CHAPTER 6

PUBLIC BUDGETING AND EXPENDITURE CONTROL IN ZIMBABWE: THE CASE OF PARIRENYATWA

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INTRODUCTION

Decades have lapsed since the attainment of political independence in Zimbabwe in 1980, yet fiscal fragility continues to hold back socioeconomic development imperatives in the government sector. The post-2000 era depicts a country dented by liquidity crunch, galloping inflation, and debt overhang. Inspired by this background, and the continuous search for sustainable fiscal policy regimes in Zimbabwe, this chapter interrogates the efficacy of the public budget as a micro-expenditure control instrument in public institutions. As the country pursues the Vision 2030 development agenda, the need for robust expenditure control instruments becomes vital. Drawing from the Parirenyatwa Group of Hospitals' case, the study seeks to answer the following cardinal questions: what is the nature of budgeting at Zimbabwe's Parirenyatwa Group of Hospitals? What key values underpin its budgeting process? How does the institution's environment affect the effective role of its budget in expenditure control? Key informant interviews and documentary analysis have been employed to derive licit prescriptions for building resilient public budgeting systems in Zimbabwe. The chapter argues that although the budget instrument may seem to be deficient during economic turbulence, it remains an indispensable expenditure control tool and its use should be augmented by other appropriate expenditure control mechanisms.

Expenditure control is one of the key functions of a budget. Zinyama and Nhema (2016:35) report that the customary and ultimate function of a budget is the control of expenditure, ensuring that it is legitimate, appropriate, accurate, and honest. Apparently, this function of the budget has not been immune to the weathering processes that have been experienced in the evolution of public budgeting for years. The world is experiencing an era in which the larger stability is already lost, and continuous global changes are demanding wider-ranging interventions from governments, consequently birthing inevitable fundamental changes in public budgeting processes (Caiden, 2010:34). Although the changes are fundamental, they are beyond the locus of this study. Nevertheless, what is disturbing to note is that the effects of such global economic instabilities have since diffused into the already fragile economies of the developing countries resulting

in increased public expenditure *vis-à-vis* shrinking fiscal spaces. Against such a predicament, expenditure control has become a pressing issue demanding governments' urgent attention in most developing economies. Despite the existence of vast literature on government spending and economic development, much of which is obfuscated, the bold and relevant fiscal policies that governments should embrace in order to build resilient fiscal systems remain unclear.

ORIENTATION

Effective expenditure control is the *sine qua non* of good public finance management. A broader perspective has been adopted by Pattanayak (2016:1) who argues that both at the micro and macro levels, annual budgets have proven to be meaningless if they are unable to control public expenditure. For Schick (2007:3), weak expenditure controls are often associated with a lack of budget credibility and when discussing financial control, the key issue is not whether the item happens to be entered in the budget but whether its expenditures can be effectively controlled through the budget. Referring to the Zimbabwean context, Moyo (1992) elaborates that very often, the national budgeting cycle is flawed and congested as key budgeting activities are clustered during the last quarter. The budget estimates of allocations and expenditures are then rushed, which consequently compromises the credibility of the budget. Apart from the brief budgetary flaws, the ecology of the national budget has always had an effect on the nature of budget execution. As deliberated by Zhou, Mukonza and Zvoushe (2016:265), public budgets denote a "mirror of a country's present conditions and future aspirations". Consonant with this view, the chapter advances the argument that even at organisational level, the public budget is not immune to the prevailing socioeconomic environment. Consequently, the porous nature of budgets elicits questions on the budget's ability to control government expenditure, especially at the micro-level.

Existing accounts reveal that the Government of Zimbabwe has attempted several fiscal policy reforms for decades, most of which have remained a chimera as they have repeatedly failed to douse the raging flames of excessive government expenditures (Maiwasha & Gweshe, 2020:45). A detailed examination of public expenditure in Zimbabwe by Madhuku and Mazorodze (2021:11) points out that the government lacks budgetary discipline, and that it has a huge appetite for spending while lacking the capacity to enlarge its national purse. Seemingly, this government's tendency to consume beyond what it can produce points to the absence of proper financial controls. In the health sector in particular overall fiscal policies depict an inverse relationship in which, over the years, expenditure has continued to bulge against decreasing budgetary allocations (Herbst, 1999; Zhou et al., 2016). Yet one may argue that to realise effective expenditure control, government institutions need performing budgeting systems, which remains a missing link in Zimbabwe's public sector.