

ANKER LIVING WAGE REFERENCE VALUE UPDATE 2023¹

RURAL ZIMBABWE

LIVING WAGE

JUNE 2023 USD 247

This report keeps the 2022 Anker Living Wage Reference Value for rural Zimbabwe unchanged in 2023. The living wage reference value was originally estimated at USD 247 in 2022, and comprised a net living wage (i.e., take-home pay) of USD 208 per month plus an estimated USD 39 which would need to be paid by law as contribution for social security (4.5%; 11 USD) and income tax (28 USD) on the living wage.² The extreme economic instability of the country highlighted in the 2022 report has continued during 2023. Inflation between June 2022 and June 2023 was 176%.³ The local currency, the Zimbabwean dollar (ZWL), fell against the USD from 371 ZWL at the end of June 2022 to 5,740 ZWL by 30 June 2023. In these circumstances, the USD is widely used as the reference currency for prices. Although the purchasing power of the USD to the ZWL increased, this change is difficult to measure when there is no stable exchange rate. Therefore, in this report the USD value of the living wage is kept unchanged, recognizing that any value of the living wage in local currency would become obsolete in a matter of a few days.

Table 1. Anker Living Wage Reference Value for Rural Zimbabwe, 2022 and 2023

| | Original estimate 2022 | June 2023 |
|---|---------------------------|--------------------------|
| | USD | USD |
| Anker Living Wage Reference Value (1) | 208 | 208 |
| Social Security Contributions and Income Tax (2) | 39 | 39 |
| Anker Gross Living Wage Reference Value (1)+(2) | 247 | 247 |
| Exchange Rate ZWL per USD | 371^a | 5,740^b |
| Inflation since June 2022 | | 176% |

Notes: Exchange rates are from Reserve Bank of Zimbabwe: <https://www.rbz.co.zw/index.php/research/markets/exchange-rates>

^a Exchange rate on June 30th 2022.

^b Exchange rate on June 30th 2023.

¹ Anker Research Institute engages in and disseminates high-quality research, analysis, and training related to living wage and living income (based on the Anker methodology) to inform and influence companies, empower working people, and shape public policy, thereby helping to enhance quality of life and sustainable livelihoods for working people and their families everywhere. Social Accountability International (SAI) is the institutional host. Report prepared by Marcelo Delajara and Rocío Espinosa Montiel.

² Dawani, Prates, Anker and Anker (2022). Anker Living Wage Reference Value – Rural Zimbabwe, 2022.

³ Inflation figures are from the IMF, <https://data.imf.org/>