

Implementation of Public Finance Management (PFM) Reforms by the Ministry of Education, Sport, Arts and Culture in Zimbabwe (2012)

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ABSTRACT For the past three decades, Zimbabwe has instituted strategies which were meant to improve public service delivery in the country. The problem is that not much has been done to evaluate the performance of public institutions in implementation of the reforms. The study evaluates Ministry of Education, Sport and Culture (MESAC) in implementing Public Finance Management (PFM) reforms. The following four United Nations Development Programme (UNDP) principles of good governance are under the spotlight of this study; consensus orientation, efficiency and effectiveness, responsiveness, and accountability and transparency. The main instruments for data collection were semi-structured questionnaires and interviews. The study established that reform implementation in the Ministry is constrained by resource scarcity, brain drain and low motivation levels of employees. The study recommended, among other things equating private and public sector working conditions to attract and retain competent PFM reformers in the Ministry.

INTRODUCTION

In 1987 Prime Minister Mugabe tasked Prof Kavran to undertake an in-depth study of the public service system in Zimbabwe. His findings triggered major changes in the MESAC, just as in many other public sectors. The MESAC herein referred to as the Ministry regulates education from pre-school level to high school. It is administered through the Education Act. Since independence in 1980, the Ministry has received the highest budgetary allocation from government. This study pays attention to practices, public participation, accountability and transparency and responsiveness of the Ministry in implementation of the PFM reforms. This mixed methods research collected data from respondents, who had lived experiences of the reforms in the Ministry. Individuals who were interviewed included provincial education managers, civil society and education operatives. Secondary data were collected through documentary review, including client charters, newspapers, magazines and books on public service reforms.

Significance of the Study

The study stimulates debate on PFM implementation in Zimbabwe. It is timely in that it is

carried out at a time when the country is recovering from the 2000 to 2009 socio-politico-economic crisis. During this period most schools in the country closed down as they suffered high brain levels to destinations outside of Zimbabwe. The study contributes ideas on how the public, policy makers and the Ministry can work together to improve implementation of PFM reforms in the country.

Contributions of the Study

The study contributes insights on better management of PFM in developing countries. The assumption of this study is that malpractice in managing public finances is both counterproductive and anti-development. The study draws the attention of the public, the Ministry and policy makers towards further PFM policy reforms.

Literature Review

The study is guided by the New Public Management (NPM) theory. The theory has emerged as a powerful critique of the traditional philosophy of public administration articulated by Marx Weber and Charles Taylor, who believed that bureaucracy made public administration more

efficient (Huberts and van den Heuvel 1999). However, argue that the theory neglects variables including probity, gender, and process orientation. Guided by the NPM, public service reforms have evolved in three waves. The first began in the mid-1980s and focused on structural reform through IMF and World Bank Structural Adjustment Programmes. The second, in the mid-1990s, focused on capacity building, improving staff skills, the work environment and management systems. The third wave has been witnessed since the new millennium, emphasizing improvement in public service delivery. Reforms in PFM have been nested in the grave train of public service reforms. According to Parry (2010), PFM reform includes, among other things, aggregate financial management (fiscal sustainability, resource mobilization and allocation); operational Management (performance, value for money and budget management); and governance (accountability and transparency). PFM also deals with the comprehensiveness and transparency of budgets (in terms of oversight and public access to information) and external scrutiny and audit (whether there are effective arrangements for scrutiny of public finances and follow-up by the executive).

Public Service Reform Phases in Zimbabwe

The first phase (1991 to 1996) was dominated by the UNDP scheme for improving government efficiency and effectiveness. The UNDP project started in 1993 and was executed by the Public Service Commission (PSC). The implementation of the first phase coincided with the implementation of the first major economic reforms in post independent Zimbabwe in 1991. By 1996, ES-AP's austerity measures - such as cost cutting and cost recovery - led to many adjustments in the public administration; and the Ministry was not spared. The second phase (1998 to 2004) marked the beginning of a march towards the attainment of Vision 2020, through the goals of the Zimbabwe Programme for Economic and Social Transformation (ZIMPREST). The major thrust of the "Framework for the Second Phase of the Public Service Reform 1997-1998", was co-ordination and harmonization of the reform efforts already in motion. The PFM system was introduced in 1999. Strict performance standards in the form of Key Result Areas (KRA) were introduced. The "Pink Form", a new appraisal

system, was introduced by the Public Service Commission (PSC) and required personnel in the Ministry to set objectives with clear measurability. Financial rewards and promotion were linked to performance. According to Zhou (2000), many public services employees did not readily accept the new KRA appraisal system.

During phase III (2004 to date), the government approved the introduction and implementation of the RBM system in the public sector, given effect by General Letter Number 6 of 2005 to all Heads of Ministries. A team of RBM trainers was established to cascade the RBM philosophy, concepts and skills throughout government. This phase coincided with the worst economic and political recession in the country since independence from Britain in 1980.

As alluded to earlier on, the implementation of the reforms was to be based on the UNDP's principles of good governance. Siddiqi et al. (2009) identify the principles as:

1. *Strategic Vision*: Leaders should have a broad and long-term perspective on human development, along with a sense of strategic directions for such development.
2. *Participation and Involvement*: All men and women should have a voice in decision-making. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively.
3. *Consensus Orientation*: Good governance system mediates differing interests to reach a broad consensus on what is in the best interests of the group.
4. *Rule of Law*: Legal frameworks pertaining to service delivery should be fair and enforced impartially.
5. *Accountability and Transparency*: Transparency is built on the free flow of information for all public service delivery matters. Processes, institutions and information should be directly accessible to those concerned with them, and enough information should be provided to understand and monitor service delivery.
6. *Responsiveness*: Institutions and processes should try to serve all stakeholders to ensure that the policies and programmes respond to the needs of its users.
7. *Equity and Inclusiveness*: All men and women should have opportunities to par-

ticipate, improve or maintain the service delivery levels.

8. *Effectiveness and Efficiency*: Processes and institutions should produce results that meet population needs while making the best use of resources.

The study focuses on the following four principles of good governance; consensus orientation, efficiency and effectiveness, responsiveness, and accountability and transparency.

RESEARCH METHODOLOGY

This descriptive study collected data from 400 respondents in Zimbabwe. Both probability and non-probability (judgmental) sampling techniques were used to come up with a list of respondents. The study collected both textual and structural experiences of the respondents on implementation of PFM reforms by the Ministry. Data were collected for each of the following principles; Consensus Orientation, Efficiency and Effectiveness, Accountability and Transparency, and Responsiveness. For each of the elements of the study, the standard deviation (σ) was used to indicate the extent to which the respondents agree on a particular element. A small σ means that the respondents are generally agreeing with the element while a big σ implies that there is a sharp disagreement on the element.

RESEARCH FINDINGS

Consensus Orientation

Good governance system mediates differing interests to reach a broad consensus on what is in the best interests of the group. Consensus orientation means taking part and having a say in decisions on PFM reforms in the country. States have a human rights responsibility to establish institutional arrangements for this. The reform policy of Zimbabwe identifies the state, the private sector, NGOs, and civil society as key stakeholders.

The overall impression is that there is a need for the Ministry to improve its level of consensus orientation in the implementation of the reform. According to Table 1, the level of disagreement is highest in the area of civil society representation in the establishment of policies, plans and budgets for PFM reforms.

Table 1: Consensus orientation in the implementation of the PFM reforms (N=400)

Indicators	Standard deviation (σ)
a) Existing practices and policies encourage participation of the private sector and the civil societies for improved PFM reforms in the ministry.	1.43
b) The situation of the Ministry and the civil society/private sector partnership programmes for improved PFM reforms in the country is progressive.	5.32
c) Civil society representation in the establishment of policies, plans and budgets for PFM reforms is good.	6.98
d) The private sector is involved in the establishment of policies, plans and budgets for PFM reforms.	4.32
e) The public is mobilized for their priorities, service efficiency, service quality, and resource utilization.	2.1

Interviews with 10 (50%) out of 20 officials in the Ministry shows consensus orientation is constrained by capacity; the degrees of skills, knowledge, and resources of the organisation. One of the Regional Directors noted 367 (89%) of his employees had teaching qualifications but no solid background on PFM. Questionnaire responses (260 out of 400 (65%)) agreed that the Ministry fails to involve all stakeholders in strategizing the implementation of reforms. Notably, 377 (94.25) responses believed that the Ministry did not have the resources with which to engage public participation at a larger scale.

Accountability and Transparency

Accountability and transparency are fundamentally important to implementation of PFM reforms in Zimbabwe. Transparency implies openness and communication in the implementation of reforms. Accountability and transparency would also assume that there is a free flow of accurate information between the providers of services and the general public (Table 2).

The Ministry should improve on sanctioning behaviour by staff; the current salarygate saga involving the Premier Medical Service boss could be a clear demonstration of the state's failure to penalize misbehaviour by civil servants. Notably, 204 (51%) members of the public who

were interviewed claimed that there are no clear procedures for the public to review the implementation of PFM reforms in the Ministry. The above finding confirms Zhou's (2000) assertion that there are no clear rules and procedures of holding some public sectors accountable to the general public.

Table 2: Accountability and transparency in the implementation of PFM reforms (N=400)

<i>Indicators</i>	<i>Standard deviation (σ)</i>
a) Ministry employees are accountable for the consequences of their actions in the implementation of the reforms.	9.12
b) Systems exist for reporting, investigating and adjudicating misallocation and misuse of resources in the ministry.	1.12
c) Civil society organizations and community render oversight of Ministry in the way they implement the reforms.	5.34
d) A sanctioning mechanism, which penalizes misbehaviour by staff is operational	6.11
e) A public feedback mechanism related to the implementations reforms exists (such as complaint offices and procedures, citizen suggestion box and procedures for public petitioning, etc)	2.12

Efficiency and Effectiveness

Improving efficiency and effectiveness is one of the major goals of the public service reforms in Zimbabwe. Efficiency and effectiveness are concerned with the efficacy of policy formulation and implementation, and the credibility of stakeholders' commitment to such policies.

The overall impression of the responses from Table 3 is that the Ministry should improve its management of the PFM reform. Interviews with 150 (75%) of the 20 officials from the organization revealed that PFM reforms are negatively affected by shortage of high turnover of existing staff, and limited financial resources. According to Chimhowu, Manjengwa and Feresu (2010), the financial challenges of the Ministry resulted in;

Table 3: Efficiency and effectiveness in the implementation of PFM reforms (N=400)

<i>Indicators</i>	<i>Standard deviation (σ)</i>
a) The Ministry reaches decisions about resource allocation for reform implementation on the basis of evidence regarding needs and effectiveness of services and in conformity with policies.	3.98
b) The Ministry regularly reviews and updates the mix of services it delivers on the basis of evidence about the effectiveness of the reforms and client needs.	2.56
c) Mechanism exist to ascertain the ever changing needs of the general public.	2.14
d) Mechanisms exist to hear, address, and act on public complaints and views related to PFM reforms	2.32
e) Priority is given to PFM reforms in the Ministry.	4.83

- ♦ Less than 100% transition rate of learners from primary to secondary education;
- ♦ Inadequate textbooks and stationery in schools,
- ♦ Furniture broken or missing in some schools,
- ♦ Inability to provide decent schools to communities resettled during the fast track land reform programme,
- ♦ Brain drain, leading to continued employment of temporary and unqualified teachers,
- ♦ Inability to attract teachers to remote areas due to poor social infrastructure in these areas, and
- ♦ Congested classrooms in urban areas.

Three hundred-fifty (87.5%) of the respondents cited corruption (abuse of power for personal gain) as one of the factors that affects the implementation of the reforms in Ministry. There is colloquial evidence that \$40,000 donated by the SIDA 13 years ago to build a primary school in Masvingo was not used for this purpose. The school has still not been built. There have been allegations, but no convictions. The legal system demands proof of malfeasance; it does not require public officials to prove the source of their wealth is legitimate.

Responsiveness

Public servants must be responsive to citizens' demands and establish mechanisms to hear, address, and act on public complaints and views

related to the implementation of public services reforms (ADB 2007). Responsiveness refers to ability to respond to suggestions, influences, appeals or efforts from the public. Responsiveness allows the Ministry to keep informed of the changing demands of the public (Table 4).

Table 4: responsiveness in the implementation of PFM reforms in MESAC (N=400)

<i>Indicators</i>	<i>Standard deviation (σ)</i>
a) The public makes contributes decisions about resource allocation for effective implementation of the reform on the basis of evidence regarding needs and effectiveness of services and in conformity with national policies.	3.21
b) Service providers regularly review and update the mix of services they deliver on the basis of evidence about the effectiveness of PFM reforms and client needs.	4.32
c) There exists mechanisms to ascertain the needs and aspirations of the public on the implementation of the reforms.	3.76
d) There exists mechanisms to hear, address, and act on public complaints and views related to the implementation of the reforms.	3.76
e) Implementing the PFM reforms is a top priority of the ministry.	2.13 2.87

The ratings suggest the need for improvement in the organisation. The Ministry should regularly review and update the mix of PFM services it delivers to the clients. Interviews with 20 (50%) of the responses from officials revealed that skills flight is high in Ministry. One of the Respondents noted, "In the past ten years, the Ministry had an unprecedented brain-drain both in terms of numbers and quality of human resources. More than two million qualified school teachers, managers and accountants from Zimbabwe left the country. Schools were closed down and service delivery in Ministry hit its lowest ebb since independence from Britain in 1980." The situation in the organisation remained dire through to 2009 after the signing of the General Political Agreement (GPA) which forced ZANU PF and MDC factions to form a unity government. According to one former Minister of Education, Sport and Culture;

Circular 1 of 2009, which encouraged those who left MESAC due to non-criminal reasons to return, has been unable to attract a significant number of skills back into the system. Huge shortages of science teachers are still haunting the Ministry as neighbouring countries such as South Africa continues to attract our teachers . . . About 24,000 unqualified teachers are employed by the ministry . . . and most of the unqualified teachers are teaching in our rural areas.

In practice, brain drain robs the PFM reform process. Without adequate skills and knowledge, efficiency and effectiveness of the organization is compromised.

DISCUSSION

Consensus orientation is rated low in the implementation of the reforms in the Ministry. According to Kavran Report (1987), all individuals and communities are entitled to put a voice in public service reforms in the country. This includes participation and involvement every sector of the economy in identifying overall strategy, policy-making, implementation and accountability. However, reaching a consensus in policy implementation is linked to good governance. The process is difficult in that it seeks to harmonise the interests of different individuals and individual groups in the society. Reaching a consensus is proving difficult as some NGOs and sections of the civil society still regards the country as undemocratically run. It is this same section of our society that is pushing for a regime change in the country.

Without consensus orientation in the implementation of the reforms, civil society, the State and NGOs and private sector spend much of their time and money dealing with their differences instead of using their financial and financial resources to bring about efficiency in the implementation of the PFM reforms in the country. The effectiveness and efficiency of PFM reforms rely on consensus orientation of the public sector, the private sector and the community. A good reform relies on explicit processes and rules. According to Kavran Report (1987), rules and processes should interact to produce and distribute public services in ways that are transparent, accountable, equitable, and responsive to the needs of the people.

Accountability and transparency are fundamentally important to implementation of PFM

reforms in Zimbabwe. Successful services for the public emerge from institutional relationships in which the actors are accountable to each other (World Bank 2004). So the issue of accountability is central to effective PFM reforms. In Zimbabwe there are no clear rules and procedures of holding some public sectors accountable to the general public (Zhou 2000). Civil society in Zimbabwe should be trained to monitor the implementation of the PRM reform in the Ministry. After all, the Ministry is there to serve the public using public funds. Transparency is essential in PFM reforms. In this context, transparency implies openness to all stakeholders. Accountability and transparency would also assume that there is a free flow of accurate information between the providers of services and the general public.

Improving efficiency and effectiveness is one of the major goals of the public service reforms in Zimbabwe. Efficiency and effectiveness measures whether institutions produce results that meet the needs of society while making the best use of resources at their disposal. It also measures the efficacy of policy formulation and implementation, and the credibility of government, public, organizations and non-Governmental Organisations' commitment to such policies (Hope 2001). However, to effective and efficient in the reform, the Ministry needs a critical mass of committed and qualified staff. Currently, the Ministry's ability to attract and retain qualified PFM employees is limited by salaries. According to ACCA (2010), public service could attract qualified staff if salaries and working conditions are competitive with those in the private sector. Budgetary constraints hamper the Ministry's desire to improve efficiency in PFM reform.

CONCLUSION

The study investigated implementing of the PFM reform by the Ministry of Education, Sport and Culture. Data were collected through direct observation, use of semi-structured questionnaires, interviews and documentary review. The study was based on four UNDP principles; namely, consensus orientation, efficiency and effectiveness, accountability and transparency

and inclusiveness. The study noted that PFM reforms in the Ministry are constrained by resources and motivation levels of employees.

RECOMMENDATIONS

Increasing the working conditions of the MESAC employees would go a long way in attracting competent PFM reformers into the Ministry. It is also recommended that public service working conditions and remunerations be equated to those of the private sector. In Zimbabwe, the private sector has better working conditions and remunerations than the public sector. Equating the working conditions would prevent brain drain from the public sector into the private sector. The Ministry could also negotiate its working conditions with those of the neighbouring countries. This would reduce the rate of brain drain out of the Ministry into the neighbouring countries like South Africa, Namibia and Botswana. It is recommended that the Ministry introduces PFM modules or courses in Teacher Training Colleges. The study recommends adopting the Batho Pele (People First) principle in South Africa. The principle puts people first in public service.

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