



# Getting Zimbabwe Working Again

## *Snapshot Gender Analysis of the 2009 Budget Statement*





## Introduction

Zimbabwe has been grappling with socio economic challenges that have affected its population in diverse ways. These challenges have included unprecedented levels of inflation, declines in productive capacity, food shortages, loss of value of the local currency, and decline in public service delivery. There has been sustained decline in Gross Domestic Product (GDP), a cumulative fall of over 40% over the past 8 years. All this has resulted in increased poverty in Zimbabwe. This period has been characterized by a 'feminization of poverty', which relates to an increase in the difference in poverty levels between women and men, or between households headed by women and those headed by men, or couples. Feminization of poverty has been fuelled by gender inequalities in access to resources, unequal and limited participation of women in the productive, economic and political sectors.

The national budget is the most important economic policy instrument for governments, and is critical to implementing policy priorities in the country (pull out). Budgets reflect a government's social and economic policy priorities more than any other document, and translate policies, political commitments, and goals into decisions on where funds should be spent and how funds should be collected. Meeting specific developmental goals requires huge investments in public resources. The Zimbabwe Millennium Development Goals (MDG) MDG 2004, Progress Report estimates that meeting the MDG targets requires an estimated budget of about US\$2.2 billion.

The budget statement outlines that a major focus of STERP will be on interventions to resolve burden of preventable diseases such as malaria, HIV and AIDS and maternal care, consistent to the MDGs. The 2009 National Budget, however, is premised on some degree of realism, as noted in the introduction of cash budgeting. This move entails spending that corresponds with receipts from tax revenues, fees for services and support from development partners. The 2009 expenditure proposals were revised from US\$1.7 billion in January to US\$1 billion in the March budget.

## Social Protection Prioritised

The National Budget presented to the Parliament of Zimbabwe on March 17th, acknowledged the prevailing situation, and synchronized the 2009 budget to political and economic developments in the country. These included the formation of the inclusive government, which saw the

coming together of the 3 parties, ZANU-PF, MDC and MDC-T resulting in the formulation of the Short Term Emergency Recovery Programme (STERP). The second National Budget announced in March reflected a shift in priorities, and provided some revisions on the initial budget previously presented on January 29th. The budget acknowledges that a lack of budgetary support, reduced income levels, and 'death' of the Zimbabwe dollar had devastating effects on the poor and marginalized, and thus prioritised social protection programmes.

It is anticipated that social protection programmes will positively influence the lives of marginalized groups, including women. The Government of Zimbabwe has made strides to ensure that gender budgeting is used to achieve this, and has thus been integrated into their budgeting system. In 2007 and 2008, the Ministry of Finance mandated that ministries mainstream gender issues into their public service delivery programmes and expenditure estimates for the following year. Gender budgeting will be crucial in responding to challenges the nation has been grappling with; in economic transition and restoration (pull out). '...gender budgeting is just good budgeting- budgeting that properly accounts for the positive externalities that are derived from improving women's opportunities in health care, education and employment. Studies show that programs and policies designed to improve women's economic opportunities lead to higher rates of economic growth' (Stotsky 2006: 3).

The popularity of gender budgeting has increased across the world as it seeks to ensure that local and national budgets meet the needs of both men and women, thus promoting efficiency and effectiveness in public resource allocation. Gender budgeting considers the different implications that budgets may have on women and men, including revenue collection measures, sector allocations and expenditures. The budget speech provides an overview of expenditure needs and priorities in the 2009 budget as well as anticipated revenues. The gender analysis of the 2009 budget statement explores the responsiveness of the budget to the needs and priorities of women, men, and children in Zimbabwe, and different groups of women and men.



## **GENDER ISSUES IN THE BUDGET SPEECH**

### **Social Protection programmes**

Social justice issues such as education and health need to be accorded high priority in resource allocation because of their impact on the transformation of women's lives and that of disadvantaged groups. The budget statement emphasizes the provision of adequate and quality basic social services, acknowledging that the liberalization of foreign exchange has disadvantaged certain groups of people due to challenges in accessing foreign currency to exchange for goods and services. The ministries of education and health were allocated the highest and second highest shares of the 2009 budget respectively, which was a strong reflection of the commitment to social justice issues.

### **Education**

The resuscitation of the education sector was given priority in the 2009 national budget. The government will improve conditions of service for teachers, provide incentives for those in the diaspora, and provide learning materials and equipment in schools. Access to quality education by girls and boys in Zimbabwe has been challenged by failure of parents to meet school fees and requirements for school-related materials, and transport, among others. The actual delivery of schooling instruction from teachers for children who do manage to find their way to school, has been further hampered by inconsistent instruction from teachers who are not motivated, and cannot afford to come to work due to the paltry salaries they receive. The Ministry of Education, Sport and Culture received the highest share of the 2009 budget, which supports the high degree of priority given to education (pull out). Of the ministry's budget, 58% was allocated to employment costs, which reinforces the move to improve the conditions of service of teachers.

A strong statistical association exists between gender equality in education and economic growth. The World Bank predicts that average annual growth in per capita Gross National Product (GNP) for the Sub-Saharan region would have doubled had countries in the region closed the gender gap in education between 1960 and 1992. Growth regressions have shown that countries with higher average years of education across the labour force, and those with faster growth rates of education, grow faster. This is because education raises human capital, influences fertility and participation rates and enhances law and order, democracy and political stability, promoting foreign investment of physical capital (McMahon, 1999).

## Health

Zimbabwe's health sector has been characterized by deterioration in health infrastructure, drug shortages, and a lack of health professionals. Women bear the brunt of a poor health delivery system; because of limited incomes, they have limited access to services, they provide care for sick family members and those that are employed in the sector are poorly remunerated. This affects their ability to participate effectively in their political and economic lives, further delving them into the cementing them in poverty. Under STERP, revised expenditure proposals seek to address some of the challenges in the health sector, one of which is the attraction and maintenance of highly skilled professionals in the health sector. There are about 68% vacant posts for doctors reported (Budget Statement 2009).

The government aims to ease the shortage of essential medical equipment. The highest expenditures in this sector in the 2009 budget have been allocated to hospitals and health centres, current transfers (grants, regulatory boards, councils and associations), and employment costs (pull out), in that order. The cholera epidemic has had devastating effects on the population of Zimbabwe. The Minister of Health in an interview acknowledged the efforts of the donor community in addressing the pandemic. A fund was established to support health care workers both at cholera camps and throughout the country, which the minister acknowledges has worked as a retention incentive, with the majority of health workers back at work .

A targeted approach is being used to concentrate available funding to the critical requirements of one health institution at a time. Though this may avoid spreading resources too thinly, it may lead to excessive demand on one institution, with women having to travel greater distances to the functional institution, also limiting their access to health care. This, among other interventions is attributed by the budget statement as a measure that is consistent with the objectives of achieving the MDGs, one of which is to improve maternal health. The Zimbabwe MDG Report (2004) reports that 'mothers are often discouraged by the long distances they have to travel to reach a health facility.' The number of women attended to by skilled birth attendants is inversely related to the distance they have to travel for care. Therefore, the issue of distance will most likely continue to affect many pregnant women, especially in the rural areas where only 58% are reported to be attended by skilled birth personnel (WHS, 2008).



### **Specially Targeted Vulnerable groups**

Vulnerable groups such as the elderly, orphans, child headed households, and the physically challenged, have been addressed by the budget. The programme on specially targeted vulnerable groups provides for the enhancement of social safety nets through allocations to institutions that cater for the above groups.

### **Water and Sanitation**

The cholera epidemic has since late 2008, caused the death and suffering of thousands of people across the country. The move to support increased efforts in the area of water and sanitation is most welcome, and is anticipated to be most beneficial to women, who find themselves as care-givers to sick family members and overburdened due to lack of water for domestic and other uses. It is reported that 19% of the Zimbabwean population had no access to an improved drinking water source in 2006 (World Health Statistics (WHS), 2008). Judging from the economy-wide challenges in previous years, and deteriorating service delivery and infrastructure in the sector, this figure is expected to have gone up in recent years.

Only 54% of the population was reported to be using adequate sanitation facilities in 2004 (WHS, 2008). It is a positive development that water management has been reverted back to local authorities, as it is expected that they will better address the needs of people on the ground and ensure appropriate and adequate delivery of services to the people (pull out). The Ministry of Local Government budget allocates 41% of its US\$ 2,865,000 allocation to lending and equity participation. This budget line will provide loans to local authorities for procurement and rehabilitation of equipment, water and sewerage works. The commitment to improving the situation of water and sanitation is reinforced by the provision of capital transfers by the local government ministry (which constitute 13% of the ministry allocation). This seeks to address issues such as water supply (rehabilitation of boreholes and wells), sanitation and development of communal areas.

### **Agriculture**

The Ministry of Agriculture, Mechanization and Irrigation Development received the sixth largest share of the national cake, and was allocated US\$ 48,179,140. STERP outlines the need to address key issues in the agricultural sector in order to facilitate increased productivity.

Challenges faced by women in this sector include lack of agricultural inputs and farm implements, limited access to land and credit . In an economically distressed environment, some of these issues may also be common to men. However, the greatest challenge for women is a lack of legal rights to land; this limits their access to credit and other related resources. In the context of social disintegration, the prevalence of HIV and AIDS, a large number of women have become single providers. STERP recognizes the national benefit of increasing agricultural output.

Agricultural production is expected to improve through increasing irrigation capacity as well as human capacity to farm effectively. The budget focuses on strengthening extension services as well as rehabilitating and developing irrigation schemes and construction of dams. There is a lot of focus on irrigation services, and there is also a budget for the formulation of an irrigation policy. What is critical is to ensure that the development of such a policy is gender sensitive in order to provide sound basis for inclusion of gender considerations in related resource allocation.

Supporting the agricultural ministry's efforts, the Ministry of Women Affairs, Gender and Community Development is also seeking ways in which to empower women in agriculture, and to ensure that gender-specific measures are taken to promote the sector. The ministry, in conjunction with the agriculture and labour and social services ministries, is mobilizing resources for provision of input packs for one-hectare household food security and nutrition. This intervention is undertaken under a special programme to revive the 'Tseu/Bindu or Isiphala sika mama' traditional practice which refers to a woman's portion of land in the family field, which is normally used to grow supplementary crops like groundnuts and traditional vegetables. This initiative is envisaged to contribute significantly to the empowerment of women and strengthening household food security.

### **Revenue collection**

Several revenue and other policy measures highlighted in the budget statement may prove to be responsive to women's needs and priorities. The reduction in flat rates of duty is anticipated to be of significant benefit to women, who constitute the majority of the informal economy in Zimbabwe, including informal trade. In response to the changes in the economic environment, women have developed coping strategies to



meet the growing responsibilities for the survival and well being of their families. An estimated 2,000 traders cross the border everyday into Musina, the nearest town on the South African side, most of whom are women. The announcement of the 2009 National Budget came with a downward review of customs duty to ensure swift clearance of goods, ultimately contributing to the reduction of the long waiting hours at borders. This will be beneficial to women cross border traders as well as those that cross the borders to purchase food and household items for their families.

The tax free threshold has been set at US\$ 150, up from \$125 per month in the January budget. The threshold however is too low to accord low income earners in formal employment an adequate disposable income. The estimated monthly expenditure for a household of six in March 2009 for a lower income urban earner was US\$396.22 . The Consumer Council of Zimbabwe reports that this was a 5% increase in the cost of living from February 2009. This was attributed to increases in costs of rentals. The cost of the food basket actually decreased by 3% from February to March, probably due to increased competition in the market and duty free on basic foodstuffs. Despite the decrease in the cost of foodstuffs, food prices remain beyond the reach of many. A critical consideration is that Civil Servants are not currently receiving a salary, but a monthly allowance of US\$ 100, which is way below the average monthly budget of a low income urban earner as highlighted.

## **CRITICAL GENDER CONCERNS**

### **Inadequate funding for the Gender Machinery**

The Ministry of Women Affairs, Gender and Community Development is among the lowest resourced ministries in the 2009 National Budget. The allocation is only 0.28% of the 2009 national budget and is the 8th lowest allocation. In addition, most of the resources allocated to the ministry will be spent on employment costs, which constitute 52% of the ministries expenditure. This leaves very limited resources for implementing its priorities. One of the objectives of the National Gender Policy is to "mainstream gender issues into all sectors in order to eliminate all negative economic, social and cultural practices that impede equality and equity of the sexes". Some of the strategies to be used include carrying out gender impact analysis/assessment of policies, programmes, projects and strategies, reform of constitutional and legal

provisions, engendering budgets at all levels, in all sectors, and creating awareness and carrying out educational campaigns on gender issues. The budget allocated to the ministry is very limited compared to the mammoth task they have, and is deemed insufficient to enable the mainstreaming of gender into all sectors.

### **Enforcement of the Budget Call Circular**

It was a critical milestone for the gender budgeting initiative in Zimbabwe that the 2007 and 2008 Budget Call Circular issued by the Ministry of Finance mandated that ministries mainstream gender into their programmes and budgets. Though in 2008, ministries were provided with guidelines to ensure this was done, there is no mention of how the ministry intends to enforce discipline among those that do not comply. There is need for clarity in how the ministry will enforce the use of budget guidelines to ensure that resource allocation in gender responsive. Gender budgeting promotes efficiency and effectiveness in resource allocation, promoting gender equality; ultimately increased growth and development. In order to move towards this, the ministry needs to ensure that the instructions and requirements of the call circular are adhered to. Ministries should be able to clearly show how policies and planned programmes are responsive to the specific needs of women and men, and allocate requisite resources.

### **Conclusion**

Government efforts and commitment to addressing gender equality issues are appreciated. Of particular note is the integration of critical gender considerations into the Short Term Emergency Recovery Programme, targeting vulnerable groups and prioritization of social protection programmes. The issuance of gender sensitive budget call circulars is also a positive step towards gender equality and the empowerment of women. However, a major concern arises from the poor funding for the gender machinery. The Ministry of Women Affairs, Gender and Community Development requires significant amounts of funding to be able to implement activities outlined in the National Gender Policy Implementation Strategy and Work Plan. It will also be critical to develop mechanisms through which the Ministry of Finance ensures that ministries adhere to the gender sensitive requirements of the call circular.

The Zimbabwe Women's Resource Centre and Network (ZWRCN) was formed in 1990 as a gender and development organisation whose strategic aim is to empower women through the provision of information that impacts on economic, political, social aspects of their lives. Aimed at improving the lives of women in Zimbabwe, ZWRCN programme interventions are crafted towards the achievement of the rights of women as set out in the Gender National policy and regional and international human rights instruments.

#### VISION

To see women enjoying the benefits of actualising their full potential in the political, economic, social, public and private spheres.

#### MISSION

To enable women to make informed decisions about selected aspects of their lives (political, economic, social, public and private spheres) and act accordingly.



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