



THE Weekend Reader

"Your Weekly Read on Debt, Development & Social & Economic Justice"

CITIZENS LAMENT DURING BUDGET CONSULTATIONS

The ongoing National Budget Consultative meetings that have been held by parliament from the 11th to today the 15th of October have provided communities with an opportunity to lament over the tough living conditions they are experiencing because of the poor performance of the economy.

ZIMCODD applauds Parliament of Zimbabwe for deliberate target of hard to reach and marginalized communities in the 2022 budget consultations. This year saw Parliament reach out to areas such as Mapisa (Matopo), Binga, Chireya (Gokwe) and Chirumhanzu among other remote locations to capture voices and aspirations of citizens on the 2022 national budget. This was a departure from traditional practice of hosting such consultation meetings in provincial capitals. ZIMCODD recommends allocation of resources towards increased consultations to allow for increased participation in budget making process.

The national Budget provides the Executive with an opportunity to improve the lives of people by allocating resources to high priority areas to restore outcomes for citizens. However, communities have been complaining that it seems that their inputs are often ignored, and the government further makes its own priorities that often do not speak to the daily challenges that they face.

Given the constrained financial position that the country continues to endure that was worsened by the COVID-19 pandemic and the growing demand on the few resources, public services are facing significant challenges and government more than ever should look at how to equitably distribute the resources.

Key issues that are emerging from the community members is the need for government to provide adequate financial resources for service provision in areas such as health, education, infrastructure and water and sanitation.

In the 2021 budget, social spending was allocated US\$65.5 million of the US\$ 5.14 billion budget which is a mere 1.30%. In the Mid-Term Budget and Economic Review, the Minister of Finance again missed the opportunity to give a supplementary budget to social spending despite the compelling evidence which suggested otherwise.

The number of people slipping into extreme poverty increased from 4.4 million in 2018 to 7.9 million in 2020. Although the situation is expected to ease off in 2021 and 2022, mainly due to better harvest, the slow recovery of job losses will continue to haunt the nation.¹

1. The World Bank, 2021

With calls by the citizens for more attention on the critical areas, government should consider desisting from allocating a significant chunk of the national budget to Ministries such as Defense as has been the norm while failing to meet the international budget allocation benchmark in ministries such as Health and Child Care, Education, Infrastructure and Social protection Ministries.

The government's allocation should cater for strategic ministries and reflect on the social and economic reality of the country. The 2021 budget failed dismally on this as the Ministry of Women Affairs, Community and SMEs Development got a meagre 0.512% allocation to cater for women who constitute 52% of the population as well as SMEs who currently constitutes more than 60% of the economy and accommodating the poor and the unemployed and support 40% of the GDP.

Another obvious error in the 2021 budget was the paltry 0.0818% allocation to the Ministry of Youth, Sport, Recreation, Arts and Culture which was a total disregard that youth account for 67.7% of the population and a strategic demography that can spur much needed innovation and entrepreneurship if adequate support is channeled to them.

It is crucial to reflect over how government will meet both the pressing and immediate demands for improved service delivery whilst equally putting attention on key economic sectors which should anchor growth and use the gains thereof to reinforce economic resilience going forward.

It is worrying to note that the government continues to speak of success of its reforms including announcing budget surpluses when the citizen's lament over the worsening state of public services. This extinguishes trust that the budget will ever address the fundamental challenges because of government's inability to accept the current dire economic reality that most of the citizens are living under.

For the 2022 national budget to be people-centric, several sectors (education, health, social protection, and women affairs and youth) require additional funding though the government is not keen to avail more resources as it values balanced budgets rather than addressing the needs in the sectors. In an economy where poverty and inequality are worsening, unemployment is uncontrolled and fundamentals (inflation and exchange rates) are unstable, whilst infrastructure gaps are evident, the budget framework must be directed towards resuscitating the economy, create jobs, reduce poverty, and chart a course for sustainable development.