INTRODUCTION

The Ministry of Primary and Secondary Education (MoPSE) is mandated to provide basic education in Zimbabwe. Principally, the Ministry seeks to provide quality, inclusive, relevant and competent driven Infant, Junior, Secondary and non-formal education. It also oversees the national examination system, managed by the Zimbabwe Schools Examination Council.

Through its various departments the Ministry’s strategic objectives include: development of appropriate teaching and learning materials that contributes to the socio-economic development of the nation in a competitive environment and support inclusive access, retention and achievement of academic and skills development of learners.

The Ministry is one of pioneers of Programme Based Budgeting (PBB) within the framework of the Integrated Results Based Management, adopted by the Government in 2016. As such budget formulation and implementation, is anchored on the PBB principles.

Headline Messages

- Education costs continued to outstrip headline inflation in 2016, closing the year at 3.5% in December 2016, some 4.4 percentage points higher than the overall inflation rate of -0.9%.
- The major driver to education inflation has been pre-primary and primary education, which is a major barrier to access at the lower levels of education, given the low levels of per capita income and inadequate social protection coverage in the country.
- The Ministry of Primary and Secondary Education (MoPSE) was allocated US$803.77 million, which is about 19.6% of the US$4.1 billion total budget and 5.5% of GDP.
- The 2017 allocation towards primary and secondary education is 0.8% lower than the US$810.4 million allocated to the sector in 2016, mainly reflecting weak revenue projections for 2017. However, it remains higher than the Sub-Saharan Africa (SSA) average of 15.9% and 4.3% of their GDP.
- However, wage expenditure typically represents the single largest cost in the government budget and worse still, for the education sector, wherein employment costs account for 98.2% of the allocation. Current non-wage spending of less than 2% of the budget is further fueling the deprivations and inequities in education that Zimbabwean children face.
- There is equity in the level of access, as measured by Net Attendance Ratio (NAR) at primary level, but significant equity gaps are evident in secondary education, making it important for the budget to target such in its allocations.
- Fiscal space outlook remains poor, hence, continued dependency on donor support for non-wage education expenditure, which maybe necessary to safeguard the gains recorded to date, but at the same time is risk in terms of sustainability.
- Better prioritization of expenditures within the education budget is important. The current expenditure mix is in itself a source of inefficiencies, undermining the impact of the budget on education outcomes.
PRIMARY AND SECONDARY EDUCATION BUDGET OVERVIEW

Trends in Education Inflation

Education costs continued to outstrip headline inflation in 2016. YoY education inflation peaked to 17.2% in June 2016 before retreating to 3.5% in December 2016, some 4.4 percentage points higher than the overall inflation rate of -0.9%. Figure 1 shows how education inflation has constantly outstripped general inflation, throughout 2016. It is often said that an investment in education pays the best interest. A good education is worth its weight in gold, but current inflation trends indicate that households will have to make more room in their budgets to pay for their children’s education. And this can be a major constraint with regards to improvement in access to education, particularly among the poor and marginalized children.

The major driver to education inflation has been pre-primary and primary education, which is a major determinant of access at the lower levels of education. Higher cost results in lower access and in some cases, children enroll for primary when they are not school-ready, given that they will not have accesses to Early Childhood Development (ECD). For instance, MICS (2014) show that despite improvements in some education indicators, school readiness was estimated at 86.2% and the net intake into primary school rate was 73.3%. This means that some 13.8% of the kids were not school-ready when they enrolled into primary school, whilst some 26.7% of the kids could not enroll for primary school, for several reasons, some of which may be related to costs.

Secondary education inflation remained significantly low averaging 2.8% for the greater part of the year before retreating to 1.8% in November through to December. There were no major variations with regards to university education inflation, whilst private college fees have been declining, pulling down the overall education inflation, (Figure 1).

Education inflation is expected to remain above headline in inflation in 2017. Headline inflation is expected to average 1.1% in 2017 - but it may well be a bit higher due to the on-going economic challenges, thereby exerting pressure on education inflation. The International Monetary Fund (IMF) projects an annual average inflation rate of 4.6% in 2017, some 3.5 percentage points higher than the government forecast.

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1 School readiness measures the percentage of children in first grade of primary school, who attended pre-school during the previous school year. It is linked to learning, school completion, later skill development, and acquisition of academic competencies and non-academic success. Children who enter school “ready to learn” are more likely to stay in school and succeed at school.

The Sector’s Budget Allocation for 2017

The MoPSE was allocated US$803.77 million, which is about 19.6% of the US$4.1 billion total budget and 5.5% of GDP. Other Ministries such as Home Affairs (8.89%), Defence (8.9%), Agriculture Mechanization and Irrigation Development (7.1%) and Health and Child Care (6.9%), complete the top 5 allocations, (Figure 2).

It is worth noting that the combined budget for the education ministries, including Higher and Tertiary Education, is US$1,005 billion which is 24.5% of the total expenditure and 6.9% of GDP. This exceeds the 20% benchmark set by the Dakar Framework, as well as the 22% SADC benchmark. However, this brief focuses on the allocations towards basic education, which is a function of the MoPSE.

The 2017 allocation towards primary and secondary education is 0.8% lower than the US$810.4 million allocated to the sector in 2016, mainly reflecting weak revenue projections for 2017. Despite the drop in education allocation, it remains higher than the Sub-Saharan Africa (SSA) average. By end-2013, SSA countries were allocating an average of 15.9% of their state budgets and 4.3% of their GDP to education⁴, compared to the 19.6% of total budget and 5.5% of GDP in 2017 for Zimbabwe.

At face value, this may sound good for the children as it may be viewed as the Government’s show of commitment to building its human capital, critical to the development of a country. The MoPSE has over the years been getting the highest allocation, however, a staggering 98.2% of the education budget goes to employment costs, and thus, the allocation largely reflects the number of employees in the sector. With total employees (teachers and administrative staff) in the Ministry, accounting for over 52% of the total number of civil servants in Zimbabwe, the allocation is mainly a reflection of the large wage expenditure rather than actual programs in the sector.

Non-wage expenditures were allocated US$14.8 million, just 1.8% of the Ministry’s total budget. Hence with regard to non-wage spending, the Ministry ranks 18th (Figure 3). With an estimated total of 8000 schools, and 3.9 million school children, excluding ECD, this would translate to less than US$617 per school per term and US$1.27 per child per term. Such little investment into areas which contribute to the qualitative aspects of education is worrisome. In view of this, the government is simply transferring the funding burden to community contributions via school development fees/levies.

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³ The share for the Education Sector has been calculated by using the value of the total State Budget less debt-service payments as a denominator. It includes Statutory & Constitution and Vote Appropriations.

⁴ Estimates obtained from Mozambique 2015 Education Budget Brief, UNICEF Mozambique Country Office
**Assessment of Allocation against Bid**

In view of the huge financial requirements to develop materials for the rolling out of the new Education Curriculum, the MoPSE submitted a budget bid of US$151.75 million (excluding employment costs), (Table 1). However, US$14.80 million, just 9.8% of the total bid was allocated for this important exercise and other capital investments. This is a worrying development, threatening the standard and quality of education. The Ministry’s budget has been reduced to an employment budget rather than education programmes budget.

Table 1 shows that there is underfunding to the tune of 90.3% from the overall ministerial bid. This will pose a massive challenge on the part of the Ministry in discharging their mandate and implementing the new education curriculum, therefore undermining the quality of education.

**Sources of Education Resources in 2017**

The 2017 Budget estimates total resources for primary and secondary education at US$834 million. This represents a 1.24% decline from the estimated US$844.51 million in 2016. Of the US$834 million, 96.4% will be financed from the budget, whilst 3.6% will be sourced from statutory fees collected by departments within the sector, (Figure 4). Interestingly, the Primary and Secondary Education allocation does not account for any development partner support.

However, it is worth noting that Development Partners have been playing a key role in supporting the education sector and other social sectors, particularly with regards to non-wage spending. Most funding for the sector, by partners has not been through direct government systems. Rather, Development Partners have continued to rely on pooled funding mechanisms such as the Education Transition Fund, and its successor, the Education Development Fund (EDF), to support the education sector. For example, in 2016 estimates show that government non-wage spending in primary and secondary education amounted to US$13.1 million compared to the US$21 million from the EDF, (Figure 5). In 2017, the EDF support...
to education is projected at US$31.8 million, about 4% of total allocation and almost double the amount government has set aside for non-wage spending of US$14.8 million. Partly due to this support by Development Partners, though not sustainable, there have been some notable improvements in key education indicators.

**Composition of the 2017 Education Budget Allocation**

Allocative efficiency in Zimbabwe’s public expenditure system remains low, particularly in the education sector. Allocative efficiency can be defined as the capacity of a government to distribute resources on the basis of the effectiveness of public programs in meeting its strategic objectives. It entails the capacity to identify key priorities and allocating more resources towards programs that supports its overall welfare and growth objectives. In this instance, allocative efficiency helps answer the question whether the current allocation formula can guarantee the provision of quality education or can a reallocation of resources make the sector more efficient?

<table>
<thead>
<tr>
<th>Employment Costs</th>
<th>Other Current Exp</th>
<th>Capital Exp</th>
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<tbody>
<tr>
<td>98.2%</td>
<td>1.0%</td>
<td>0.8%</td>
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**Figure 6a: Composition of the 2017 Budget Allocation to Pri & Sec Edu**

Wage expenditure typically represents the single largest cost in the government budget and worse still, for the education sector. The 2017 education budget is skewed towards current expenditure, with employment costs as the major component, raising questions on its overall efficiency. With 98.2% of the budget being absorbed by employment cost, only 1.8% remains for other current and capital spending, (Figure 6a). This has been the trend over the recent past, (Figure 6b), mainly on account of wage reviews that were effected across the public service and absolute increase in the number of staff in the sector. Total employees in the education sector are estimated to have increased by 35.1% to 160,832 in 2015 from 119,082 in December 2009.

Hence, with less than 2% of the budget being spent on non-wage investments, the risks to the sector remain high. Question marks remains on whether the sector’s strategic objective of providing quality, inclusive, relevant education will be achieved, with such low levels of spending in education infrastructure.

**Figure 6b: Trends in the Composition of Pri & Sec Edu Budget Allocations**

*Source: 2017 Budget Statement*  
*Source: Various Budget Statements (2015-2017)*
Evidently, the persistent under-funding of the capital budget has resulted in a deficit of 33,636 classrooms nationwide, severely impacting on education outcomes, as children are forced to ‘hot-sit’ (double sessions). This is further fueling the deprivations and inequities that Zimbabwean children face.

Therefore, to rectify the situation, as fiscal space grows, the size and quality of government investment in non-wage education infrastructure would need to be increased, prioritizing the more deprived provinces and districts, and ensuring the well-being and protection of children.

A significant share of the employment costs are incurred in junior education (grades 1-7), accounting for 38.2%, (Figure 7). With an estimated 6000 primary schools, about 75% of total schools in the country, the subsector employs a larger number of staff hence the high share of employment costs. Secondary education and infant education, accounts for 33.7% and 26.9%, respectively. Less than 1% of the employment costs are in research, innovations and policy administration, (Figure 7).

Despite the high wage budget, the sector remains understaffed with a vacancy rate of approximately 22,007 teaching posts. This can be attributed to measures put in place by the government to contain wage costs buy enforcing a freeze on the recruitment of staff. This in turn has meant that most classrooms remain over-crowded, exceeding the target teacher to pupil ratios across all grades. For instance, the student classroom ratio in government schools averages 45 for primary and secondary levels, against national targets of 40 and 35 pupils per teacher, respectively.

**Budget Allocations by Programme Area**

Junior education, received the largest share of the Sector’s budget, accounting for 38%, down from 46.1% in 2016. Thirty four percent of the education budget was allocated towards Secondary Education, 26.7%, (up from 17.8%) was allocated towards Infant Education, whilst Education Coordination and Development, Administration and General and leaner support got a combined 1.8%, (Figure 8). With employment costs accounting for 98.2% of the total education allocation, these numbers are a reflection of the size of the labour force in each of the two sub-categories. Hence, the 38% allocated towards Junior Education reflects that the sub-category employs a higher number of staff compared to secondary education.

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There has been an increasing trend in the amount of resources allocated to Infant Education (ECD). ECD budget allocation rose from a mere US$2 million in 2015 to US$144 million in 2016 and to US$214.44 million in 2017. The increase in the ECD allocation largely reflects the redirection of a significant amount of teaching staff to ECD. This would need to be matched with increased investment in ECD infrastructure, particularly given that 46.1% of the classroom deficit nationwide is attributed to ECD.

Such mutually reinforcing investments would help ensure that children are school-ready by the time they enroll for primary education. Although there have been some improvements in school readiness, MICS 2014 results showed that only 21.6% of children aged 3-5 years were attending organized ECD, of which 26.2% were in urban areas compared to 20.1% in rural areas. This in turn affects school readiness, which is estimated at 86.2% (MICS 2014).

**2016 Pri & Sec Education Budget Performance**

Actual spending in the education sector has been high mainly reflecting the government’s wage expenditures in the sector. This is on account of the fact that the education budget is almost entirely consumed by employment costs. As at end-October 2016, 80.63% of the Ministry’s budget had been disbursed, a figure highly influenced by the employment costs, with a disbursement rate of 81.4%, (Table 2) of the allocated budget and 108.59% of employment budget for 9 months, for which the education sector had been paid.

| Table 2: Disbursement to MoPSE as at October 2016* |
|---------------------------------|-----------------|-----------------|
| **CURRENT EXPENDITURE** | **EXP 10/16** | **Paid Out %** |
| 804,551,000.00 | 652,705,407.00 | 81.13% |
| Employment costs | 797,310,000.00 | 649,344,104.00 | 81.44% |
| Goods and Services | 3,973,000.00 | 2,135,444.00 | 53.75% |
| Maintenance | 398,000.00 | 395,413.00 | 99.35% |
| Current Transfers | 1,325,000.00 | 210,000.00 | 15.85% |
| Targeted Initiatives | 1,545,000.00 | 620,446.00 | 40.16% |
| **CAPITAL EXPENDITURE** | **EXP 10/16** | **Paid Out %** |
| 5,880,000.00 | 766,739.00 | 13.04% |
| Acquisition of Fixed Capital Assets | 4,915,000.00 | 12,000.00 | 0.24% |
| Capital Transfers | 965,000.00 | 754,739.00 | 78.21% |
| **TOTAL** | **810,431,000.00** | **653,472,146.00** | **80.63%** |

Employment cost overruns, crowd out non-wage spending resulting in lower execution of the non-salary items. Capital expenditures, only realized a meagre 13% disbursement rate (Table 2). This seriously affected the ambition of acquiring the much needed assets to deliver better quality education.

On account of the fact that the Primary and Secondary Education budget is mainly an employment budget, the execution rate in 2016 was the same as in 2015, 2016 Post-Budget Report by the Parliamentary Portfolio Committee on Primary & Secondary Education, Sport & Culture, January 2017.
However, with regards to non-wage, US$4.9 million had been spent in September 2015 compared to US$4.1 million in 2016. Whilst remuneration of teachers is an important cog in facilitating better education outcomes, it is in itself a source of inefficiencies, hence the need to balance the expenditure mix. There is scope to improve both allocative efficiency (doing the right things) and technical efficiency (doing things right), within the sector and allocations of the overall budget. For instance, by September 2016, the government had spent US$40.8 million on travel, (10 times the education non-wage expenditure) arising to US$51 million by December 2016. The government would need to demonstrate results for this huge travels cost, which could create target investments in education.

**Equity in Resource Allocation**

Achieving equality in education should be a key priority of any government. However, Zimbabwe’s budgeting system is centralized, making it difficult to view the budget by province or individual districts. It would thus be important for the MoPSE to have its budget allocations disaggregated at district level. This would help facilitate equity analysis at district level against other education indicators such as out-of-school, completion rates, school readiness, pass rates, which are disaggregated at district level.

Zimbabwe is a country that has achieved much for its children in education, however significant equity gaps still exist. Across all wealth/income groups, there has been improvement in education access both at primary and secondary level, but huge disparities begin to emerge at high level and tertiary education level. MICS (2014) results show marginal gaps in the Net Attendance Ratio (NAR) for primary, among the different wealth quintiles. Significant equity gaps are evident in secondary education, wherein, NAR for the poorest quintile is 35% compared to 81% for the richest quintile, (Figure 10). Rightly so, the secondary education dropouts are concentrated in the poorer wealth quintiles. This is mainly a result of fewer secondary schools (1/3 of total schools), and suffer the significant deficits with regards to classrooms- 30% compared to 23% for primary, whilst ECD constitutes the remainder.

In relation to the above, it is important to also look at children’s participation in school according to their socioeconomic class, by analyzing Gross Enrolment Ratio (GER) according to the wealth index, based on MICS (2014) data.
Table 3 shows that while access to primary education is universal for every child, regardless of economic class, the same cannot be said for ECD and secondary education. Put simply, the chance to be enrolled in primary education is almost the same for every child, across the different income groupings. For secondary education, there are high inequalities, which is an indication of the economic imbalance in access to secondary education in Zimbabwe. Hence, more investments towards achieving equity in secondary education must be a top priority for the national budget.

### CONCLUSIONS

- **The education non-wage programs, i.e., teaching and learning materials and education infrastructure, is significantly underfunded at less than 2% of the sector budget.** This has been the historical trend, which has had a negative effect on the quality of education as evidenced by the lower pass rates for both Grade 7 and O’Level. In 2016 the pass rate for grade 7 was 42.9% and that of O’Level was 28.7%. In addition, the current levels of non-wage spending is low and inadequate to make a real impact on improving the education infrastructure, and thus affecting children’s learning experience in terms of over-crowded classrooms and insufficient infrastructure and equipment.

- **Given the poor economic outlook, fiscal space, in general and for non-wage education spending in particular will remain limited,** hence, dependency on donor support for non-wage education expenditure will continue. In addition to being unsustainable, most donor funding does not support infrastructure. Hence, with an estimated backlog of 33,636 classrooms, which is a huge bottleneck for equity and access to quality education, there is need for government to explore joint ventures and partnerships in school construction to ease pressure on Treasury.

- **Improvements in fiscal space should be channeled towards addressing inequalities, particularly in secondary education, where there are evident disparities.** Poor income households are clearly not accessing higher and tertiary education and this, left unchecked, has a long term impact on adolescent development. This could also include targeted interventions to ensure adequate ECD coverage in marginalized and hard to reach areas.

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*Paper on An analysis of Government Spending for Education in Zimbabwe, with Focus on Equity and Efficiency.*
Better prioritization of expenditures within the education budget is important. The current expenditure mix is in itself a source of inefficiencies. Hence, an improved expenditure mix, coupled with better disbursements and enhanced efficiency of expenditures, especially the non-wage component, should be a key policy priority for the Government.

Off budget donor dependency for non-wage expenditure will remain the ‘Achilles heel’ of the government, especially at a time when the country is introducing a new school curriculum whose funding depends almost entirely – except for teacher salaries – on donor support.