Remittances from England are more regular as most households receive on a monthly basis. This trend is similar to international remittances to Somalia, where throughout the year they peak at the turn of the month after migrants receive their wages (Lindley, 2006). Households in Glen Norah generally receive remittances at least once a month indicating that remittances are a stable source of support for many households.

In terms of volume, the largest proportion of cash remittances arrived from England and other international destinations and range from US$100 to US$500 a month. Households that received the highest remittances, received them over a couple of months, for example Wes pointed out that they receive $US1000 every 2 or 3 months. Therefore the average monthly remittances are between US$300 and US$400 which is relatively higher compared to the monthly average to Somalia which is roughly around USD215 (Lindley, 2006). Cash remittances from South Africa are lower and range from R200 to R1000. The difference in the volumes is explained by Sander and Maimbo, (2003:16) who note that intraregional and domestic remittances are generally significantly lower than international remittances because income levels for migrants in industrialized countries tend to be higher than for domestic or intra-regional migrants. Despite cash remittances from South Africa

[39] Interview with John, 2 July 2008

[40] Interview with Biri, 16 June 2008, in Glen Norah

being lower it must be noted they tend to be largely in the form of goods. The value of goods ranges from R400 to R2000 a month.

Wes's household illustrates this difference in frequency and amounts of remittances because it has a migrant in the USA and one in South Africa. Wes is in his late twenties and is responsible of the family after his father and elder brother left the country. His mother stays in the village with their grandmother and he stays in Glen Norah with his two sisters and sister in-law and their four children. One his sister works in Harare whilst the other one is a cross border trader. His sister in-law is unemployed and takes care of the children at home. The family receives groceries almost every month from their brother and brother in law in South Africa who are both truck drivers. They receive almost everything they use in the house from foodstuffs to toiletries and even nappies for their sister's new baby. The value of goods is normally around R1500 and they sometimes receive more during the month. They also receive about USD1000 every two to three months from their father in the USA. Remittances are clearly central to the family's survival and have potential to facilitate the establishment of livelihoods because they receive regularly and in significant amounts such that they are in a better position to engage in livelihood strategies.

Channels of remitting

Mechanisms of remittance are affected by the availability of institutions and the foreign exchange policies. As noted earlier, informal remittance strategies are thus a reaction to weak or non existent financial systems and barriers created by financial and monetary policies (World Migration 2005). In Zimbabwe, the absence of supportive monetary policies on remittances has resulted in the proliferation of informal strategies, especially for remittances from South Africa because of its close proximity.

All the participants in my sample with relatives in South Africa received the goods and money via informal channels. The common mode is to use bus operators and to send with acquaintances. A field trip to the Zimbabwean cross-border bus terminus in Johannesburg revealed that bus operators charge a standard 20% commission on cash remittances whilst goods have no standard mode of charging. This commission is significantly more than what formal transfer agencies charge. The World Bank[41] notes that on average, it costs about 12% to send money using formal channels from South Africa to Zimbabwe. Despite formal channels being cheaper, Zimbabweans have avoided them because the Reserve Bank policies on receiving foreign currency have constantly changed. To get the most value from their money, migrants have opted for informal channels because they are assured that their recipients will receive hard currency. Using friends is also very common but requires building and maintaining networks in South Africa which will function in remitting. This also applies to migrants in England who utilize friends and relatives visiting or returning home to deliver their money or goods. Typically, if a migrant is visiting home, he/she notifies friends and family who then give money or goods to be passed on to the recipients back home, thus avoiding service fees from bus operators or freight companies.

The major drawbacks associated with these informal channels pertain to delays in receiving the remittances, losing them altogether and the relatively high cost of these mechanisms. All the migrants I talked to in Johannesburg complained bitterly about how expensive it has become to send groceries as bus operators charge depending on the size and weight of bags. Maphosa (2007) notes that arriving at a charge for non-cash remittances is an arbitrary procedure. The charge for transporting goods is determined by weight and there are no standardised methods of determining weight, such as scales. Rather, the weight is determined by lifting the parcel and 'feeling' its

[41] Remittance Prices Worldwide, http://remittanceprices.worldbank.org/, retrieved 5 February 2009

weight. Maphosa adds that although the charge can be negotiated, the transport operator has more power in the negotiation process than the remitter. A bag of groceries can cost anything from R150 to R500 to be delivered to Zimbabwe for example those in figure.1 can attract a fee of between R150-300.

Figure.1



The main channel used with international remittances like those from England is formal money transfer agencies, mainly Western Union and Moneygram. There was mention of informal agents that give Zimbabwe dollar equivalents, but no participants used these anymore because they preferred to receive foreign currency, normally US dollars from the formal money transfer agents. Participants also highlighted some challenges with using this channel which do not necessarily affect the remittances. These pertain to spending hours in the queue to receive cash (this also indicates the high occurrence of remitting behavior). Long queues are an everyday phenomena outside Western Union offices in Harare. Another problem mentioned is the occasional shortage of smaller denominations meaning that people return to collect their change, thus spending more hours in the queues.

There are also other mechanisms to send remittances to Zimbabwe from international senders like the sms-based coupon remittance services and e-payments that utilize internet and cell phone technologies. They have been developed to allow the transfer of both cash and goods from international destinations like England. An example is Mukuru.com[42] which upon receiving payments in the UK, the service delivers text message coupons to recipients which can be redeemed for actual goods across a network of local stores, banks and petrol stations enabling recipients to bypass the Zimbabwe dollar and therefore hyperinflation. Similar agencies advertise on online newspapers like www.newzimbabwe.com, www.zimgreats.com and others to reach Zimbabweans in the diaspora and some offer a wide range of goods from cement to meat. However, none of my participants used these channels because they are said to be expensive and it was cheaper to receive cash and then buy goods in South Africa. In addition participants said that they are not convenient because there is limited choice of goods and sometime they delay in making deliveries.

Remittances in hard currency

The importance of remittances in hard currency be it US dollars, pounds, rands or whatever is significant and therefore requires a brief examination. Zimbabwe's foreign currency policy propounded by the Reserve Bank has been characterised by haphazardness and uncertainty, greatly shaping the patterns of Zimbabwean remittances. Until January 2008 when recipients of transfers from the Diaspora could be paid their free funds in foreign exchange without limitations, the Reserve Bank of Zimbabwe (RBZ) over the years had opted for individuals to receive Zimbabwe dollar equivalents instead of their hard currency leading to the abandonment of formal channels and the proliferation of informal transfer agents. In addition, The RBZ has been holding the Zimbabwe dollar (ZWD) at a fixed exchange rate, overvaluing the ZWD and leading to severe foreign currency shortages but in May

[42]Mukuru.com, https://www.mukuru.com/index2.php, retrieved 14 February 2009

2008 the RBZ floated the currency in a bid to fight the parallel market thus people could receive hard currency and sell it on a willing buyer willing seller basis hence the re-emergence of formal money transfer companies like Western Union.

Another issue is that it was illegal to perform transactions in foreign currency. However, in September 2008, the RBZ issued licenses to retailers and wholesalers to sell their goods in foreign currency to ease food and fuel shortages[43], a move that was considered to be a partial formal dollarization of the economy that sidelined the ZWD and further increased the importance of foreign currency amongst households to access goods and services. Hard currency remittances have therefore been insulating households against local currency depreciations in the hyperinflationary environment and as foreign currencies have dominated the local market, cash remittances have therefore been welcome because they have been permitting access to goods that are increasingly being sold in foreign currency especially in poorer households that do not have other sources of foreign currency within Zimbabwe.

The patterns of remittances in Glen Norah have revealed that they occur often enough and in higher quantities than other crisis states. Remittances in Glen Norah are providing a stable source of income, but to understand their overall contribution in households, it is necessary to explore their use in relation to survival and livelihood strategies and investments in human capital. The following section will examine household expenditure of remittances in Glen Norah in order to understand how remittances are used in a context of economic crisis.

[43] The Zimbabwe Times, http://www.thezimbabwetimes.com/?p=3790, retrieved 10 September 2008

The uses of remittances among households in Glen Norah

Sander and Maimbo (2003) note that generally the bulk of remittances are used for consumption or investment in human capital including education, health, better nutrition whilst investment in land, livestock, and in building or improving a home is also relatively common but secondary to daily needs and human capital expenses. This is similar to the case of Somalia where the majority of households use remittances for regular basic expenses that included food, education, health and rent (Lindley, 2006). Maimbo (2006) also echoes that in Somalia it is widely accepted that most remittances are spent on consumption, followed by investment (on a much smaller scale) and consumption accounts for at least half of remittance spending or most likely up to two thirds.

This pattern is also evident in Glen Norah where remittances are mainly used for household consumption, education, health, rent and investments. The uses of remittances in my sample are presented in Table 1 below. The table shows the proportion of households that spend their remittances on each of the different items. It is difficult to quantify the proportion o remittances used on each item because of the volatility of the environment which forces households to constantly change allocations to different items. Therefore, from the table, one can see that all households spend a portion of their remittances on food expenditure whilst fifty three percent channel some of their remittances towards education. I have grouped the expenditures into six broad categories which are largely self-explanatory. Education includes tuition, stationary and transport whilst health care includes doctor consultations and medication.

Table 1: Uses of remittances

Remittance use	*Percentage*
Food expenditure	100%
Education	53,3%
Health care	40%
Accommodation/rent	26,6%
Investments (building, acquiring assets)	20%
Other household expenses	---

Food expenditure

A survey by the Southern African Migration Project (SAMP) in five SADC countries concluded that ninety percent of households purchase food and other basic goods with remitted funds (Hughes, Kajee and Peberdy, 2007). However, due to the internal conditions in Zimbabwe especially the shortage of basic goods, the use of remittances on food is more evident than in other countries. The extent of food insecurity in the country is shown by All Africa[44] (13 March 2008) which reported that in 2007 Zimbabwe had a grain deficit almost 50% below the 2006 harvest on account of adverse weather and severe economic constraints whilst the Food and Agricultural Organisation (FAO) predicted low harvests in 2008 because of high prices of inputs and severe flooding in many districts. As a result, food security in urban areas, like in other parts of the country remains critical given the shortages and erratic supplies on the formal market and inadequate humanitarian support in these areas which focus on rural areas.

[44] All africa.com, Zimbabwe: more food shortages anticipated, http://allafrica.com/stories/200803130809.html, retrieved 26 November 2008

According to IRIN[45], remittances have played a key role in stabilizing household food security and the amount of food remittance and the use of cash remittances to buy food in my sample is testimony to this. All of my participants indicated that they either directly used food remittances or cash remittances for their daily household consumption needs. Food remittances mainly from South Africa have therefore been important in ensuring some kind of household food security. Eighty seven percent of my participants with relatives in South Africa receive remittances mainly in the form of goods, primarily groceries like cooking oil, soaps, rice and others which are a central part of their food supply. Revai explains their reliance on remittances for survival by saying, "for the groceries that is what we eat because if you go to the shops, you will not get bread or maize meal, they are scarce these days. So we eat that rice (received from South Africa)…so we use the remittances to survive everyday"[46]. The level of non-cash remittances mainly food-stuffs in Zimbabwe is similar to a few crisis states like Haiti and is a response to shortages of these goods in these countries. It is clear that this is a short term survival strategy to deal with the shortages because in most cases, migrants remit cash which is then used to buy goods for household consumption. In countries with a longer history of migrancy and remittances like Mexico and the Philippines, migrants mostly send cash remittances.

In-kind remittances seem to have facilitated another survival strategy of barter trading. The shortages of goods and the increasing irrelevance of the local currency have resulted in a tendency to barter trade commodities. Makiwa (2007[47]) quotes a report by seven key organisations on Zimbabwe's agricultural situation which reported that many people had resorted to barter trading to acquire basic commodities

[45] IRIN, Zimbabwe: Remittances slow the slide into ruin, http://www.irinnews.org/Report.aspx?ReportId=59554,

[46] Interview with Revai on 4 July 2008 at Glen Norah shops

[47] Andrew Makiwa, 16 October 2007, more people resort to barter trade for basic commodities, article in http://www.zimbabwesituation.com/oct17a_2007.html, retrieved, 7 November 2008

as shops continued to be empty. The paper details a dire picture of how people in the countryside are trading their staple maize for casual labour and other basic needs such as laundry soap and sugar. Barter trade has clearly been adopted as a survival strategy because of the desperation some households find themselves in. Maidei's[48] household demonstrates this as they now barter trade some of their goods they receive from South Africa to source other goods. The dominance of foodstuffs and other basic goods also exemplifies the kind desperation and the responses as to merely keep households above water. Maidei indicated that,

> "…let's say the soap, if it comes in large quantities like boxes, we can barter trade and get sugar, depending on what someone has because the money these days does not buy. So at least if someone has sugar and you have soap, you can just exchange, if someone wants to buy you can also sell to them".

Informal interviews with different people also revealed that there was an increasing tendency to pay casual labour and domestic workers in kind. Domestic workers are increasingly exchanging their labour with groceries and other basic commodities that are scarce and exorbitantly expensive beyond their reach.

The dominance of food remittances and the general use of remittances on food expenditure is not a long term strategy because of the constraints associated with sending goods mentioned in the earlier section. In addition, if the remittances are spent outside the country as in the Zimbabwean case, they do not contribute to the country GDP further limiting their prospects to be stable sources of livelihood as in Mexico's case where through fairly supportive government policies, remittances have been a major contributor to the country's GDP as they are used to buy goods and services within the country. Therefore food expenditure can be a source of livelihood as long as remittances are used in the recipient country. The dominance of food remittances and use of them on food in Zimbabwe is clearly a survival strategy

[48] Interview with Maidei, 1 July 2008 at Glen Norah

by households in the absence of policies that facilitate and promote the use of remittances.

Education

In addition to examining the relationship between remittances and economic development, researchers are documenting the relationship between remittances and human capital accumulation (education, health) in recipient households (Acosta, 2007). This is because, as Sander and Maimbo (2003) have remarked, a significant amount of remittances are used in education as indicated by data from a number of surveys and much anecdotal evidence. Investment in human capital can be considered to be livelihood strategies because they improve people's ability of making a living. Manji (2007) argues that remittances can move from being a survival to livelihood strategy if they are used for better social services, for better housing and healthcare, which would certainly contribute to social progress and development. Remittance recipients therefore always reserve part of their remittances for education because they realise the opportunity given by education to provide more stable sources of livelihood in the long run.

2008 will go down as the year Zimbabwe's education system was on the verge of total collapse with an estimated 45, 000 teachers having left the profession since 2004 with the Zimbabwe National Students Union (Zinasu) saying that no learning took place in 2008. UNICEF[49] in October 2008 also reported that the crisis had crippled schools across the country leaving most schools operating below capacity and the sector in an apparent state of emergency. In response to this decline in education, schools, teachers and parents have relied own their own capabilities to keep the education system afloat. Remittances have also been central in these strategies. A significant proportion of households in my sample, (53,3%) use their

[49] http://www.unicef.org/media/media_45950.html, retrieved 30 January 2009

remittances on education, including school fees, stationary, transport and uniforms. In fact, about seventy percent of households who have children in school use remittances on education.

Sekuru[50] highlighted that Glen Norah Primary School had managed to continue functioning because the headmaster and parents had agreed to pay R50 a pupil every month which would go towards the teacher's salaries. Despite these efforts, they did not have a math teacher and lost one science teacher who emigrated to South Africa where they are sought after. Sekuru has a child in boarding school which has managed to be operational because parents agreed pay USD50 a term and in addition supply a whole range of groceries used by the scholars whilst some are given to the teachers for their own consumption. Whilst some schools have resorted to charging tuition in foreign currency and groceries, teachers have been increasingly giving private lessons leaving out those who can not afford. Some parents have enrolled their children at private schools were they write examinations marked by a British examining board according to IRINnews[51]. Therefore, for those without sources of foreign currency within Zimbabwe, remittances have been important in keeping their children in schools as Revai mentioned that, "those who go to school, get their bus fare from the remittances, including school fees and uniforms" [52]. This might explain why more households spend their remittances on education than in other countries were the education systems are functioning normally.

In the Mhofu household, remittances are an important contributor to the family's education. The mother and father are both teachers in Masvingo where they stay with one of their younger children. Three of their elder children stay in Glen Norah

[50] Ineterview with Sekuru on 14 June, 2008

[51] IRIN, Zimbabwe: School's really out, http://www.irinnews.org/Report.aspx?ReportId=80997, retrieved 26 November 2008

[52] Interview with Revai on 4 July 2008 in Glen Norah shops

strategically because two are attending at the University of Zimbabwe (UZ) whilst the older daughter who I interviewed, Monica is a recent graduate from the UZ who is actively looking for employment. The oldest child is a 28 year old married mother of one who works in England as a social worker. Monica's sister in England is their main source of sustenance who normally sends USD300 every month. The Mhofu family uses their remittances to cover educational expenses for those still in school and for their daily food needs. Their parent's salaries cannot cover for university tuition but the two college students have managed to be enrolled because of their sister's support. In this household, remittances are not just important, but in Monica's words, "its like our lifeline, if she stopped sending money, then we are just as good as dead". The Mhofu's are struggling but just managing to cope because of one family member outside the country. Monica[53] indicated that she was in the process of arranging to emigrate to South Africa so that she could also support the family.

In 2009 the reliance on remittances for education is expected to increase because schools and tertiary institutions were given the go-ahead by the RBZ to charge tuition in foreign currency. The Zimbabwean[54] reported that many of the students attending the UZ are from middle-class, low-income and underprivileged families in Zimbabwe which are not able to raise the US$400 examination fees being demanded by the University, let alone the US$1000–$1800 which students will be asked to pay in fees in 2009.

[53] Interview with Monica 30 June 2007 at Glen Norah

[54] The Zimbabwean, Education Rights Violated Again As University Of Zimbabwe Demands Us$400 Examination Fees,

http://www.thezimbabwean.co.uk/index.php?option=com_content&task=view&id=18238&Itemid=109, retrieved 4 February 2009

Health

Zimbabwe's health system has not been immune to the wider economic meltdown in the country. The Zimbabwe Association of Doctors for Human Rights (ZADHR) in early November reported that hospitals have closed due to shortages of drugs and equipment (News24)[55]. Hospitals are also dogged by understaffing as health professionals continue to move to greener pastures. Private hospitals have been the main option for those who can afford to pay high fees for medical care whilst others are seeking medical attention and drugs outside the country. A SAMP[56] survey also found out that medical expenses were more important in Zimbabwe followed by Swaziland and Mozambique highlighting the broader scarcity of other sources of income, such that households have to be reliant on their remittances for these expenditures. The challenges in the health system mentioned above have led others to simply ignore health care and only hope that they will not need it. Mary[57] acknowledged this tendency when responding to whether they used remittances on health care by stating that, "…for health care it is very negligible, you can put it at zero comma zero something percent. I mean with the situation around, hospitals are not really something that people can subscribe to. We have not been accessing health care that much…". However, remittances offer an opportunity for household to access medical attention and 40% of participants pointed out that they occasionally use remittances to address their health needs.

In Biri's household, remittances are central to their health expenditure. Their mother has a heart problem and she regularly needs to visit the doctor for her check ups and requires a month's supply of drugs every month because she stays in the village. The

[55] News24, Health in a state of collapse, 19 November 2008

[56] Findings of survey published in *On Borders: Perspectives on International Migration in Southern Africa*, edited by David McDonald, (New York and Cape Town: St Martin's Press and SAMP 2000).

[57] Interview with Mary, 14 June 2008, at Glen Norah shopping centre

medication costs them USD100 every month, a sum they would have found impossible to raise in Zimbabwe. Biri's brother in England takes care of the health expenditure and Biris's rent whilst the other two brothers in South Africa are responsible for food expenditure[58]

The overall situation in Glen Norah is that households have been forced to ignore normal access to health care because of the prohibitive costs but when they need to access health care, remittances have been central in household's access to health care.

Investments

Investment in land, livestock, and in building or improving a home is also relatively common but secondary to daily needs and human capital expenses on education and health according to Sander and Maimbo (2003). Twenty percent of households in the sample had made some investments of some kind varying from buying a car to improving the home. Wes[59] indicated that, "the combi (a 12 seater minibus) that I have was sent from outside the country, which I normally use for any deals". The low level investment can be attributed to the unfavorable economic conditions that are prevailing in Zimbabwe which are characterized by hyperinflation, shortages and political instability that all act as disincentives to investments. The food insecurity that has resulted has also forced people to focus on bread and butter issues ignoring the issue of investments. However, in Glen Norah, some of the houses are well maintained showing evidence of repainting, extensions and other developments. They are commonly referred to as *idiaspora iyi* meaning that these households had a member in the diaspora responsible for the developments. However, there are no investments in productive activities that generate income and provide stable sources

[58] Interview with Biri, 16 June 2008 in Glen Norah

[59] Interview with Wes 12 June 2008 in Glen Norah

of income in Glen Norah. Similarly, Lindley's (2007) research confirmed that investment in business, land and property was fairly infrequent in Hargeisa, Somalia. She goes on to add that remittance investment depends on the recipients economic situation as many do not have much surplus money and the investment climate in which options maybe limited, (Lindley, 2007:13). These two factors can also be used to explain the general lack of investment amongst my sample.

Most of my participants had little or no surplus income and were dependent of remittances for almost everything such that they stretched their remittances until they had no surplus. The number of people dependent on remittances in a single family is also high at about 1:5 meaning that on average one migrant supports five relatives. This also means that the chances for surplus income for investment are very low. In some cases, the migrants earn little such that after taking care of basic expenditures like food and education, there is little income for investment. Rutendo[60] illustrates migrants with little capacity to invest because of low earnings. Rutendo is employed as a domestic worker in South Africa and is responsible for her mother, two children and a niece. She earns R1500 a month and this is the only major source of income for the family which she remits almost all of it back home to sustain her family. Rutendo buys groceries at least every two months worth around ZAR1500 and a bit of cash. She said she manages to do this because she has no accommodation and food costs because she resides with her employers. Rutendo is just managing to keep her family alive and her children in school but she has no capacity to go beyond that because they have no surplus income. Her cousins in England sometimes send her some cash which she says she buys goods to sell in the tuck-shop so that they can get more from the money. Rutendo is not satisfied with just providing food for her family and she asked me "what legacy do you think I will leave for my children". She has a

[60] Interview with Rutendo, 3 September 2008

secretarial diploma and intends to get a job that enables her to provide more for her family.

Therefore only a small portion is used on investments in Glen Norah because of a combination of factors. The economic environment is not favourable for investments but the major draw back is that the crisis has greatly reduced the capacity for household investment because it has created high numbers of dependents. These unemployed and underemployed consume remittances and reduce the possibility of surplus that would have been used to invest and establish livelihood strategies. In addition, some migrants do not have this capacity because they don't earn enough to remain with surplus after their household's expenditure.

What is the role of remittances in household livelihood strategies in Glen Norah?

Several studies have focused on the growing role of remittances in the economies of the labour sending countries but, as has been noted, this study focuses on their role at a micro-level in households. It has been noted earlier that remittances are one strategy in a myriad of activities that have been discussed in chapter three and that there is a constant interplay of these activities in a complementary and supplementary way. The socio-economic and political crisis in Zimbabwe has hindered the establishment of long term stable livelihood and households have been using remittances to cope in the crisis and have embarked on other survival strategies. However, remittances have given households the capacity to engage in livelihood strategies.

Remittances give room for the diversification into other livelihood strategies by catering for basic needs, especially food. In-kind remittances go a long way in

ensuring food security for most households in Glen Norah such that members can focus on other things. Joe a self employed welder who does repair work and manufactures gates showed that in-kind remittances offered him an opportunity him carry out other activities,

> "when these goods come, we rest a bit in terms of buying things like cooking oil, soap, since they will be there…they stay for a while and give us a break because we can go for at least two months without buying those things. So it tends to be better and you can get a chance to buy materials and focus on other things like if I have a new product I want to make, I can just buy what is required for it without stressing on what is needed at home[61]"

In addition, cash remittances also cater for other basic needs like shelter, health care and education lessening the burden on other strategies and giving them a chance to establish themselves since they can plough back into their own development. Similarly, Lindley (2007:13) also found out that remittances allow families to manage during adverse economic conditions when business is bad and unemployment high. They release pressure on local livelihoods for example by preventing them from eating into their capital and therefore can indirectly foster local livelihoods.

Conclusion

Migration and the resultant remittances have been one strategy adopted by households in Glen Norah to cope with the crisis in the country. As the socio-economic conditions in Zimbabwe have worsened, remittances have moved to the fore in strategies that have allowed households to manage in the dire circumstances in Zimbabwe. The patterns of remittances have also been changing and adjusting to

[61] Interview with Joe 17 June at Glen Norah

the crisis as it has changed and they have been used for the most basic needs necessary for life itself. Whilst investments in establishing livelihoods have been low due to the overwhelming demand for basics as a result of the crisis, remittances have offered households the capacity to possibly establish livelihood strategies.

Chapter 5

CONCLUSION

As Zimbabwe's economic freefall has proceeded and accelerated, the suffering majority have had to look outside the borders for alternative sources of income resulting in the migration of millions of Zimbabweans to different parts of the world for their own survival and for their families left behind in Zimbabwe. Remittances from Zimbabwean migrants have become critical for recipient households left behind. However, few studies have examined how these remittances affect households that receive them. This study sought to understand household use of remittances in conditions of social, economic and political collapse that have been broadly referred as the Zimbabwe 'crisis'. To achieve this, the study examined how remittances are used as a survival or livelihood strategy and in human capital accumulation or broadly as just a coping strategy. Survival strategies are short-term temporary fixes to constraints whilst livelihood strategies are stable long-term rewarding responses. The concept of coping strategy was introduced to cater for responses that enable people to manage under extreme conditions and can be a combination of survival and livelihood strategies.

Using a micro-level approach by looking at the high density suburb of Glen Norah in Harare, the study explored these issues using in-depth interviews with recipient household heads. Interviews with remittances senders were also done to get a fuller understanding of the remittance process. It also utilized informal conversations and observations in an attempt to illustrate the contribution of remittances to household sustenance.

The study found out that households in Glen Norah have not been passive victims of the crisis, but have adopted multiple strategies that complement and supplement each other so as to manage in the crisis. In Glen Norah, there is huge involvement in the informal economy to generate some income as the formal economy has succumbed to the crisis. Non-income generating activities like urban farming, urban-rural links and barter trade have also been established as contributors to the overall household wellbeing. Whilst some of these strategies are a combination survival and livelihood strategies, the study also found that the severity of the crisis has made it difficult to draw a line between the two types of strategies. As a result, it was shown that whatever category ones uses, these strategies have allowed households to cope in the dire circumstances brought by the crisis.

Whilst the country has been in crisis for years, the situation deteriorated to ever more alarming levels during the period of this study. The second half of 2008 was probably the worst part of the crisis with inflation at record levels, shortages of essential goods and the worst outbreak of cholera in years. The patterns of remittances have been changing with the crisis and their fluid pattern has placed them in a more central position in Glen Norah households. Goods remittances were crucial during this period but as the country's political and socio-economic landscape change for the better or worse, remittances are also likely to change. If essential goods become available at normal prices, the importance of in-kind remittances is also likely to decrease. Importantly, in-kind remittances a have therefore managed to keep households going as the crisis has manifested into shortages of basic commodities. Goods remittances have cushioned the severe food insecurity caused by ineffective policies and recurrent droughts over the last several years. In urban contexts like Glen Norah, goods remittances have been particularly important in contributing to food security because humanitarian relief has mainly focused on rural

areas. As a result, remittances especially from South Africa which hosts the biggest Zimbabwean migrant community have largely been in the form of goods.

Glen Norah's characteristic skilled and semi-skilled population was in a better position to emigrate, hence the suburb has people all over the world and in international destinations like England and the USA. Households are also receiving significant cash remittances from international migrants that have offered a stable source of income on a monthly basis.

Most households in Glen Norah use their cash remittances on food expenditure because of the severe food insecurity characteristic of the crisis indicating that remittances have allowed households to manage in the crisis. Remittances have also contributed to investments in human capital accumulation at a time when the education and health systems are facing tremendous challenges. The study found that a significant proportion of households use remittances on education. Households have continued to invest in education for its long term potential benefits and remittances have been central because of the increasing tendency by educational institutions to charge service fees in foreign currency. Lesser remittances are used on health care because of the exorbitant prices that restrict access. However, all households in Glen Norah that required medical attention depended on remittances to access the health care system.

All in all, the research has found out that households manage in contexts of crisis through the amalgamation of several strategies. Migration and remittances thereof are an important component of these strategies in Glen Norah that are used in a manner that has enabled households to cope in a crisis state.

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APPENDICES

Appendix 1

A field trip to the Johannesburg cross border bus terminus supported the general trend that remittances from South Africa were largely in the form of goods. The goods varied from groceries to blankets and electrical appliances. Migrants in South Africa are sensitive to the dire need of their loved ones back home and even send eggs, potatoes and other perishables. The dominance of groceries was apparent as most bags were full of groceries as shown in the photos below. Household appliances like fridges are also evident.










LG
Life's Good
REFRIGERATOR
LG
Life's Good
REFRIGERATOR

LAMECK - SIMBA COACH
Coaches

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Appendix 2

INFORMATION SHEET

My name is Tatenda Mukwedeya and I am conducting research for the purposes of obtaining a Masters Degree at the University of the Witwatersrand.

The focus of my research is on the role of remittances (money and goods households receive from a migrant relative). It is hoped that this research will help us better understand the contribution of remittances under conditions of economic instability in household livelihood strategies.

I therefore wish to invite you to participate in this study which will entail being interviewed by me. Your participation is entirely voluntary and refusal to participate will not be held against you in any way. If you agree to take part, I shall arrange an interview at a time and place suitable for you. The interview will take about 45 minutes and with your permission I would like to tape record the interview. You may refuse to answer any questions that you feel uncomfortable with answering and you may withdraw from the study at any time.

Please be assured that your personal details and responses will be kept confidential and no information that could identify you will be included in the final report.

Please feel free to ask any questions regarding the study and I will try to answer them to the best of my ability. I may be contacted on my cell phone number at _____or you alternatively you can contact my supervisor, Noor Nieftagodien on +27 11 717 4284.

Thank you for your time

Kind Regards

Tatenda Mukwedeya

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Appendix 3

CONSENT FORM

I_____ hereby consent to participate in an interview for the research project conducted by Tatenda Mukwedeya. The purpose and procedures of the study have been explained to me. I understand that participation is voluntary and that all my responses will be kept confidential. I also understand that I may withdraw from the study at any time and that I may refuse to answer any questions that I feel uncomfortable with answering. I am aware that there will be no direct benefits or rewards for my participation in the study.

Name of participant…….

Signature……..

Date…….

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Appendix 4

CONSENT FORM FOR TAPE-RECORDING

I_____ hereby consent to the tape-recording of the interview. I understand that all information will be kept confidential and that the tapes will be kept in a locked cabinet and will be destroyed two years after publication of the final report.

Name of participant…….

Signature……..

Date…….