



## Cash shortages pose a threat to Zimbabwe's fight against COVID-19

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**Afrobarometer Dispatch No. 357 | Stephen Ndoma**

### Summary

Zimbabwe has been on lockdown since March 30 to inhibit the spread of the new coronavirus,<sup>1</sup> though the mining and manufacturing sectors have reopened under rules set by the World Health Organization and public health authorities (Mugabe, 2020). To help “vulnerable groups,” the government announced it had set aside \$600 million for cash transfers to 1 million households and support to small businesses over the next three months (Kubatana.net, 2020).

In addition to difficulties facing many locked-down communities throughout Africa, such as crowded homes and settlements, lack of running water and sanitation, a weak health-care system, and inadequate economic reserves, Zimbabweans have a particular problem that hinders implementation of COVID-19 restrictions: cash.

Despite a largely informal economy where cash is king, chronic shortages of both domestic and foreign currency have plagued the country for years (National Public Radio, 2018). Well before the COVID-19 lockdown, long winding queues were a common feature at banks as people tried – often unsuccessfully – to withdraw cash. In stores and markets, a multi-tier pricing system penalizes customers who must use debit cards or mobile-money transfers, rather than cash, inviting a mark-up as high as 50%. Money-changing services that allow customers to convert electronic balances into cash draw crowds, even during a pandemic when social distancing is required (Matiashe, 2020). The interplay of an interim currency, a new Zimbabwean dollar introduced last November, and the U.S. dollar – outlawed last year for local transactions, then approved again during the COVID-19 period – adds to Zimbabweans’ exhausting and risky search for cash (Matiashe, 2020).

Afrobarometer survey findings from 2018 and 2017 reflect the cash-related vulnerabilities with which Zimbabweans entered the COVID-19 period. Citizens overwhelmingly said they consider the government ineffective in ensuring that cash is available. And most people expressed distrust of local banks. A majority of Zimbabweans frequently go without a cash income. Many depend for their livelihoods on buying and selling goods and on obtaining remittances from abroad – both of which would require them to leave their homes and risk social interactions during a lockdown. In short, Zimbabwe’s chronic cash shortages are likely to militate against the successful implementation of a national lockdown.

### Afrobarometer surveys

Afrobarometer is a pan-African, nonpartisan research network that provides reliable data on African experiences and evaluations of democracy, governance, and quality of life. Seven rounds of surveys were completed in up to 38 countries between 1999 and 2018. Round 8

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<sup>1</sup> As of 23 April, Zimbabwe had 28 confirmed COVID-19 cases, including four deaths and two recoveries (Ministry of Health and Child Care).

surveys in 2019/2020 are planned in at least 35 countries. Afrobarometer conducts face-to-face interviews in the language of the respondent's choice with nationally representative samples.

The Afrobarometer team in Zimbabwe, led by Mass Public Opinion Institute and commissioned by the Institute for Justice and Reconciliation, interviewed 2,400 adult Zimbabweans in each of two pre-election surveys between late April and early July 2018. A sample of this size yields country-level results with a margin of error of +/-2 percentage points at a 95% confidence level. The most recent full Afrobarometer survey in Zimbabwe was conducted in January-February 2017 with a sample size of 1,200, producing a margin of error of +/-3 percentage points.

## Key findings

- Zimbabweans overwhelmingly gave their government poor marks when it comes to ensuring that cash is available. In April-May 2018, 84% said the government was doing “fairly badly” or “very badly” on this count; two months later, disapproval had risen to 90%.
  - Despite some differences by party affiliation, education level, and province, assessments of the government's performance on making cash available were overwhelmingly negative across key socio-demographic groups.
- While Zimbabweans disapproved of the government's efforts, they also expressed little trust in banks. Almost two-thirds (63%) of respondents said they trust local banks “just a little” or “not at all.”
- Four out of five Zimbabweans (80%) said they or a family member went without a cash income “several times,” “many times,” or “always” during the year preceding the 2017 survey. Even among post-secondary graduates, two-thirds (67%) reported this form of “lived poverty.”
- A majority of Zimbabweans (55%) said they depend at least in part on buying and selling goods to secure their livelihoods, while almost one in three (31%) rely to some extent on remittances – needs likely to require them to leave their homes and risk social interactions during a lockdown.

## Popular assessment of government efforts to make cash available

In April-May 2018, in the first of its two 2018 pre-election surveys, Afrobarometer asked respondents to evaluate how well or badly the government was doing in making sure that cash was available. More than four-fifths (84%) said the government was performing “fairly badly” or “very badly.” About two months later, in the second pre-election survey, even more – 90% – were critical of the government's performance; only 8% said the government was handling this issue “fairly well” or “very well” (Figure 1).

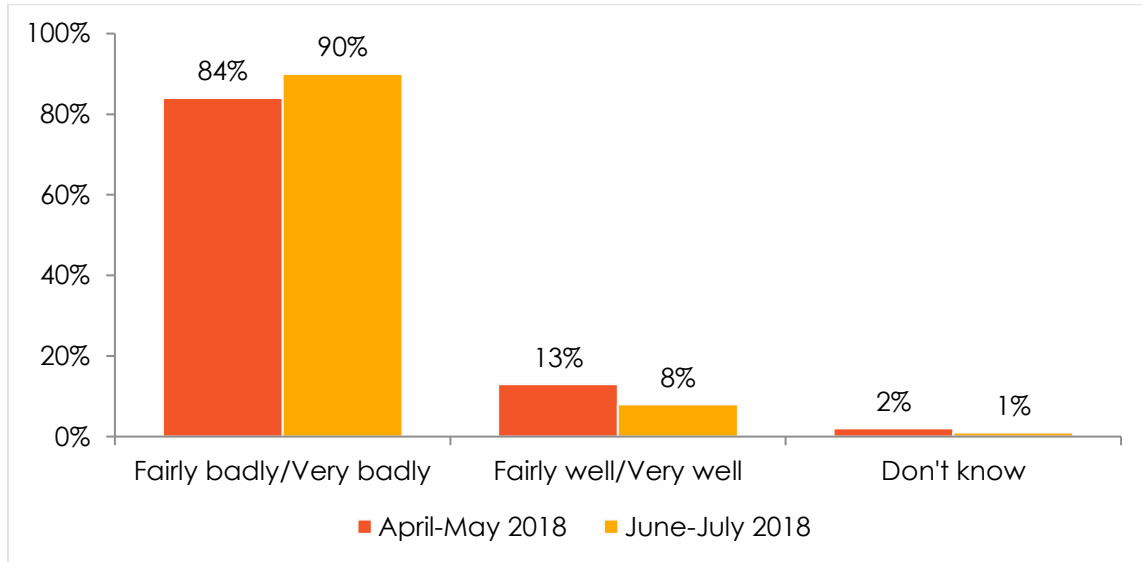
The perception that the government was not doing a good job of ensuring cash availability was similarly strong in urban and rural areas, among men and women, and among different age groups (Figure 2). Supporters of the opposition MDC-T Chamisa party<sup>2</sup> were more likely to be critical of the government's performance (99%), but even among adherents of the ruling ZANU-PF party, more than eight in 10 (82%) felt the same way. Negative perceptions

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<sup>2</sup> Political party affiliation is determined based on responses to the questions, “Do you feel close to any particular political party?” and, if yes, “Which party is that?”

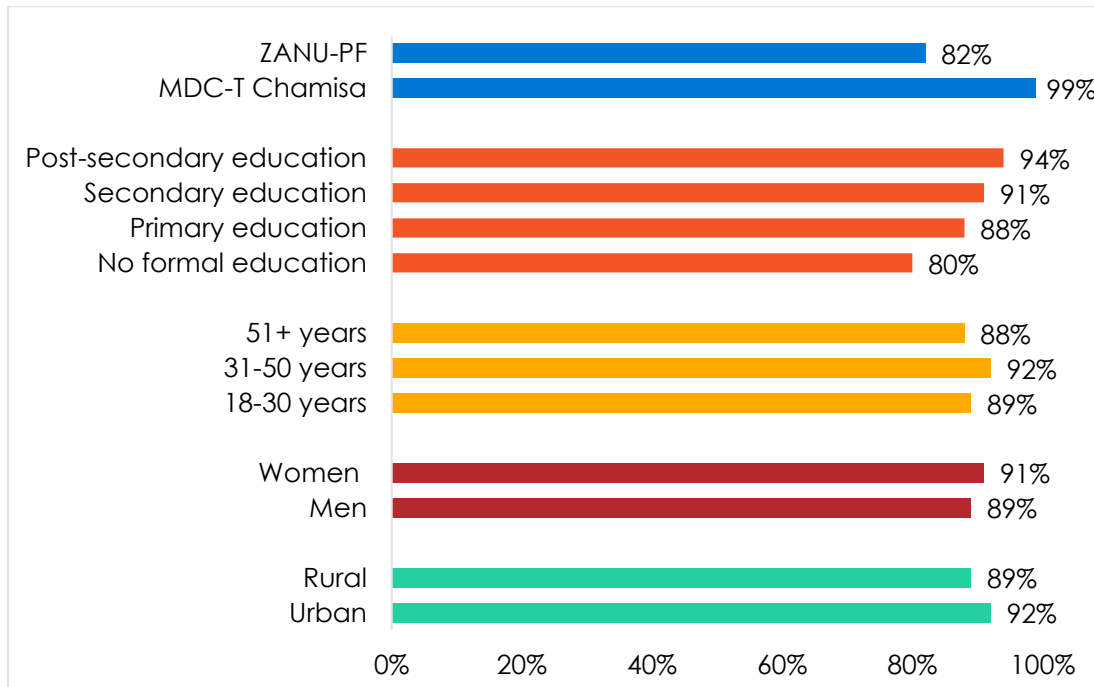
increased with respondents' education level, ranging from 80% among those with no formal education to 94% among those with post-secondary qualifications.

**Figure 1: Assessment of government's efforts to make cash available | Zimbabwe**  
 | May-July 2018



**Respondents were asked:** Now let's speak about the performance of the present government of this country, that is, the government in power since November 2017. How well or badly would you say this new government is handling the following matters, or haven't you heard enough to say: Making sure cash is available?

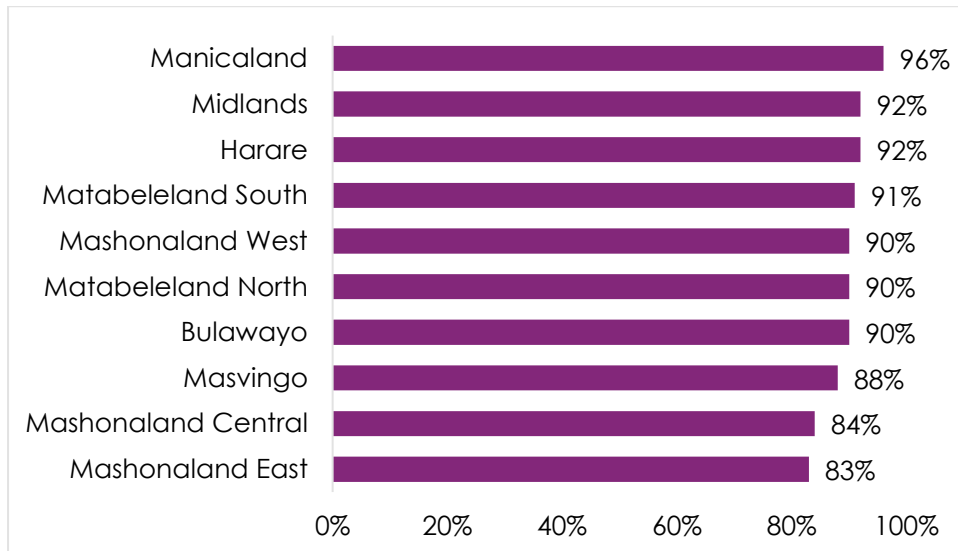
**Figure 2: Government performing badly on making cash available | by socio-demographic group | Zimbabwe | July 2018**



**Respondents were asked:** How well or badly would you say this new government is handling the following matters, or haven't you heard enough to say: Making sure cash is available? (% who said "fairly badly" or "very badly")

Negative assessments were highest in Manicaland (96%), Midlands (92%), and Harare (92%) and lowest in Mashonaland East (83%) and Mashonaland Central (84%) (Figure 3).

**Figure 3: Government performing badly on making sure cash is available**  
 | by province | Zimbabwe | July 2018

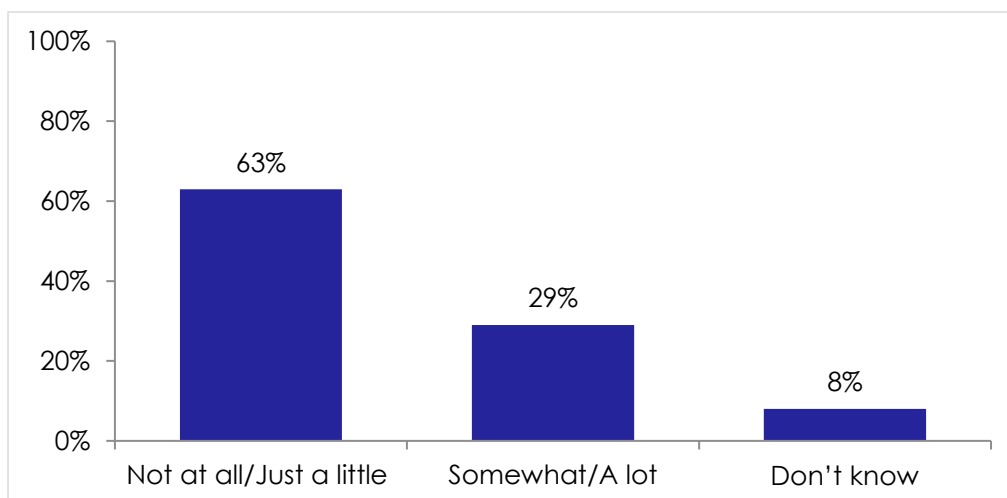


**Respondents were asked:** How well or badly would you say this new government is handling the following matters, or haven't you heard enough to say: Making sure cash is available? (% who said "fairly badly" or "very badly")

### Public trust in local banks

While banks are supposed to keep depositors' money and dispense it as and when they need it, survey data show that Zimbabweans have little faith in local financial institutions. Almost two-thirds (63%) said they trust local banks "just a little" or "not at all," while just three out of 10 (29%) said they trust them "somewhat" or "a lot" (Figure 4). This finding is not surprising given the failure of local banks to give customers money when they need it. The queues that have been a major feature at the banks are ample evidence that local banks have failed to deliver when it matters.

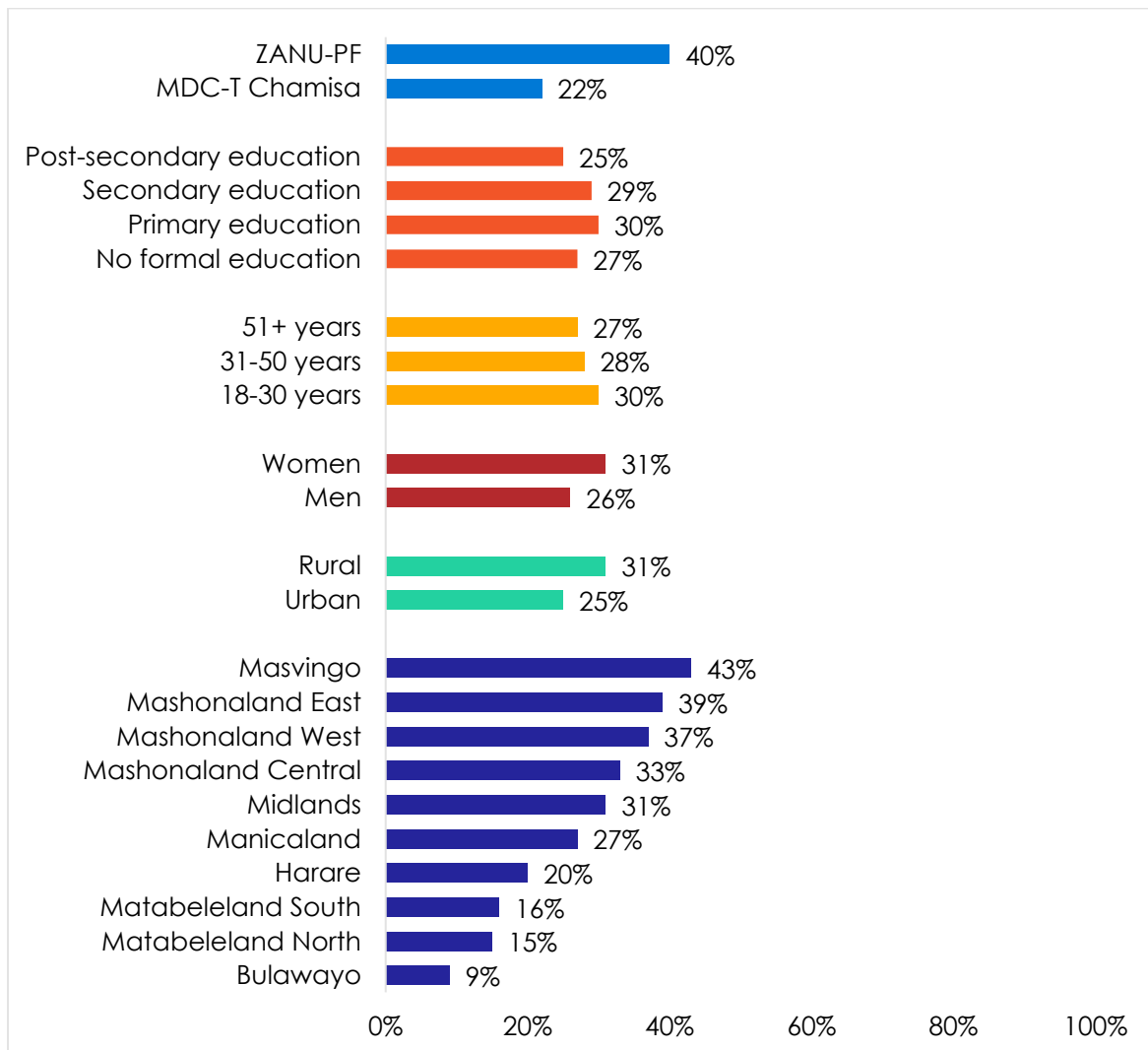
**Figure 4: Trust in local banks** | Zimbabwe | May 2018



**Respondents were asked:** How much do you trust each of the following, or haven't you heard enough about them to say: Local banks?

Urban residents (25%) and men (26%) are less likely to trust local banks than rural dwellers (31%) and women (31%), but we see more pronounced differences by party affiliation and province (Figure 5). Only two out of 10 MDC-T Chamisa adherents (22%) said they trust local banks “somewhat” or “a lot,” compared to four out of 10 ZANU-PF supporters (40%). Trust was particularly low in Bulawayo (9%), Matabeleland North (15%), and Matabeleland South (16%).

**Figure 5: Trust in local banks** | by socio-demographic group | Zimbabwe  
 | May 2018



**Respondents were asked:** How much do you trust each of the following, or haven't you heard enough about them to say: Local banks? (% who said “somewhat” or “a lot”)

### Going without a cash income

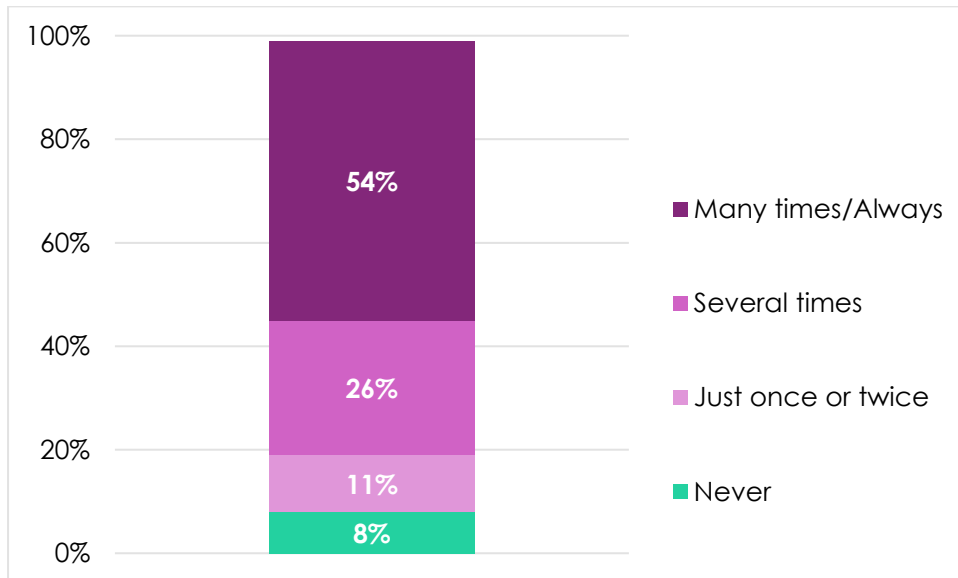
As part of its assessment of “lived poverty” (Mattes, 2020), Afrobarometer asked respondents in its 2017 survey how often, during the previous year, they or a family member went without a cash income. Four out of five respondents (80%) said they lacked a cash income “several times,” “many times,” or “always.” Fewer than one in 10 (8%) said they never went without a cash income during the 12-month period (Figure 6).

The experience of going without a cash income at least “several times” was slightly more common among rural residents (82%) than urbanites (78%) and among women (83%) compared to men (78%) (Figure 7). Post-secondary graduates (67%) were considerably less

likely to experience this form of lived poverty than their less-educated counterparts (82%-83%). And more MDC-T supporters than ZANU-PF adherents said they went without a cash income (88% vs. 73%).

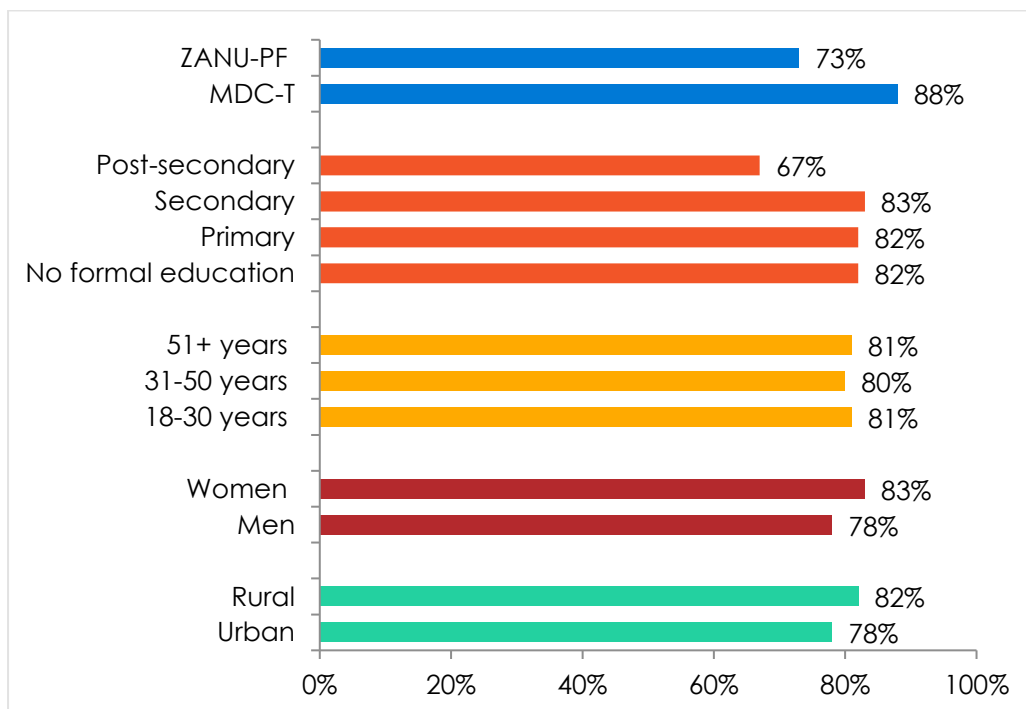
Geographically, this form of deprivation was most common in Matabeleland North (91%) and Manicaland (88%) (not shown).

**Figure 6: Went without cash income | Zimbabwe | 2017**



**Respondents were asked:** Over the past year, how often, if ever, have you or anyone in your family gone without a cash income?

**Figure 7: Went without cash income at least 'several times' | by socio-demographic group | Zimbabwe | 2017**



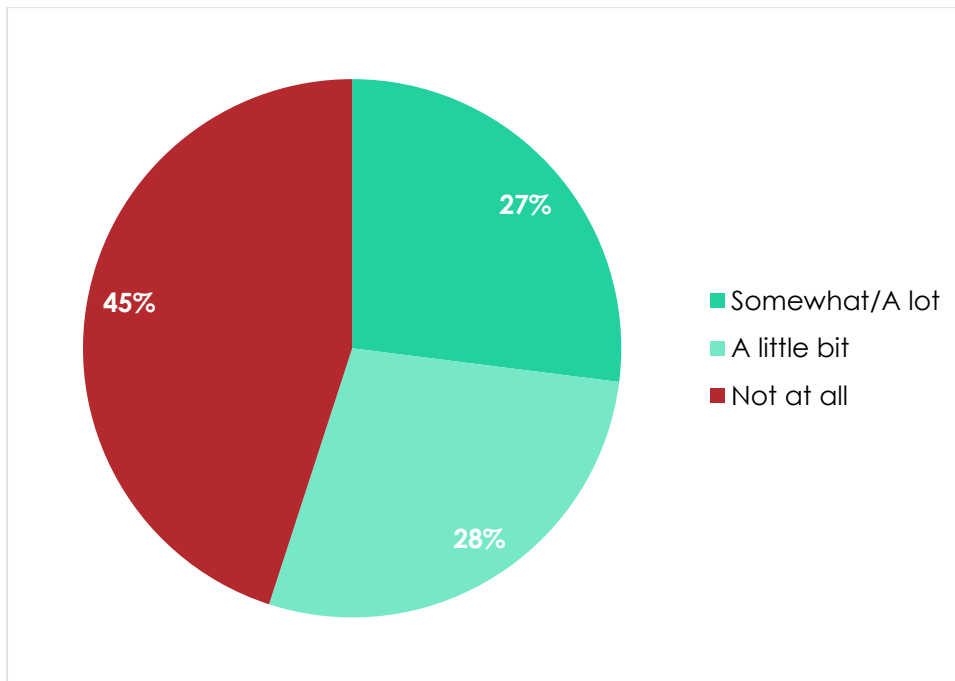
**Respondents were asked:** Over the past year, how often, if ever, have you or anyone in your family gone without a cash income? (% who said "several times," "many times," or "always")

## Dependence on buying and selling of goods

In its first pre-election survey in April-May 2018, Afrobarometer asked respondents how much, if at all, they depend on buying and selling goods to secure their livelihood. In the face of COVID-19, this participation in the informal economy is of interest as citizens who depend on trading in goods may violate lockdown regulations in search of income. A majority (55%) of respondents said they depend on buying and selling goods “a lot” (10%), “somewhat” (17%), or “a little bit” (28%), while 45% indicated that they do not depend on earning money in this way (Figure 8).

Although food markets have been allowed to open for limited hours during the COVID-19 lockdown, the negative impact of the lockdown on cash income in a largely informal economy cannot be overemphasized.

**Figure 8: Dependence on buying and selling of goods | by socio-demographic group | Zimbabwe | May 2018**

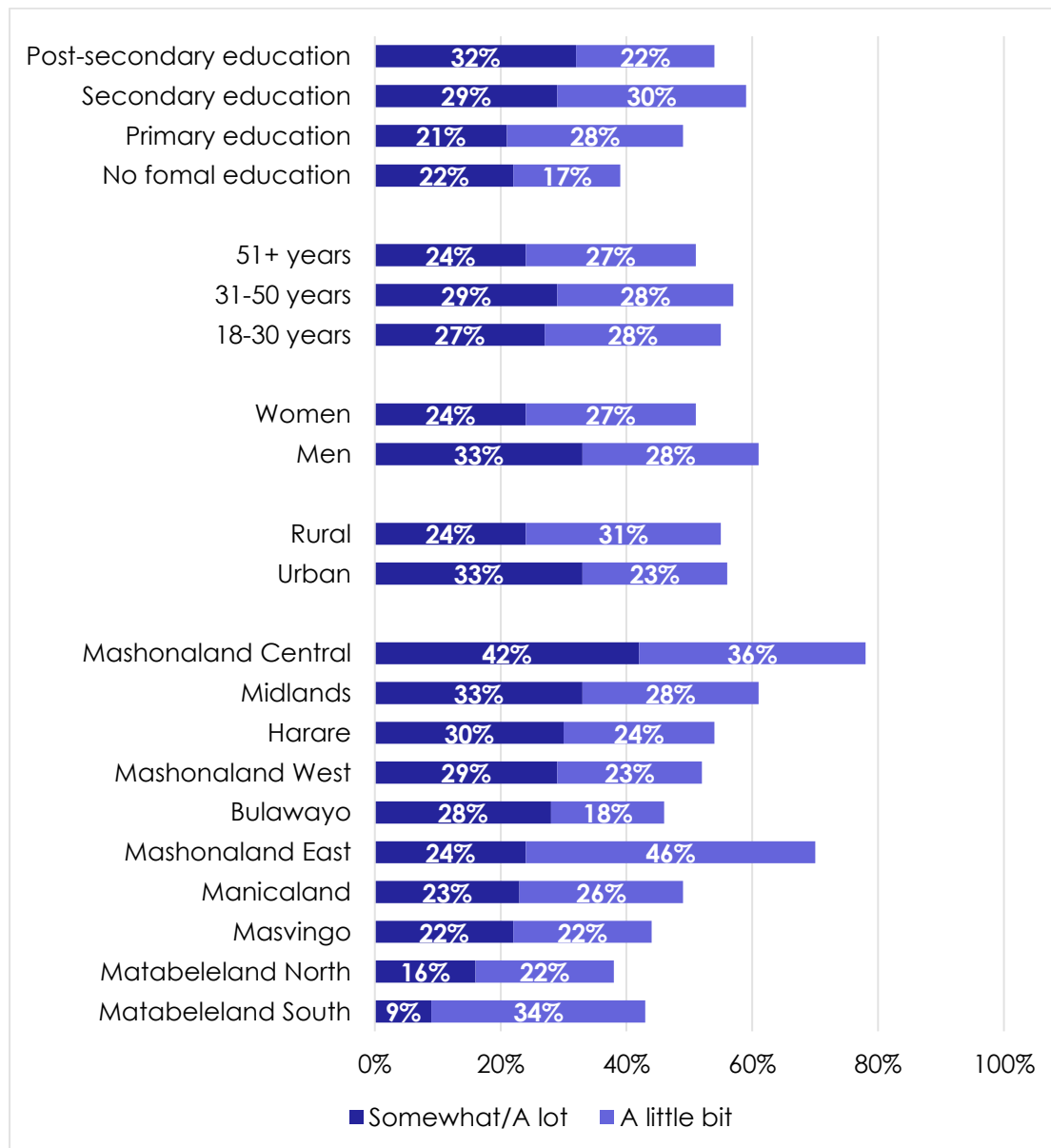


**Respondents were asked:** *Considering all the activities you engage in to secure a livelihood, how much, if at all, do you depend on earning money from buying and selling goods?*

Dependence on buying and selling of goods was more widespread in cities (33% “somewhat/a lot”) than in rural areas (24%), and among men (33%) compared to women (24%). Respondents with secondary education (29%) or post-secondary qualifications (32%) were also more likely to say they depended “somewhat” or “a lot” on trading in goods than were their less-educated counterparts (21%-22%) (Figure 9).

Residents in Mashonaland Central (42%) and Midlands (33%) were far more likely to say they depend “somewhat” or “a lot” on buying and selling goods than were respondents in Matabeleland South (9%) and Matabeleland North (16%).

**Figure 9: Dependence on buying and selling of goods** | by socio-demographic group | Zimbabwe | May 2018



**Respondents were asked:** Considering all the activities you engage in to secure a livelihood, how much, if at all, do you depend on earning money from buying and selling goods?

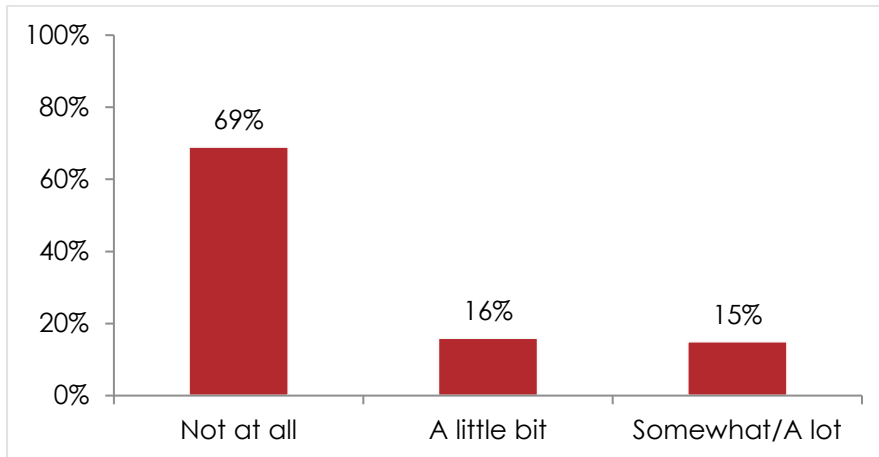
### Dependence on remittances

Citizens who depend on money sent from abroad are likely to leave their homes to visit money-transfer agencies – a challenge during a COVID-19 lockdown. In the April-May pre-election survey, almost one in three Zimbabweans said they depend on remittances “a little bit” (16%), “somewhat” (9%), or “a lot” (6%) (Figure 10).

This will present particular risks in crowded urban areas, where social-distancing guidelines may be difficult to follow. Urban residents were more likely than rural dwellers to say they depended “somewhat” or “a lot” on remittances (19% vs. 13%) (Figure 11). Dependence on remittances was also high in Matabeleland North (24%), along with Bulawayo and Harare (20% in each).

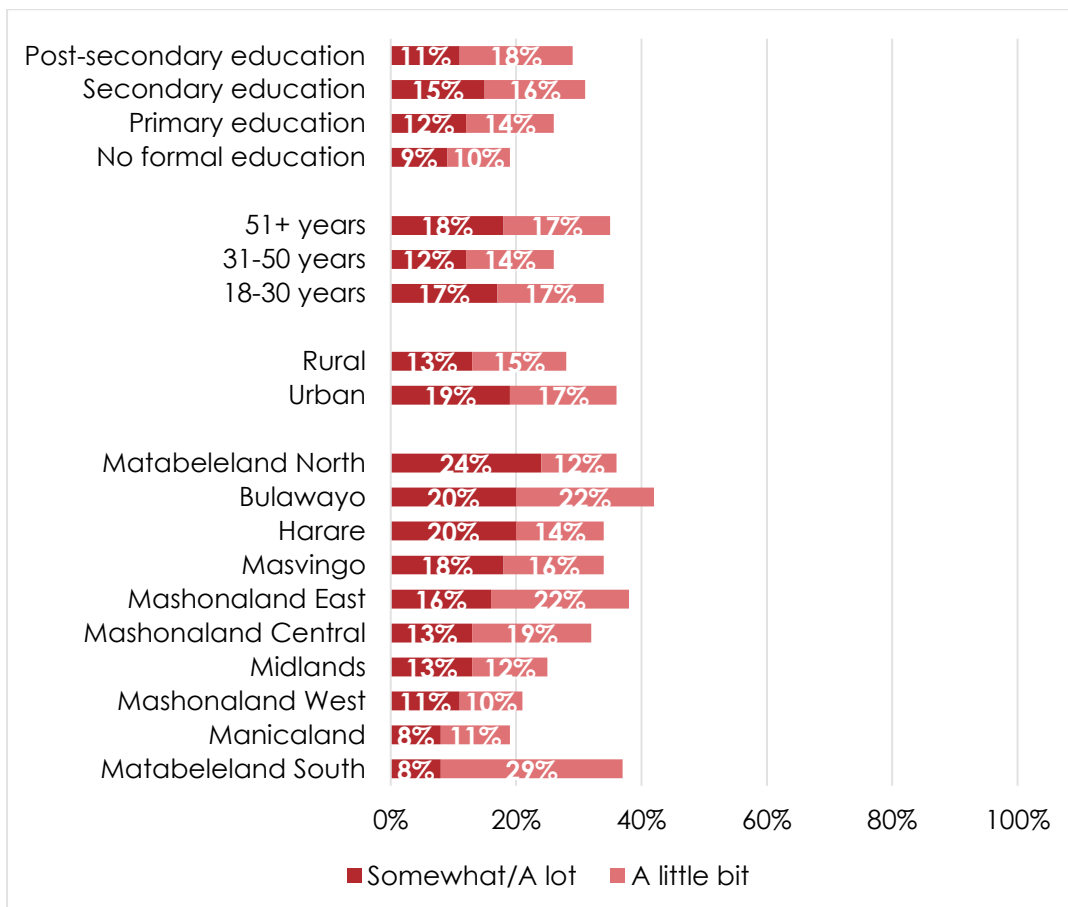


**Figure 10: Dependence on remittances** | Zimbabwe | May 2018



**Respondents were asked:** Considering all the activities you engage in to secure a livelihood, how much, if at all, do you depend on receiving remittances from relatives or friends living in other countries?

**Figure 11: Dependence on remittances** | by socio-demographic group | Zimbabwe | May 2018



**Respondents were asked:** Considering all the activities you engage in to secure a livelihood, how much, if at all, do you depend on receiving remittances from relatives or friends living in other countries?

## Conclusion

COVID-19 and a lockdown to contain it present Zimbabweans with hard choices. Afrobarometer survey data confirm that in addition to challenges facing locked-down communities throughout Africa, a lack of cash confronts Zimbabweans with particular difficulties that could undermine anti-corona virus measures.

The frequency with which citizens go without a cash income underlines the need for social-protection measures to cushion families against the shocks induced by the national lockdown. Their vulnerability is compounded by the government's failure to resolve the country's chronic cash crisis, while the banks have equally failed to respond to the public's need for cash.

The fact that many Zimbabweans depend on buying and selling goods and on remittances leaves them in a vicious cycle of vulnerability. As banks are closed or fail to deliver, many people will trek to money-transfer agencies and to the parallel market, where better rates for the U.S. dollar are offered – and where crowds will endanger the health of both customers and money changers. For some, obtaining cash to survive could be their Waterloo in the war against COVID 19.

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Afrobarometer, a nonprofit corporation with headquarters in Ghana, directs a pan-African, non-partisan research network. Regional coordination of national partners in about 35 countries is provided by the Ghana Center for Democratic Development (CDD-Ghana), the Institute for Justice and Reconciliation (IJR) in South Africa, and the Institute for Development Studies (IDS) at the University of Nairobi in Kenya. Michigan State University (MSU) and the University of Cape Town (UCT) provide technical support to the network.

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