Abstract

This paper analyses poverty in three districts of Zimbabwe. It uses household data to argue that there are two dominant poverty traps individually and jointly afflicting households. It argues that asset poverty is less severe than income poverty. It further argues that assets indicate potential for future production, especially in the context of employment opportunities for the poor, and that this is the most potent and cost-effective strategy to fight poverty. It concludes by estimating household demand for labour, concluding that increasing non-farm incomes and ownership of a minimum bundle of productive assets is necessary for long-term poverty reduction.

Keywords: Poverty traps, Rural poverty, Employment, Non-farm income, Rural districts, Zimbabwe

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