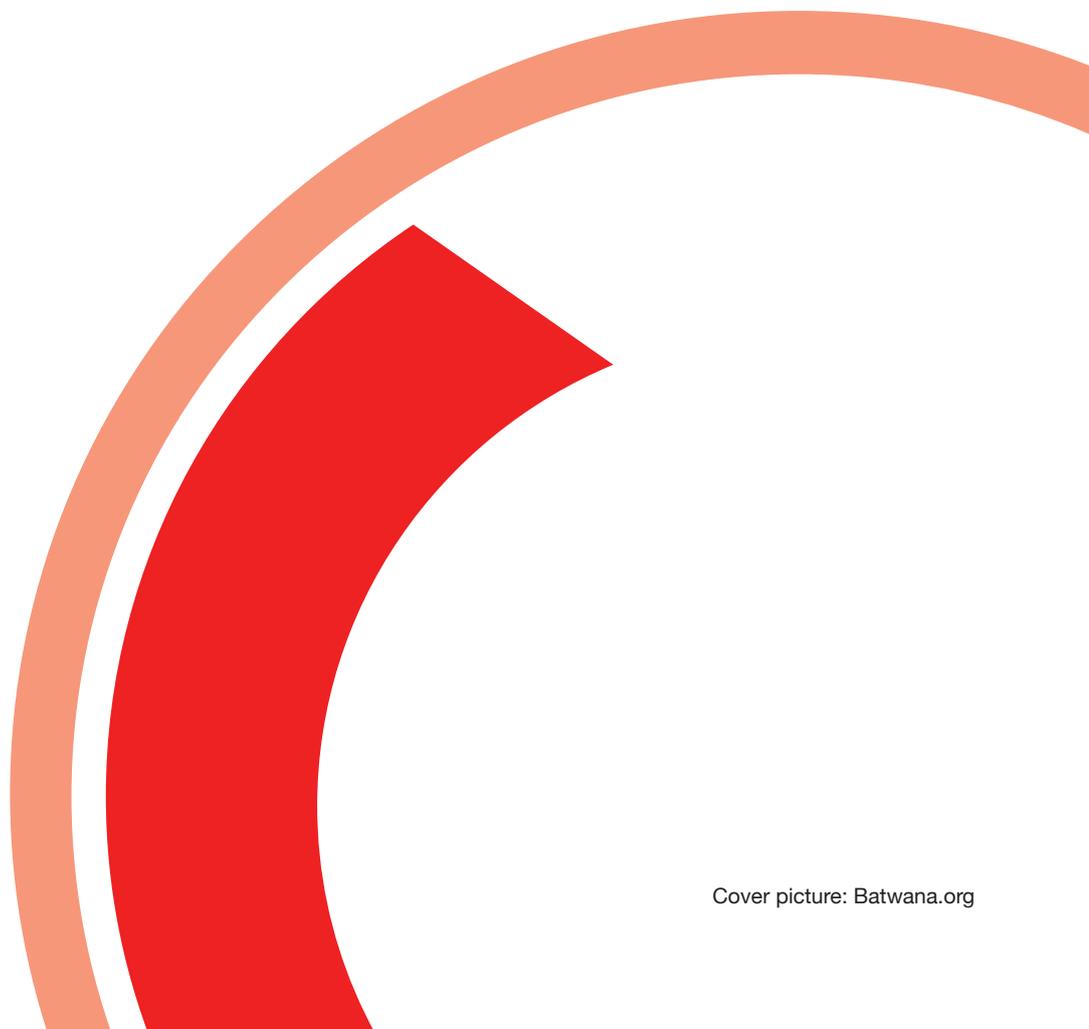




The Public vs Austerity: Zimbabwe

The trends leading to public sector low wages and constraints on the wage bills in Zimbabwe.



CONTENTS

1. Introduction	4
1.1 Background	4
1.2 Study objectives	5
1.3 Methodology	5
2. Context setting: Evolution of earnings for the education and health sectors	6
2.1 Evolution of the average earnings in education sector over the past decade	6
2.2 Evolution of the average earnings in health sector	9
2.3 Comparison with poverty datum line and other sectors	11
2.4 Comparison with other countries	14
3. Factors driving health and education low wages and constraints on the wage bills	16
3.1 Movements in the government employment costs to total government revenue ratio over time	16
3.2 Movements in the total employment costs for health and education to total government revenue ratios	17
3.3 Whether movements in the total employment costs are matched with changes in employment costs in the education and health sectors	17
3.4 Factors that influence low wages in the health and education sectors in Zimbabwe	18
4. The ripple effects of current funding trends on the education sector wage bill	20
4.1 Limited number of people pursuing careers in teaching and health services sector	20
4.2 Shortage of teachers and health workers	20
4.3 Exodus of teachers and health workers to greener pastures	22
4.4 Increased work burden on the remaining teachers and health workers	23
4.5 Poor-quality education and health services	24
5. Institutions governing the determination of wages in health and education	26
5.1 The policy, legal, institutional and governance frameworks for wage determination in the education and health sector.....	26
5.2 Gaps and challenges with the structure with respect to decent wage determination	28
6. Strategies and mechanisms that can support progressive wage bill adjustments in the education and health sector.....	29
References	30
List of Figures	
Figure 1: Trends for earnings and employees in the education sector, 2010-2018	6
Figure 2: Average earnings per worker per month for the education sector, 2010-2019	7
Figure 3: Comparison of the average salary increment for the education sector and inflation, 2011-2020	8
Figure 4: Estimated real wages for education sector workers, 2010-2020.....	9
Figure 5: Trends for earnings and employees in the health sector, Zimbabwe, 2010-2018	9
Figure 6: Estimated earnings per worker per year for the health sector, 2010-2018	10
Figure 7: Estimated real wages per worker per month, average salary increments and inflation for the health sector, Zimbabwe, 2010-2019.....	11
Figure 8: Comparison of health and education average earnings per worker per month with end year poverty datum line.....	12
Figure 9: Comparison of average earnings for health and education against other economic sectors.....	13
Figure 10: The percentage of women employed across the sectors.....	13
Figure 11: Comparison of teacher salaries for Zimbabwe and other countries.....	14
Figure 12: Comparison of nurses' monthly salaries among African countries (US\$)	15
Figure 13: Total employment costs to total government revenue, 2009 - 2019	16
Figure 14: Employment costs for education and health to total government revenue ratio, 2009 - 2019.....	17
Figure 15: Share of employment costs for education and health in total employment costs (%).....	19
Figure 16: Proportion of untrained teachers (%)	24
Figure 17: Shares (%) of education and health sector budgets in total national budget	25
List of Tables	
Table 1: Gender disaggregation of employment and salaries in the education sector, 2019	8
Table 2: Gender disaggregation of employment and salaries in the health sector, 2019	10
Table 3: Growth in the ratio of education, health sector employment costs to total revenue compared to total employment costs to total revenue.....	18
Table 4: Skills gaps of specialised personnel in the health services sector.....	21

1. Introduction

1.1 Background

The education and health sectors are crucial in an economy as they are responsible for building the human capital resource of a nation. High standards of education and health enhance the productivity of a country's workforce and contribute positively to the development of a nation. However, wages are generally regarded as low in the education and health sectors of Zimbabwe. This has implications on the quality of education and health services. With low wages, these sectors will have difficulties in attracting, retaining and motivating the best minds to work in these sectors. In addition, lower wages in these sectors give a signal in the labour market that these sectors are less productive, resulting in new job market players preferring other professions outside the education and health sectors. Lower wages in the education and health sectors also imply inequality and poverty among workers in these sectors compared to workers of similar skill in other sectors.



Source: Cathy Kleits-18 January 2018

Meanwhile, government policy documents have already acknowledged the need for improving remuneration for the health and education sectors. For example, the National Development Strategy 1 provides that Government would strive to achieve improved human resources performance by implementing single spine remuneration scheme for health care workers, including instituting non-monetary incentives. In the 2021 National Budget Statement, Government made a commitment to continuously review the remuneration of civil servants guided by macro fundamentals and capacity of the Budget. However, what is critical is to assess whether this commitment is also reflected in the actual practice.

It is this background that forms the context under which ActionAid Zimbabwe envisaged this study. It is intended to establish the extent to which education and health sector workers are motivated to carry out their tasks. It is also intended to assess the effects on the motivation levels and possible mechanisms that can strengthen the education sector in the medium to long term.

1.2 Study objectives

The objectives of the study can be summarised as:

- To analyse the factors driving health and education low wages and constraints on the wage bills
- To analyse the ripple effects of current funding trends on the education sector wage bill
- To interrogate the health and education sector wage structures, wage differentials and the institutions governing the determination of wages; and
- To propose strategies and mechanisms that can support progressive wage bill adjustments in the education sector.

1.3 Methodology

The study used a blended research approach which included quantitative and qualitative research methods using primary and secondary data. This involves using secondary data to conduct trend analysis, where the trends on earnings for the education and health sectors are analysed to establish whether the earnings have been improving or worsening over time given the inflationary pressures. The study also compared the earnings against the poverty datum line to establish whether the jobs in education and health can be considered decent jobs. The study focused mainly on the formal education and health sectors. Earnings are based on a grading system, which is mainly based on qualifications and experience. Thus, it is not expected that there are any differences in earnings between men and women, hence a detailed gender analysis of earnings was not conducted. However, an attempt was done based on the survey data to assess gender disparities in earnings as well. The study also compares the growth in earnings in these two sectors against the growth in earnings for other sectors in Zimbabwe to assess whether the wage structures in these two sectors are not a basis for increasing inequalities and disparities in livelihoods. The study also compares wages of these sectors with wages of these same sectors in other similar countries to assess how competitive the remuneration framework for Zimbabwe is at an international level.

The study was, therefore, largely based on secondary data and existing available information, although literature review was blended with some discussions with workers' unions to understand the specific issues and challenges which workers are experiencing as a result of low wages. Discussions were held with the Progressive Teachers Union of Zimbabwe, Zimbabwe Confederation of Public Sector Trade Unions, and the Zimbabwe National Teachers Union to get their perspectives on the challenges and solutions to worker remunerations. The government's view, especially the Ministry of Finance, was captured from various policy instruments and performance reviews, as well as presentations which government officials have given at various forums. Thus, an extensive document review was undertaken to gather insights on the wages, wage differentials, potential drivers of low wages, key policy, legal and institutional frameworks determining wage structures and differentials, and potential strategies that can be implemented to support progressive wage bill adjustments in the education and health sectors. These formed the basis for this study.

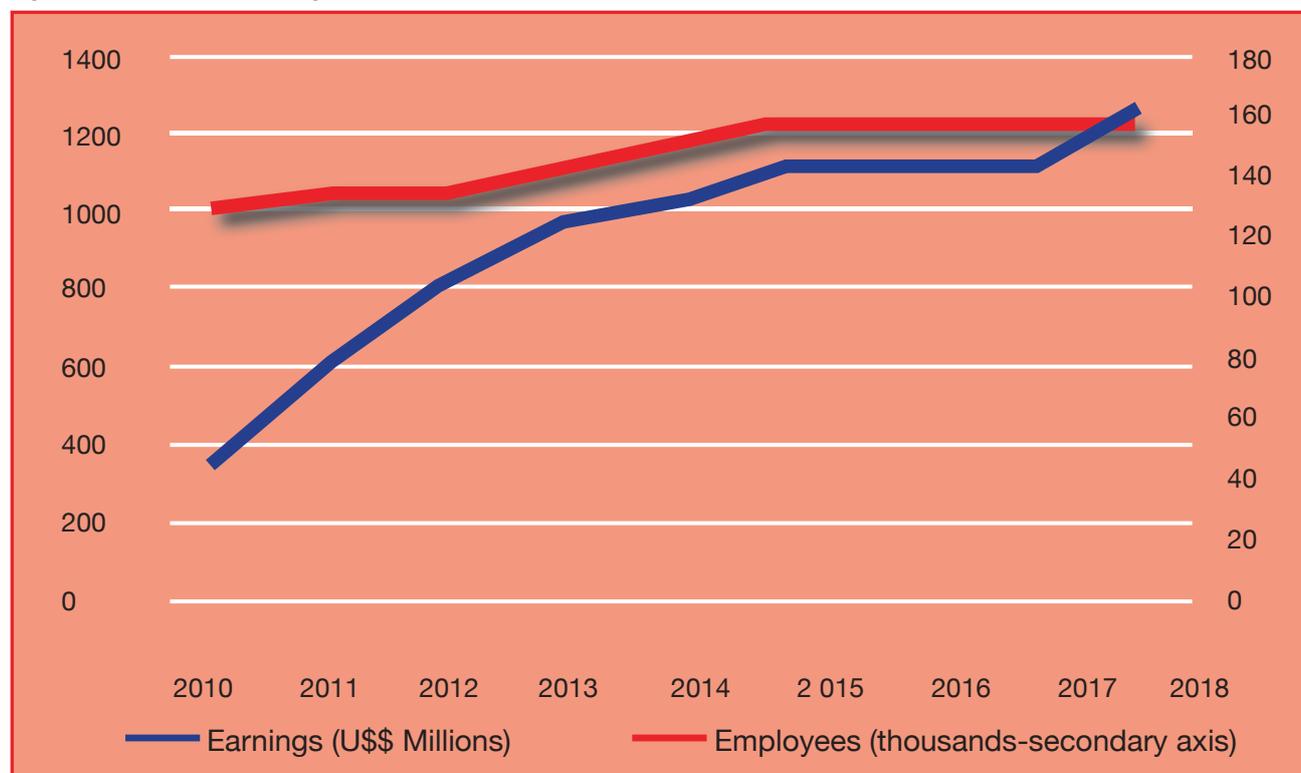
2. Context setting: Evolution of earnings for the education and health sectors

To set the context, there is a general consensus that the earnings of public workers in the education and health sectors are generally low compared to other sectors. However, the pension benefits are based on a universal public pension scheme as well as other private pension schemes (for private sector workers in these sectors) that are equally applicable to other sectors. In addition, the issue of leave days, including maternity leave and general leave for education and health workers are also uniform to those of other workers in the same grades for other sectors. Based on sentiments from representatives of the workers in these two sectors, the main concern is that the current remuneration frameworks are generally lower in US\$ terms than what used to obtain during the government of national unity, when the economy was predominantly using the US\$. Thus, the evolution of the earnings for workers in these two sectors would help bring in the right picture. However, while the concern is mainly with respect to workers in the public sector, it is difficult to find official statistics on earnings which disaggregate the workers into private and public. However, since the workers in the public sector in these two sectors generally outnumber their private sector counterparts, a look at the overall earnings position might still give the historical context for public sector earnings.

2.1 Evolution of the average earnings in education sector over the past decade

In general, the average national earning for workers is a function of the wage per worker as well as the total number of employees in the sector. Based on available data from the Zimbabwe Statistics Agency (ZIMSTAT), there is a general noticeable upward pattern in terms of the average total annual earnings by workers in the education sector over the period 2010 to 2019 (Figure 1). However, it is quite apparent that the movement in the earnings (nominal values), although registering an upward trend just like the total employees in the sector, is not necessarily a response to the increase in employees, but shows some influence of other factors, which could be wage negotiations. This is specifically true between 2015 and 2018, as the earnings curve shows some sharp turns compared to the period before 2013. It is, therefore, critical to assess the implication in terms of the average individual monthly earnings, especially what a typical worker in the education sector was taking home per month over the same period.

Figure 1: Trends for earnings and employees in the education sector, 2010-2018



Source: Construction using ZIMSTAT data

By dividing the total annual earnings for the workers by the number of employees and adjusting to a monthly basis to get the average earnings per worker per month, it is also observable that there was a general upward trend in US\$ terms, a trend which was abruptly cut off in 2019 when the currency distortions began to manifest while the payment framework in local currency was no longer resembling what was obtaining during the dollarisation period. The trends (Figure 2) show that in US\$ terms, there was a drastic fall in nominal average earnings per month in 2019 to only about US\$77 per month, compared to an average of US\$660 per month in 2018. This means that in 2019, a typical worker in the education sector only earned about a third of what they earned in 2010 in nominal US\$ terms. In November 2020, it was reported that after a lot of negotiations, government had agreed to award a 40% increment to salaries for civil servants, which resulted in teachers taking home about ZWL\$18,237 . The official end of month exchange rate for November 2020 was 81.82 while the parallel market rate was 103 . Thus, in 2020, teachers were earning about US\$223 using the official rate and US\$177 using the parallel market rate. While this is an improvement compared to 2019, it also means that the teachers' earnings in 2020 were only about 86% of what they earned a decade earlier in 2010 and only about 30% of what they earned when dollarisation ended in 2018 for a mono currency regime. This generally shows that earnings for the education sector are indeed very low.

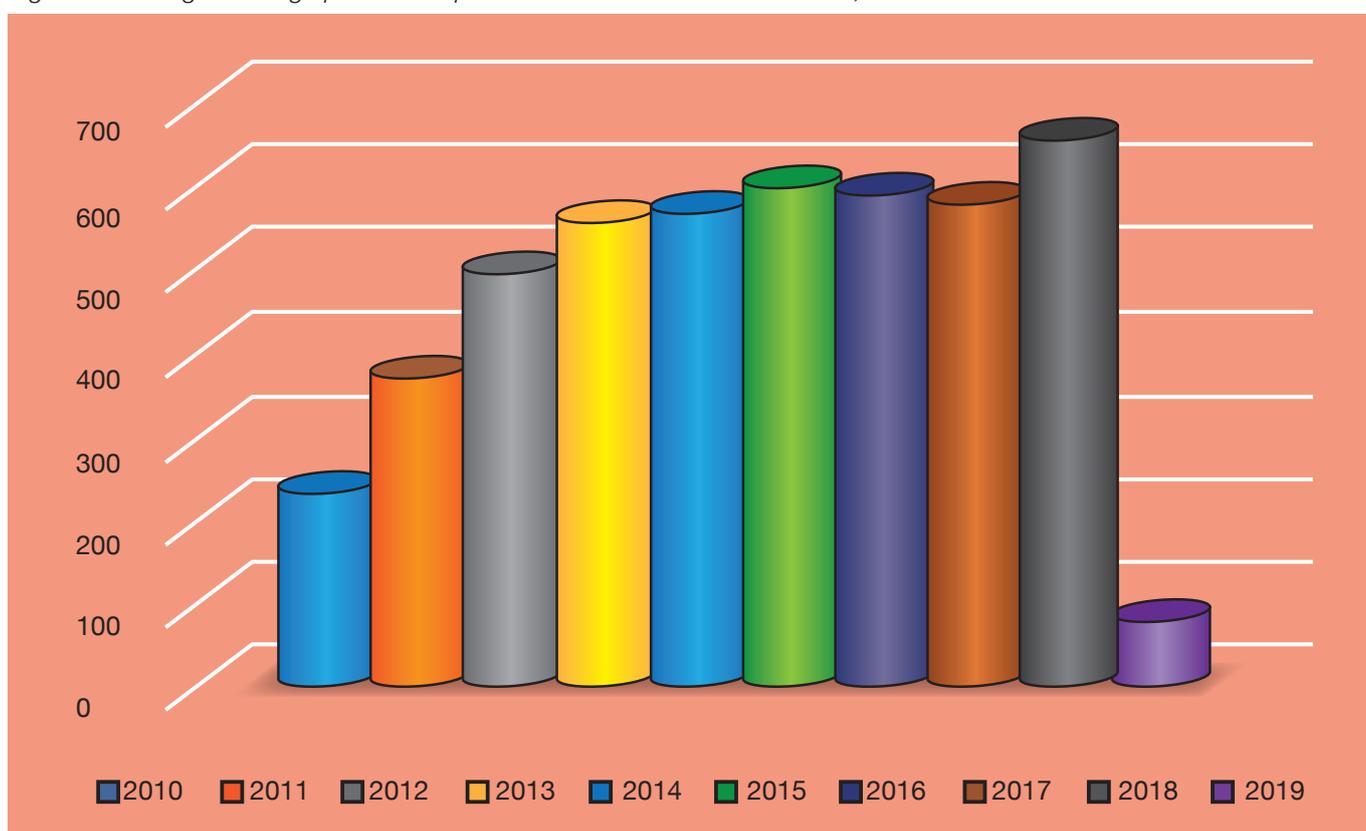
² Online article, 'Zimbabwe: Salary Increment a One Sided Affair – Teachers' at website <https://allafrica.com/stories/202011120735.html> accessed 17 July 2021

³ Reserve Bank of Zimbabwe Monthly Economic Review for December 2020

⁴ <https://www.marketwatch.co.zw/30-november-2020-market-rates/>

⁵ Based on the average of the two rates

Figure 2: Average earnings per worker per month for the education sector, 2010-2019



Source: Calculation from ZIMSTAT sources (up to 2018) and unofficial ZIMSTAT estimate for 2019

The Zimstat Labour Force and Child Labour Survey for 2019 provides some data that could facilitate gender comparisons in terms of employment and salaries. However, the data does not distinguish between private and public sector education, making the gender analysis broader to include both sectors. Despite the inclusion of both private and public sector education, the analysis is expected to give a fairly reasonable picture of the gender disparities in the public education sector given that the public sector dominates the entire education sector. The data shows that there were 195,721 people employed in the education sector as a whole including primary, secondary and tertiary education (Table 1). The bulk (61% or 119,174) of those employed in the education sector are women. This implies that the lower salaries in the education sector disproportionately affect women who are overrepresented in the sector than men.

Table 1: Gender disaggregation of employment and salaries in the education sector, 2019

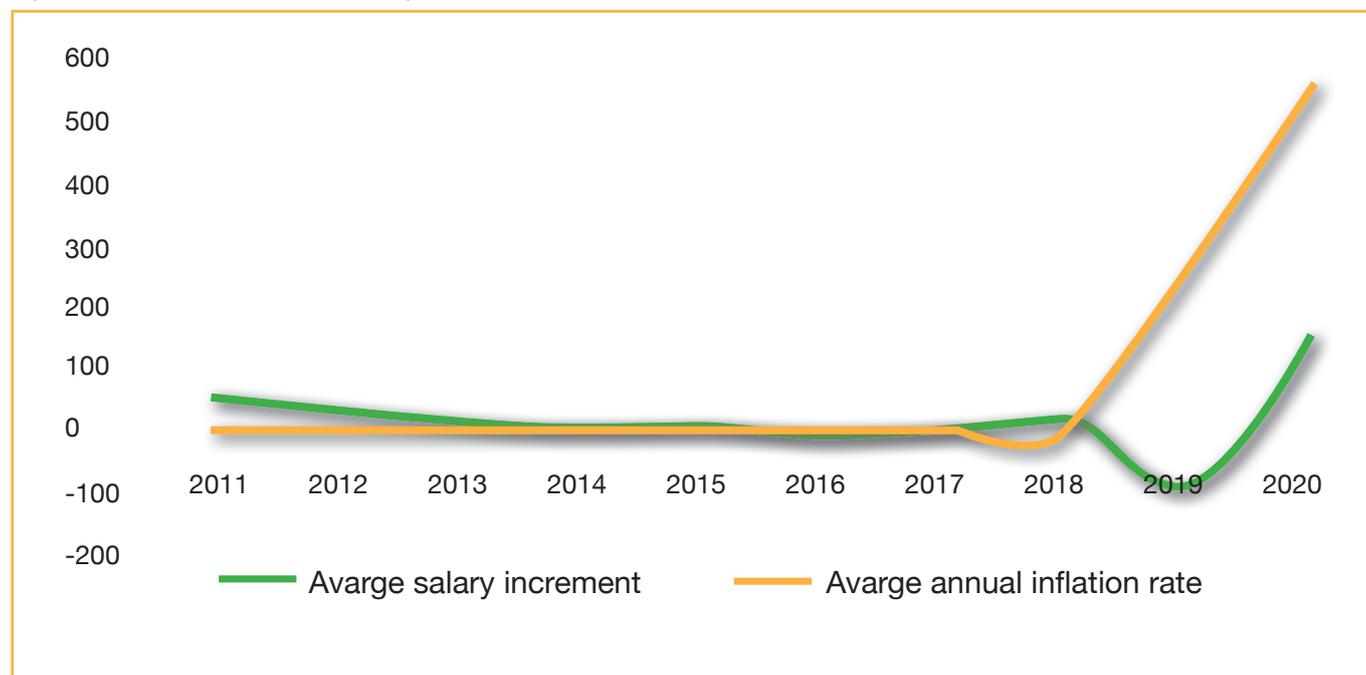
	Number employed	Average salary (USD)
Men	76,547	75.59
Women	119,174	66.73
Total	195,721	70.20

Source: calculation from Zimbabwe Labour Force and Child Labour Survey, 2019

The disaggregation of average salaries by gender shows that women earn on average less than their men counterparts by approximately 13% (Table 1). This gender pay gap implies that the impact of lower salaries disproportionately affects women than men in the education.

However, during dollarisation, Zimbabwe was characterised by a stable inflation, including sustained period of deflation. It is also important to understand the earnings pattern for the education sector in real terms. Firstly, a comparison of the increase in earnings over the period and inflation also confirms that it is only in 2019 and 2020 when inflation became a serious issue with respect to erosion of salaries (Figure 3). If the increase in earnings is higher than inflation, then there is no erosion of purchasing power, while the opposite is equally true. Thus, inflation was adequately covered by salary increments between 2011 and 2018, before the current challenges began to manifest. This also underlines the current concerns with earnings in the education sector, which are not enough to cover the inflation impact.

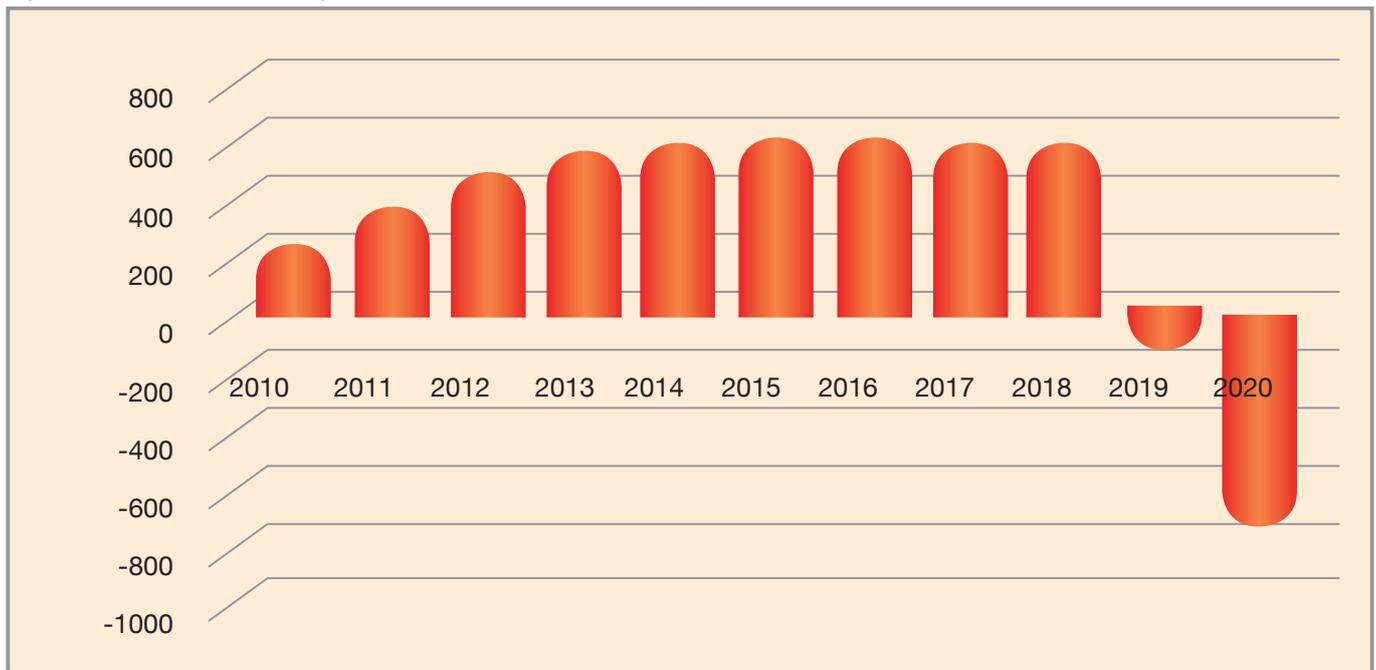
Figure 3: Comparison of the average salary increment for the education sector and inflation, 2011-2020



Source: ZIMSTAT and own calculations for 2020

The earnings can also be looked at in real terms. Real wages are generally the actual purchasing power that the earnings would have after factoring in inflation. If the real wages are zero, then it means that the increase in earnings would only be enough to cover the inflation effect, leaving the workers at the same level as before. Zero real wages at least show some commitment in the paymaster to maintain the living standards of workers constant. On the other hand, if the real wages are negative, it means that the workers are actually worse off; living standards would actually be going down despite working. A graphical look at the average real wages for the education sector (Figure 4) shows that while workers benefited from the low inflation and negative inflation that characterised Zimbabwe over the period 2011 to 2018, the years 2019 and 2020 was really terrible, as real wages plummeted to -US\$120 in 2019 and -US\$914 in 2020. The high negative real wage actually implies that workers were worse off than any comparable period in a decade. The high negative real wages have a large bearing on workers' welfare. This underlines the need for measures to cushion education workers to continue to be prioritised.

Figure 4: Estimated real wages for education sector workers, 2010-2020

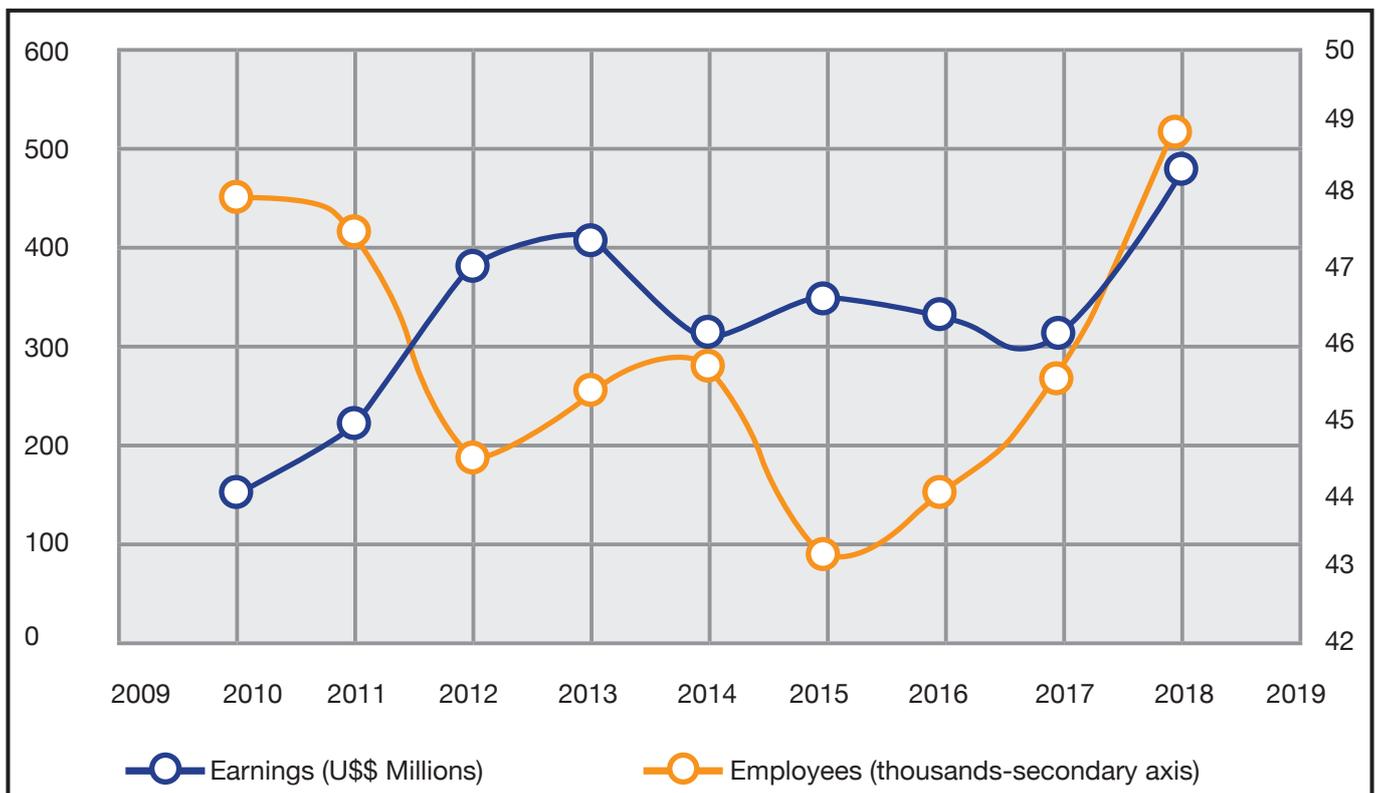


Source: Construction from ZIMSTAT statistics (up to 2019) and own estimates (2020)

2.2 Evolution of the average earnings in health sector

A similar approach can also be undertaken with respect to the health sector. Unlike the education sector trends, the earnings and number of employees over time picture for health does not reflect an upward trend over time but is characterised by a lot of fluctuations (Figure 5). The fluctuations in terms of the number of employees show both an increasing and declining trend across the period, with the declining trends expected to be reflective of skills flight, especially as workers migrate to other countries. However, the upward and downward swings in the earnings curve could be a reflection of the changes in the number of workers rather than a decrease in earnings, as this was happening even before the foreign currency distortions of 2019.

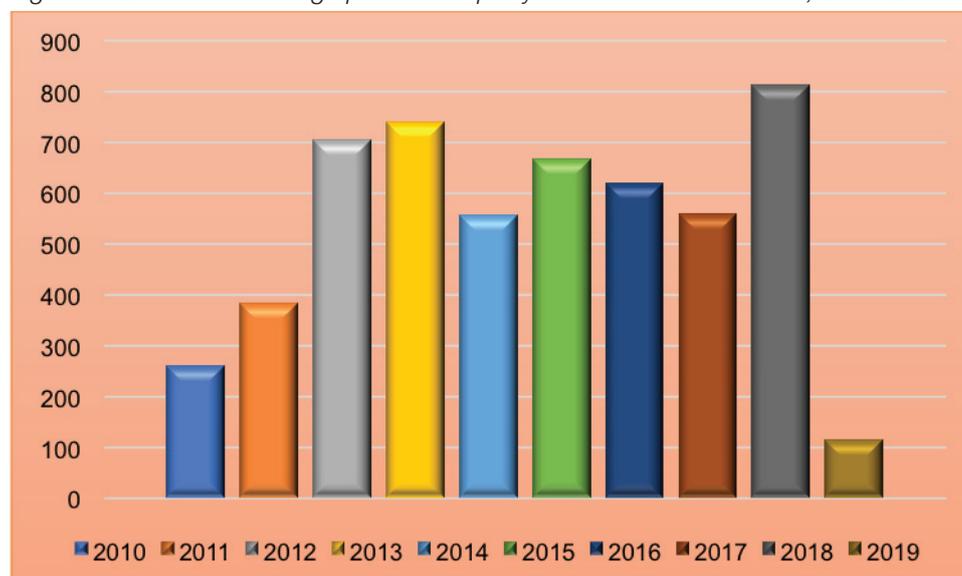
Figure 5: Trends for earnings and employees in the health sector, Zimbabwe, 2010-2018



Source: Construction from ZIMSTAT statistics

As a result, a look at the average earnings per worker per month could be more reflective of the likely implications of these upward and downward movements in the two graphs. The emerging pattern confirms that there were times when the average earning per worker tended to fall over the years, for example, in 2014 there is a noticeable declining trend, such that even in 2017, the 2013 average salary level which marked the end of the GNU had not yet been recorded (Figure 6). Just like the trend in the education sector, a peak is registered in 2018, before the structural issues affecting currency and inflation in 2019 took effect. In 2019, the average earnings in US\$ terms per health sector worker was only about 44% of the average earning in 2010, and only about 15% of the average earning in 2013 when the GNU ended.

Figure 6: Estimated earnings per worker per year for the health sector, 2010-2018



Source: Construction from ZIMSTAT statistics

The earnings by gender can also be done with respect to the health sector. The available data from the Labour Force and Child Labour Survey 2019 does not allow to distinguish between private and public sector health system. Therefore, the analysis in terms of gender combines both public and private sector health system. In terms of gender, women are overrepresented in the health sector than men as there are 62% (35,768) of them employed in the sector (Table 2). This suggest that the lower salaries in the health sector affect women to a greater extent than men due to their overrepresentation.

Table 2: Gender disaggregation of employment and salaries in the health sector, 2019

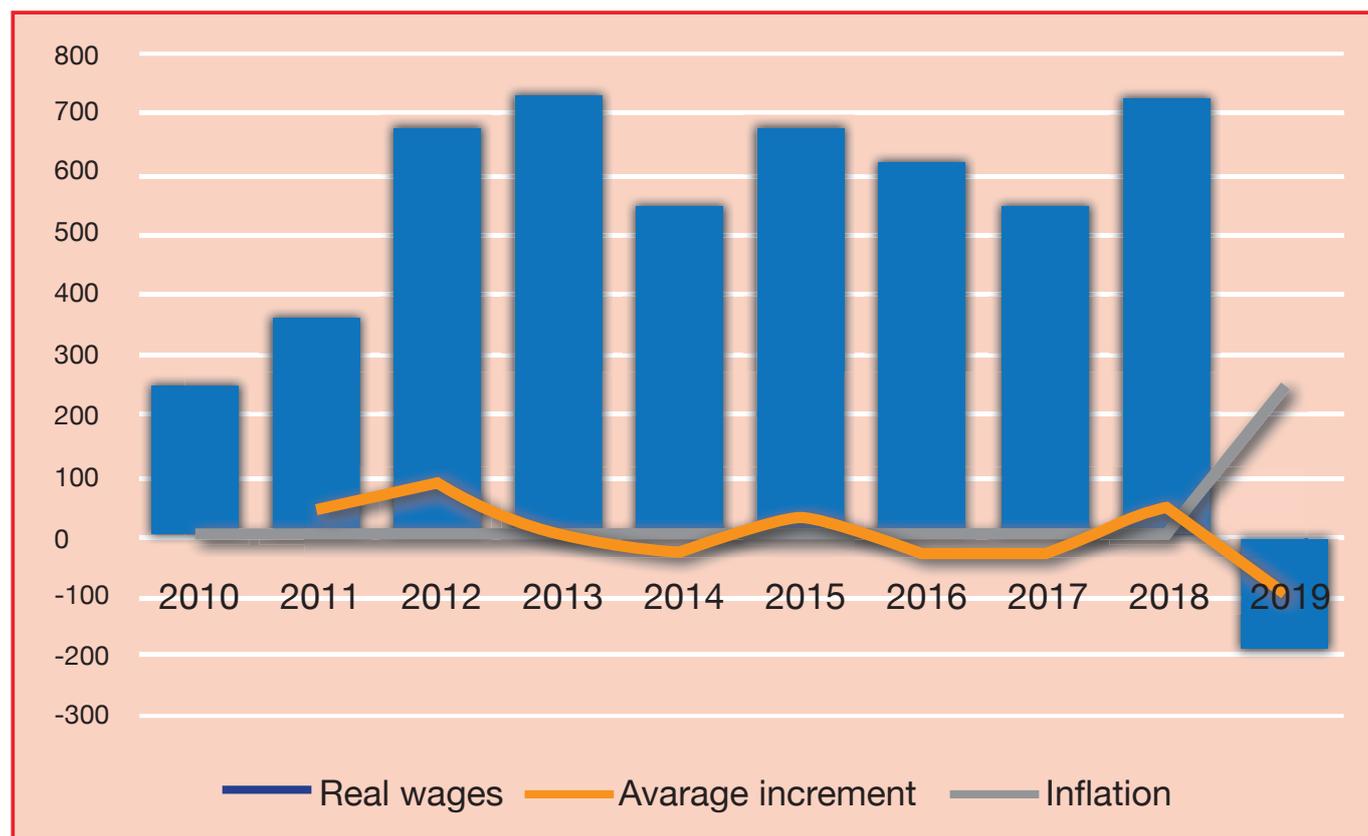
	Number employed	Average salary (USD)
Men	21,707	95.41
Women	35,768	90.64
Total	57,475	92.45

Source: calculations from Zimstat Labour Force and Child Labour Survey, 2019

Similarly, average salaries in the health sector indicate that men earn on average higher salaries than women by 5%. This suggests that in the health sector the incidence of lower salaries is more pronounced on women more than men.

The movements in the average increment for the earnings and the inflation rate shows that these were more or less matched, with the problems coming only in 2019 (Figure 7). This is also confirmed by the real wages, which were only negative in 2019, underlining that the situation was containable until the currency and inflation challenges of 2019. Just like the education sector, the hardships among the workers in the health sector are expected to have worsened beginning of 2019, hence the need for cushioning mechanisms.

Figure 7: Estimated real wages per worker per month, average salary increments and inflation for the health sector, Zimbabwe, 2010-2019



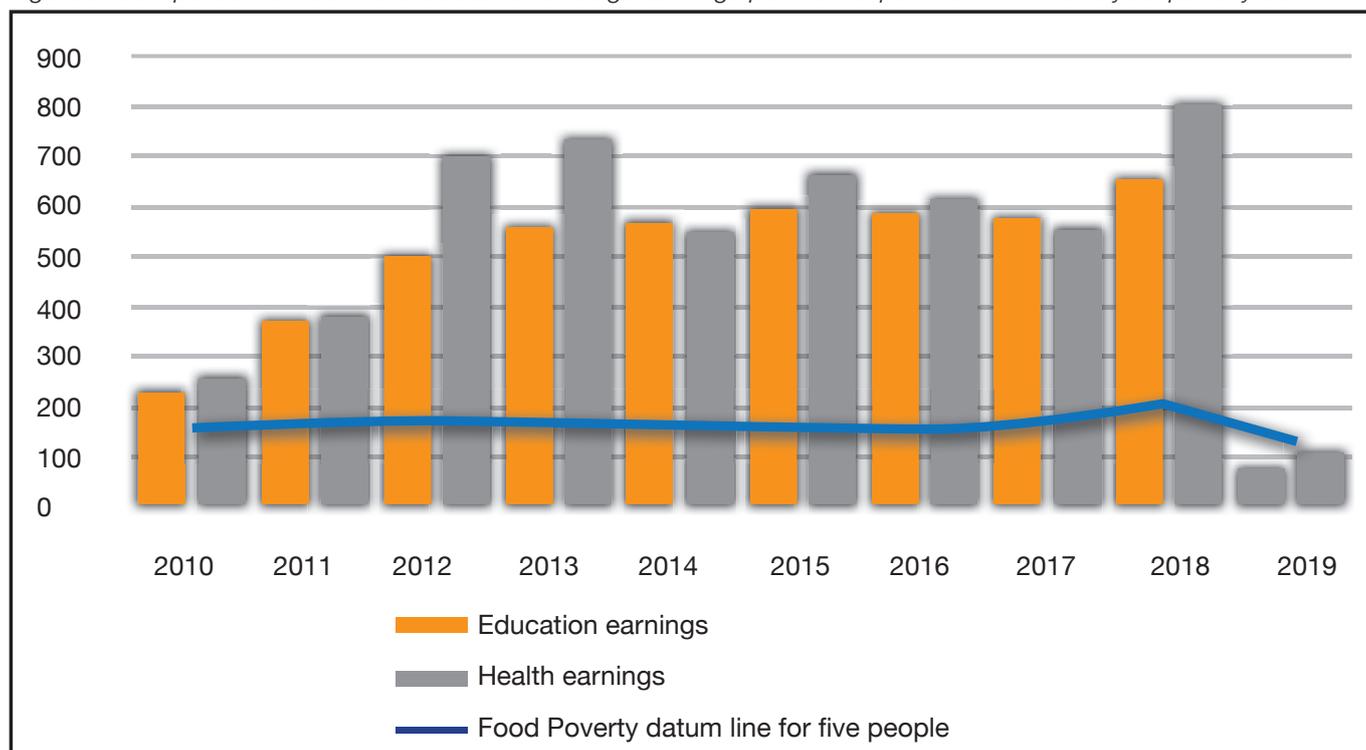
Source: Construction from ZIMSTAT statistics

2.3 Comparison with poverty datum line and other sectors

It is also important that at any given time, the amount that a worker is paid should at least meet their basic needs, which implies that there is a minimum standard that should be met by a worker. The cost of a given living standard that a person must be able to afford so as not to be classified as poor is referred to as the poverty datum line (PDL). ZIMSTAT also conducts a regular analysis of the costs of products to give an estimate of how much a person would need to afford foodstuffs for a given month. Before 2014, the cost of a basket of about a typical family of five members was used as the measure of the food poverty datum line. However, since 2014, ZIMSTAT gives the food poverty datum line per person. It is also critical to assess whether there have been any concerns with respect to the average earnings in the health and education sectors with respect to meeting the food poverty datum line. A comparison of the average earnings per month for education and health sector workers as well as the average food poverty datum line for a typical family of five over the period 2010 to 2020 shows that it is mainly in 2019 that the average earnings for the workers in the two sectors failed to reach the food poverty datum line (Figure 8). The wage adjustments for 2020 for teachers were able to see them being temporarily able to afford food for a family of five. However, given that inflation in December 2020 was 348.6%, this would not be expected to cover the food poverty datum line for long.

⁶ From 2014, this is obtained by multiplying the cost per person by 5

Figure 8: Comparison of health and education average earnings per worker per month with end year poverty datum line

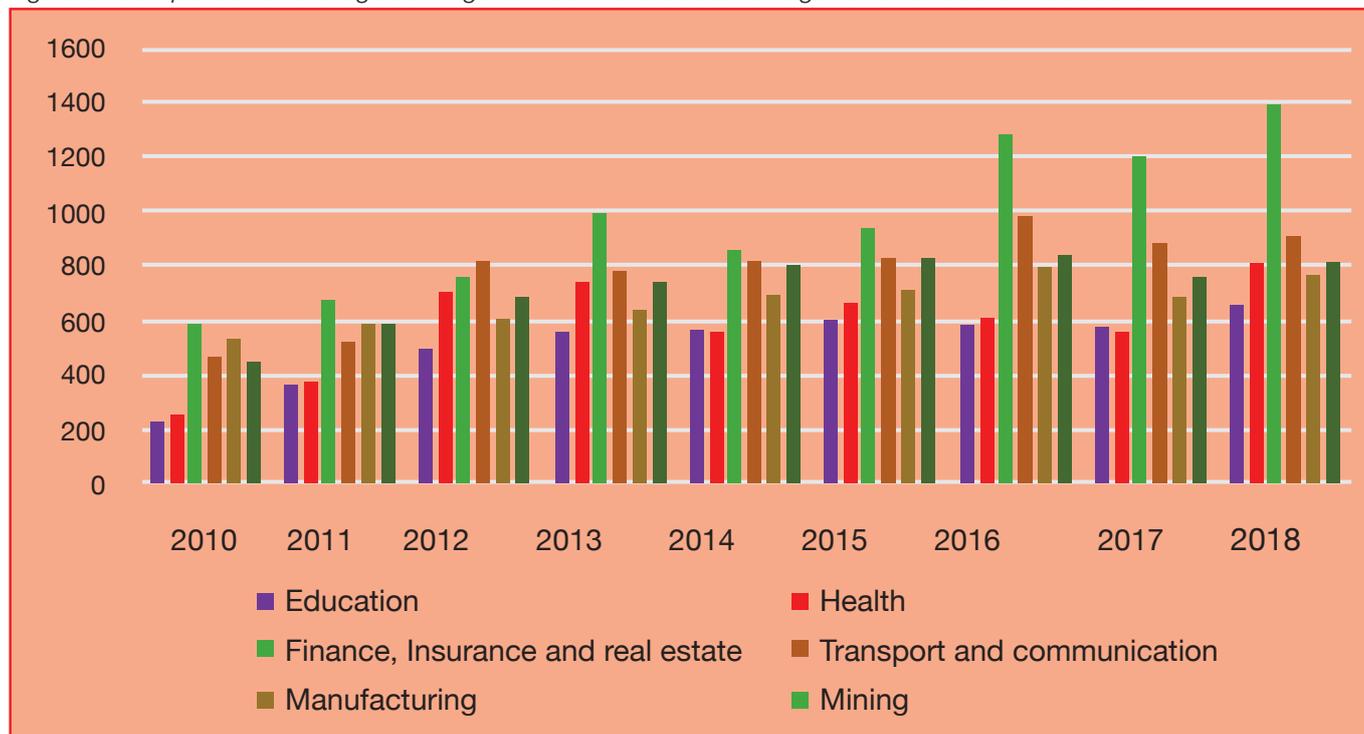


Source: Construction from ZIMSTAT statistics

Since November 2020, ZIMSTAT is now reporting two measures termed food poverty line and total consumption poverty line. The food poverty line is the amount of money that an individual would need to have so as to afford the minimum daily consumption to give a daily energy intake of 2,100 calories. On the other hand, the total consumption poverty line shows how much an individual need to purchase for both non-food and food items in order not to be deemed poor. In June 2021, the food poverty line for one person was ZWL\$4,271.85, such that assuming a family has five members, only someone earning ZWL\$21,359 would be above the poverty line. In addition, the total consumption poverty line for Zimbabwe in June 2021 per person was about \$5,974.89, an equivalent of ZWL\$29,874.45. In June 2021, the government effected a salary increment for civil servants, which would see the teacher and nurse in the lowest grade, D1 getting about ZWL\$28,666 an equivalent of US\$335 using the official exchange rate and US\$239 using the parallel market rate. This means that while their earnings can meet the food poverty line for a family of five, they are below the total consumption poverty line, hence the need for further increments. This demonstrate the need for constant review of earnings for workers, especially since inflation is still high and in US\$ terms, the salaries for 2021 are still below the 2018 average levels.

Although the focus of the study is on education and health, it is also critical to assess whether the low salaries for the two sectors are uniform across other sectors of the economy. The need for salary adjustments needs to be properly contextualised to the whole economy, as all workers across all the sectors also need to be adequately compensated. It is therefore, critical to check how the average earnings per worker for health and education compare with other sectors over the period 2010 to 2018. It is quite apparent that the average earning per worker per month is actually higher for other sectors compared to the education and health sectors (Figure 9). Since 2010, earnings for the education sector were the lowest among a select list of six sectors, followed by health. On average, workers in the education sector were earning close to half of what workers in the finance, insurance and real estate sector were earning. Thus, the call for increased earnings for workers in the education and health sectors is not misplaced, as the sector is receiving less priority compared to other sectors of the economy. The low salaries for health and education workers compared to other sectors is largely a reflection of the disparities between public and private sector salaries. The health and education workers have higher numbers of teachers and nurses who are paid by government compared to those that are paid by the private sector. Thus, the low wages in the civil service compared to the private sector is mainly the reason for the low salaries in these two sectors. There are also calls from some stakeholders for Zimbabwe to consider privatisation of education, mainly as the welfare of workers and standards of education are better for private schools than public ones. If the issue of worker welfare is the primary consideration relative to inclusive education coverage and access, then there would be some basis for calling for privatisation as well as more public-private partnerships for education and health. However, the private sector can only afford to pay higher salaries for workers due to higher user fees for health and high fees for education, leading to education coverage that is skewed towards relatively profitable areas and low in need. Thus, privatisation of education and health would increase inequalities as the majority fail to afford the high charges, denying an average citizen the right to education and health.

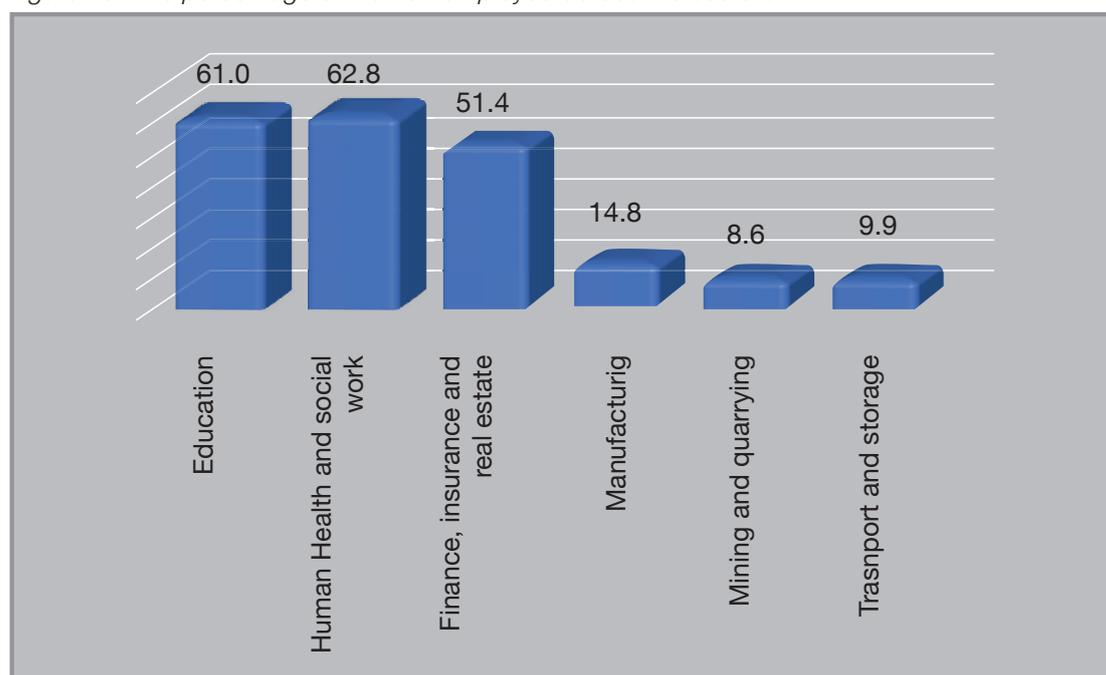
Figure 9: Comparison of average earnings for health and education against other economic sectors



Source: Construction from ZIMSTAT statistics

The comparison across sectors has a number of implications, especially with respect to gender. As already mentioned, the latest labour force survey from ZIMSTAT, the 2019 Labour Force and Child Labour Survey shows that among these comparative sectors, health and education have the largest proportion of female employees (Figure 10), with 62.8 and 61% respectively of all the workers being female. Thus, women happen to be more concentrated in the sectors that have the lowest salaries. This has several implications. An earlier survey by Pahl (2000) established that women generally spend more than men on food, women’s and children’s clothes, child care and educational courses, while men spent more than women on alcohol, motor vehicles, gambling and holidays. Thus, having women, generally responsible for paying for child care being concentrated in sectors that pay less is less desirable, as this has negative implications on general child welfare and leads to gender inequality and largely unfulfilled women human rights. In addition, given that the education and health sectors constitute the highest number of people in the civil service, women civil servants are more likely to fail to afford critical services due to lower salaries compared to their male counterparts.

Figure 10: The percentage of women employed across the sectors



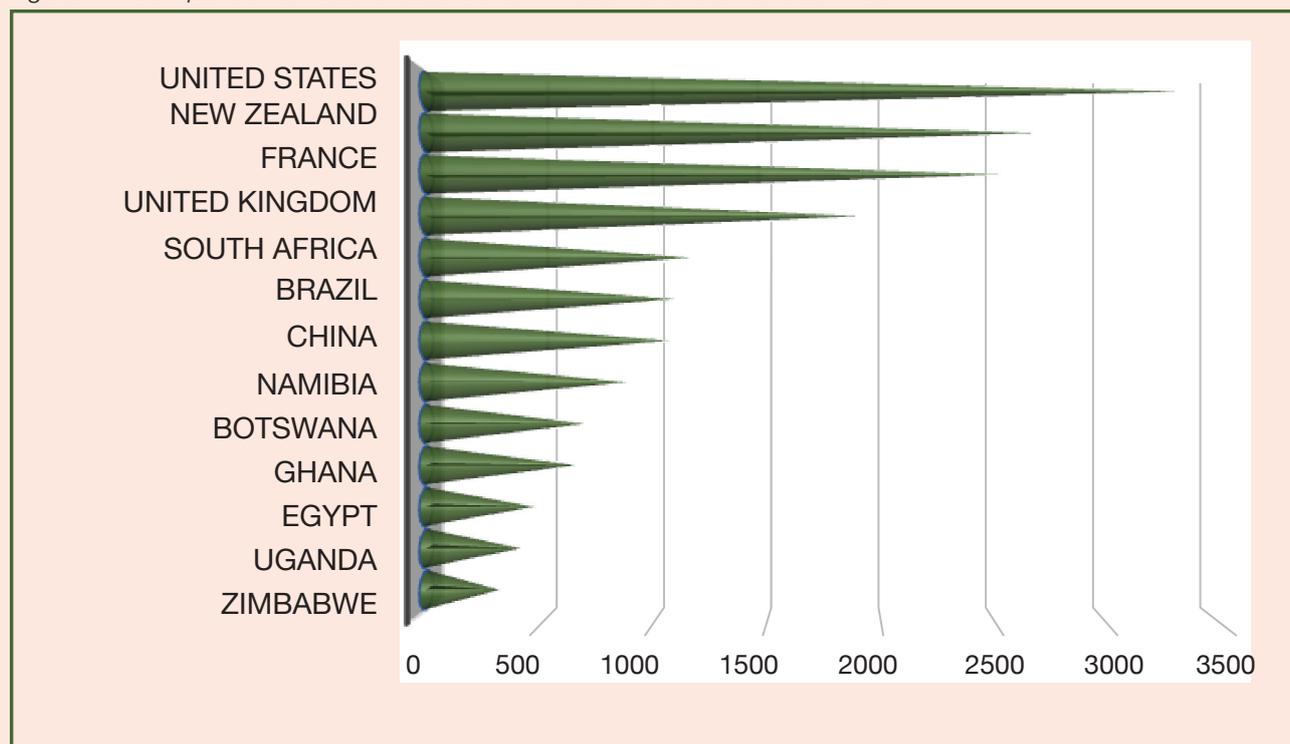
Source: 2019 Labour Force and Child Labour Survey

2.4 Comparison with other countries

A comparison of workers in the education and health sectors earnings with other countries can be made from two perspectives. The first is a regional comparison, as there could be some regional dimensions which could explain why the salaries are low in Zimbabwe. The second is an international perspective, as these countries provide the pull factor in terms of skill flight, as high salaries in the international labour market would tend to constantly impose a pressure on the Zimbabwe worker to consider migrating to these better paying countries. In this study, a teacher and a nurse are used as proxies for education and health sector workers, with the aim being to showcase the differences in earnings for Zimbabwe and other countries.

There are limited reliable comprehensive data sources for teacher salaries in Africa. The Global Teacher Status Index report of 2018 gives average salaries for workers in three African countries; Egypt, Ghana and Uganda, in addition to other global countries. The OECD database gives the salaries for teachers for OECD countries. Online sources can also be used with some level of reliability for South Africa, Namibia and Botswana, hence the regional and international comparison can be made (Figure 11), showing that Zimbabwe (using the auction rate) is among the lowest paying countries across the world. Such a picture means that there is always an incentive for experienced teachers to leave Zimbabwe for other countries in the region as well as in the world. For example, by just crossing the border to South Africa and Namibia, a teacher can increase their earnings by more than 260% and 172% respectively. This makes it difficult for teachers to be content, knowing fully well that there are opportunities to increase earnings by moving to greener pastures. The statistics also shows that the living standards for a teacher in Zimbabwe is expected to be lower than that of a teacher in Uganda, which is not known for any high economic standards, hence the need to continue to increase salaries for teachers in Zimbabwe.

Figure 11: Comparison of teacher salaries for Zimbabwe and other countries



Source: Various sources

⁷ <https://za.talent.com/salary?job=teacher#:~:text=The%20average%20teacher%20salary%20in,R%20769%20680%20per%20year>

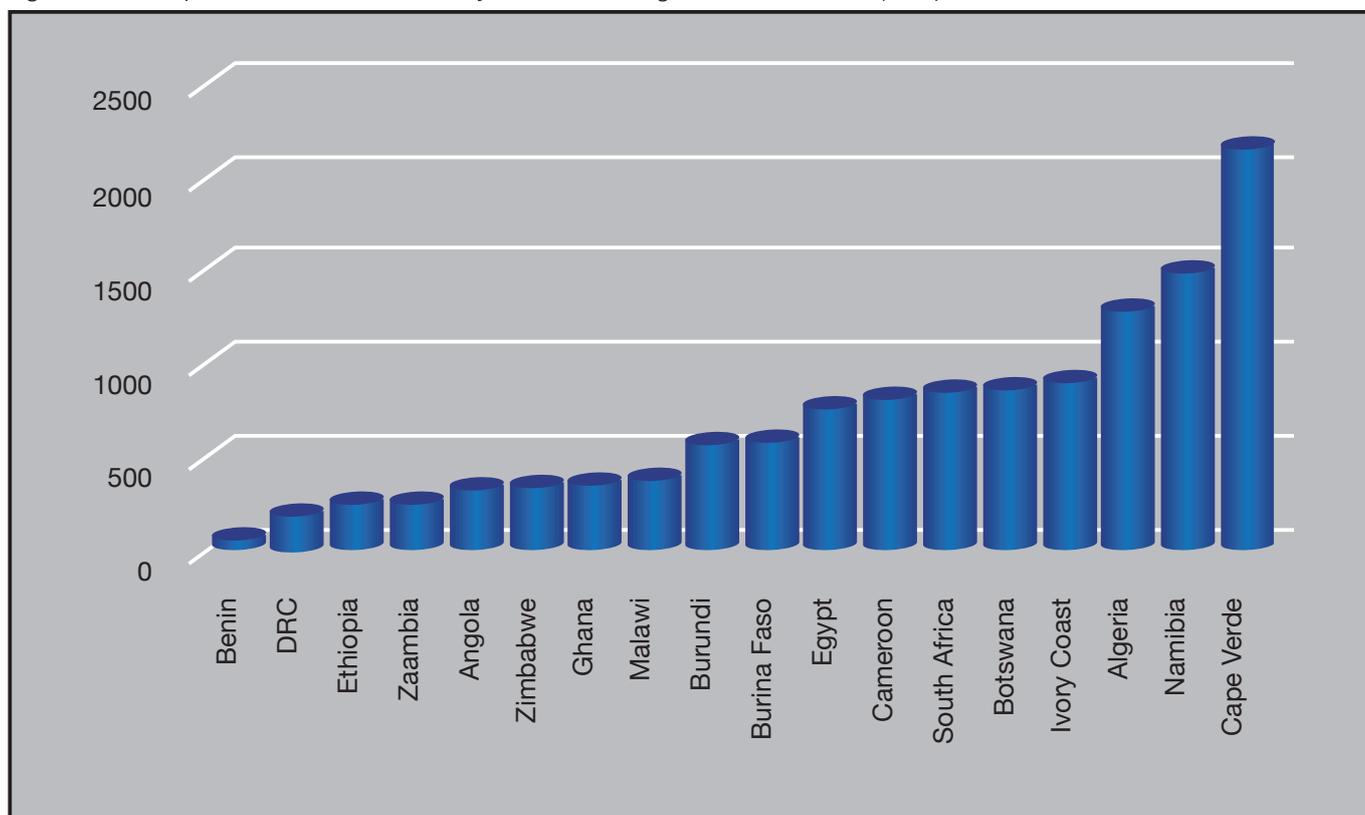
⁸ <https://namibiahub.com/new-average-salaries-in-namibia/>

⁹ https://www.payscale.com/research/BW/Job=Secondary_School_Teacher/Salary

¹⁰ The situation would even be worse by using the parallel market rate

The same scenario is also true with respect to nurses. There are always numerous opportunities due to better remunerations in countries such as UK, Australia and the United States. However, it is also quite apparent that Zimbabwe is also paying low salaries for nurses compared to other countries in Africa (Figure 12). By having such a disparity with neighbouring countries, this makes motivation for the nurses difficult, especially due to knowledge that crossing to Namibia, Botswana and South Africa would result in significant transformation in livelihoods.

Figure 12: Comparison of nurses' monthly salaries among African countries (US\$)



Source: NIMED Health (except for Zimbabwe)

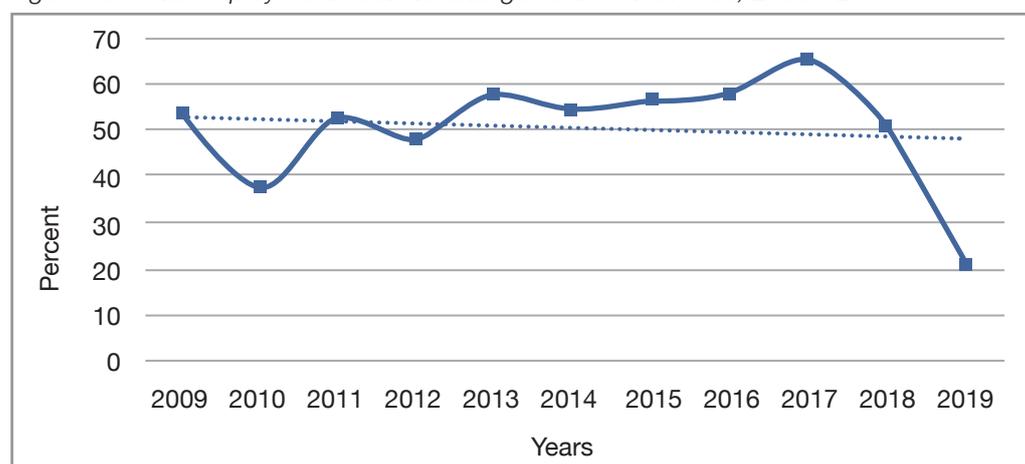
3. Factors driving health and education low wages and constraints on the wage bills

There are several factors that affect the changes in wages in the education and health sectors of Zimbabwe. In this section, these factors are discussed and they included factors associated with the government's capacity to pay wages as well as other factors such as different priorities of government and political will.

3.1 Movements in the government employment costs to total government revenue ratio over time

Generally, the ratio of total government employment costs to total government revenue has been on a downward trend between 2009 to 2018 (Figure 13). In 2009 the ratio was about 53.3% and it declined to about 21.2% in 2019. This shows that total employment costs have been growing at a slower rate than revenue over the entire period from 2009 to 2019. What this means is that there has been a shift in priorities away from paying salaries, even as the revenue collection capacity remained there. Since this is more pronounced in 2018 and 2019, the new Government's new policy priorities can explain the patterns. The austerity thrust under the Transitional Stabilisation Programme (TSP) as well as the general policy inclination to reduce employment costs to less than 40% of the budget saw salary increments being limited since 2018. This was in response to concerns raised in the various International Monetary Fund (IMF) consultation reports, where fiscal indiscipline, which was manifested in employment costs of up to 90% of total budget, was identified as the key stumbling block for growth. For example, the 2016 IMF Article IV report has a comprehensive suggested wage policy for Zimbabwe, where it was recommended that there should be a targeted rate of employment costs which should be used to devise a proper strategy for reducing employment costs from 77%, which was undermining fiscal sustainability. Thus, achieving a sustainable fiscal position required a significant reduction in the wage bill and timely implementation of the measures to lower employments costs. In addition, in July 2017, the IMF Executive Board made an assessment to the effect that there was urgent need for fiscal consolidation in Zimbabwe in order to restore policy credibility and stability in Zimbabwe. The IMF Executive Board also highlighted that employment costs were high and unsustainable, thereby hampering infrastructure and social expenditure in the economy. The government took heed of this assessment and in 2018, in the TSP, the government alluded that it was implementing austerity measures to address fiscal and debt problems in order to support sustained macroeconomic and growth stability. Since health and education dominate the civil service, this context explains generally why health and education earnings have generally been very low.

Figure 13: Total employment costs to total government revenue, 2009 - 2019



Source: Ministry of Finance and Economic Development, Fiscal Outturns

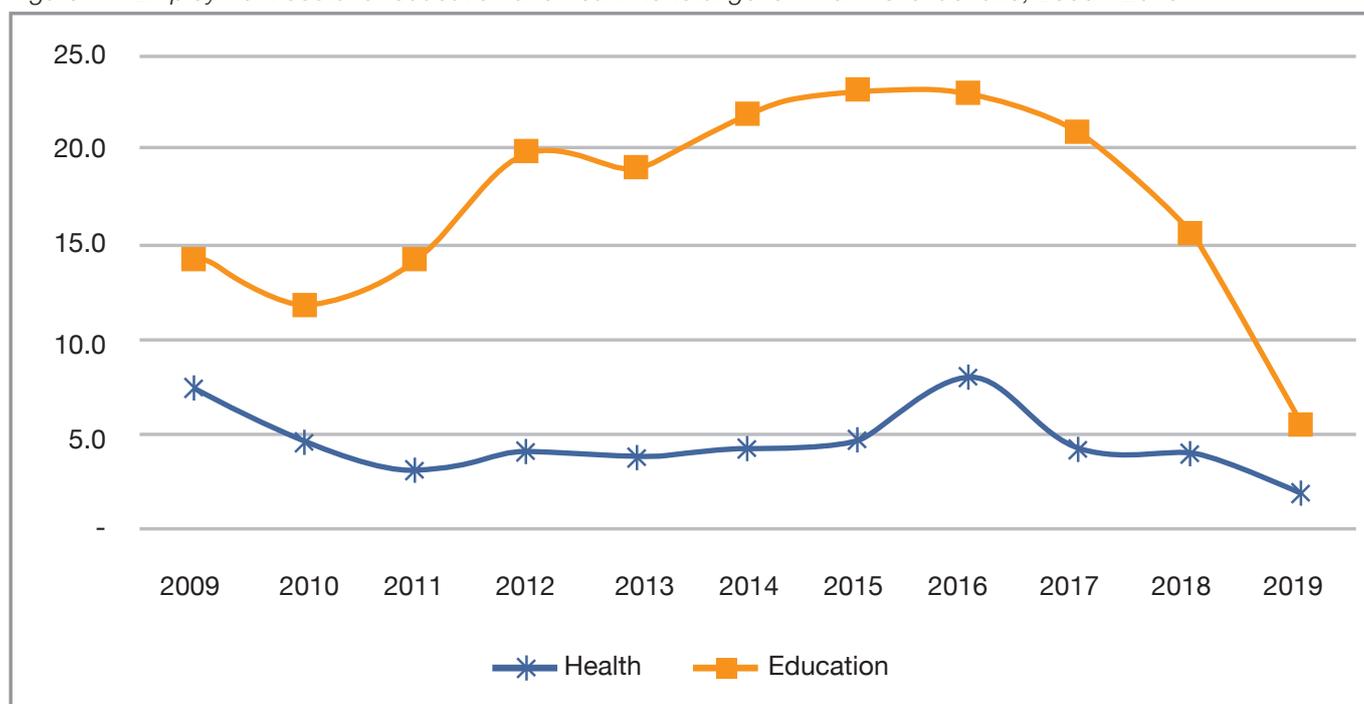
However, the trend in the movement of the ratio has not been uniform. The ratio was increasing between 2009 and 2017, before this was viewed by government as unsustainable as the government wage bill crowded out essential investment expenditure on infrastructure. Therefore, there was a deliberate policy by government to reduce the wage bill and create fiscal space for other preferred expenditures such as infrastructure. Thus, the government in 2018 introduced a raft of measures to reduce the wage bill in the TSP. At the same, the TSP introduced other measures to boost revenue collections, for instance, the introduction of the Intermediated Money Transfer Tax (IMTT). Therefore, a combination of measures to reduce the wage bill and to increase revenue collections resulted in a pronounced decline in the total employment costs to government revenue ratio in 2019. Thus, the education and health employment costs also have to be understood within this national context.

¹¹ At website <https://nimedhealth.com.ng/2021/04/30/registered-nurses-salary-scale-in-all-the-55-african-countries/>

3.2 Movements in the total employment costs for health and education to total government revenue ratios

In the education sector, the employment costs to total government revenue ratio has two distinct trends (Figure 14). From 2009 to about 2016 the ratio was generally increasing, implying that wages in the education sector grew relatively faster than the capacity of government to pay which is represented by total revenue. However, between 2016 and 2019, the ratio declined significantly from 22.8% to 5.6%. This implies that government's capacity to pay increased relatively faster than the actual wages and salaries in the education sector. In other words, as government's capacity to pay increased, there was no matching increase in the wages and salaries in the education sector between 2016 and 2019. The trend shows that the education sector salaries had less priority to government relative to other competing needs between 2016 and 2019.

Figure 14: Employment costs for education and health to total government revenue ratio, 2009 - 2019



Source: Ministry of Finance and Economic Development, Fiscal Outturns

In the health sector, the movement in employment costs to total government revenue ratio was generally similar to that of the education sector except that for the health sector the movement in the ratio is less pronounced. Since 2017, there is a noticeable disassociation between the increase in capacity to pay (higher revenue) and adjustment of earnings for the health sector

3.3 Whether movements in the total employment costs are matched with changes in employment costs in the education and health sectors

If the government's capacity as well as salary priorities are uniform across all the civil servants, then the trends in employment costs in education and health sectors relative to total government revenue should be related to the trends in total employment costs to total government revenue. A comparison between the growth rate of this ratio of employment costs in education and health sectors with the ratio of total employment costs for all government workers shows the extent to which education and health sector wages and salaries are prioritised relative to those of other sectors. If the share of total employment costs to total revenue grow at a higher rate than the share of education and health sectors to total revenue, this reflects that there is less priority in these sectors' wages and salaries relative to the rest of the civil service. Table 3 shows that since 2016, salaries for the education sector have been getting less priorities relative to salaries for the rest of the civil servants, while this trend is not quite as apparent with respect to the health sector. However, before 2015, the education sector salaries were getting priority ahead of other sectors, which explains why the overall average growth rate for the ratio of employment costs to total government revenue for the education sector of -4% is higher than the national average of -5.1%. Therefore, it is the education sector salaries which were not growing at the same rate as other civil servants, especially at a time when the overall situation became worse in 2018. If this trend continues, it will create or worsen inequality between education sector workers and those of other sectors.

Table 3: Growth in the ratio of education, health sector employment costs to total revenue compared to total employment costs to total revenue

Year	Health		Education		Total (all sectors)
	Growth rate	Prioritised or not	Growth rate	Prioritised not	
2010	-37	X	-18	✓	-30
2011	-34	X	21	✓	16
2012	34	✓	40	✓	17
2013	-7	X	-4	X	1
2014	12	✓	15	✓	7
2015	11	✓	6	✓	3
2016	69	✓	-1	X	2
2017	-48	X	-9	X	13
2018	-5	✓	-25	X	-22
2019	-53	✓	-64	X	-58
Avarage	-5.9		-4.0		-5.1

Source: Ministry of Finance and Economic Development, Fisc

Note: X means not prioritised

✓ means prioritised

3.4 Factors that influence low wages in the health and education sectors in Zimbabwe

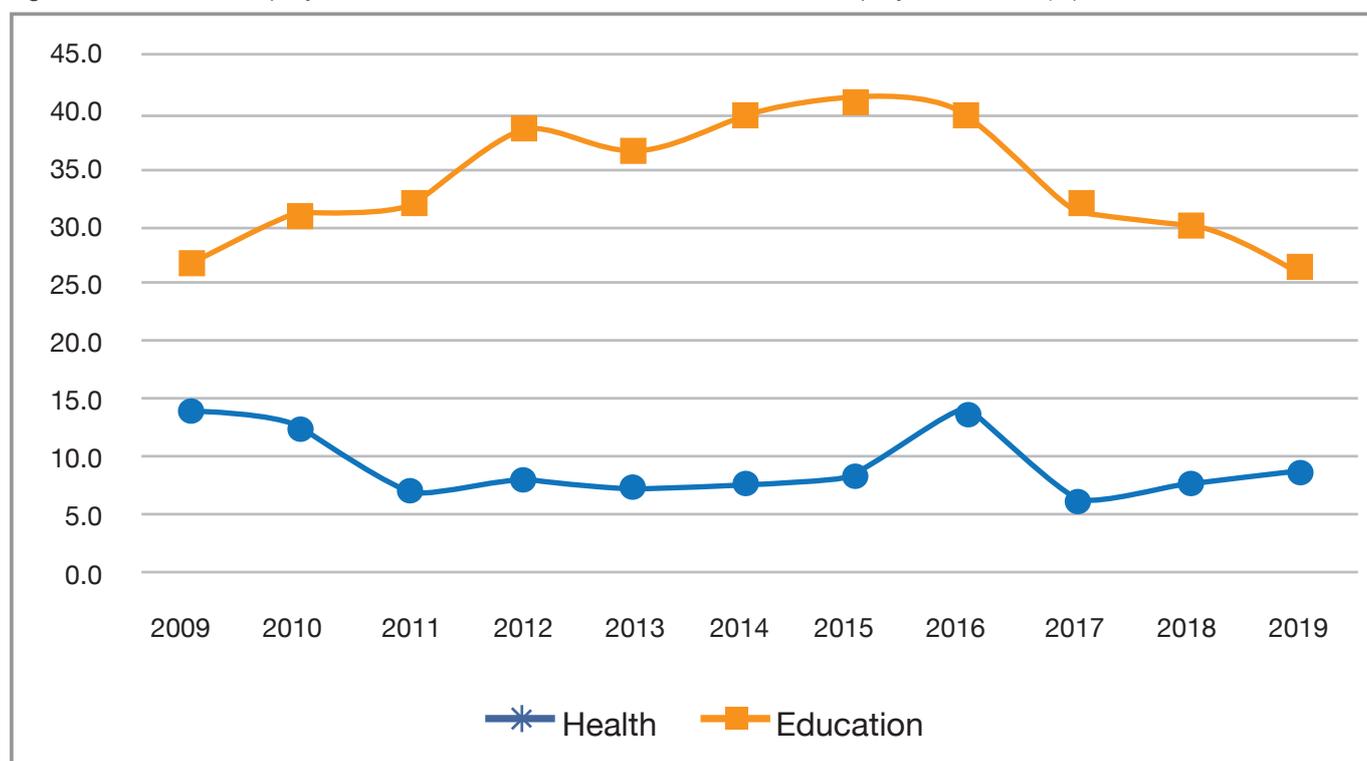
The responses from the representatives of teachers' unions point at inflation as one of the main factors underpinning low wages for the teachers. Inflation is the general increase in the price level of goods and services in the economy. Higher rates of inflation imply a loss of value in money or loss of purchasing power. Thus, with higher inflation, what a dollar could buy today is less than it used to buy yesterday. Statistics from ZIMSTAT show that the annual inflation rate is at 106.6%, and the month-on-month inflation rate is at 3.9% as at June 2021. However, the civil service wages and salaries are not inflation-indexed and therefore often trail behind inflation, leading to loss of purchasing power.

The lack of political will was also raised by the representatives of workers consulted as another driver of low wages. One of the representatives remarked that:

"... We can't say that Government is broke, but it's a matter of priority..."

This suggests that the Government has the means to improve the living standards of the teachers but it does not place a priority on that. In Figure 15 the employment costs for education and health as a share of total employment costs shed some light on the extent to which wages and salaries of these two sectors influence the overall national salary pattern. Since 2016, the share of the education sector in total employment costs has been declining. This means that the growth in employment costs in the education sector lagged behind the growth in total employment costs, at a time when there was no announced reduction in employment.

Figure 15: Share of employment costs for education and health in total employment costs (%)



Source: Ministry of Finance and Economic Development, Fiscal Outturns

In the health sector, the share of employment costs has generally gone down 13.7% in 2009 to 8.6% in 2019, even though there is an upward trend between 2017 and 2019 (Figure 14). However, it is also important to note the there are some donor programmes that compliment wages and salaries of public health workers to incentivise them to provide the services. For instance, 14,000 healthcare workers are supported by the USAID’s PEPFAR program in different district around the country (Transparency International Zimbabwe, 2021).

One of the reasons why the Government is now hesitant to the increase in the wages of teachers and health workers is that these two sectors constitute the bulk of the civil service -more than 70% (World Bank, 2010). Thus, an increase in the wages of teachers and health workers could potentially wipe up any fiscal space for other interventions. On the other hand, suppressing the wages in these sectors is a potent strategy for Government to keep the wage bill lower and sustainable. In addition, an increase in the wages of teachers and health workers would create demand for wage increases in the entire civil service, thus partly explaining why the Government is also sensitive to the increase in wages in these sectors.

The observed capacity of Government to pay wage increments is also a basis for the continued acrimony between government and workers’ unions. Recently, the Government reported that it had managed to record a budget surplus of ZWL\$17.1 billion during the first quarter of 2021. It would appear as if this budget surplus has been accumulated at the expense of improving the living conditions of public service workers. However, the increase in the budget surplus is not mainly from the increase in revenues, but rather from unexecuted expenditures. For example, expenditure during the first quarter of 2021 stood at ZWL\$71.9 billion, which was actually 14% below what government had targeted to spend, hence about ZWL\$11.5 billion could have been released as part of salaries and government would have remained within its set expenditure targets. Therefore, the surplus is primarily seen as underutilised capacity by workers, hence continued acrimony.

¹² Ministry of Finance and Economic Development, Treasury Quarterly Bulletin-January to March 2021, released in May 2021

¹³ Ibid

4. The ripple effects of current funding trends on the education sector wage bill

Lower wages in the education and health sector undermine the development of human capital base which is critical for sustainable development of any economy. Lower wages demoralise education and health sector workers and negatively affect their commitment to quality service delivery. Lower wages also adversely affect the ability of public education and health workers to provide decent living standards for their families. One of the respondents to the questionnaire circulated to workers' union had this to say related to the effects of lower wages:

“... adulterous relationships are on a crescendo, stress related illnesses on the rise; teachers are migrating to other countries that are offering better salary packages; andthey are facing difficulties to put food on the table”.

Another respondent representing teacher organisations vividly captured the situation that teachers are going through due to low wages as follows:

“Difficulties facing teachers as a result of these slave wages need no introduction at all. Apart from stress related ailments and deaths, surviving teachers have virtually become beggars and paupers. Morale is at its lowest. They have become the laughing stock in many societies, living from hand to mouth, reporting for duty in tattered attire, unfed and malnourished. Living in squalid conditions and the majority homeless, but ever striving to report for duty. In worst case scenarios they have resorted to thieving and shop lifting. Marriages are breaking down unabatedly. In short teachers are subsidising the employer in the delivery of duties. They are struggling to make ends meet and as a result the majority are forced to engage in any available menial piece jobs. You look around today teachers are sustaining their families by selling all sorts of wares like sweets, airtime, second hand clothes etc. Some have embarked on subsistence farming, alluvial mining, cross border trading and even prostitution to feed their families. Most have mentally resigned but physically present at school. Teachers are technically not in employment but forced labour. Things are even worse for couples teaching and living in different regions falling pregnant and contracting HIV and AIDS. They are failing to take their children even to the cheapest of schools, worse off universities.”

The following subsections present some of the effects of lower wages in the education and health sectors and the associated spill-over effects arising from the lower wages.

4.1 Limited number of people pursuing careers in teaching and health services sector

Teaching is a profession that was once exalted and commanded respect in the society (Ngwenya, 2020). However, because of the lower wages and salaries in the sector, the teaching profession is now highly despised as teachers fail to make a decent living standard out of the income they earn compared to their peers in the private sector (Marinette, 2018; Ohide and Mbogo, 2017). The level of disrespect now associated with teachers in the society is a source of demotivation for potential candidates who would have wanted to pursue a teaching profession. Most recruits into the teaching profession regard teaching as a profession of last resort (Evans and Yuan, 2018).

However, unlike in the education sector, the enrolment of nurses in Zimbabwe is surrounded by allegations of corruption, indicating the demand for a nursing qualification by prospective students. An investigation by the Zimbabwe Anti-Corruption Commission revealed that there were unacceptable levels of bribery in the enrolment of nurses in training schools. As a result, the Ministry of Health and Child Care introduced an online recruitment system to curb corruption. The motivation behind higher demand for a training qualification in nursing is not necessarily because the wages, salaries and working conditions in the professions are locally lucrative. The aspiring nurses train so that they look for lucrative opportunities in foreign countries where there is better remuneration and working conditions.

4.2 Shortage of teachers and health workers

There is a shortage of teachers in the country, especially for the Early Childhood (ECD) level. The recommended teacher-to-pupil ratio at ECD level is 1:20 but in 2019 the actual teacher-to-pupil ratio was 1:66 and there were only 9,813 trained ECD teachers (Ministry of Primary and Secondary Education, 2019). Although the Ministry of Primary and Secondary Education agrees on the need for more teachers, the impact that the increase in the teachers would have on the wage bill generally explains why additional teachers are not being recruited. The Ministry of Finance's priority is to ensure fiscal discipline, where the capital budget should at least be 30% of the budget, which means that there should be a reallocation away from employment costs. The ratio of 1:66 means that there are three classes in one and only a third of trained teachers are available.

In the health sector, the 2018 National Critical Skills Audit Report which was produced by the Ministry of Higher and Tertiary Education, Science and Technology Development shows a serious shortage of health personnel in the country (Table 4). Overall, the country should have an estimated 83,244 specialised health personnel according the similar countries in the OECD, yet there is only 4,264, giving a skills gap of about 78,980 specialised personnel (or a 95% skills gap). The skills gaps vary according to the different types of skills, with the greatest gaps in Surgery, Medical Specialists, Specialist Ophthalmology, Specialist Psychiatry. With the prevailing low wages in the health sector, such skills will be difficult to build and retain locally as the qualified would seek better remuneration in other countries.

Table 4: Skills gaps of specialised personnel in the health services sector

Medical Area	Ideal (By OECD level)	Available	Shortage	% Availability	% Skills surplus / Deficit
General Medicine	15680	1925	-13755	0.12	-0.88
Dentistry	10640	366	-10274	0.03	-0.97
Surgery	15680	136	-15544	0.0087	-0.99
Pathology	84	33	-51	0.39	-0.61
Specialist Anaesthetic	1680	60	-1620	0.04	-0.96
Specialist Obstetrics & Gynaecology	2100	89	-2011	0.04	-0.96
Medical Specialists	10500	66	-10434	0.01	-0.99
Specialist Paediatrics	2100	39	-2061	0.02	-0.98
Specialist Ophthalmology	4060	35	-4025	0.01	-0.99
Specialist Psychiatry	2380	18	-2362	0.01	-0.99
Total Physicians (Doctors)	59360	2834	-56526	0.05	-0.95
Pharmacy	18340	1497	-16843	0.08	-0.92
Total	83244	4264	-78980	0.05	-0.95

Source: Minister of Higher and Tertiary Education, Science and Technology Development, 2018 National Critical Skills Audit Report

¹⁴ Moyo T. (2019). More 'southerners' added to list of student nurses enrolled at Bulawayo hospitals. <https://www.chronicle.co.zw/more-southerners-added-to-list-of-student-nurses-enrolled-at-bulawayo-hospitals/>

4.3 Exodus of teachers and health workers to greener pastures

The poor remuneration in the education and health sectors has resulted in the exodus of teachers and health workers to search for greener pastures. Teachers move from public schools either to private schools or abroad, given that Zimbabwe education is highly valued in neighbouring countries such as South Africa, Botswana and Namibia. A study by Nhuta and Nhuta (2017), motivated by a noticeable wave of teacher and student movement from government to private schools during the period 2007 to 2015, established that there are significant differences in job satisfaction levels between teachers in private and government schools in terms of work, intrinsic rewards and working conditions. In 2019, government primary schools constituted about 80.17% of the total schools in Zimbabwe with the rest being non-governmental schools, while 73.8% of all secondary schools in Zimbabwe were government schools. The study recommended that government should develop policies for improved salaries, empowering of government school teachers and improving their development to boost teachers' self-esteem. Private schools have a different collective bargaining platform from their public service counterparts (see section 5). Statutory Instrument 74 of 2020, for example, lists the Collective Bargaining Agreement: Welfare and Educational Institutions as determined by the National Employment Council. The minimum wage for the lowest grade (Grade A1) for NGOs in education was US\$340, while it was US\$728 for grade C1. This is significantly well above their counterparts in the public sector.

Teachers also move abroad for greener pastures, and they will be far well off in terms of wages regardless of whether they join the public or private sector abroad. However, in some cases the qualified education and health personnel end up taking up menial jobs in foreign countries. A study that was done by the International Organisation for Migration (IOM) in collaboration with the Government of Zimbabwe in 2010 indicated that more than 200 nurses were working in restaurants or as domestic servants and some were living in shelters for the homeless. When professionals leave the country and take up menial jobs in foreign countries, this constitutes a de-investment in human capital by the government.

In the responses from teacher's associations it was highlighted that teachers are resigning from their profession out of disgruntlement. It is estimated that well over 10,000 teachers resigned in 2020. In 2019, there were 139,616 early childhood development, primary and secondary school teachers, hence if this same number was maintained into 2020, about 7% of teachers resigned in 2020. Teachers are resigning to become vendors, artisanal miners and to leave the country in search for greener pastures abroad. It has also been estimated that South Africa alone benefited from more than 10,000 teachers of which 400 were mathematics and science teachers who left the country for greener pastures (Mlambo and Adetibu, 2020).

The lack of protective clothing in schools in the COVID-19 pandemic has also been highlighted to have driven up the number of resignations by teachers in a bid to save their lives and families. It was estimated that by January 2021 about 20,000 teachers had resigned. Among the teachers who remain in schools, it is suggested that most of them have mentally resigned although they physically still holding their posts.

The health sector has not been spared from the exodus of qualified and experienced personnel. Among the nurses that are trained in Zimbabwe, about 27% are employed by the Ministry of Health and Child Care (People's COP20, 2019). The rest are either employed in the private sector or leave the country for greener pastures. In 2019, it was estimated that about 3,558 posts in the public health sector were vacant (World Bank, 2020). It is also estimated that 51% of locally trained doctors and 25% of locally trained nurses are practicing abroad (Chikanda, 2010).

¹⁵ Government of Zimbabwe, 2019 Primary And Secondary Education Statistics Report, Ministry of Primary and Secondary Education, May 2020



Source: GPJNews-Linda Mujuru - Children at a school at Hopley Farm, Harare, Zimbabwe.

4.4 Increased work burden on the remaining teachers and health workers

There is increased work burden among teachers and health professionals in the country due to the shortage of staff. The exodus and resignations from these two professions has left only a few to man the posts. Although the Ministry of Primary and Secondary Education's official statistics indicate that there is no shortage of teachers at primary and secondary school classes, where the teacher-to-pupil ratio is below the recommended average of 1:40 and 1:28, representatives of teacher unions indicated that teachers are teaching an average class of 70 pupils. To corroborate this, in a recent study by Ngwenya (2020), teachers complained about the violation of the recommended teacher to pupil ratio of 40, resulting in teachers having to teach classes of up to 60 pupils. The Universal Primary Education (UPE) policy has led to larger classes beyond the recommended teacher-to-pupil ratios. In addition to enlarging pupils, the UPE policy has added extra burden in the form of extended teaching periods and extra-curricular activities. Moreover, teachers are made to spend more hours at work, carry work to mark at home, prepare lessons after school and facilitate remedial lessons (Evans and Yuan, 2018).

Another channel through which workload has increased among teachers is the introduction of the new curriculum. This has resulted in the addition of new subjects such as information, communication and technology and agriculture. These new subjects have not only deskilled the teachers but also congested the daily school time-table (Ngwenya, 2020). In the health system, the shortage of health personnel in the public health system has manifested in increased workload for those working in the health system. Due to shortage of health specialists such as pharmacists, doctors and physiotherapists, nurses, particularly those working in rural areas, have been compelled to play an expanded role of taking up the responsibilities of these missing specialists. In Zimbabwe most nurses are supposed to work between 31 and 40 hours a week. However, due to shortage of staff, nurses are compelled to take up to four additional hours of work (Chikanda, 2010). The nurse-to-patient ratio for public hospitals in Zimbabwe is estimated at 1:15 but the ideal ratio should be 1:4 (Gwinji, 2016).

¹⁶ https://publications.iom.int/system/files/pdf/zimbabwe_health_workers_survey_15_dec.pdf

¹⁷ <https://www.newzimbabwe.com/thousands-ditch-poor-paying-teaching-profession-more-expected-to-leave/>

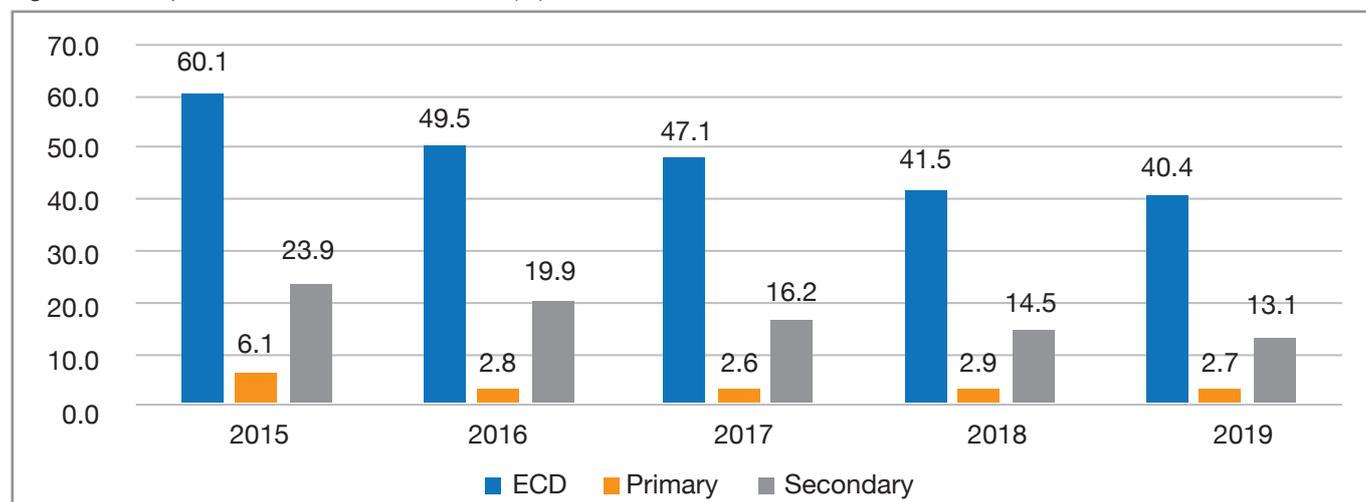
¹⁸ Government of Zimbabwe, 2019 Primary And Secondary Education Statistics Report, Ministry of Primary and Secondary Education, May 2020

¹⁹ Ibid

4.5 Poor-quality education and health services

The quality of education can be assessed through examining the quality of teachers who deliver the education services. The shortage of trained teachers in Zimbabwe has resulted in the use of untrained teachers in different schools. At the ECD level, there is a very high dependence on untrained teachers. Although the proportion of untrained teachers has declined over the years from 60.1% in 2015 to 40.4% in 2019 (Figure 16), it still remains very high especially given the importance of the ECD level in building the foundation of learning for children which is important in successive higher levels of education. The reliance on untrained teachers potentially compromises the quality of education and the educational outcomes of the country. At secondary level there is also a high reliance on untrained teachers, who constitute 13.1% of the total number of secondary teachers in 2019.

Figure 16: Proportion of untrained teachers (%)



Source: Minister of Higher and Tertiary Education, Science and Technology Development, 2018 National Critical Skills Audit Report

Due to low wages, teachers have been compelled to develop survival strategies (Ngwenya, 2020). Teachers go for moonlighting in the informal market or commercialised education whereby teachers engage learners outside their normal salary or allowance for private gain through the so-called extra lessons (Tarisayi, Munyaradzi and Chidarikire, 2020). In other countries such as Uganda the same practice happens and has boosted pass rates. However, scholars such as Munikwa and Mutungwe (2011) opine that the practice is abused in Zimbabwe. It is alleged that teachers give special preference in class to those who attend extra lessons and that remedial lessons tend to be converted into extra lessons. This compromises the quality of education received by those who do not afford extra lessons. In addition, during business hours, teachers sell snacks and sweets to pupils, thus affecting the effective time of learning. Teachers are also demotivated by their low wages and poor working conditions, resulting in them not effectively discharging their services.

Alonge et al. (2020) highlight that good working conditions, which include a living wage, enhance the productivity and commitment to work. A living wage enables for provision of essential and dignified living conditions such as decent housing, nutrition, clothing, transportation, education, childcare, portable water, health care and savings. Without a living wage teachers' and health workers' productivity and commitment to work will be low and this compromises the quality of the services they provide.

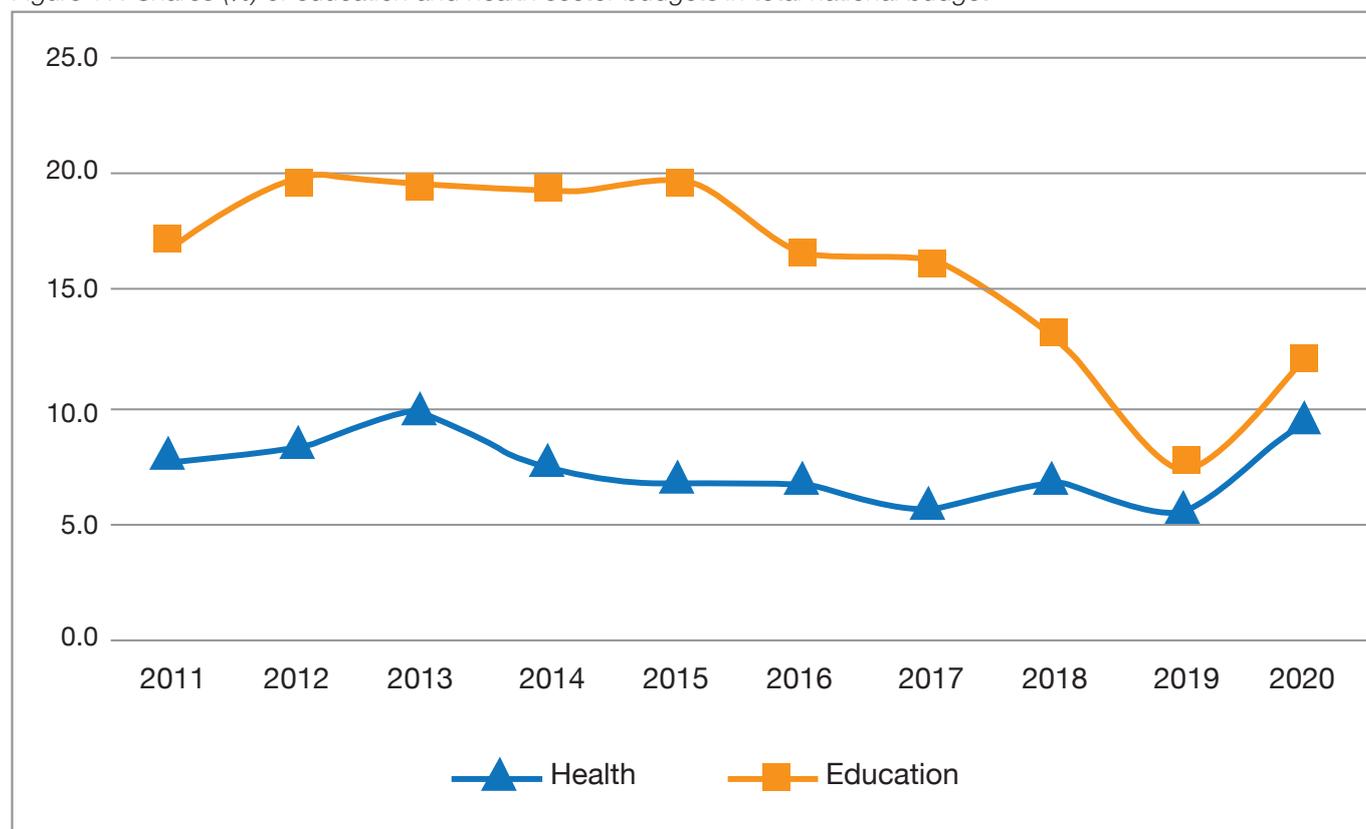
As already demonstrated, in the health sector, wages and salaries currently prevailing are below the 2018 levels. As a result of lower wages and salaries and general poor working conditions, health workers spent most of their time on strike in 2019 and 2020. This has worsened service delivery in public institutions, with patients suffering unattended. The exodus of nurses from Zimbabwe has led to the decline in the quality of the health service delivery. Nurses form the backbone of the primary health care system and therefore their departure from Zimbabwe due to low wages and poor working conditions has crippled the delivery of primary health care. The waiting time of patients has increased due to shortage of nursing staff. In a recent study by Mangundu, Roets and van Rensburg (2019), patients wait more than an hour before they are treated due to shortage of staff. Health services are also being compromised as nurses are forced to discharge responsibilities of missing health specialists such as pharmacists, physiotherapists and doctors. Most of the health personal that migrate to foreign countries are the experienced, thus leaving behind junior and less experienced personal. This further compromises the quality of health service delivery. High levels of inflation have resulted in low wages and salaries in the public health sector, leading to disgruntlement, strikes and poor services delivery in the sector.

²⁰ Gwinji (2016). Interview with *The Sunday News*.

<https://www.sundaynews.co.zw/zimbabwe-needs-10-000-nurses-to-remain-afloat/>

The impact of the COVID-19 pandemic has also not spared the education and health sectors. In the education sector, the utilisation of resources for developmental purpose which increase the quality of the education was seriously hampered due to COVID-19. For example, the Mid-Term Budget Review Statements for 2020 and 2021 shows that in June 2020, the Ministry of Primary and Secondary Education had utilised only 37% of the allocated budget, while for the six months to June 2021, they had utilised only 36% of their allocated resources. This means that the resource absorption capacity has been negatively affected by the pandemic, which would be expected to compromise the provision of education further in future. In addition, COVID-19 has brought a huge demand for reconfiguring the education sector in line with the COVID-19 regulations of social distancing, isolation and decongestion of workplaces. The traditional model of delivering education services in person at schools has been disrupted by the COVID-19 regulations, resulting in closure of schools and the need to shift towards digital methods of delivering education services. Most public schools have been severely affected due to lack of digital infrastructure at schools and even at learners' homes. This has resulted in learners going for months without learning. Unfortunately, the government's response to the COVID-19 pandemic in the education sector was not enough, although there was an improvement from the 2019 allocation of 6.6% of the total budget to the education sector (Figure 17). The government allocated 12.3% of the total budget to the education sector in 2020, an amount which was well below the highest allocation of 19.7% made in 2012 when there was no such crisis as being felt due to COVID-19

Figure 17: Shares (%) of education and health sector budgets in total national budget



Source: own construction from data from Ministry of Finance and Economic Development

The health sector was even more affected by the COVID-19 pandemic. The sector is a frontline that had to deal directly with the health burden posed by the pandemic. The pandemic called for increased expenditures to equip the sector towards adequate handling of the of the patients of COVID-19 pandemic. There was need for ventilators, expanded bed capacity, protective clothing, quarantine centres, contact tracing, medicines and risk allowances for the exposed health personnel. Before the COVID-19 crisis, the health sector was already suffering from shortage of health personnel, inadequate salaries prompting strikes and shortage of medicines among other challenges (Maulani, Nyadera and Wandekha, 2020). In response to the COVID-19 pandemic, the government increased its allocation to the health sector in 2020 to 9.4% of the total national budget from 5.5% in 2019. However, the increase in allocation was still very low to match the highest allocation to the sector of 9.9% in 2013 when there was no crisis of such a magnitude as posed by COVID-19. The allocations to the health sector have been very low relative to the Abuja Declaration wherein the African Union Heads of States pledged to allocate at least 15% of the national budget towards improvements in the health sector.

5. Institutions governing the determination of wages in health and education

The low wages in the health and education sector could also be reflective of the wage determination process. This is mainly because education and health sectors are dominated by the public rather than private sector, hence the wage structure is mainly reflective of the manner in which salaries are negotiated between government and the workers. In general, the negotiation of wages for workers in the private sector as well as in state owned enterprises is covered under the Labour Act [Chapter 28:01], which provides for collective bargaining. However, civil servants' wage determination process is covered by the Public Services Act [Chapter 16:04] which only gives workers the right to consult (Chigumira et al, 2018). As a result, while the collective bargaining process in the private sector results in a proper balance between resource availability and improvement in welfare, the same cannot be said for the civil service employees, where the real determination is done by the employer, represented by the Civil Service Commission (Chigumira et al, 2018). The implication is that the civil service workers in Zimbabwe are not availed the same opportunities like their private sector counterparts to influence the improvement of their standards of living. However, section 65 of the Constitution gives everyone the right to fair and safe labour practices and standards, as well as the right to be paid a fair and reasonable wage. This also includes the right to form and join trade unions and employee or employers' organisations of choice, and to participate in the lawful activities of those unions (with the exception of members of the security services, who do not have this right). In addition, except for members of the security services, section 65 of the Constitution also gives workers the right to participate in collective job action, including the right to strike, sit in, withdraw their labour and to take other similar concerted action, even though a law may restrict the exercise of this right in order to maintain essential services. The wage determination framework for the civil service is characterised by different representative groups of workers (associations) which government consults in salary negotiations, although the resolution coming out is not necessarily binding. The Public Service Act [Chapter 16:04] covers civil service workers who render direct services to government, with the exception of the security services, the judiciary, Parliament and intelligence services. The Civil Service Commission (formerly Public Service Commission), established under the Act, serves as the representative of the employer (Government). Section 24 of the Act recognises employees' associations or organisations while sections 20 provides for regular consultations between these associations and the Commission with respect to the conditions of service.

Thus, the legal framework exists for workers in general to get improved working conditions. However, it is critical to look at the education and health sectors, especially with respect to the institutional and governance frameworks for wage determination, which would also help explain why the wages have remained low.

5.1 The policy, legal, institutional and governance frameworks for wage determination in the education and health sector

Among the recognised associations or organisations which are recognised in terms of section 24 of the Public Service Act are representatives of workers in the education sector. These include the Zimbabwe Teachers Association (ZIMTA); the Progressive Teachers Union of Zimbabwe (PTUZ); the Teachers Union of Zimbabwe (TUZ); and the College Lecturers Association of Zimbabwe (COLAZ). However, the wage negotiation process takes place through the National Joint Negotiating Council (NJNC), which was established in 1993 (Parakokwa, 2017). In line with the 1997 Public Service (Public Service Joint Negotiating Councils) Regulations, 1997 (Statutory Instrument 141 of 1997) membership of the NJNC comprises a chairperson, nine representatives from government appointed by the Minister of Public Service, Labour and Social Welfare from various ministries and nine representatives from the APEX Council (Parakokwa, 2017), which is a body comprising of 15 trade unions representing civil servants from across Government departments. Representatives of the Apex council in the NJNC from the education sector include Zimbabwe Teachers Association (ZIMTA), Progressive Teachers Union of Zimbabwe (PTUZ), Teachers Union of Zimbabwe (TUZ) and College Lecturers Association of Zimbabwe (COLAZ).

This generally implies that worker representation for the education sector is generally hinged in the Apex Council. However, as specified under Statutory Instrument 141 of 1997, the National Joint Negotiating Council (NJNC) has to hear representations from both sides represented in the Joint Council, review and negotiate salaries, allowances and conditions of service in the Public Service, and enter into agreements concerning salaries, allowances and conditions of service for submission to the Minister responsible for public service for his/her consideration (Chigumira, et al., 2018). This means that the roles of the associations is limited to consultations, with limited say in terms of the final outcome of salaries and allowances, although they have recourse to strikes. Section 203 of the Constitution provides for the final say in salaries and allowances as resting in the President, as in fixing the salaries, allowances and other benefits of the civil service, the Commission must act with approval of the President given on the recommendation of the responsible Minister for Finance in consultation with the Minister responsible for the Public Service. Following the directive of the President, the CSC can then enter into any agreement with the employees (Chigumira et al, 2018).

With respect to the health sector, the remuneration framework is governed by the Health Services Act [Chapter 15:16], which covers health sector employees. Under the Act, a Health Service Board is instituted in terms of section 3, which has a mandate over conditions of health sector workers. The Act recognises the right of employees to form associations, which then undertake consultations with the Health Services Board if they are recognised by the Minister. Under Section 13 of the Act, the Health Services Board, in consultation with the Minister, has power to fix conditions of service for the health service employees. However, the right to strike is not recognised in terms of the Act, as the Health sector is classified as an essential service (Chigumira et al, 2018). The Health Services Board is, therefore, the most critical institution for the wage determination process for health workers. As specified under section 4 of the Act, the functions of the Health Service Board include:

- Appointing persons to offices, posts and grades in the Health Service
- Creating grades in the Health Service and fixing conditions of service for its members
- Inquiring into, and dealing with, complaints made by members of the Health Service
- Handling appeals in relation to disciplinary powers exercised by hospital management boards over members of the Health Service.

However, like the education sector, there is a platform that was created to negotiate wages and conditions of service for the health sector. In terms of Statutory Instrument 111 of 2006, the Health Service Board, as the employer, put in place a framework - the Health Service Bipartite Negotiating Panel (HSBNP) which guides discussion of all the conditions of service and other issues of mutual interest to both the employer and the employees. The Health Service Bipartite Negotiating Panel is a structure with representatives from the Government and an Apex, made up of the various professional associations in the health sector.

This generally shows that the wage determination framework for Zimbabwe is fragmented according to the state of employment for the workers in the civil service. This also explains why there could be different remunerations as well as different increments depending on the sector. For example, the Judicial Service Act [Chapter 7:18] establishes the Judicial Service Commission, responsible among others for fixing conditions of service for employees in the administration of justice. The Defence Act, Prison Service Act and the Police Act govern members of the defence forces, prison service and police service respectively. This challenge of fragmentation calls for harmonising these Acts with the main Labour Act to ensure that all workers in Zimbabwe are governed by one Act (Chigumira, et al., 2018), which would also ensure uniformity in salary and allowance increments.

However, the Ministry of Finance and Economic Development is the main player in salaries and condition of service determination, as fiscal policy determines revenues and expenditures allowed at any given time, with a huge bearing on how much is available for salaries and allowances for the civil service.





Source: CGTN Africa

5.2 Gaps and challenges with the structure with respect to decent wage determination

There are two main challenges with the current wage determination process. Firstly, there is currently no effective coordination among the key institutions that are involved in the conditions of service for civil servants, especially Ministry of Public Service Labour and Social Welfare, Civil Service Commission and the HSB, at a time when there are a lot of divergence of views within the Apex bodies (LEDRIZ, 2016). While the idea of apex bodies is welcome, trade union representatives contacted in this study generally believe that the HSBNP and NJNC platforms are not proper collective bargaining for civil service employees as compared with the National Economic Council platforms for the private sector. After all discussions, the NJNC will only forward it as a recommendation to the Minister, which in most cases is rarely adopted. Thus, there is a general feeling among the worker representatives that the government has more power than them, rather than a situation where the negotiators are partners. The need for a Collective Bargaining Council/Chamber was identified as a priority, especially since the current arrangements are felt to be collective begging platforms rather than collective bargaining. The current negotiating arrangements are also facing limitation in that there is hardly anything binding from the discussions, which is not in line with section 65 of the Constitution which envisages a proper collective bargaining platform for all workers. There is therefore still need to ensure that the Public Services Act and the Health Services Act are aligned to the provisions of the Constitution.

Representatives of workers also raised the limitation of the platforms to negotiate non-monetary incentives which fall outside their purview. For example, residential stands and access to loans are beyond the capacity of the Apex bodies and hence the concentration on monetary incentives which get eroded by inflation. There is also a general feeling of insincerity on the part of government among the worker representatives, especially since there is tendency to associate workers' representatives with political parties, such that there is an influence on who sits in the Apex negotiating forums.

6. Strategies and mechanisms that can support progressive wage bill adjustments in the education and health sector

Based on the discussions in the study, there are a number of strategies that can be used to ensure that there is a progressive wage bill adjustment in the education and health sectors. These can be described as follows:

Link salaries to capacity

There is need to ensure that there is a balance between capacity of government to pay and the actual payment. This can be done by making salaries for all the civil service employees be related to the total government revenue. However, given that revenue collection capacity is only known during the course of a financial year, wage and salary adjustments can be done quarterly, where salaries are reviewed directly in the ratio of collected revenues as at the period at which the negotiations are taking place. Given that there are also other competing needs, it is important for government and the Apex councils to ensure that they try to work out a ratio of government revenue which can be allocated to salaries, which should be maintained to ensure that the remuneration framework is not divorced from capacity to pay. Thus, there is need for advocacy towards a shift from expenditure rules, where employment costs are calculated as a ratio to expenditure to a rule related to revenue, as revenue reflects the capacity to pay. After all, education and health expenditures are not costs per se but investments in human capital. This arrangement is a win-win situation for government as well as the workers. The workers will not make unreasonable demands for increments at a time when the government is incapacitated to meet those salary requirements. Similarly, the workers would also be assured of an improvement in their salaries whenever there is an improvement in revenue collections. The agreed ratio to be negotiated should also be based on the need to ensure that other competing needs are not sacrificed in pursuit of salaries. If each surplus or excess revenue realised is shared among all the expenditure heads, the current acrimony between government and its workers would also be reduced. In addition, the salaries adjustment mechanisms should take into account the need for gender balance to remove the existing gender pay gaps which increase gender inequality poverty. To this end, effective gender responsive budgeting should be promoted and strengthened.

Index salaries to inflation

Inflation is generally an undesirable phenomenon, and its undesirable characteristics should be equally shared between government and the workers. While workers and government can agree with a ratio related to revenues, it is also important to ensure that whenever inflation is high, there are other mechanisms in place to help cushion workers. It is also important for the agreed framework to be explicit in how government can add extra incentives in the event of high inflation. The advantage of this framework is that it is flexible enough to remove this burden on the part of government if inflation is under control. It would also serve as an added incentive for government to control inflation. By ensuring that the wage bill adjustment framework is indexed to inflation, it would also be easy to keep salaries above the poverty datum line, as it is mainly inflation that makes the poverty datum line move faster than the salaries and wages.

More transparency in salary adjustments and rationale

Generally, whenever there are shocks to the economy, which can also be policy induced, it is expected that some temporary undesirables may occur in the economy. Government is currently involved in expenditure rationalisation, with the aim being to ensure that the economy is rid of the effects of the high budget deficit of the past which resulted in excessive borrowing, inflation and depreciation of the local currency, which all had ripple effects on the workers. Thus, a clear communication plan and transparency is certainly needed, which can also give workers confidence that the austerity measures as well as the current drive to maintain surpluses is for their good in the long term, as this would unlock the capacity to increase earnings in future without causing inflation. However, the presence of a surplus is currently seen by workers as unwillingness in the part of government to meet their requirements, which constrains their relationship further. Government therefore needs to walk all the stakeholders through its envisaged policy path, with clear time frames to ensure that any temporary sacrifices have a clearly defined end period. The government needs to sit down with worker representatives and ensure that there is an endorsement of the current policy strategies and trajectory, which would also give the confidence on policies that is needed to enhance economic performance.

Harmonise the salary determination framework to ensure all workers get increments together

One source of acrimony over the past two years is the general belief that some members of the civil service, especially the security sector, got a better deal compared to the education and health sectors. For example, a representative of the teachers was quoted in the media complaining that salaries for the security sector workers had been increased while those of teachers remained stagnant. This mainly arose from the different negotiation platforms, with one platform turning out to be more effective compared to the others. There is need to harmonise the wage negotiation platform for all the civil service workers to increase harmony among the workers while ensuring that some workers are not left behind other in terms of salary reviews.

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