

policy briefing

'Back to square one' IMF wage freeze leaves Zambian teachers out in the cold. *Again*

Since 1999 the Government of the Republic of Zambia (GRZ) has taken action to increase access to education, particularly basic education. Education is a key sector in the Poverty Reduction Strategy Paper (PRSP) and the government has committed to achieving the Education for All (EFA) goals. However, with half the population of 10 million people between the ages of 0 and 18 and one-tenth of the population orphaned children, providing education for all is a daunting task. Although progress is being made, it is slow. The FTI secretariat considers it highly unlikely that the government will achieve the EFA goal of universal primary completion (UPC) by 2015¹, despite the government's optimism that it could achieve the goals of universal primary enrolment (UPE) and equitable access to education for girls (two of the Millennium Development Goals -MDGs) if there is a significant improvement in effort and an increase in resources devoted to the education sector.² In 2005, the government's apparent commitment to making this effort was signalled by an increased allocation of its discretionary budget to education from 21% in 2004 to 24%.³

This case study examines to what extent a lack of finance may prevent the Zambian government from attaining its education goals, to what extent the G7 and other bilateral donors are rising to their commitment to provide sufficient resources for education, and whether the programme with the IMF supports or hinders the government's and donors' efforts to find and allocate more resources for education.

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¹ Zambia is categorised as 'seriously off-track' in the November 2004 Education For All – Fast Track Initiative Status Report.

² Reported in IMF, 2004a, p11.

³ Increasing the share of education in the discretionary budget to 20.5% in 2004 from about 18% between 1999 and 2003 was a condition for reaching the HIPC Completion Point, which was finally achieved in spring 2005.

1. The State of Education⁴

The Government of the Republic of Zambia (GRZ) is the biggest provider of education in Zambia. It operates 65% of the basic schools (covering grades 1-9) in which 84% of the basic school age population (ages 7 to 15) is enrolled.⁵ An important initiative to help make public education accessible to all was the introduction of free basic education in 2002. This has had a positive impact and by 2004 the gross basic school enrolment rate had increased to 93.1%, with over 2 million children enrolled in public schools.⁶ This is an increase of over 715,000 enrolments since 2000. Net enrolment rates also showed improvement in 2004 at 82.7%, up from 68.1% in 2000 and 78.8% in 2003. A smaller proportion of girls than boys are enrolled but net enrolment of girls has improved by nearly 25% since 2000, compared with nearly 20% for boys. Importantly, drop-out rates in basic education have declined and national assessment scores have improved. High school (grades 10-12) enrolments have also increased although places are still very limited.

Hundreds of new classrooms and schools are being built and existing ones refurbished to accommodate the increased number of children in school. In addition, the supply of teachers has increased by over 8500 since 2000 as enrolment in teacher training colleges increased, the most significant increase being a massive 53% rise from 2003 to 2004. The supply of text books per pupil has also increased.

However, this brighter picture is tempered by the fact that nearly 300,000 children (13.7% of the school age population between 7 and 13 years) are still not attending school, educational attainment is still low, and more classrooms, teachers, and teaching equipment are desperately needed as higher enrolment rates put pressure on existing inputs. Despite an increase in the number of basic teachers employed to over 37,000 in 2004, increases have been outpaced by new enrolments and the pupil teacher ratio has worsened: rising from 46.1 in 2002 to 52.7 in 2004.⁷ High pupil teacher ratios reflect that many schools are operating double shifts. Although the pupil class ratio has fallen to 34.6 pupils to a class in 2004 classroom space is still in short supply particularly in urban areas, and children in rural areas still have long distances to walk to school. The number of teacher deaths is also rising, amounting to 824 in 2004 up from 457 in 2002. Although more girls are starting school there are still problems with higher rates of girl child drop outs, particularly in rural areas, with only 65.8% of girls completing grade 7 compared with 78.3% of boys. Overall the completion rate has only marginally improved. In 2004, 72% of children completed school up to grade 7 and 38.5% of children completed school up to grade 9, compared with 70.9% and 31.4% for grades 7 and 9 respectively in 2000. And although the supply of books has improved this is only for certain subjects and for others there remain too few, moreover, the quality is not good.

2. Financing for Education

Donor and government efforts to improve access to and the quality of education services are focused through the government's Strategic Plan for Education, which runs from 2003 to 2007.⁸ The Strategic Plan covers basic, secondary and tertiary education, and aims to improve access to basic education in terms of equity and gender; improve quality and efficiency in high school and tertiary education; improve skills and educational achievement; devolve decision-making, procurement and financial management to

⁴ Data are taken from the Ministry of Education's 2004 Statistical Bulletin and are for all schools in the sector.

⁵ A further 25% of basic schools are operated by communities, churches or NGOs, with only 3.7% operated by the private (for profit) sector.

⁶ This includes children who drop-out of primary education and then re-enter and those in grant-aided schools.

⁷ This is an average across the country and for all schooling levels, thus it masks considerable regional variation with Lusaka having a ratio of 40.9 and the Northern Province having a ratio of 67.8. The largest deterioration was in Western province with an increase from 47.2 in 2003 to 54.3 in 2004. The government's Strategic Plan aims for a rate of 64:1.

⁸ This is a follow-up programme to the Basic Education Sub-Sector Investment Programme (BESSIP), which was implemented with World Bank and bilateral donor support between 1999 and 2002.

districts and schools; and, mitigate the impact of HIV/AIDS, with particular attention paid to the needs of orphans. Although there is special attention to middle basic and high school education, 56% of the resources for implementing the plan are spent on basic education.

Both the government and the donors have increased their financial commitments to education in 2004: the total budget (including salaries and allowances) amounted to US\$255.5 million (K1.175 trillion), comprising US\$165 million (K756.6 billion) from the government and US\$91 million (K418.7 billion) from donors. As a percentage of the national budget and of GDP, total resources to the education sector increased from 13.2% to 15.5% and 14.3% to 15.9% respectively from 2003 to 2004.

2.1 Government expenditure

As a proportion of the discretionary budget, government expenditure⁹ in the education sector has risen from an average of 18% between 1999 and 2003 to 21% in 2004 and now stands at a high of 24% in 2005.¹⁰ This has been greeted by Zambian civil society and donors alike as a positive sign of commitment by the government to improving education.

The additional government spending will be used to employ 5000 of the 9000 unemployed teachers who graduated in 2002 and 2003 (see below). The total budget for salaries has increased to US\$134.3 million (K617.7 billion) in 2005 up from US\$123.8 million (K569.7 billion) in 2004. Salaries account for about 70% of the government's education expenditure and other recurrent expenditures and grants consume the remainder.¹¹

2.2 Donor Assistance

Despite an increase in its resources devoted to education, the government remains heavily reliant on overseas development assistance (ODA), which accounts for 36% of the education budget.¹² The education sector is not short of donors, although only 5 are large donors: the Norwegian, Dutch, Irish, British governments and the European Commission (EC). In total there are 11 bilateral donors, 3 multilateral donors and 1 UN agency. Most donors, including four of the G7 donors (the UK, the US, Japan, and Canada), provide their ODA within the sector wide approach (SWAp) to support the MOE's Strategic Plan for Education, and most commit their support over the medium term (3-5 years).¹³

Several donors – the Norwegians, Dutch, Irish, British, Danish, Canadians, Finnish, and the EC – pool their grant aid, which is untied and at the discretion of the Ministry of Education (MOE) to use.^{14 15} Pooled sector support is the MOE's preferred mode of receiving donor assistance, and amounts to nearly 50% of all ODA to education.¹⁶ Donors to the 'pool' also cooperate by applying the same conditionality and use the same reporting procedures to reduce the MOE's transaction costs, and donor processes are

⁹ This is expenditure financed from domestic resources only.

¹⁰ The MOE's budget in 2004 (own expenditure) was US\$173 million (K756.6 billion), compared with US\$149 million (K686 billion) in 2003.

¹¹ Public sector wage costs across all sectors consume more than 40% of recurrent expenditure and 25% of total government expenditure. The largest proportion of wage spending goes to pay teachers with the military in close second. Although teachers are not paid high wages there are a lot of them which makes total wage expenditure in the education sector high.

¹² This figure includes government spending on wages. If this is excluded donor financing of the sector amounts to 64%. Source: GRZ, 2004, 2004 Statistical Bulletin.

¹³ Germany and France also have small education projects outside the SWAp. Germany provides some project support for community schools (which are not part of the public education system) as part of a good governance project, whilst France provides some support for training french language teachers.

¹⁴ The Danish, Canadians and Finnish have just recently started contributing to the pool or are about to.

¹⁵ The pooled resources cover operational and capital costs but not salaries.

¹⁶ In addition to the EC, the UK, Swedish, Netherlands and Norwegian governments are also providing general budget support this year. However, the GRZ is using this for transport infrastructure development and none appears to be channelled directly into education.

aligned with the government's own. The pool operates on the basis of a Memorandum of Understanding signed with the MOE which lays out the conditions for dispersing resources.

The US and Japan work within the SWAp but provide most of their support as project finance and technical assistance, although in its Country Strategy Programme for 2004-2010 the US has committed to provide a very small amount (US\$6.4 million) of budget support over the 7 year period. Since it will not be pooled but will be channelled through a separate account and subject to different criteria from those adopted by pooled donors, its main impact will likely be to increase transaction costs.

Projects can be a useful means for ensuring that all resources are committed and can circumvent government capacity constraints. However, they require additional reporting procedures, they typically use separate implementation mechanisms to the government's own, and even if they are formulated within the sector strategy they tend to stand alone. The implication is that in the long-term they do not add significantly to the government's capacity. For example, although the Japanese International Cooperation Agency (JICA) is effective at building basic schools these tend to be located in Lusaka, whereas the demand for more schools is in rural areas.

With an increase in the overall volume of bilateral ODA the World Bank is providing much less finance than it has previously.¹⁷ This reflects the government's preference to use bilateral grant assistance rather than concessional loans, where grants are available. The Bank considers its 'knowledge' function to be more important than its lending function in the sector, and sees itself as a 'donor of last resort' if grant finance is insufficient.¹⁸ The Bank argues – and is supported by the government – that it is more strategic to use its resources in other sectors of the economy where there is less bilateral donor support.

2.3 The cost of education

Work has not yet begun on calculating how much it is likely to cost the GRZ to achieve the education MDGs by 2015, although the UNDP is helping to get this underway. The EFA-FTI estimates that on average the financing gap for achieving universal primary completion is US\$40-50 million per year, which is about one-fifth of the total education budget and almost one-third of the government's current contribution.¹⁹

Although not solely focussed on basic education, there already exists a significant funding gap in the government's Strategic Plan for Education, which is estimated to cost US\$ 1.226 billion (K5, 250 billion) over the five years from 2003 to 2007. Donors have committed US\$314 million (K1, 514 billion) to the plan (of which US\$190 million is being provided as pooled sector support) and the government will provide US\$747 million (K3, 735 billion). This leaves a financing gap of US\$165 million (K884 billion), which has still not been filled although it has been reduced since one or two donors (Norway and the Irish in particular) have increased their education budgets and Canada and the EC have contributed to the pool.²⁰ This resource gap would grow considerably if the government decided to make a concerted push to get more children into grades 8 and 9 (upper basic) and into high school.

¹⁷ The Dutch government has agreed to increase its ODA to education by 30% to facilitate the Bank's withdrawal.

¹⁸ The new IDA 14 agreement which is currently being negotiated will allow the Bank to provide a proportion of its resources as grants.

¹⁹ EFA-FTI, 2004, Status Report, p21.

²⁰ Figures taken from the Ministry of Education, 2003 Strategic Plan 2003-2007, and Department for International Development, 2003 Supporting Zambia's Sector Wide Strategy for Education (final draft)

2.4 Additional Resources

Zambia is being considered for inclusion in the FTI in 2005.²¹ However, since the education sector in Zambia is already well endowed with donors (although some only contribute small amounts), endorsement is not likely to catalyse a significant increase in contributions, which will likely come from the existing largest donors. Several are capable of providing more money but are more likely to be influenced to do so by GRZ actions than by FTI endorsement alone.

World Bank support to the education sector could possibly increase again if more grant funding becomes available under IDA-14. However, the current allocation of IDA resources is constrained by the country's Country Performance and Institutional Assessment (CPIA) rating, which declined after macroeconomic policies went off-track in 2003. This meant that Zambia started implementing the current CAS (which runs from 2004 to 2007) in a 'low' case financing scenario with the Bank. It has now moved up to the 'base' case lending scenario and looks on course to access the 'high' case lending scenario, as long as tricky government public sector management reforms remain on track. Entering the high case lending scenario will mean extra resources for the education sector via a US\$110 million Poverty Reduction and Support Credit (PRSC) for education and health in FY06 and FY07.

Although there is a clear need for more resources, donors are holding back from providing more because they are doubtful that the MOE could use these at present. Resources currently available are not being fully utilised, for example, in 2002 donors committed to provide 43% of the government's budget for education but in fact they only provided 30% of the budget due to a lack of capacity in the Ministry of Education (not because the programme went off-track).²²

2.5 Absorption

The donors point to constraints within the Ministry of Education and within district education boards. The transition from the BESSIP which was a project to the SWAp has put a strain on the MOE, which was not well prepared institutionally. In particular, the Ministry has had problems in reporting in time to the donors due to inefficient processes at the district level, which has delayed disbursement from the donors. To address this problem donors have agreed to reduce reporting requirements by making disbursements every 6 months instead of every 3 months.

Constraints also limit the dispersal of resources from the MOE to the district level and to schools. One reason is a recent reshuffle which means that many senior people in the MOE are new and are not yet up to speed and several experienced staff have left. Schools can be slow reporting to the districts which also stalls MOE disbursements. And there are problems with procurement. Lengthy and complicated procurement processes means there is a limit to the pace at which new infrastructure can be erected, for example, it has not been possible to construct more than 1000 new classrooms a year. At the district level, there are problems with text book procurement because procurement ceilings have previously been set too low and have not yet been raised. Poor transport infrastructure also presents a problem for distributing books to rural schools.

Both the donors and the MOE are working to address these constraints, several of which are caused by new reporting procedures for which there is a sharp learning curve and by

²¹ The FTI was established as a mechanism (amongst other things) to operationalise the bilateral and multilateral donors' commitment made at the Dakar Summit in 2000 that no child should be denied an education for a lack of resources. However, the FTI does not have much money and functions largely as a 'donor of last resort'.

²² The donors are rolling-over un-disbursed resources to the next financial year, thus they are not lost to the government but it does mean that there is a bulge of resources building towards the end of the programme which the government might still have problems spending unless capacity constraints have been addressed.

decentralisation which entails a transfer of responsibility and capacity from the central government to the districts. However, these constraints should be temporary and once resolved overall capacity in the sector should improve.

In contrast, there is growing capacity in the training of teachers. Significant improvements in the rate of graduation have already been made and the recent introduction of distance training courses has caused the number of teacher trainees to shoot up. Currently there are about 7,000 unemployed teachers (despite the MOE employing 5000 more teachers in 2005), and by the end of the year 5000 more teachers will graduate.

With enrolment rates rising there is a growing demand for teachers to meet this growing supply. So far increased enrolments have been accommodated by using existing inputs – schools and teachers – more efficiently by operating shift systems in schools and increasing classroom sizes. However, there is a limit to how much ‘efficiency’ can be increased before teaching standards decline and parents and children are discouraged about the value of education. Employing more teachers would be an easy and effective way of improving quality quickly to encourage and keep children in school. The government’s target pupil teacher ratio is 40:1 but the Strategic Plan is built on an assumed rate of 64:1. The problem is that the MOE’s wage budget is limited due to the IMF which has imposed a wage spending freeze across the whole government.

3. The IMF’s programme and increased education spending

The central thrust of the IMF-funded Poverty Reduction and Growth Facility (PRGF) programme, which runs from 2004 to 2007, is to reduce government borrowing to facilitate a fall in interest rates, to limit the growth in the domestic debt burden, and to reduce the burden of domestic interest payments which are high relative to external debt payments. This implies a cut back in government spending (unless more donor resources can be found to fill the gap), although the government has committed to increase spending in priority social sectors. Since the government’s wage bill consumes over 40% of recurrent expenditure, it agreed with the IMF to cap wage spending as a proportion of GDP.²³

3.1 Impact of the Wage Bill Cap

The education sector is very large and teachers comprise a large proportion of public sector employees, thus a wage spending constraint has potential implications for employing more teachers. Although the IMF argues that this need not be so: firstly, since GDP is rising the amount of money in the wage budget is increasing and this additional money could be earmarked for employing more teachers; secondly, within the cap there is flexibility to reorganise staff within the civil service to allow more priority staff to be employed.²⁴

There has been a reorganisation of staff at the MOE but this has not led to a decline in numbers, particularly those at the top. Similarly, it appears that key government decision makers have no desire to make the necessary but painful reorganisation of jobs across the civil service – this would most likely mean a cut in military personnel and/or a cut in jobs within the ministries, which are top heavy - in order to employ more teachers, and they are not under domestic political pressure to do so. “Rightsizing” is progressing slowly but

²³ IMF, 2004a, Zambia: Request for Three-Year Arrangement Under the Poverty Reduction and Growth Facility-Staff Report; Staff Statement; Press Release; and Statement by the Executive Director for Zambia, Country Report No. 04/222.

²⁴ See IMF, 2004b, A Response to the Global Campaign for Education, Oxfam and Voluntary Service Overseas Zambia.

it takes resources to do so, meanwhile as new money has become available it has been used to recruit staff to the Ministry of Finance and National Planning (MOFNP) and the Office of the President, not for frontline service providers. Without the political will to make savings in the wage budget and to prioritise employment of service providers the wage cap has become a constraint on teacher employment. The implication is that whilst the objective of the wage bill cap is to impose fiscal discipline on the government, the government has passed this discipline straight onto school children by not employing more teachers.

Whilst the IMF might want to distance itself from the impacts of the wage spending cap on teachers, the situation is that what the IMF's economic logic might suppose and what the political reality actually is are quite different. As Marriet Schuurman from the Netherlands Embassy admitted, "[the wage ceiling] didn't achieve what we wanted to achieve, which was public sector reform." Given that the burden of the wage spending freeze is falling on school children and teachers, it makes little sense for the IMF to continue to impose this fiscal discipline if it does not encourage the government to change its behaviour.

3.2 IMF Flexibility

In 2004 there was outcry when the wage ceiling (set at 8% of GDP, which is what the government was already spending) meant that 7000 government recently graduated teachers could not be employed.²⁵ Under pressure from civil society, donors and the government, the IMF relaxed its target and in the 2005 PRGF programme the wage spending cap was raised to 8.11% of GDP. This has allowed 5000 teachers to be employed in 2005 (in addition to 2000 teachers already recruited by the government), following an initiative by Dutch government's to provide a one-off grant to enable the government to pay severance benefits to an estimated 7000 retired teachers who were still on the payroll.²⁶ The majority of the money to employ the additional teachers – US\$10.4 million (K48 billion) – has come from within the existing MOE budget – of which US\$4.4 million (K15.3bn) was cut from the infrastructure budget line.

It is welcome that the government has taken some action and the IMF has shown some flexibility to enable these teachers to be employed. However, despite these actions the recent graduation of another cohort of teachers at the end of 2004 means that whilst the IMF's wage ceiling remains in place the situation is back to square one. Roughly, another 7000 graduate teachers are currently unemployed and they will remain unemployed unless the government can make wage savings in other parts of the civil service.²⁷

A conservative estimate suggests that a further 6000 or 7000 teachers (it could be twice as high) are needed in basic education if the pupil teacher ratio is to reach the desired level of 40:1.²⁸ At a minimum cost of US\$2600 (K12 million) per teacher the annual cost of employing all the necessary teachers would be between US\$15.6 million (K72 billion) and US\$18.2 million (K84 billion).²⁹

²⁵ About 4000 teachers graduated from government teacher training colleges and 1000 graduated from private training colleges in both 2002 and 2003. The government recruited 1000 teachers to replace those who had left the service. This left 9000 unemployed in 2004.

²⁶ It was later found that many of these retired teachers had already been taken off the payroll illegally and only 1000 were eventually cleared from it. But since the government had committed to recruit the unemployed teachers it has found other means to do so. Firstly, the Ministry already had authorisation to employ 2000 more teachers but hadn't found the resources to do so, so in total it meant that 3000 teachers could be employed without breaching the IMF's wage spending ceiling. This left 4000 more to be employed. In the end, negotiations between the government, the donors and the IMF resulted in an agreement that the wage ceiling would be raised to 8.11% to accommodate the employment of the remaining 4000 teachers.

²⁷ The government is proposing to increase the teacher training course from 2 to 3 years to slow the rate of graduation.

²⁸ On top of this additional teachers are needed to replace those who are too ill to work, and who are on study leave.

²⁹ The government would not only need to find money to cover wage costs but also to provide teacher accommodation and other amenities, such as electricity, medical services and transport particularly in rural areas where teachers are most needed, but where they have very little incentive to work.

Given that the IMF has already been flexible about increasing the wage spending ceiling to employ more teachers, and given that the IMF's blanket wage spending constraint is not disciplining the government but is disciplining teachers and children, it would seem strategic for the IMF to allow the wage budget to rise (only) if it is to employ new priority staff ie frontline service providers. This would at least mean that the government could no longer pass the blame to the IMF for not hiring teachers.

Although the IMF argues that wage spending at 8% of GDP is already high the reality is that it might have to temporarily go higher if the government is to employ all the priority staff that it needs.³⁰ Since the IMF's primary concern about the wage bill is that it has risen because wages have risen, it should have less objection to the ceiling being raised if it means new priority staff are employed. Ultimately what is important is not the wage ceiling but that the government's budget deficit is sustainable, that is, that the government refrains from borrowing from domestic sources and any increase in spending is financed with donor grants (preferably) or concessional loans.³¹ By exempting teachers from the wage ceiling it puts the pressure back on the government to find these resources either from its own pocket or by persuading the donors. Moreover, as Marriet Schuurman has proposed, outcome targets, such as achieving a pupil teacher ratio of 40:1 or a primary completion rate of 80%, rather than input targets are more likely to motivate the government to reorganise civil service jobs to prioritise teacher employment.

4. Government and Donor Commitment to EFA

Although the money for employing more teachers could probably be found from within the government's existing wage budget, given past experience it is likely that this will be a slow, drawn out process, not least because of the political implications of cutting military personnel. Given this situation, it would make sense for the donors to fill the wage gap in the short- to medium-term. As Muweme Muweme from the Jesuit Centre for Theological Reflection has remarked, "commitment to education is not just about numbers, it is about quality. We're seeing quality being greatly compromised." Given the need to improve quality it does not make sense for teachers to be unemployed. Especially, if they are likely to become deskilled the longer they remain so.

4.1 Donor Commitment: Budget support for Salaries

The British government has raised the case of providing predictable and sustainable funding to cover recurrent costs such as teachers' salaries in its Commission for Africa report. The report proposes that "for the next five to seven years donors, working closely with African governments, should shift technical assistance funding towards salary enhancement programmes."³² In Zambia, there is openness amongst the donors to discuss the case for using budget support for salaries and they are setting up a Task Force to do so, along with other human resource issues.

Since donor sector budget support in Zambia is currently not being fully dispersed by the year end, this suggests that there is some money readily available to provide salary support. Richard Arden from the UK's DFID, argues that "if [sector support] is fungible and if teachers are a major aspect of quality and the SWAp is failing because of a lack of teachers it doesn't make much sense not to go in there [with budget support]."

³⁰ In the longer-term the wage budget should decline as a proportion of GDP as GDP increases.

³¹ According to the Joseph Kakoza, IMF Resident Representative, although there has been a cautious assumption about the availability of grant and concessional finance in the programme if more finance of this sort became available part way through it could not be factored into the budget, assuming the government had the capacity to spend it. The concern is not to limit the budget deficit after grant.

³² Commission for Africa, 2005, *Our Common Interest: Report of the Commission for Africa*, p132.

However, there is a danger that providing support for salaries would make the government even more aid-dependent. There is a case for limiting for how long salary support will be provided. One option would be to employ teachers on a contract basis, under the agreement that by the end of the contract the government will employ the teachers permanently. Another option might be for the donors to match government efforts by employing a teacher (ie provide the equivalent in additional budget support) for every additional teacher the government employs.

4.2 Government Commitment

Although the increase in the proportion of the government's discretionary budget allocated to the MOE is welcome and demonstrates a degree of commitment to education, other actions cast doubt on the priority government decision makers are giving to education. This is not only demonstrated by the low priority given to finding resources to employ more teachers, but also by the preference to increase military spending which has significantly increased in both 2004 and 2005.³³ Muweme Muweme has remarked that, "the increase in military spending raises a lot of questions. One concludes that there is not enough commitment by the government to education." This conclusion is shared by Cosma Mukuka from the Primary Education Teacher's Union of Zambia. Another example is the 20-fold increase (since the previous election) of the election budget, which will take place in 2005. Whilst it is not unreasonable for spending to go up in an election period one has to question whether such a large increase is reasonable.³⁴

Whilst the MOE has numerous capacity constraints perhaps the most pressing is its apparent inability to be proactive and to analyse what is needed, particularly concerning teachers, and to formulate a plan of action which it can sell to the donors and to the IMF, who are willing to buy in. To quote Muweme Muweme again, "government commitment is not just about the allocating resources, instead it needs to take stock of the current situation in education, determine what is needed and develop appropriate plans." A review of how many teachers are employed, how many are absent and how many are needed would be a great way to demonstrate commitment.

³³ In 2004 the increase was larger than programmed and resources were taken from existing budgets in other sectors to fill the gap (although not education).

³⁴ In 2005 election spending has been accounted for in the budget and in the medium-term expenditure framework (MTEF) but there is a budget gap in 2006 and 2007. The government is in negotiation with donors to fill this gap.

5. Conclusion

At the present time not all donor resources that have been committed are being absorbed by the MOE within the intended period. This apparent excess does not mean that there are enough resources to address the needs in the education sector and to meet the EFA goals. What it reflects is that certain administrative constraints in the MOE and at district and school levels limit how quickly money can currently be spent and accounted for. These constraints are expected to be quickly resolved, at which point the demand for donor resources will accelerate, and whether or not resources are sufficient will become apparent. Despite more donor resources becoming available, there is still a large financial gap in the MOE's Strategic Plan thus it is unlikely that they are sufficient.

Where there is a clear lack of resources at this moment is for teachers' salaries. The government (within the confines of the IMF's wage spending constraint) appears to be unwilling or unable to find the money to employ more teachers, and donors are hesitant to provide budget support for wages despite the fact that there is a ready supply of teachers, and despite the fact that they are a key element in improving education quality. Several donors are reluctant to make money available for salaries because they believe the government should find its own resources by reorganising the civil service, which is top heavy. Although this is clearly a problem, unless there is domestic (and international) pressure put on the government to employ more teachers then there is little reason for it to bear the fiscal discipline that the IMF and the donors are trying to impose, particularly if it would mean upsetting political supporters. Without domestic pressure the government appears to be content to pass the effect of the wage spending restraint on to teachers and school children, whilst claiming its hands are tied.

Given that the IMF's blanket wage spending constraint is not disciplining the government, it would be more strategic to establish an outcome target, such as an increase in the number of rural teachers employed, whilst continuing to restrain domestic government borrowing. Alternatively, the IMF could allow the wage budget to rise (only) if it is to employ priority staff ie teachers, nurses and doctors – as it has already done in the 2005 budget. Both options would mean that the government could no longer pass the blame to the IMF for not hiring teachers.

It is likely that it will take some time for the government to reorganise jobs within the civil service in order to employ the 6000 or 7000 (minimum) new basic teachers that are needed to achieve EFA goals. Since improving education quality is an immediate need it would seem sensible for donors to step in on a temporary basis to employ more teachers until the government has found resources of its own. It is important to emphasize that this support should be of a temporary nature (which perhaps sounds contradictory since it is often advocated that salary support should be long-term and predictable). Representatives of the Primary Education Teachers Union of Zambia have made it clear that resources for salaries must be sustainable. In addition care needs to be taken to prevent the MOE becoming more aid dependent. Thus the conclusion of this paper is that donor support for salaries should clearly be understood by the government to be a stop-gap solution. As an incentive to the government to prioritise the education sector, donors should only make budget support for salaries available to the government if it puts forward a clear, costed plan of action detailing where teachers are needed, which are the priority areas, how many are needed and what steps will be taken to ensure staff in rural areas can be retained.

It must be borne in mind that employing more teachers will require more than simply finding additional money for salaries. Whilst it has not been the topic of this case study, proper incentives are needed to retain teachers in rural areas. These include provision of electricity, transportation, housing, and assurance of career advancement. Providing these will require additional investments. In addition, there will also be an increased need for classrooms and teaching materials. Thus the overall cost of employing more teachers to reach the pupil teacher ratio of 1:40 will be considerably higher than the cost of their wages.

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GCE Members

Regional and International Organisations

ActionAid International
ANCEFA
ASPBAE
CAMFED
CARE
CEAAL
Education International
FAPE
FAWE
Fe y Alegria
Global March Against Child Labour
Ibis
Inclusion International
NetAid
Oxfam International
PLAN International
Public Services International
REPEM
Save the Children Alliance
SightSavers International
VSO
World Alliance of Girl Guides and Girl Scouts
World Vision International

National civil society coalitions

Bangladesh: CAMPE
Brazil: CDE
Burkina Faso: CCEB
El Salvador: CIAZO
France: Solidarité Laïque
Gabon: CONCEG
Gambia: GEFA
Ghana: GNECC
India: NCE
Ireland: Irish GCE Coalition
Japan: JNNE
Kenya: Elimu Yetu Coalition
Lesotho: LEFA
Liberia: ALPO
Malawi: CSCQBE
Mali: ASSAFE
Mozambique: MEPT
Nigeria: CSACEFA
Pakistan: EFA Network
Sierra Leone: EFA Network
South Africa: GCE-SA
Tanzania: TEN/MET
Togo: CNT/CME
Zambia: ZANEC