

**THE 2007 PROPOSED BUDGET: WILL IT FULFIL GENDER EQUITY?**  
**A presentation by Lucy Muyoyeta at the Budget Workshop for MPs “Towards a  
Development Oriented Budget - 24<sup>th</sup> February 2007**

**1. Introduction**

This presentation is divided into three sections. The first looks at conceptual/definitional issues, then an analysis of the budget speech is done followed by a selected analysis of allocations to a number of ministries and provinces. The latter part will use the budget address and the Estimates of Revenue and Expenditure (Activity Based Budgeting) for the year 1<sup>st</sup> January 2007 to December 2007 (hereinafter referred to as the “Yellow Book”) as the basis for analysis.

**2. Conceptual and Definitional Issues**

In March 2000, the Zambian government adopted the National Gender Policy (NGP). The NGP prescribes policy measures for gender mainstreaming in all sectors. The purpose of the NGP is to achieve equitable participation of and benefit by both women and men in all spheres of development and life of the country.

President Mwanawasa in his foreword to the Strategic Plan of Action for the National Gender Policy (2004-2008) (SPANGP) says amongst others the following:

*“The vision of the government on gender is to attain gender equity and equality between females and males. The SPNAGP is aimed at operationalising government’s vision on gender. It intends to achieve this by mainstreaming gender into macro and sectoral policies and programmes such as the Public Service Reform Programme (PSRP), Poverty Reduction Strategy Paper (PRSP) and the Transitional National Development Plan (TNDP) including policy instruments like the Medium Term Economic Framework (MTEF) and the National Budget.*

*A systematic and planned approach to the achievement of gender equity and equality goals has become indispensable for national development. Unless gender is mainstreamed in the national vision, planning and implementation processes our development efforts will not be meaningful.*

*Government has committed itself to the full implementation of the NGP and will therefore ensure that adequate resources are made available. Therefore the annual and sector budgets should take into account the activities outlined in the SPANGP”.*

That the country has committed itself to gender equality is not in doubt, we have a policy, a strategic plan, we are signatories to various international agreements, conventions and protocols and we have the commitment of the highest office of the land. Parliament on its part has a role to play to ensure successful implementation of gender and development programmes with the Committee on Legal Affairs, Good Governance, human Rights and Gender Affairs playing a leading role.

The budget of any country is an important tool in the implementation of public policy and an indicator of priorities. . It is a reflection of governments’ choices and priorities in meeting the country’s social, economic and political agenda. Gender sensitivity is important in budgeting. It entails fairness to the needs of the both women and men. It takes cognisance of the fact women and men are different in their physiological make up, play different roles

in society and have a structural relationship of inequality. Women who make up almost 50% of this country generally face more disadvantages than men. For example poverty and HIV/AIDS infection rates are higher amongst women whilst literacy levels are lower amongst women.

The United Nations Development Fund for Women (UNIFEM) defines Gender Responsive Budgeting (GRB) as budgeting that integrates a gender perspective and tracks how budgets respond to gender equality and women's rights requirements. This entails examining not only actual allocations and revenue raising measures but also budgeting systems, budgeting processes and looking at the roles of various actors throughout the process. It also entails putting in place mechanisms, guidelines, data and indicators that enable gender equality advocates to monitor progress, benefit incidence and show how gender neutral budgets impact on women.

Rhonda Sharp describes a gender analysis of government budgets as incorporating three elements:

- Expenditures targeted at women – and the programmes and policies that underlie them;
- Expenditures which promotes the interests and advancement of women employed by the public service;
- Mainstream expenditures in terms of their differential impact on women and men, and different groups of women and men e.g. economic status

This framework assumes that all government expenditure unless proved otherwise, have a gendered impact on society.

The analysis done in this paper largely follows the Sharp framework but does not deal with the element that focuses on spending for the promotion of the interests and advancement of women employed by the public service. This analysis is beyond the scope of a 30 minute presentation.

The analysis that follows in looking at the differential impact of mainstream expenditures on different groups of women and men makes a choice in favour of a particular group of men and women; the poor who are the majority in our country.

In a departure from the Sharp framework, the analysis also looks at the impact of revenues.

### **3. Gender Analysis of the 2007 Budget Address by the Minister of Finance on Friday 9<sup>th</sup> February, 2007**

The Minister in the introductory section of his address states that having achieved relative macro-economic stability, there is need for these achievements to be translated into improved living standards for the people of Zambia; hence the theme of the budget; **From Stability to Improved Service Delivery**". The need for improved service delivery cannot be overstated therefore this focus is very welcome.

The Minister states that, among some of the major challenges facing the nation include the consolidation of macroeconomic stability and sustained growth. Though it may be assumed because it was not stated and working on assumptions leads to erroneous conclusions, it therefore must be stated that poverty reduction and empowerment of women in all spheres of Zambian life remain major challenges too.

### **Performance of the Domestic Economy**

In his analysis of the performance of the domestic economy informs us that a number of sectors especially mining, construction and transport, agriculture, tourism, manufacturing, wholesale and retail trade and the services sector registered positive growth.

But we are not told for instance how many jobs were created, how many people were lifted out of poverty, the impact of that growth on gender etc. Job creation is an important contributor to poverty eradication. Yet as we all well know, the phenomenon of “jobless growth” is very real.

Concern must be expressed here at the slow pace of the Rural Electrification Programme. The numbers of institutions and households that benefited considering the needs are a “drop in the ocean”. Electrification is an important contributor to poverty reduction as it enables entrepreneurship; savings on energy cost, reduces on the labour burden of women and on environmental degradation.

Table below illustrates the achievements stated in the Minister’s address.

### **Rural Electrification Projects financed in 2006**

<b>Type of Institution Electrified</b>	<b>Number Electrified</b>
Basic Schools	35
Health centres/Clinics	5
Other public facilities such as courts and markets	5
Houses	380

It is gratifying that savings made available from reduced external debt servicing will finance development programmes thereby advancing the Millennium Development Goals (MDGs). But the extent this will indeed be case will be analysed in more depth later.

The address acknowledged that education completion rates for girls’ remains a problem. Much more will need to be done about this problem and indeed the entire education system to bring it back to desirable levels in terms of access and quality.

With regard to the health sector, mention is made of numbers of staff recruited, health posts built or under construction etc. No gender analysis is done; this should have been done given the importance of the health sector to the well being of women but in particular the unacceptably high rate of maternal deaths in this country. Performance in this regard should have told us for instance how many of the staff hired are mid-wives.

Government must however be commended for scaling up the programme for the prevention of mother-to-child transmission of HIV, but it is important that this goes beyond to ensure that the mothers themselves benefit from Anti-Retroviral Therapy (ART) for themselves as well. Women should not be seen as vessels to carry and deliver health babies whilst their own health is neglected.

### **Economic and Social Policies for 2007**

The address mentions 4 macroeconomic objectives for 2007 as follows:

- Achieve real GDP growth rate of 7 %;
- Reduce inflation to 5%;
- Reduce government domestic borrowing to 12% of GDP;
- Raise international reserves.

These objectives focusing on macroeconomic stability may not on their own do much for the poor. As already stated, it is possible for a country to achieve growth yet not have much impact on poverty reduction. Reduced inflation in so far as high inflation acts as a tax on poor people's earnings by eroding them is good for poverty reduction.

The budget objectives we are told will focus on macroeconomic stability, fiscal discipline, directing public resources to priority areas and expanding the revenue base. The priority areas are stated as agriculture, health, education and infrastructure. This analysis will later reflect on the issue of priority areas because when the analysis of the yellow book is done several concerns arise in this regard.

The emphasis of enhancing budget execution, transparency and accountability is welcomed, but it must be done and seen to be done. The Auditor – General's reports for instance should be followed up with necessary disciplinary action including prosecution. If effected and the system experiences less pilferages and leakages than more services should get to both the poor and women.

The widening of stakeholder involvement in budget implementation, monitoring and evaluation is a welcome development. Again let us see government "walk the talk" but in so doing it is important to ensure that poor people and women themselves participate fully.

In terms of the key sector policies and interventions, good intentions are mentioned in the priority and other sectors. These include irrigation development, livestock disease control, extension services, recruitment and retention of teachers and frontline medical staff. These areas definitely have the potential to contribute to poverty reduction and gender equality but only if they are designed to do so. This will not happen automatically.

The water and sanitation sector is an area of great importance for poverty reduction. Clean and safe water and sanitation contributes greatly to improvement of health, whilst access greatly assists in reducing the labour burden of women. The intention therefore to improve access to safe drinking water and basic sanitation is a commendable one. But the extent to which this commitment will be realised depends largely on resources allocated.

With respect to the exploration work on petroleum gas and oil in the North-western Province, should it come to pass that indeed Zambia becomes an oil and gas producing country, this should benefit the country. But, yet again there are no guarantees that poor women and men will benefit from this resource. Examples abound with countries like Nigeria and Angola amongst the world top producers of oil yet their poor have not benefited from the revenues realised. Time is now, to ensure lessons are learnt from the mentioned and other countries so mistakes are not repeated and positive lessons are learnt.

Gender analysis studies to determine the differential impact these developments are likely to make on women and men need to be carried out so measures are incorporated from the start to ensure that both women and men benefit equitably and positively from these developments.

The experience of similar projects to Multi-Facility Economic Zones in other countries is at best mixed. On the positive side, they create jobs, stimulate export activities and can promote skills and technological transfers. However, the nature of jobs created could be very low income extremely exploitative type jobs with very poor working and safety conditions. Skills and technological transfer may also not be as significant. It is important also that gender analysis of these zones is carried out before they are established so that potential problems are anticipated and measures to deal with them instituted before hand. It is also important that a legal framework is put in place that does not disadvantage and compromise labour and environmental standards.

The general point that needs to be made here is that gender analysis studies should, like Environmental Impact Studies become an integral part of all projects being undertaken to promote social or economic development. Poverty and gender considerations should be at the centre of economic development and not an after-thought.

The emphasis on accelerating the decentralisation process is welcome. Decentralisation by its very nature should ensure that every Zambian is indeed not left out in the development processes of these countries. Thus far however the pace of decentralisation has been too slow. It is hoped that this can now be accelerated. But the extent to which this actually does happen depends on resource allocation and the processes and institutions established.

The provision of General Public Services whose **actual composition is vague is a concern**. Although it has declined from an allocation of 40.9% in the 2006 budget to 33.4%, an actual allocation of K4 billion for vague purposes is worrying in a country where the majority people live in dire circumstances. In acknowledging that this provision is not directed at poverty reduction, the Minister in his address indicates that the provision to this budget line is has been cut in line with government's policy to direct more resources to poverty reduction programmes.

The provision for Constitutional Reform is welcome. Appropriate constitutional reform provides the basis for poverty reduction and meeting gender equality targets. However, concern is the dragging out of the process for an unnecessarily long time.

With many households falling into destitution the equity role of social protection has been neglected for too long. Social protection therefore is of utmost importance. The less than 1% of total budget allocation in the 2006 budget was clearly inadequate. To enable vulnerable groups such as the elderly, orphans and disabled access social services the figure needed to improve. The figure for social protection has gone up to 2.9% of total budget, with the actual figure at K343bn. But out of this K266bn is allocated for dismantling pension arrears. This should not be defined as social protection, so in effect there is no real increase.

## **Revenue Measures**

### **Pay As You Earn (PAYE)**

The proposed adjustments to PAYE to increase the minimum tax exempt income to K500,000.00 per month from K320,000.00 per month is a step in the right. More or less equivalent to the Food Needs Basket estimated at K500,000.00 by the Jesuit Centre or Theological Reflection (JCTR). It at least enables those with families of six people earning in that range to afford to eat. But well being does not consist of eating alone, there is therefore need to bring this threshold closer to the Basic Needs Basket which the JCTR estimates at K1.5 million.

To really determine exactly who benefits from this measure will need further analysis which would include how many people they are in formal sector employment earn in this range and below. How many of these are men and how many are women? Whilst this tax relief is very welcome, however we should lose sight of the fact of the fact that in the case of a household where the male is the one who benefits from this relief, the extra disposable income may not necessarily go towards the household benefit. The point I am trying to make here is that beyond this measure others need to be considered to ensure women and children benefit from this measures. These measures should include removal of user fees for services such as in health for the urban poor in urban, extending the free basic education provision to Grade 12, increasing entrepreneurship programme for women in the informal sector. Uganda a much poorer country than Zambia has just extended its free basic education to the secondary school level. But it is essential that these programmes are properly resourced.

The proposal to reduce excise duty on electricity from 5% to 3% and to retain the 3% for the Rural Electrification Fund is a welcome one.

### **Corporate Tax**

In comparison to what individuals are paying, company and other tax from corporate companies is too low.

## **4. Gender Analysis of Allocations to Selected Ministries and institutions**

It is important that gender analysis of all allocations and therefore expected expenditures be done. But it is beyond the scope of this presentation to do an analysis of all ministries and government institutions, hence only a selected number of ministries and institutions are analysed. However, it is important that all ministries and institutions; defence, home affairs, foreign affairs, Anti-Corruption Commission etc. are analysed from a gender perspective.

Before a detailed analysis of the selected institutions, a few general points for consideration:

- The budget focuses on inputs and not outputs and impact, it is therefore difficult to measure progress and impact on a year by year basis. The FNDP is by its nature long term in focus so it cannot be used for this purpose.
- Where some indicators are given these are community focused e.g. number of schools to be built. This is good but more needs to be done in this area. The UNIFEM definition for gender responsive budgeting states that this entails putting in place mechanisms, guidelines, data and indicators that enable monitoring of progress, benefit incidence and show how gender neutral budgets impact on women.
- How is priority and non-priority defined within the context of the Poverty Reduction Programme (PRP)?
- In a number of cases (and these will be illustrated later) there is still insufficient detail of the nature of activity to be carried out. There are a number of ministries that have simply stated gender mainstreaming as an activity. The question is what does this actually entail, there is need to unpack this in order to determine not only what it constitutes but who benefits. Good examples of how to unpack this is the Ministry of Energy and Water Development, who outline in detail the activities under gender mainstreaming. These include a contribution to the Zambia Gender Energy Network and gender analysis of existing energy programmes. The Ministry of Home Affairs too does well in this regard give clear breakdown of activities in the gender mainstreaming programme.
- All ministries analysed have a provision for HIV/AIDS activities. This is a step in the right direction. Further analysis would need to be done to assess the efficacy of these programmes, who benefits etc. An issue of concern though is that home based care and the burden it adds to the already heavy burdens that women carry yet there is silence on this matter in the entire budget.

### Comparison between 2006 and 2007 in Selected Ministries and Institutions

The analysis looks at selected allocations within some ministries and institutions and compares allocation of 2006 to those of 2007 in areas that have great impact on poverty and gender equality that have reduced.

Institution	2006 Budget	Supplementary Estimates or Savings	Total Authorized Expenditure	2007 Budget
Gender in Development Dept.	2,044,631,853	3,500,000,000	5,544,631,853	3,430,091, 815
Ministry of Justice – Legal Aid Department	5,606, 879,874	-	5,606, 879,874	1,897,934,699
Min. of Tourism, Env. & Natural Resources – Forestry Department	12,071,769,945	4,300,000,000	17, 269,850	15,177,727,813

### **Ministry of Mines and Minerals Development**

In so far as women participate directly in mining activities, it is in the small scale mining sector. Therefore the introduction of small scale mining development activities as part of the Poverty Reduction Programme (PRP) is a welcome development. Also welcome is the HIV/AIDS component which includes activities such as facilitating the establishment of ARVs distribution centres in small scale mining areas and formulation of HIV/AIDS policy for the small scale mining sector.

A revolving loan fund is proposed (at K100,000,000) as well as the introduction of a plant hire scheme ( K18,700,000). The amounts being proposed are however paltry and of particular concern is that K70,000,000 is put aside for monitoring the revolving loan fund. Monitoring is costing almost as much as the actual programme.

The Ministry has an allocation of K31 million for the promotion of gender awareness. It is not clear what exactly this is expected to achieve or who it is targeted at. This Ministry has been tasked with the petroleum exploration project in North-Western Province. The expectation therefore is that provision should be made for gender analysis studies as mentioned earlier in this presentation.

### **Ministry of Community Development and Social Services**

As the Ministry tasked with the dealing with the poorest and most marginalised, it has a lot of responsibilities. The Ministries allocation has increased from K63 billion in 2006 to K72 billion in 2007. But a closer analysis brings up a lot of issues of concern.

Contributions to key institutions and programmes for poverty reduction have decreased as follows:

- Micro Bankers Trust (MBT) from K1bn in 2006 to K350,000,000 in 2007;
- Peri-Urban Self Help (PUSH) from K4bn in 2006 to K2.5bn in 2007;
- Food Security Pack from K15bn in 2006 to K10bn in 2007;
- Public Welfare Assistance Scheme (PWAS) from K10bn in 2006 to K9.3bn in 2007;
- National Trust Fund for the Disabled from K500million in 2006 to K400million in 2007.

In the Post Newspapers of 18<sup>th</sup> February 2007, National Aids Council (NAC) Director Dr. Ben Chirwa is quoted as saying that the government's provision of micro-finance loans to households is one way of empowering them to fight HIV/AIDS. He made specific reference to the MCDSS programme for micro-financing especially for women headed households and the need to scale this up and spread it to rural areas. Yet, we have see the Ministry do the opposite and reduce its provision to the MBT.

It is positive though that the provision for street children has increased from K690 million in 2006 to k6.4bn in 2007. Government needs to be careful here that it is moving away with dealing with the causes for having children on the streets a significant part of which is poverty and hunger in homes to dealing with the symptoms of the problem.

An allocation of K1bn is made for women’s development. This is a step in the right direction but the extent to which this benefits women will depend on the nature of project and approach taken for this to effectively empower women. A further K138million is made for gender in development. However, precisely what the focus of this and who benefits from it is unclear.

### **Ministry of Health**

The overall allocation to the Ministry of health has increased from K1,1trillion (total authorised expenditure) in 2006 to K1.2 trillion in 2007. Almost the entire ministries budget is classified as a Poverty Reduction Programme (PRP). This may well be justified given the extent to which health and poverty interact and the poor state of our health system. Nonetheless, a question can still be asked to what extent expenditures such as foreign travel can be justified as a PRP.

The budget includes the critical elements to improving the health system such as provision for recruiting and retaining staff, infrastructure development etc. A key element therefore will be to ensure however, that these allocations get to the ground and make a difference. We should be able for instance to see evidence such as for instance that distances people have to travel to health centres especially in rural areas are decreasing, patient/health worker ratio is reducing.

In the Directorate of Planning and Development a provision of K185million for gender mainstreaming is made but precisely what this means is yet again unclear.

As stated earlier, the high maternal mortality rate is of grave concern. Yet one must conclude that political will to tackle this is lacking.

This is evidenced by the fact that provisions for obstetrics and gynaecology or integrated reproductive health are either reducing or omitted altogether in a number of health institutions. Table Below illustrates.

<b>Institution /Department</b>	<b>Amount in 2006</b>	<b>Amount in 2007</b>
Public Health Services – MOH Central	K6bn (total authorised)	K2.3bn
Kabwe Mine Hospital	K52.7million	K33.6million*
Masaiti District Health Management Team (DHMT)	K162 million	K131million
Mpongwe DHMT	K85million	K46million
Ronald Ross Hospital	K120million	K90million
St. Francis Mission Hospital	K94million	K86.9million#
Macha Hospital	K54million	Nil

\*This may be compensated by the very big increase to Kabwe General Hospital for obstetrics and gynaecology

#This may be compensated for by the big increase in Integrated Reproductive Health at the Katete DHMT

Ministry of Health however gives a clear breakdown of administrative costs whilst others just give lump sums. The Ministry of Health practice is a good example of what needs to be done.

### **Ministry of Education**

The Ministry's budget has registered an increase in its budget from K1.5trillion in 2006 to K1.8trillion in 2007.

Community schools have become a reality and they are the poor peoples' alternative to which in desperation they flock. The vast majority of community schools need government assistance to improve learning and other standards, yet a paltry K163 million at the HQ level is allocated to community schools. Provincial allocations do not specify amounts to community schools.

General allocations for equity and gender are made at both HQ and provincial level, but what exactly this means is not clear.

The extent to which some items such as the Ministerial Tender Committee meetings can be justified as poverty reduction is doubtful but it gets K100 million under the PRP.

At both the two universities, (UNZA and CBU) students' loans and bursaries have been reduced. There is bound to be a negative impact on student's from poor families who depend on this to further their education. Girls will be even more negatively impacted upon because societal practices are such that when families face hardships to take their children to school they opt to send boys rather than girls to continue with their education.

It would appear that the reduction is due to the provision made for the new third university but a question must be asked, can Zambia really afford a third public university when it cannot provide adequately for the two existing ones.

The budget provides for details of its infrastructure development and it is gratifying to that a technical school for girls is to be constructed. This will fill in an important gap in girls' education.

Adequate water and sanitation in schools and learning institutions needs to be given special attention, it is important for all learners but more so for girls and women who have special needs. It is a fact that a lot of girls absent themselves from schools when they are menstruating because of inadequate water and sanitation facilities.

### **Zambia Police**

Levels of violence against women and children particularly girls is reaching alarming proportions in Zambia. As the primary institution dealing with this problem, the Zambia Police was analysed. The Victim Support Unit (VSU) as the primary unit handling these cases within the police service is terribly under resourced. At HQ level a paltry K216million was allocated contrast this with crop and livestock farming (a non-core activity) which has K160million or with VIP protection which has increased from K13million in 2006 to a whopping K1.4billion in 2007.

At provincial levels amounts are budgeted for community policing which includes the VSU but there are also paltry.

## **5. Conclusion**

In conclusion, the 2007 budget falls short of reaching the requirements of a gender responsive budget. Whilst, it is clear that there is a consciousness about the need for integrating gender perspectives in the budget, the technical capacity as well as political will is lacking. No doubt some ministries as indicated earlier have done better than others in this regard; in many instances a tokenistic approach is taken. Some institutions therefore think it is just a matter of slipping the word gender equity or mainstreaming somewhere.

The general lack of disaggregated data and classification clearly stating prioritised funding for the poor, women and other marginalised groups makes it difficult to ensure these groups actually benefit.

Overall the budget is one designed to run the operations of government rather than a national budget to deliver services. Besides far too much expenditure that cannot be classified as such are budgeted for under the Poverty Reduction Programme (PRP).

## **7. References**

1. Estimates of Revenue and Expenditure (Activity Based Budgeting) for the year 1<sup>st</sup> January 2007 to December 2007 – Republic of Zambia – Government Printer 2007
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6. Times of Zambia, 10<sup>th</sup> February 2007 – Budget Address by the Hon. N'gandu P Magande, MP Minister of Finance and National Development Planning delivered to the National Assembly on Friday, 9<sup>th</sup> February 2007.