

THE NEXUS BETWEEN PUBLIC RESOURCES MANAGEMENT REFORMS AND NEO-PATRIMONIAL POLITICS

Draft contribution for the Conference on “Political Dimensions of Poverty Reduction-The Case of Zambia”, Lusaka, Mulungushi Conference Centre, March 9-11, 2005.
By Fred Mutesa, University of Zambia

INTRODUCTION AND BACKGROUND

The main purpose of this study is to analyse the relationship between the public resources management reforms that form part of the *Zambian Poverty Reduction Strategy Paper (PRSP)* and Zambia’s political system. Reforms in the management and utilisation of public resources are seen as contributing to promotion of good governance in Zambia. The Government of the Republic of Zambia has observed that “without good norms and practices at all levels and in all institutions, poverty reduction will remain elusive even with the ideal endowment of resources” (GRZ, 2002:35).

The above objectives of the study have been inspired by two main underlying assumptions. Firstly, in focusing on the relationship between public resources management reforms and Zambia’s political system, we follow in the footsteps of many analysts of economic reforms in Developing countries. Booth (2003: 137), for example, has argued that “the PRSP experiment will work through the political systems and policy processes of the countries concerned, or it will not work at all.” Working from a different, but closely related theoretical premise, Krueger (1993: 9) had long made a similar observation that, “adoption by a government...of particular economic policies usually sets in motion political and economic responses that are likely to change both the nature of the government and the economic policies.” Closer to home, the World Bank has stressed the significance of the link between politics and policy reforms, noting that, “Zambia’s history has shown that public sector reforms that rest solely at a technical level have only a short-lived impact, if any. Therefore, implementation of an effective reform agenda will require strong and sustained political support from the highest levels of Government” (2003: xxi).

Secondly, the study is premised on the assumption that the dominant features of Zambia’s political system are bound to impact, for better or for worse, on the efficacy of policy reforms that aim at remedying financial indiscipline in the country. Several analysts have described the political system in Zambia as possessing strong neopatrimonial features (Bratton and van de Walle 1997, Gerdmann and Simutanyi 2003, Burnell 2003). Meyns’ contribution to this volume has argued that neopatrimonial politics have persisted in Zambia under all its three successive presidents (Kaunda, Chiluba and Mwanawasa). The three main defining features of neopatrimonialism: presidentialism, clientelism and use (read misuse) of state resources do not promote prudent use of public resources (Bratton and van de Walle, 1997). Gerdmann and Engel (2002) have spelt out the essence of neopatrimonialism, which if borne out in practice is bound to pose a serious challenge to the kind of public resources management reforms that the Zambian government is seeking to implement:

Neopatrimonialism is a mix of two types of political domination. It is a conjunction of patrimonial and legal-rational bureaucratic domination. The exercise of power in neopatrimonial regimes is erratic and incalculable, as opposed to the calculable and

embedded exercise of power in universal rules (or, in Weber's terms, *abstrakter Regelmäßigkeit*). Public norms under neopatrimonialism are formal and rational, but their social practice is often personal and informal. Finally, neopatrimonialism corresponds with authoritarian politics and a rent-seeking culture, whereas legal-rational domination relates to democracy and a market economy.[p.25]

The above description of the functioning of neopatrimonialism stands in direct conflict with the goals of good governance as espoused by the Zambian PRSP. If the characterisation of Zambia's political system as neopatrimonialism is correct, then we can expect some serious resistance to the public resources management reforms that form part of the PRSP and other related good governance programmes. This brings us to the question already posed by Meyns, "can Zambia's political system deliver the goods?" What is going to be the likely outcome of the interaction between public finance management reforms and neopatrimonialism?

We can therefore tentatively conclude that public finance management reforms are both, a threat to, and endangered by, systemic features of the political system. Stated differently, there is a dialectical interplay between reforms and the dominant features of the political system in which they are being implemented. The outcome of this contest is likely to be, either the reforms undermine the neopatrimonial tendencies and push the development agenda forward, or the political system adapts to the new measures in a way that still perpetuates old practices, albeit under modified conditions.

The problems that beset the management of public finances in Zambia are well documented.¹ The office of the Government's Auditor General has repeatedly reported widespread misapplication and misappropriation of funds, unauthorized and unconstitutional expenditures, improper accounting for revenue collections, poor record keeping, failure to submit expenditure returns and rampant disregard for financial and stores regulations and tender procedures in the procurement of goods and services (Mutesa, 2004a).

A World Bank (2003) sponsored Public Expenditure Management and Financial Accountability Review (PEMFAR) has put these problems in the broader context of the weaknesses of Zambia's budget process. The World Bank notes that budget preparation in Zambia lacks credibility and needs substantial improvements in several additional areas, notably, (i)comprehensiveness, (ii)budget classification, (iii)the presentation of the budget document itself, (iv) the link between budgeting, policy planning, and (v) timing of the budget itself (2003: xiv). On the other hand, budget execution and control needs to urgently address multiple problems: (i) abolishing cash rationing, (ii) enforcing expenditure controls, (iii) properly recording commitments, especially for capital projects, (iv) updating payroll lists systematically, and (v) reforming procurement practices and regulations [p.xv]. In addition, public finances accounting and reporting regulations have been identified as another area of weakness. Particularly important in this regard is the need to strengthen the operational capacity and autonomy of the Auditor General's office. Finally, government has been urged to address the issue of low remuneration in the public sector.

¹ See, for instance, various Auditor General's Reports.

The immediate problem posed by the above weaknesses in the public financial management system is that resources do not always reach those they are intended for. This issue is of critical importance in the context of poverty reduction which the Zambian government has publicly committed itself to. To this effect, some empirical evidence reviewed by this study present a disquieting picture. The World Bank, for example, found that only between one-sixth and one-third of total funding meant for primary education in the four provinces of Eastern, Northern, Lusaka, and Copperbelt, reached the schools (World Bank, 2003: xx). Similarly, an earlier survey by CCJDP had discovered that hardly any funds filtered to the lowest point of service delivery, notably clinics, schools, community development centres, etc (Wehner, 2001). In both instances, it was found that resources leaked to unapproved purposes somewhere between provincial and district levels. Unsurprisingly, Zambia has performed very poorly with respect to the “Government Effectiveness” indicator, which was calculated at 26.9 percent (World Bank, 2003: xii).

There are compelling reasons to reform the management of public finances in Zambia. Without improved management of public resources, the economy will find it difficult to emerge strongly from the stagnation of the last three decades, increase social spending to combat pervasive poverty, and improve the country’s tainted governance image. Sound management of public resources is also important for Zambia’s continued access to the resources of the international donor community, on which the country’s economy depends for almost half of its budget funding.

It’s not surprising that since coming to power in 1991, the ruling MMD has been faced with the mammoth task of reforming public finances management in the country. During the Chiluba regime (1991-2001), introduction of the cash-budget was the “key institutional innovation” in this effort (Bolnick, 1997). The principle behind a cash-budget is that government should not resort to deficit financing by “printing” money.

The Mwanawasa regime that took over in 2001, found an already formulated PRSP that had endorsed the need for further reforms to improve public finances management. The most notable of these reforms were the introduction of the Medium Term Expenditure Framework and the Activity Based Budgeting (about which more later). In this respect, the 2004 national budget became the first budget to be based on MTEF and ABB. In June 2004, following the completion of studies, government approved a Plan of Action to entrench further reforms under what has since come to be known as the PEMFA process.² Whether these reforms will overcome the anticipated resistance from vested interests which have thrived on misuse of public resources is something that remains to be seen.

The cue from past experience, however, is cause for concern. In assessing the threat of reduced patronage positions and smaller rents which fiscal austerity under the structural adjustment policy regime of the 1980s and 1990s posed to neopatrimonial rulers, van de Walle(2001), for example, observed a systematic defensive pattern across Africa that allowed neopatrimonial practices to survive. He observed three main responses of governments to the threat of fiscal austerity. Firstly, presidentialism reasserted itself. This meant recentralisation of major decision-

² See, World Bank (2003), Zambia Public Expenditure Management and Financial Accountability Review, Main Report, Vol.1; Country Financial Accountability Assessment, Annex, vol.2; and Country Procurement Assessment Review, Annex, vol.3

making under the office of the president. In essence, this meant by-passing existing institutions by creating new ones under the direct responsibility of the president. This was done on the ostensible grounds that due to the need to sustain the reform process, the president had to take direct control of all important decisionmaking processes in the country. This is the logic that President Chiluba used in Zambia in setting up the GRZ/ZCCM Privatisation Negotiating Team which usurped the powers of the ZPA, a body that was established by an Act of Parliament. Not surprisingly, the privatisation of ZCCM assets was clouded with suspicions of corruption(Mutesa 2004a,)

Secondly, van de Walle refers to “instrumentalisation of the reform process.” In this case, presidentialism takes advantage of donor resources to support reforms to consolidate personalism. van de Walle cites Chiluba’s use of the guise of privatisation of Zambia’s vast parastatal sector to break up the old clientelist networks of the Kaunda regime and establish his own personal power. Thirdly, van de Walle mentions the phenomenon of “state withdrawal from development.” This entails choosing not to spend money on development activities in preference for paying staff who are doing nothing in order to maintain the “elite coalition” together.

van de Walle is quick to point out, however, that cutting down on public expenditure in the face of fiscal austerity may not be unique to neo-patrimonial systems. It’s what he calls the “general political response” that ties in with the logic of neopatrimonialism. He explains that “as African states have withdrawn from development tasks and as salaries for public servants have been allowed to decline precipitously in real terms, the top of the state apparatus often has retained conspicuous consumption patterns” (van de Walle. 2001: 101). This, what he refers to as “Sovereignty Expenditures” is one of the main problems. So it is not everybody within the state apparatus that is shielded from the ravages of austerity. It is the top brass that continue to live lifestyles that can no longer be justified in the wake of financial austerity that the rest of society is expected to shoulder.

In methodological terms, this study relied on qualitative data based on desk review of literature and conversational interviews conducted at three levels of Government, namely, Central, Provincial and District. Two field visits were made to Ndola and Mpongwe where interviews were conducted with provincial and district heads of government line ministries. Additionally in Mpongwe, interviews were conducted with the District Commissioner, a Ward Councilor and one clergyman. The study does not treat the case study as a separate account but rather integrates it in an on-going analysis of issues.

PUBLIC RESOURCES MANAGEMENT REFORMS AND GOOD GOVERNANCE

In this study, we contend that improvements in public resources management have to be analysed within the overall context of Zambia’s good governance strategy. Indeed, this is the approach taken by government in the PRSP. The PRSP has emphasised the importance of good governance for poverty reduction. The Zambian government defines governance to mean “processes by which society manages its economic, social, and political resources and institutions, not only for development, but also for cohesion, integration, and well-being of its people” (GRZ, 2002: 34). Good governance, in turn, is seen to transcend matters such as independence of the

judiciary and the upholding of the rule of law, elections, corruption, the public service, capacity building, institutional linkages, and involvement of civil society in the decision-making process (GRZ, 2002: 34). Among the key tenets of good governance identified by the Zambian government are transparency and accountability.

The PRSP has set itself three key objectives under the Governance Programmes for Poverty Reduction, namely:

- Democratise decision-making through wider use of the consultative process.
- Ensure efficient, equitable, and transparent management of public resources.
- Guaranteed justice for all (GRZ, 2002:35)

When considered in total, it is quite clear that the meaning of good governance adopted by the Zambian government approximates the broader definition of state-society relations implied by authors like Mkandawire. This is a great advancement over the narrow meaning of the concept usually associated with the international financial institutions.⁴ Zambia's all encompassing meaning of good governance is also closer to that of the continental body, NEPAD. As eloquently explained by President Mbeki of South Africa, a key architect of NEPAD, good governance in Africa should be supported, "not because we seek to improve our relations with the rest of the world as a first objective, critically important as this is, but to end political and economic mismanagement on our continent, and the consequential violent conflicts, instability, denial of democracy and human rights deepening poverty and global marginalisation"(Hope, 2003).

Policy Actions for Public Resources Management

The three objectives of the Governance Programmes for Poverty Reduction mentioned above, all have a bearing on public resources management. Government has outlined several measures seen as important to improvement in the management and utilisation of public resources. These include accountability and efficient public expenditure management; participatory budgeting; and greater transparency in public procurement and contracting procedures. Other measures include the strengthening of government finance, accounting and internal audit systems and procedures; and improved financial management and expenditure tracking efforts.

⁴ The World Bank, for example, ties good governance very closely to the fight against corruption by emphasising on institutional reform programs that support the liberalization of markets, prices, and trade and exchange regimes; public sector reforms that privatize state-owned enterprises, making them more responsive and accountable; and reforms in service delivery and infrastructure programs to decentralize government and bring services closer to the people. The IMF's view, on the other hand, is not very far from that of the Bank. The IMF's approach in governance matters concentrates on those issues that are closely related to its "surveillance over macroeconomic policies-namely, the transparency of government accounts, the effectiveness of public resource management, and the stability and transparency of the economic and regulatory environment for private sector activity." (Camdessus, M: 1997)

To realize the above objectives, government envisages the decentralization of the budgeting process under the poverty reduction strategy in order to allow for greater participation of all concerned parties in resource planning. Other activities planned as part of the above measures include the policy of “zero tolerance” against corruption and meritocracy in recruitment to the civil service.

BOX 1. Summary of Public Resources Management Policy Actions in the PRSP

Objective: Ensure efficient, equitable, and transparent management of public resources

- Improve budget control systems
- Develop and implement the MTEF
- Involve information from other stakeholders in the National Budget
- Strengthen and implement the public expenditure review process
- Abolish the presidential discretionary fund
- Increase GRZ accountability to Parliament by quarterly reporting
- Implement IFIMS
- Implement PSRP
- Implement equity programme for the poor
- Implement parliamentary reforms
- Provide radio/television coverage of parliamentary proceedings
- Provide literature at National Assembly and Constituencies
- Review Constitution to balance powers of the Executive
- Provide support services to Parliament and its members
- Provide transport, recording, editing, and transcribing equipment
- Establish information centre at National Assembly

Source: GRZ, 2002:p153

Implementation of Public Resources Management Policy Actions

Progress in implementation of the above measures has dragged. It is obvious that many of the measures would take long to bear fruit. The thrust of many of these measures is institutional building, which involves training of staff, purchase of equipment and developing new institutional mechanisms. Table 1 on the next page shows what has been achieved based on the First PRSP Progress Implementation Report which covered the period January 2002 to June 2003. No doubt, much remains to be done to overhaul the system. In the area of transparency and accountability, the government cites the President’s declaration of “zero tolerance to corruption,” the decentralization of the operations of the Anti-Corruption Commission to all the provinces, the establishment of a Task Force on Corruption to investigate and prosecute cases of corruption and abuses of authority involving high officials in the previous Government as well as those currently serving in Government, as some of the major achievements during the first cycle of the PRSP.

Table 1: Progress in Implementation of Public Resources Management Policy Actions

Policy Actions	Implementation Status
Improve budget control systems	Public Expenditure Management and Accountability Review processes have been undertaken and is in the process of being operationalized
Develop and implement the MTEF	MTEF has been developed and would be implemented in 2004
Involve information from other stakeholders in the National Budget	MTEF consultative meetings held in all the nine provinces in Zambia
Strengthen and implement the public expenditure review process	Integrated Financial Management Information Systems has been piloted and full scale implementation yet to be undertaken. Commitment Control Systems have been introduced and are being implemented in Ministries and other spending agencies, with a result of a decrease in the accumulation of arrears.
Abolish the Presidential Discretionary Fund	Presidential Discretionary Fund has been abolished.
Increase GRZ accountability to Parliament by quarterly reporting	Not yet operationalized
Implement IFMIS	IFMIS software has been developed but implementation will begin once computer equipment has been procured.
Implement PSRP	PSRP has been partially implemented
Implement equity programme for the poor	Social Safety Nets developed to mitigate impact of poverty on vulnerable groups.
Implement parliamentary reforms	Implementation of Parliamentary Reforms has begun and Live radio coverage of parliamentary proceedings initiated. Television coverage was piloted in 2003, but could not be sustained due to financial constraints.
Provide literature at National Assembly and Constituencies	Not yet implemented
Review Constitution to balance powers of the Executive	Constitutional Review process has begun, submissions are being received from the citizens in all provinces.
Provide support services to Parliament and its members (Provide transport, recording, editing and transcribing equipment)	All Parliamentarians provided with transport. Transcribing, recording and editing equipment provided by PSCAP
Establish information centre at national assembly	Information centre established and this includes a Parliamentary Website that has been established.

Source:MoFNP:2004:73

With respect to public expenditure, progress has been measured in terms of reforms began in the budget process. These have included the introduction of the Medium Term Expenditure Framework (MTEF) as a budget planning tool and the introduction of Activity Based Budgeting (ABB). Other measures have included introduction of the Integrated Financial Management Information System (IFIMS) on a pilot basis and capacity building and training under the donor supported PEMFAR. The latter has involved the training of approximately two hundred accountants in the application of Commitment Control Systems (CCS) and purchase of computer equipment.

Related measures under the governance programme saw the setting up of the Willa Mun'gomba Constitutional Review Commission (CRC). Parallel to the CRC was the establishment of the Electoral Reform Technical Committee (ERTC). Parliament, also

saw some new changes, among them, the transfer of most of the work to committees. These measures were said to be aimed at promoting democratic governance.

Several questions arise from our analysis so far: How far do the government's proposed measures to improve public finances management in the country go? To what degree are they confronting vested interests that feed off mismanagement of public finances? What is the response of vested interests to these measures? Are these measures sufficiently strong to confront the neopatrimonial character of Zambia's political system? To answer these and other related questions, the study examines five areas which set the parameters for the interaction between the public resources management reforms undertaken by government and the country's political system: (i) reforms in the budget process, (ii) budget tracking and monitoring, (iii) role of the legislature, (iv) fight against corruption, and (v) constitutional review processes.

I. Reforms in the Budget Process

The Washington DC based International Budget Project (2001) defines the budget process as the entire cycle of budget making consisting of formulation, enactment, execution, and auditing and assessment. Public finance management problems in Zambia spread across all the above mentioned stages of the budget process (World Bank, 2003).

To begin with, until most recently, budget formulation has been shrouded in an aura of secrecy.⁵ The introduction of the Medium Term Expenditure Framework (MTEF) is aimed at overcoming this problem by providing information on the resource envelope available for spending in the medium term and also guiding the allocation of budget resources to government policy priority areas. It is yet to be seen just how successful government will adhere to the MTEF. It is important to bear in mind that in some countries where the MTEF has been tried, it has failed to achieve its objectives because expenditure ceilings have been „violated with impunity and on a regular basis, by line ministries and other government agencies“ (Jenkins and Tsoka, 2003: 205).

Closely related to the MTEF concept is stakeholder participation in budget formulation which is meant to take on board local priorities. The government has embarked on annual provincial consultations during budget formulation with stakeholder organisations. Commenting on the value of stakeholder participation in budget formulation, a respondent observed that „at the very least, government has recognised that there are other actors whose views need to be consulted during budget formulation, although whether such views are eventually incorporated in the national budget is a matter of debate.“⁶ It is noteworthy, however, that there is some opening up of political space for civil society participation in budget formulation which if carried out effectively has potential to include the interests of disadvantaged groups in matters of public policy.

⁵ The Republican President, Levy Mwanawasa made this admission at the launch of the Medium Term Expenditure Framework „Green Paper“, see Zambia Daily Mail, October 29, 2003.

⁶ Personal interview with Samuel Mulafulafu, executive director, Catholic Centre for Justice, Development and Peace (CCJDP), October 2004.

Budget enactment takes place when the budget is discussed in Parliament and subsequently enacted into law. The Minister of Finance and National Planning presents the budget speech to Parliament, usually on the last Friday of January each year. It is at this stage that the public gets to know what is available in the budget. Parliament's role is to discuss and approve the budget, either intact or with amendments. In practice, Parliament does not have effective powers to amend the budget. Consequently, estimates are either accepted or rejected as a whole. There has been no time in the history of Zambia when estimates have been rejected, although the 2002 budget marked an important milestone when, at the initiative of an opposition Member of Parliament, amendments were made to excise tax on diesel fuel (Mutesa 2004a). In general, however, Members of Parliament do not alter allocations of the budget items.

The fact that the budget is adopted almost two months after the commencement of the government fiscal year, means that in practice much expenditure is allocated on the basis of presidential warrants pending the approval of the budget by the legislature. Critics also decry the format and style of presentation of the budget which is said to preclude many Members of Parliament from making meaningful contributions (Mwanawina et al, 2001).

Budget execution follows enactment. In other words, execution constitutes the implementation phase of the budget. This period stretches over the government financial year. This is the critical stage and monitoring and control must be exercised to ensure that spending adheres to the approved appropriations. Budget execution or implementation involves all government ministries and quasi-governmental institutions as mandated by the Constitution and various laws. Disbursement of funds to spending agencies, internal audit/monitoring during the financial year, budget evaluation, coordination and management of state enterprises is the responsibility of the Ministry of Finance and National Planning.

The last stage of the budget cycle is auditing and assessment. This stage assesses the budget outcome and involves the executive branch reporting to Parliament and the general public on how government utilised budget appropriations. The actual auditing and assessment is carried out by the office of the government Auditor General which tables its report simultaneously to the President and the Public Accounts Committee of Parliament.

II. Role of Parliament in the Budget Process

Several flaws have been identified in Zambia's budget process. An important observation is the weakness of Parliament's role in this process. Part X of the Constitution of Zambia arrogates the function of approving government expenditure and taxation proposals to Parliament. In other words, the Government cannot spend any public resources without the approval of Parliament. Parliament also has the exclusive mandate to impose and regulate taxes. From this it can be seen that Parliament, at least in law, has the responsibility to oversee the use of public finances. This is meant to provide important checks and balances on the executive.

To begin with, critics are concerned that in a system with democratic control of public expenditure, the Ministry of Finance and National Planning is granted too much power to make changes to the approved budget without prior consent of Parliament

(World Bank, 2003). We have observed elsewhere that the same Constitution that states that no expenditure may occur without an appropriation being approved by Parliament, provides for exceptional circumstances under which the President can authorize expenditure without waiting for Parliament's approval (Mutesa, 2004a). Similarly, article 117 of the Constitution of Zambia provides the Minister of Finance with authority to make substantial modifications to spending without seeking prior approval from Parliament.

The Minister of Finance is of course required to table in Parliament either a Supplementary Appropriation Bill, or an Excess Expenditure Appropriation Bill, depending on whichever expenditure was incurred. The problem, however, is that this happens long after the expenditure has been incurred, sometimes well after the close of the budget year. As the World Bank has noted, „these flexibilities given to the Minister of Finance could easily be misused in the absence of a proper Parliamentary oversight“ (World Bank, 2003:xiii). It is not unusual to find Ministries and government departments getting supplementary budgets that are far in excess of what was originally approved by Parliament. A CSPR study on tracking poverty expenditures under the PRSP, for example, discovered that while disbursements to poverty reduction programmes fell short of what was approved by Parliament, other non-PRP areas got more than 100 percent disbursements (CSPR, 2004). Citing expenditures for 2002, it was noted that Cabinet Office received 512 percent while State House got 264.2 percent. The Public Accounts Committee report on the Auditor General's report on the accounts for the financial year of 2002 adopted by Parliament on December 3, 2004 confirmed this expenditure pattern. Parliament was told by the Public accounts Committee that „instead of State House spending K9.6 billion, as approved by Parliament, the Auditor General discovered that K10 billion was actually spent without authority“ (Sunday Mail, December 12, 2004). Other government departments that overspent included Ministry of Defence, Zambia State Intelligence Service, and the Electoral Commission of Zambia. What is worrying is that there seems to be a pattern where sectors that benefit from supplementary budgets are not “productive” sectors.

The above analysis reveals that public finances are captive to the interests of powerful forces in society to the detriment of the needs of the poor. For instance, it makes mockery of government commitment to poverty reduction to spend US\$1,800 per month on each of the 14 deputy ministers accommodated in the luxurious Mulungushi Village Complex at a time when government is not able to employ urgently needed 9000 college graduate teachers on account of scarcity of resources.⁷ This, especially in the face of the fact that each deputy minister is only entitled to a housing allowance of less than US\$300 per month. Similarly, Zambia's 158 Members of Parliament raised no objections to being paid an equivalent of not less than US\$45,000 each as midterm gratuity (after serving only two and half years), despite widespread public outcry. These examples of public expenditure patterns raise the issue which advocates of economic justice have consistently put forward that Zambia's poverty is partly due to lack of priorities as opposed to lack of resources. For our purposes, such expenditure patterns are consistent with the logic of neopatrimonial politics. As van de Walle has explained, neopatrimonialism has a tendency to protect benefits for the elite under what he has referred to as

⁷ Ministry of Works and Supply annual report covering 2003 quoted in *The Post*, August 28, 2004 and .

„sovereignty expenditures“ while development activities that would benefit the poor are starved of resources (van de Walle, 2001).

Another widely observed problem is that even where legal provisions on the correct use of public resources are unambiguous, ensuring enforcement and accountability is a big challenge (World Bank, 2003). Bolnick (1997) gives an account of how line ministries have been sidestepping financial controls entailed by the cash-budget. Bolnick observes that line ministries took advantage of procedural slack by obtaining supplies on credit and then submitting the bills as arrears at the end of the year. The Ministry of Finance and National Planning's failure to adequately guard the public purse and enforce financial regulations has thus led to a system break-down. In some extreme cases, cheques have been issued to suppliers even before goods have been delivered. This was one of the findings of the HIPC tracking and monitoring team which carried out independent audits of the expenditure of HIPC funds in the four provinces of Lusaka, Eastern, Northern and Copperbelt.⁸

An interim conclusion of our analysis at this stage would tend to agree with van de Walle (2001) that postcolonial Africa suffers from a negative synergy between capacity and neopatrimonial tendencies. We concur with the view that: „the absence of transparency, public information, or economic data is often designed to protect abuses by state elites, and in turn serves to diminish the ability of state agents to enforce rational-legal norms“ (van de Walle, 2001:135). In other words, there are people who profit from public resources mismanagement and such people could be expected to resist any measures that bring in order, transparency and accountability. It is our argument that reforms that government is attempting to introduce in the way public resources are managed have the capacity to put checks on neopatrimonial rent-seeking behaviour and clientelist politics.

III. Budget Tracking and Monitoring

Budget tracking and monitoring could be considered at two main levels. Firstly, mechanisms which apply to public finances in general. Secondly, measures specifically aimed at monitoring the utilisation of poverty reduction funds in particular. In this study, we take a comprehensive approach which encompasses both levels. This approach is particularly useful because specifically designated poverty reduction funds during the study period (2002-2004) have never exceeded 7 percent of the annual budget. Focusing on measures aimed at tracking and monitoring poverty reduction funds only would therefore leave out what is happening to the bulk of the government resources.

At the most general level, government has put in place legislation to monitor and assess the utilisation of public finances in the country. The Public Audit Act of 1980 defines the roles, responsibilities and reporting obligations of the Auditor General. This Act empowers the Auditor General to audit books, records and reports of institutions in which government has an interest. The Public Audit Act is supplemented by the Finance (Control and Management) Act-Chapter 347 of the

⁸ The Highly Indebted Poor Countries (HIPC) tracking and monitoring team comprised several civil society organisations and was established by a memorandum of understanding with the government on May 9, 2003 to track and monitor the utilisation of HIPC resources with a view to foster a spirit of transparency and accountability.

laws of Zambia which, among other things, makes mention of the role of internal audit, albeit very brief and without clear definition.

As already mentioned in the introductory section of this study, the Auditor General continues to unearth serious recurring irregularities in the utilisation of public finances. It has been noted that there is lack of compliance or enforcement of existing rules and regulations (World Bank, 2003). Follow up action on the findings of the Auditor General's reports is not effective to deter financial malpractices in public institutions and agencies that receive government grants. This problem is compounded by lack of funding, low technical capacity, and insufficient authority in the Auditor General's office to ensure follow-up. The cash rationing process and lack of enforcement of existing rules and regulations have combined to weaken internal controls on operating expenditures. The World Bank has noted that:

Payment vouchers are often kept unrecorded until cash is available, leading to unrecorded arrears. In other cases, checks are written before goods have been delivered, while some agencies have used unauthorised overdrafts to pay for expenditures beyond their budget (World Bank, 2003: pp vii-viii).

The introduction of activity based budgeting (ABB), commitment control system (CCS) and an integrated financial management information systems (IFMIS), are meant to curb some of the above malpractices. The Minister of Finance and National Planning has also promised to present amendments to the Finance (Control and Management) Act during the next session of the National Assembly aimed at providing adequate measures of dealing with mismanagement of public finances and other resources (The Post, April 15, 2004). Some of these measures, as already alluded to above, were addressed in the PRSP governance section, but have since taken a broader approach with the Cabinet approval of policy actions under the PEMFA process.

The introduction of ABB, first used in the preparation of the 2004 budget, has aimed at improving the credibility of the budget. If successful, this would deal with the problem of structurally over-committed budgets. This would additionally reduce the use of supplementary appropriations. To be successful, however, ABB requires the strengthening of human and technical capacities, particularly at provincial and district levels. Some training has taken place in the planning units at the national and provincial levels, whereas plans are underway to provide similar training at district level in 2005. Strengthening capacities, however, requires more than training of staff. Equally important is the need to provide adequate remuneration packages to attract and retain qualified personnel. This has been promised under the public service reform programme (PSRP), but has yet to materialise.

The commitment control system (CCS) is important in addressing weaknesses in expenditure controls. In particular, effective CCS would address the problem of chronic arrears. The introduction of CCS has begun with a promising start. A notable improvement in expenditure controls was reported over the 2004 financial year.⁹ Problems, however, remain with capital projects, particularly in road construction contracts. Delays in payment of contractors after certification of work done results in accumulation of arrears.

⁹ Personal communication with MOFNP official, 2nd March, 2005. See also the MoFNP (August 2004), Draft Second PRSP Implementation Progress Report July 2003-June 2004.

Finally, tracking and monitoring of public expenditures at the national level is expected to improve once the integrated financial management information system (IFMIS) is introduced. Progress with respect to IFMIS during the study period, however, was confined to developing the software and recruitment of technical personnel at the national level. This is a gigantic task that is predicated on massive investments in hardware and training of personnel countrywide. Once operational, however, it is bound to dramatically improve transparency and accountability in public expenditures.

Turning to budget tracking and monitoring of poverty reduction funds in particular, several developments have taken place. These can be broken down into two categories, namely, government driven tracking and monitoring mechanisms and civil society contribution to tracking and monitoring of poverty reduction funds. Civil society, apart from carrying out independent budget tracking and monitoring of poverty funds, is also a participant in government driven tracking and monitoring initiatives.

The work of the HIPC tracking and monitoring team referred to above is of especial importance. Since in most cases, HIPC funds have co-funded government poverty reduction programmes, reports of the HIPC tracking and monitoring reports provide an interesting picture of public expenditure on poverty reduction. What follows below, therefore, are some of the issues brought to the fore by the HIPC tracking and monitoring team in the four provinces of Central, Lusaka, Copperbelt and Northern, where financial audits and physical checks were carried out between 2002 and 2003.

Firstly, the PRSP cites inadequate genuine participation of citizens in the choice of programmes and utilization of resources in accordance with their poverty reduction needs as one persistent sign of bad governance. Unfortunately, there has been no major effort to depart from this practice. This has been a recurring issue in all the HIPC tracking and monitoring reports. Other reports corroborate the observation that there has been little participation of the communities in the selection and design of poverty reduction programmes (Mphuka 2002, Mulendema 2004). It has been correctly observed that this “has a negative direct bearing on the prioritization to the benefit of beneficiaries.” (Mulendema *ibid*).

Secondly, there appears to be a general problem of arbitrariness when it comes to costing of PRP projects. This problem is compounded by the absence of verification mechanisms to check for reasonableness and accuracy.

Thirdly, flouting of standard government tender procedures in the handling of PRP funds remains a worrying problem. This problem is compounded by persistent undue political influence exerted on tender committees by higher authorities.¹⁰

Fourthly, projects have been certified even when the works done have been unsatisfactory. This is most common in the construction of roads, bridges and culverts. In the absence of independent verification by qualified and competent authorities, this practice constitutes a drain on public resources as payments are made for civil works which do not last long.

¹⁰ The problem of undue political influence in the utilization of poverty reduction funds was confirmed by a few interviewees during the course of this study. It must be noted, however, that this is a sensitive issue which many interviewees were reluctant to discuss freely.

Fifthly, in some instances, resources meant for poverty reduction programmes have been mixed up in other accounts and have been misapplied to other activities unrelated to their intended purposes.¹¹ This has been most common with HIPC resources. It is hoped that with the introduction of activity- based- budgeting, accountability would improve.

Sixthly, there has been a problem with information flow between Provincial Administration and line ministries. In some cases, funds for poverty reduction programmes are disbursed directly to line ministries without the knowledge of Provincial Administration. In turn, it has been found that in many cases, line ministries have not put in place proper guidelines on monitoring and utilization of funds. In such instances, the only available reporting mechanisms are the monthly returns to the Ministry of Finance and National Planning, which are not acted upon.

Lastly, one problem that seems to cut across all poverty reduction programmes is the uncertainty that surrounds disbursements of allocated funds. This problem is compounded by the tendency to release less resources than what has been allocated in the budget. In anticipation of this perennial problem, spending agencies have developed the habit of overestimating their expenditures in order to make up for losses brought about by delays in disbursement of funds. Timely disbursement of budget funds is important if efficiency is to be enhanced in tackling the problem of poverty. This is particularly so in roads construction where work is affected by weather patterns and any delays may result in escalating costs of project implementation. This is what has led to the calls by civil society organizations that government should ring-fence funds meant for poverty reduction and ensure their timely release (Mutesa, 2004b).

Unfortunately, for reasons best known to government, the HIPC tracking and monitoring team was suspended in March, 2004. A year has since elapsed and the suspension has not been lifted. One interpretation for the government action to suspend the HIPC team is that it was becoming a threat to the interests of strong political forces that were involved in the abuse of HIPC funds. According to opposition United Party for National Development (UPND) Kabwata constituency Member of Parliament, Given Lubinda, the real reasons for suspending the HIPC team is because it revealed corruption in the use of HIPC resources.¹²

Other civil society organisations, notably, Civil Society for Poverty Reduction (CSPR) and the Economic Justice Programme (EJP) under CCJDP, have continued to track and monitor the use of budget resources in the social sectors.

In the meantime, the Ministry of Finance and National Planning has developed a framework to monitor and evaluate the performance of poverty reduction programmes. The framework which consists of objective, input, output, outcome and impact, is meant to be used by Sector Advisory Groups (SAGs) and monitoring and evaluation sub-committees of the Provincial Development Coordinating Committees (PDCCs). The same framework is expected to be adopted by the District

¹¹ Personal communication with two Ministry of Finance and National Planning officials revealed that, misapplication of poverty reduction funds has been quite common with the 5 percent of all such funds meant to facilitate monitoring and evaluation exercises, 3rd March 2005.

¹² See The Post, April 5, 2004 p.5

Development Coordinating Committees (DDCCs). The performance of this monitoring and evaluation framework, however, was reported to be fragmented and weak.¹³ In some cases, it was reported that data was simply not available for the officials to fill the matrix.

IV. Fight Against Corruption

The PRSP mentions the fight against corruption as one strategy for achieving efficient, equitable and transparent management of public resources. In this regard, President Mwanawasa has come out strongly as a champion of the anti-corruption crusade. Shortly after assuming office he declared a policy of “zero tolerance” to corruption. This was followed up with a dramatic address to the National Assembly on July 11, 2002, where he accused his predecessor, former President Chiluba, of plunder of national resources and appealed to Parliament to lift his immunity to pave way for prosecution.

Mwanawasa went further and established a Task Force Against Corruption, an inter-agency security body consisting of the Anti-Corruption Commission (ACC), Zambia Police Service (ZPS), Zambia State Intelligence Service (ZSIS) and the Drug Enforcement Commission (DEC). The Task Force on Corruption was mandated to investigate the incidents of plunder of national resources during the ten years of Chiluba’s administration. Since then, a number of very senior ranking officials in the Chiluba regime have been indicted and are facing trial before the courts of law. Chiluba’s immunity was subsequently lifted by Parliament and, he too, has been indicted on numerous charges.

Those facing trial before the courts from Chiluba’s administration include the former chief of Zambia State Intelligence Service, former Secretary to the Treasury, former Zambian Ambassador to the United States of America, one Minister and three former Permanent Secretaries in the Ministry of Finance and National Planning. Others are former Managing Director of the state-owned Zambia National Commercial Bank (ZANACO), former Auditor General, former commanders of the Zambia Army, Zambia Airforce, and Zambia National Service. The country’s Chief Justice was also made to tender his resignation on the grounds that he had received about US\$168,000 with no proper justification from the overseas account belonging to ZSIS.

In addition to the above measures, Mwanawasa abolished the Presidential Discretionary Fund, which had come to symbolize Chiluba’s patronage politics. Also abolished was the Presidential Housing Initiative (PHI), an institution established by Chiluba purportedly to increase the housing stock in the country, but in reality widely abused by Chiluba’s appointees who managed it. Mwanawasa also increased funding to the Anti-Corruption Commission.

The measures taken by the Mwanawasa regime were widely applauded by both citizens and the country’s cooperating partners. If Mwanawasa’s anti-corruption fight begins to yield results (in terms of convictions and sentences), it would clearly be a positive force in national development. It would, first and foremost, serve as a deterrence to other would be culprits. The impunity which has characterised the

¹³ personal communication with MoFNP officials, March 3rd, 2005.

abuse of public resources would be checked. In this sense, a sustained fight to combat corruption represents a real threat to the days of neopatrimonial politics in Zambia. But what is the reality on the ground?

There is growing disenchantment against Mwanawasa's anti-graft war in the country. Critics are beginning to question Mwanawasa's commitment to ridding the country of corruption. Two years after the establishment of the Task Force against Corruption, there has only been one high profile conviction, that of former President Chiluba's press aide, Richard Sakala and his two accomplices. The other cases before the courts have dragged. In several instances the state has had to enter the *nolle prosequi* against certain accused individuals. Adjournments and case amendments have also characterized these trials. As a result, many have begun to wonder whether the state did not act in haste by proceeding to arrest the accused before concluding thorough investigations.

The credibility of the fight against corruption has also been dented by the circumstances in which two accused persons have fled the country. In the first instance, the conduct of government at the time that former Ambassador to Washington, Shansonga, fled to Britain was very unbecoming. Government announced that it suspected Shansonga had jumped bail and did not know his whereabouts. Later, government admitted that Shansonga had cooperated with the state and had been bought air tickets to go and collect documents in London that would assist with the investigations. Meanwhile, Shansonga announced from the safe haven of London that he had no intentions of returning to Zambia. The second case involved the disappearance of former Zambia chief of State Intelligence, Xavier Chungu, who also slipped out of the country, despite 24 hour security surveillance that was detailed to him. Government's official position was that it would seek the extradition of Chungu from wherever he had gone. But many were not convinced by these explanations.

In some cases, investigations have been dropped and the accused have since been accepted into the ranks of the party. Among those accused of corruption but accepted back in the fold of the MMD are Vernon Mwaanga and Katele Kalumba. Mwaanga has since been appointed party national secretary. Another controversial case involves Mabenga whose election as MMD Member of Parliament was petitioned on charges of corruption. Mabenga was found guilty by both the High Court and Supreme Court and thus made to vacate his seat in Parliament. To the astonishment of many observers, however, Mabenga was appointed as MMD national chairman by the party's national executive committee (NEC).

Not surprisingly, there are many Zambians who feel that the Mwanawasa administration is using selective application of justice. It is this feeling that lends credence to observations that the fight against corruption is a "cover for the purging of political opponents in the MMD's Chiluba faction" (Erdmann and Simutanyi, 2003:69). If this view is correct, then the fight against corruption has assumed what van de Walle has referred to as "instrumentalisation" of the reform process (2001). The object of such instrumentalisation is to "derive political advantage from the reform process" (van de Walle, 2001:162).

If instrumentalisation of the reform process has occurred in the fight against corruption, then the creation of the Task Force Against Corruption has also to be

questioned. Are we witnessing van de Walle's observation of „attempts to centralise power around the presidency.“ The debate in Zambia has questioned the status of the Task Force before the law. There are many who view the Task Force as an „illegal“ entity that has usurped the mandate of constitutionally established institutions such as the Anti-Corruption Commission and the Zambia Police Service. They question the legality of pouring money into sustaining the operations of the Task Force when the Anti-Corruption Commission and the Zambia Police Service are operating on shoe-string budgets. The Task Force is chaired by a retired civil servant appointed by the president and relies heavily on private lawyers to prosecute its cases. Moreover, the Task Force does not seem to report to any government ministry, other than the president himself. In mid 2004 there was a serious row involving the Director of Public Prosecutions, Mukelebai Mukelebai and the two private lawyers, Mutembo Nchito and Nchima Nchito, the two brothers whose services have been contracted by the Task Force to prosecute its cases. Subsequently, the president appointed a tribunal to investigate the DPP's alleged closeness to persons accused of plunder of national resources. The end of it all, is that the DPP tendered a resignation and was let go in circumstances that left many observers accusing the president of interfering in the „independence“ of the judiciary.

Our tentative conclusion regarding government's fight against corruption is that, if properly managed and done so in a manner that can be said to be impartial and results oriented, this fight has potential to reduce rampant corruption in the country. This would eat away at one of the main pillars of neopatrimonial politics and enhance the proper use of public resources in the country. So far it's difficult to be optimistic about the outcome of this fight because of the apparent personal interests of the Mwanawasa regime that are threatening to undermine the credibility of the whole process.

CASE STUDY OF MPONGWE

Findings from our case study of Mpongwe reveal a serious disparity between central government policy pronouncements and the reality of such pronouncements in the outlying areas of the country. One inescapable conclusion is that governance in Zambia is still highly centralised, which reduces the quality of participation of the ordinary citizens in national processes. Our study reveals that the farther away one moves from the capital, the more marginalised people become with respect to effective decision-making. To achieve „national cohesion“ which the PRSP cites as one of the main objectives of governance, there is need to do more to devolve decision-making to lower levels of government. It can only be hoped that the national decentralisation policy launched in August 2004 will effectively address this matter.

The district of Mpongwe was recently hived off what was previously known as Ndola rural district.¹⁴ It is located about 70km to the south of the mining town of Luanshya. The district has a population of about 67, 792 (CSO 2000) which is divided into 32,914 males (or 48.42%) and 35,058 females (or 51.58%). Mpongwe is the fastest growing district on the Copperbelt with a annual population growth rate of about

¹⁴ Data for this section of the study is based, in addition to interviews conducted with line ministry and council officials, on reports of the Mpongwe District Planning Sub Committee. The main reports consulted were the District Situational Analysis (2004), District Poverty Assessment (2003), and the District Development Poverty Reduction Strategy (2004). Interviews were also conducted with selected officials at Provincial Administration in Ndola.

5.8%. Most of this growth has come from in-migration of workers from the surrounding urban centres and farmers from drought-prone south of the country.

The district's main economic occupation is farming, with about 23 commercial farmers (those that cultivate more than 10 hectares), 13,000 medium-scale farmers (2 to 10 hectares), and about 3,292 small-scale farmers (less than 2 hectares). Other sources of livelihood include beekeeping and trading.

Poverty in Mpongwe district has been defined in terms of relative deprivation and low incomes, with the aged, widows/widowers, orphans, disabled and female headed households identified among the poorest people in the district. Causes of poverty have been listed as unemployment, illiteracy, chronic illnesses (especially HIV/AIDS), poor resource management, poor crop marketing and lack of credit facilities.

As a new district, Mpongwe lacks a lot of the necessary infrastructure. The Council, for example, has got no fixed assets such as housing and water reticulation where it could get its revenue. The major sources of revenue are the grain levy from farmers, personal levy and trading licenses.

For the purposes of our study, we were interested in finding out how the public resources management reforms promulgated at central government level were impacting on the district level. To this end, our enquiry was directed at the planning processes, funding procedures, and tracking and monitoring mechanisms. We now review our findings pertaining to each of these in turn.

Planning Processes

In the case of planning processes, we looked at how the two new innovations of participatory budgeting and activity-based-budgeting were being effected. Firstly, with respect to participatory budgeting, based on the District Situational Analysis, District Poverty Assessment and District Development Poverty Reduction Strategy, evidence exists that despite the serious resource constraints which officers face, they have made important strides in identifying the needs of the district and prioritising them. What seems to be lacking are the technical costing skills. Clearly, there is need to extend the necessary skills to carry out activity-based-budgeting at this level. A welcome trend, though, is that all the above reports were based on participatory consultations which involved other stakeholders. The major problem, however, appears to be lack of follow through. These documents are of no value if they are not going to be implemented. Interviews with various district officials revealed a clear sense of frustration with lack of appropriate response from central government concerning funding of strategies developed at district level. In other words, where poverty has hit hardest, one does not see tangible activity to deal with it. The „wait and hope“ mood to which district officials are subjected is not helpful to their morale. Unsurprisingly, the young college and university graduates serving at the district all expressed a desire to leave for the proverbial greener pastures at the earliest opportunity.

Secondly, there is need to establish strong linkages between the provincial and district administrations in planning development. At provincial level, guidelines on ABB from Ministry of Finance and National Planning seem to have been well internalised. A core team comprising the Permanent Secretary, Provincial Planner,

Provincial Accountant and Provincial Local Government Officer, had taken the lead in preparing provincial budgets. In the key provincial priority sectors of roads, water, health, education, and community development, there was no involvement of district officers in planning provincial budgets. This is a weakness that should quickly be rectified. In the health and education sectors, budgets were prepared in conjunction with line ministry headquarters to the exclusion of the grassroots.

There are efforts to improve consultation and coordination between the provincial and district administrations. This is being done through linking the District Development Coordinating Committee (DDCC) and the Provincial Development Coordinating Committee (PDCC). The DDCC and PDCC provide platforms for dialogue and coordination on development issues at district and provincial levels, respectively. The DDCC is chaired by the District Commissioner, whereas the PDCC is chaired by the Provincial Permanent Secretary. To coordinate the activities of the two bodies, the District Commissioner and District Planner sit on the PDCC. There are, however, still some outstanding problems.

Firstly, coordination within and between the two bodies would work according to the Weberian rational-legal principles if professionalism and meritocracy were to guide appointments to positions of District Commissioner and Permanent Secretary. It is to be regrettably, noted, however, that these two important positions in Zambia's public service remain highly politicised. The background and competence of office bearers will therefore determine effectiveness of dialogue and coordination. Secondly, officers do not feel obliged to report their dealings within their line ministries to the two bodies.¹⁵ Thirdly, although stakeholders are supposed to participate in these fora, their voice is not often as strong as expected because of weak representation. The study found that there is a tendency, particularly by the private sector, to send low ranking officials to these meetings whose contributions do little to influence change.¹⁶

Funding Procedures

There are no standardized procedures in the disbursement and utilization of poverty reduction funds in the province. It was learnt that whereas some sectoral projects were discussed under the framework of the PDCC, Health and Education, receive their funds through budgets allocated to their Ministry Headquarters. On the other hand, project plans in the roads and water sectors have not involved district officers. This finding is corroborated by the report of the HIPC Team, which notes that:

...whereas, Roads and other departments' financial resources are channeled through the Provincial Administration Headquarters and specifically through the office of the Permanent Secretary, Health, Prisons, Police and Education were dealing directly with their line Ministries or institution Headquarters without the provincial administration's notification. This bespeaks a lack of standardized remittance procedures and introduces a lot of problems in ensuring accountability. For example, the Provincial Education Office and the local project committee procure all building materials for rehabilitation works on schools but with little close scrutiny, consultation and supervision by other relevant authorities like the Ministry of Works and Supply;

¹⁵ In a personal communication with the District Planner in Mpongwe, we were informed that "sometimes Council is not aware that funds are available for line ministries, until the DDCC compiles its report." 18th November, 2004.

¹⁶ Personal communication with official at the provincial planning unit in Ndola. 12th August, 2004.

Tracking and Monitoring Mechanisms

The immediate problem posed by the lack of standardised procedures regarding disbursement of funds is weak tracking and monitoring mechanisms. In Mpongwe, there was no evidence that the monitoring and evaluation framework developed at central government level was in use. Instead, the study found that line ministries do their own monitoring. The Council Director of Works is sometimes involved, particularly in civil works. The DDCC is only briefed through reports tabled by the District Planning Officer which consolidates reports compiled by line ministry department heads. Without involvement of the DDCC in a direct way, issues of transparency and accountability are bound to be clouded. There are also physical constraints to effective monitoring. These include lack of transport and late disbursement of funds. The District Planning Office, for example, has no motorised transport. The district Community Development officer, on the other hand was bought a motor-bike to help her traverse the vast distances in the district. But she bemoaned that she, "hardly uses the thing because those who brought it forgot to include a budget for fuel and lubricants"¹⁷

In the absence of independent mechanisms of verifying the costings and physical inspection of projects, the temptation to inflate costs and certify poorly carried out works will therefore be an ever present one. With respect to poverty reduction programmes in particular, this problem is now being addressed with the new provision that 5% of all PRP funds should go to monitoring. A sub-committee of the PDCC comprising the Provincial Chief Accountant, Provincial Building Engineer, Provincial Local Government and Housing Officer, Provincial Agriculture Coordinator, Provincial Road Engineer, Anti-Corruption Officer and officer from Special Division, is now responsible for monitoring and approving payments. What remains is to build the same capacities at district level.

CONCLUSION AND RECOMMENDATIONS

Our study has revealed that, where matters of policy reforms are concerned, it is misleading to view government as though it were one monolithic institution. There is much debate on the sources of impulses for change in government policy. One view, of course is that most of the change is donor-driven. This view is only true to a point. To the extent that donor conditionality and donor money are responsible for change in government policies, donors are important sources of change. Donor influence without local initiative, however, can only achieve limited success and its sustainability cannot be assured. Rather, within government there appears to be elements that support establishment of a rational legal order. In this regard, it is important to make a distinction between political elites and technocrats and underscore the point that success of the reform process would need to be buttressed by an alliance of progressive elements in both camps. In the same way, it can be expected that an alliance of backward looking political elites and technocrats can

¹⁷ Personal communication, 18 November, 2004.

deliberately subvert progressive reforms to preserve their privileges. Clearly, maintaining momentum for public resources management reforms is highly dependent on political will from the highest offices in the land. If sustained, the above reforms have potential to weaken the neopatrimonial system and contribute to establishment of a rational-legal order that would enhance prudent management of public resources.

What is worrying is that there is a contradictory tendency within the country's political system that presents a threat to successful implementation of progressive reforms. Political actions from those that are supposed to give impetus to the reform processes have great potential to undermine sound management of public resources. Actions calculated to appease ruling coalition members such as high expenditures on Cabinet members and the top brass of security agencies are in the long-run bound to elicit a strong backlash from those who all along have been called upon to bear the brunt of financial austerity.

The recommendation of this study is that for public resources management reforms to succeed, they need to be accompanied by a genuine movement towards democratic forms of rule, a political decision. In particular, citizen participation in decision-making, as for instance, implied by the concept of decentralisation must become a reality, another political decision. This will take bold leadership determined to make a radical break with the neopatrimonial political culture that has dominated Zambian politics since independence. So far the Mwanawasa regime on whose watch the implementation of the first cycle of the PRSP has fallen has been sending mixed signals.

BIBLIOGRAPHY

Bratton, M and N van de Walle (1997) *Democratic Experiments in Africa: Regime Transitions in Comparative Perspective*. Cambridge: Cambridge University Press

Burnell, P (2003), Legislative-Executive Relations in Zambia: Parliamentary Reform on the Agenda in *Journal of Contemporary African Studies*, 21, 1, 2003.

Gerdmann, G and N Simutanyi (2003), *Transition in Zambia: The Hybridisation of the Third Republic*. Lilongwe: Konrad Adenauer Foundation

Government of the Republic of Zambia (GRZ) (2002), *Zambia Poverty Reduction Strategy 2002-2004*: Lusaka: Ministry of Finance and National Planning

Hope Sr., R. K. (2003), The UNECA and Good Governance in Africa. Presentation on behalf of Mr. K. Y Amoako, UNECA Executive Secretary, Harvard International Development Conference 2003. Online. [www.uneca.org/eca_programmes/development_policy_management/ Hope_Harvard.doc](http://www.uneca.org/eca_programmes/development_policy_management/Hope_Harvard.doc).

Mphuka, C (2002) *HIPC Study: The Case of Zambia*. Lusaka, Jubilee-Zambia.

Mpongwe District Council (2003), *District Poverty Assessment*. Mpongwe: District Planning Office

Mpongwe District Council (2004 revised), *Situational Analysis Report*. Mpongwe, District Planning Office

Mpongwe District Council (2004), *District Development Poverty Reduction Strategy*. Mpongwe, District Planning Office.

Mulendema, Y. C (undated), *A Review of the Implementation of the Poverty Reduction Programmes in 2002*, unpublished report

Mutesa, F (2001), *Transparency and the Rule of Law in the Privatisation of Zambia Consolidated Copper Mines (ZCCM) Assets*. Lusaka, Transparency International-Zambia. Online www.tizambia.org.zm/reports.htm

Mutesa, F (2004a) *Public Finance Management in Zambia*. Lusaka: Transparency International-Zambia. Online www.tizambia.org.zm/reports.htm

Mutesa, F (2004b) *Consultancy Study on CSPR 2004 Advocacy Campaign*. Lusaka, Civil Society for Poverty Reduction. Online www.cspr.org.zm

Mwanawina, I et al (2002) Zambia in Fölsher, A (ed) *Budget Transparency and Participation: Five African Case Studies*. Cape Town: Idasa

Van de Walle, N (2001), *African Economies and the Politics of Permanent Crisis 1979-1999*. Cambridge, Cambridge University Press

Wehner, J (2001), *Zambia: What is the most effective role for civil society and parliament in the budget?* Cape Town: Idasa, Budget Information Service. Online www.worldbank.org/wbi/publicfinance/publicresources/zambiaCsandPar

World Bank (2003), *Zambia Public Expenditure Management and Financial Accountability Review*. Washington DC: World Bank