JESUIT CENTRE FOR THEOLOGICAL REFLECTION

ANALYSIS OF THE EFFECTS OF EMERGING ECONOMIC TRENDS IN ON ACCESS TO CHILDREN'S RIGHTS

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ACRONYMS

ACRWC	African Charter on the Rights and Welfare of the Child
BNB	Basic Needs Basket
CSO	Central Statistical Office
CRC	Conversion on the Rights of the Child
GDP	Gross Domestic Product
HIPC	Highly Indebted Poor Countries
HDI	Human Development Index
ICESCR	International Covenant on Economic, Social and Cultural Rights
IMF	International Monetary Fund
JCTR	Jesuit Centre for Theological Reflection
MDR	Multilateral Debt Relief
NAPSA	National Pension Scheme Authority
NDP	National Development Plan
SCI	Save Children International
UNICEF	United Nations International Children Emergency Fund
ZIPAR	Zambia Institute for Policy Analysis and Research

1. EXECUTIVE SUMMARY

Governments that are party to the United Nations Convention on the Right of the Child including Zambia have a responsibility to take all measures to make sure children's rights are respected, protected and fulfilled. These measures include review of laws relating to children assessing their levels of services such as health and education as well as levels of funding for these services. Government are therefore obliged to take all necessary measures including increased resource allocation to ensure that the minimum standards set by the Convention in these areas are progressively being met.

Government's capacity to facilitate protection and fulfillment of children rights is usually hampered by disruptions in economic growth. This paper has analyzed the effects or likely effects of the current economic trends that have threated sustained economic growth and development in regard to access to children rights. Specifically, the paper has analyzed Zambia's growing budget deficit, public debt – both internal and external debt as well as the accompanying corrective policies with the aim of reversing the current economic trend. The paper notes that Zambia's economic growth rate has decelerated in the last three years from annual growth rates of around 6% experienced five years ago to around 3% in 2017. This drag in economic growth has been among other things been influenced by deteriorating fiscal and debt situation which have increased to an estimate of 7.4% of GDP in 2018 and US$ 15.95 billion. This trend has a potential to divert government resources from key social sectors that protects and fulfills children rights such as education, health and social protection as governments prioritizes loan repayments over allocations to such sectors.

The paper has demonstrated that increasing fiscal deficit and public debt and the accompanying fiscal consolidation measure being implemented under the Zambia Economic Plus Programme have crowded out financial allocations to the education and health sectors as well as the social protection programmes over allocations to loan repayment. These are key sectors as far as children rights protection is concerned. 2018 budget too reveals insignificant budgetary allocation increases to these sectors while allocations to loan repayment has skyrocketed.

The paper proposes that government should:

1. Consider and implement measures to slow down accumulation of public debt as announced in the Zambia Plus Programme
2. Put in place a comprehensive social protection policy and enact a legal framework that will ensure accountability in the delivery of social protection schemes
3. Adopt all community Schools as government schools -
4. Consult children in the design and implementation of social protection schemes
5. Increase national budget allocation to the education sector progressively (1% each year) aimed fulfilling our International commitment to both education and children

2. INTRODUCTION

The Jesuit Centre for Theological Reflection (JCTR), a faith based organization and a ministry of the Society of Jesus, strives to translate into action Christian principles and values related to promoting social justice in Zambia. The quest to promote social justice is well captured in its vision and mission which places emphasis on justice, the centrality of faith and the poor. The JCTR conducts its programmes through research, education, advocacy and consultations respectively.

Through a partnership with Save the Children International (SCI), the JCTR is undertaking a project to implement various interventions to promote public investment in children. The project, entitled 'Public Investment in Children', has its overall objective of promoting increased Government resource allocation to education, health, water and sanitation and child protection interventions/ services. The JCTR understands that education, health and water and sanitation are basic essentials for any child to thrive and the same can be said about social protection which facilitates realization of the above services for the most vulnerable members of our society. Realization of improved access to these invaluable social services however is often hampered by disruptions in economic growth trends which this paper attempts to analyse and offer suggestions on addressing them in order to guarantee smooth budgetary spending for the realization of children rights. The Zambian economy has been growing at a rate of over 6% per annum of GDP until recently when the growth decelerated to around 3% per annum. While children continue to face harsh reality amidst sound economic growth, the situation could become worse with the recent disruption in economic fundamentals in the economy. This paper therefore attempts to understand these realities vis-a-vis realization of children rights.

3. PURPOSE AND SCOPE OF THE ANALYSIS

The overall objective of the analysis is to inquire into the likely effects of emerging economic trends on access to children's rights. 2018 has been eventful as far as economic emerging issues such as increased fiscal deficit and public debt are concerned. When these economic fundamentals get out of hand beyond the projected targets, they change the direction in which an economy grows and their impacts on the lives of citizens especially children could be disastrous. This paper therefore seeks to understand effects of these emerging economic factors in the economy on children's enjoyment of their rights such as right to education, health and social protection and propose policy measures necessary for protection of the enjoyment of children rights amidst economic pressures. The paper restricts itself to increased budget deficit, public debt corrective policy implemented.

4. BACKGROUND

Zambia is a party to a number of human rights instruments both at the international and regional levels. These include the United Nations Convention on the Rights of the Child and the African Charter on the Rights and Welfare of the Child. This is to guarantee enjoyment of the rights elucidated in the instruments by people within the territory of Zambia through the enactment and implementation of relevant enabling legislation and programmes.

Human rights apply to all age groups; thus children have the same general human rights as adults. In 1989, however, world leaders decided that children needed a special convention just for them because people under 18 years old often need special care and protection that adults do not. The Convention on the Rights of the Child (CRC) is the first legally binding international instrument to incorporate the full range of human rights including civil, cultural, economic, political and social rights. This Convention sets out the rights that must be realized for children to develop their full potential, free from hunger and want, neglect and abuse. It reflects a new vision of the child. Children are neither the property of their parents nor are they helpless objects of charity. They are human beings and are the subject of their own rights. The Convention offers a vision of the child as an individual and as a member of a family and community, with rights and responsibilities appropriate to his or her age and stage of development. By recognizing children's rights in this way, the Convention firmly sets the focus on the whole child.

The Convention and its acceptance by so many countries including Zambia has heightened recognition of the fundamental human dignity of all children and the urgency of ensuring their well-being and development. The Convention makes clear the idea that a basic quality of life should be the right of all children, rather than a privilege enjoyed by a few.

Although the Zambian legislative framework to protect children in line with international legislative frameworks exists and well stipulated, violation of children rights still remain a challenge. Access to health and education for instance remain a big challenge especially to children without parental care and those at risk of losing it. Without basic services such as education, the vicious cycle of poverty that many families face is likely to continue.

Economic trend[1]s and policies affect children through their impact on household income, employment, access to health, nutrition and education. When an economy for instance is growing, it creates employment opportunities for people to earn incomes and access basic needs for their families such as health, education and food. When the economy however takes a downturn, families struggle to have access to the necessities of life and government policies to correct the trend may worsen the situation. Government's fiscal adjustments measures such as budget cuts and removal of subsidies measures implemented to address escalating government budget deficit and return the economy to the path of growth tend to exacerbate food and financial crises of people especially the most impoverished and marginalized. The Zambian Government for instance on 20th October 2016 launched the Zambia Plus Economic Recovery programme meant to restore GDP growth and meet the target of 7% required to reduce poverty and drive Zambia's development. The Programme is based on five pillars including strengthening of tax policy and administration to improve revenue flow and shift expenditure back to affordable levels and increasing budgetary allocation to social protection. Other pillars are improving economic and fiscal governance through strengthening of regulations and laws to ensure transparency of spending and improving economic stability through easing access to credit, lowering lending rates and reducing inflation. Since then, Government has implemented some of the planned policies that have had adverse impacts on the lives on people.

[1] Economic trend refers to the general direction in which a country's economy is moving. This direction is reflected by how well economic fundamentals such as GDP, Employment, Inflation, Exchange rate and Interest rates are performing

5. ECONOMIC CONTEXT

The Zambian economy expanded by 3.4% in 2017 compared to 3.8% in 2016 and is estimated to grow at around 4% in 2018[2]. The estimated growth will be supported by improved performance in mining, construction, manufacturing, wholesale and retail trade sectors as well as stable and reliable energy supply. Agriculture performance however was subdued in the last farming season due to prolonged dry spell therefore its contributed to growth was lower than expected. Despite the Zambian economy maintaining its growth trajectory, the rate of economic expansion has declined compared to the 6% annual growth recorded five years ago and way below the Zambia Plus Programme target of 7% deemed adequate for the country to make a serious dent on poverty.

The World Bank notes in its 11th Economic Brief[3] that economic growth has faced a drag from a deteriorated fiscal and debt situation which have increased to an estimate of 7.4% of GDP in 2018 and US$ 15.95 billion inclusive of domestic arrears respectively. Large Public Expenditure arrears by Government is reported to have led to an increase in nonperforming loans leading to lower private sector lending. Private sector lending has further been crowed out by increased government domestic borrowing at high interest rates. Domestic debt as at end of June 2018 thus stood at K51.9 billion compared to K48.4 billion at end of 2017. The World Bank further reports that reduced private sector lending which has been compounded by prevailing increased cost of external borrowing have led to weak economic activities and constrained job creation leading to increase in unemployment from 11.7% in first quarter of 2017 to 12.2% in first quarter of 2018. The Bank also reports that unemployment rate is higher among females at 14.6% compared to males at 10.6%.[4]

Other macro-economic fundamentals have also underperformed. While the Kwacha remained fairly stable for most part of 2018 between K9.3 and K10.4 in the face of low international reserves, it depreciated to over K12 per US$1 in the fourth quarter of 2018. Inflation consequently breached the upper band of its medium term target range of 6-8% in August 2018. While the external sector is said to have improved due to increased copper exports, increased costs of external debt service remain a risk to the balance of payments position. With rising external debt, debt servicing will continue to increase.

6. SOCIAL CONTEXT

Despite the country recording economic growth consistently albeit at a reduced rate in the last three years resulting in the World Bank classifying Zambia as a lower middle income country, poverty remains high at 54% and rural poverty standing at 76%. The growth has not significantly benefited the majority of Zambians especially the rural poor largely because it has not generated sufficient jobs, which are a strong link between growth and poverty reduction. According to the Central Statistics Office (CSO) Labour Force Surveys[5] of 2017 second quarter, the unemployment

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[2] 2019 National Budget Speech

[3] World Bank - 11th Zambia Economic Brief – An Agro-led Economic Transformation, 2018

[4] Ibid

[5] CSO (2017) – Labor Force Survey Report: http://www.mlss.gov.zm/?wpfb_dl=52

rate stands at 11.4 % with rural unemployment at 13.6% compared to urban unemployment rate of 9.8%. Furthermore, youth unemployment rate was 14.9%, with rural areas recording a higher rate of 16.2% compared to 13.9% in urban areas.

According to the 2017 Human Development Index[6] Report[7], Zambia ranked number 144 out of 189 countries recording a Human Development Index of 0.588 compared to 0.544 recorded in 2010. It is apparent from this marginal increase in Human Development Index which covers aspects of human development such as life expectance and average years of schooling that Zambia's economic growth has not substantially improved people's lives. The Human Development Index is even much lower at 0.388 for 2017 when discounted for inequality. Like all averages, the HDI masks inequality in the distribution of human development across the population at the country level. Inequality thus remains high in the face of a growing economy and access to social services such as education and health remains low. The question has been therefore how to make economic growth more broad and inclusive for it to have meaningful impact on the lives of Zambians.

While Government has increased budgetary allocations to social sectors such as education and health and built education and health infrastructures in a number of places, the quality of service delivery remains low. A JCTR assessment report of public investments in Children[8] conducted in Kitwe District notes that although the education sector receives the largest portion of the national budget, as much as 70% of the education budget goes to emoluments for teachers and little is invested in infrastructure and other school requisites leaving large numbers of learners in cramped classrooms.

The cost of living has remained high making it hard for people to meet the cost of basic needs and enjoy a decent life. JCTR Basic needs Basket reveals a significant increase rising from K4, 870 September 2017 to K5,356 in September 2018 while the average monthly income according to the CSO Labour Force Survey of 2017 is K3,481 way below the prevailing Basic Needs Basket.

To mitigate the adverse effects of harsh economic conditions especially for the most vulnerable of society, government is implementing various social protection schemes. These have taken the form of non-contributory transfers either in cash or in-kind, fee waivers, and subsidies with a view of reducing poverty and have specifically targeted those who lack the inherent capacity to work, rather than those who are failing to meet their needs through shortcomings in various aspects of their circumstances such as limited access to markets, insufficient capital or land. Beneficiaries have included the aged persons, the disabled or the chronically ill, female headed households, orphans and vulnerable children and the displaced and disaster victims. The social security schemes being implemented include the following:

[6] The HDI is an average measure of basic human development achievements in a country

[7] Human Development Index (2017); http://hdr.undp.org/sites/default/files/Country-Profiles/ZMB.pdf

[8] JCTR & Save the Children (2018); Final Assessment Report on Public Investments for Children

- Social Cash Transfer - this is an unconditional cash transferred to vulnerable people in a bid to reduce poverty and vulnerability. The programme started in Zambia in 2003 as a pilot covering five Districts but has since 2014 been scaled up to a full programme covering selected Districts across the country.
- Livelihood and Empowerment Programmes - Livelihood and empowerment programmes seek to provide support to households and groups who lack sufficient capacity to generate adequate reliable income that strengthen their livelihoods. These individuals and households have limited capacity in terms of human and social capital, as well as physical, financial and / or natural resources. Basic forms of livelihood and empowerment interventions typically include provision of finance, agricultural inputs and entrepreneurship skills including public works to promote community infrastructure and assets. In Zambia, specific programmes implemented include the Farmer Input Support Programme, Food Security Pack, Women Empowerment Fund, Functional Literacy and Skills Training, Community Self Help Initiatives and Micro Bankers Trust.

Social Security - Social security is defined as “all social transfers in cash or in kind that are provided by the government or private sector organizations which are agreed upon through collective bargaining. The existing social security schemes include contributory pension schemes under the National Pension Scheme Authority, Public Service Pension Fund, Local Authority Retirement Fund and other schemes offered by the private sector. Other social security services include the medical schemes and the Worker’s Compensation Fund that compensates an employee or employee’s family when they stop working because of work-related injury or death respectively. Currently, the National Pension and Scheme (NAPSA) is the largest social security scheme with an estimated coverage of eight percent of the labour force.

7. KEY EMERGING ECONOMIC TRENDS AND THEIR LIKELY IMPACT ON THE RIGHTS OF CHILDREN

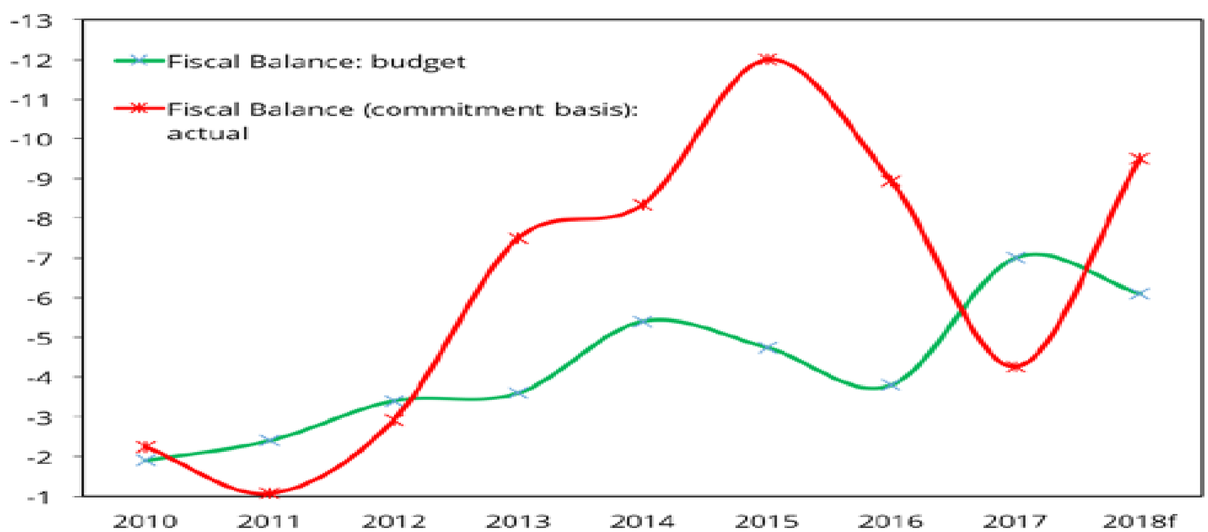
The momentum in economic growth that picked in 2017 is at risk of not being sustained in 2018 as key sectors in the economy face headwinds. Agricultural output has contracted in 2018 due to poor rainfall patterns and El-nino weather is forecast for the 2018-19 farming season. Copper prices have fallen by 20 percent from their four-year highs that were reached in June 2018 due to weaker demand from China, and could fall further as global supply of copper increases.[9] The World Bank has thus revised the real GDP growth projection for 2018 to 3.3% from 4.3% projected at the beginning of 2018. At the back of this general economic trend has been increased public spending and debt and government policies to reverse this trend.

[9] World Bank 11th Economic Brief

7.1 Government Budget Deficit

Large fiscal deficits have been a recurring feature of Zambian budgets since 2013. A budget deficit occurs when government spends more than its revenue and accrued deficits form the national debt. Expansion of public investment especially in infrastructure has been the main factor responsible for increase in budget deficit which has averaged 6.9% of GDP between 2013 and 2017.[10] Secondly, lower copper prices and slower GDP growth have constrained government revenue base leading to increased deficit. Expensive external borrowing from non-concessional sources such as the US$3 billion borrowed between 2012 and 2015 (US$750 million in 2012, US$1 billion in 2014 and US1.25 billion in 2015).

Figure 1.0: Fiscal Balance (% of GDP)



Source: Ministry of Finance and World Bank; Note: Inverted scale

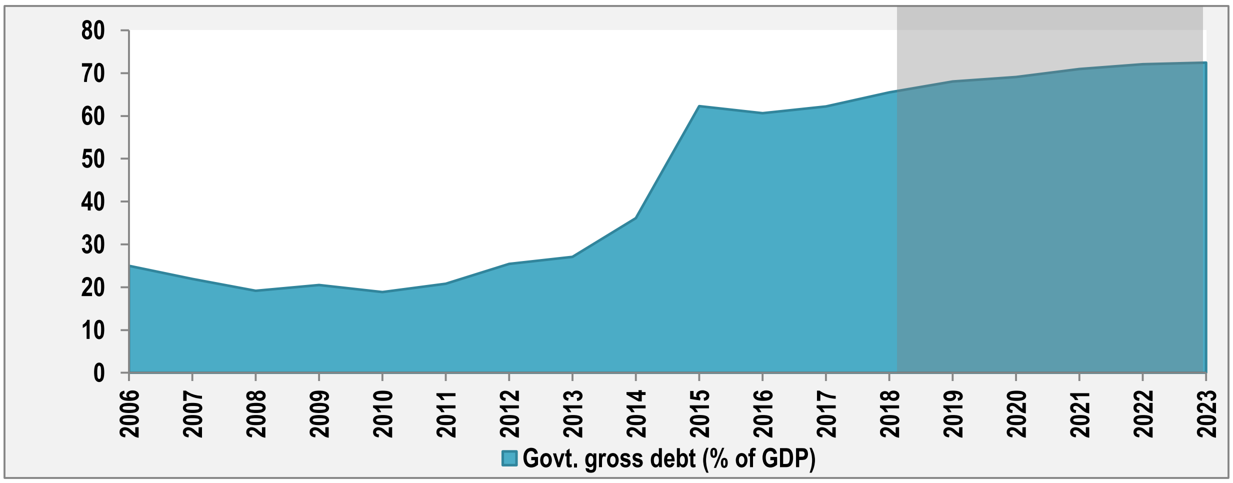
Maintaining a budget deficit means there is never money left over after paying expenses, which can put governments at a disadvantage in a number of ways. A growing budget deficit leads governments to ever rely on borrowing to fiancé future budgets which ultimately crowds out payment to social and investment sectors as government prioritize loan repayments. High budget deficits also put unnecessary pressure on future generation to pay of the accumulating budget deficit/ debt. There is therefore always pressure on government to reduce the budget deficit. Government has two options for reducing the deficit – reducing its expenditure or raise taxes. This can create a huge tax burden on citizens who at the same time experience reduction in the level and quality of services received from government. This adversely affects citizens especially those with limited incomes.

[10] World Bank 11th Economic Brief

7.2 Public Debt

Debt has returned to the spotlight just a decade after Zambia benefited from US$ 6.6 billion debt relief in 2005-06 under the Heavily Indebted Poor Country (HIPC) and Multilateral Debt Relief (MDR) Initiatives. As at end June 2018, Zambia's public external debt stood at US$9.37 billion, while domestic debt was K51.87 billion. Total public debt, in dollars, therefore stands at around US$14.56 billion. Arrears stood at K13.9 billion as at end June 2018, which when added gives a debt of US$15.95 billion. As a percentage of GDP, the total debt (taking into account the external debt, domestic debt and arrears) is 58.2%, using an adjusted nominal GDP of US$27.4 billion in 2018.[11]

Figure 1.1: Public Debt as a Share of GDP



The structure of external debt has also changed significantly. The share of external debt from multilateral development banks and bilateral lenders (which are largely concessional) has declined from 77 percent in 2011 to 23 percent in 2018. Debts from commercial sources (52 percent) and trade credit (25 percent) now dominate the external debt portfolio, and of this, 44 percent are Eurobonds, while 35 percent is from Chinese lending institutions. A small part is comprised of syndicated loans and external arrears converted into debt.[12]

Debt in itself is not bad if it is invested in projects with high economic returns. However, years of borrowing on short-term plans with little return on investment has left Zambia with a level of public debt that threatens to topple the country into a full-blown economic crisis. International Monetary Fund (IMF) thus has issued a red flag, warning that the country is at high risk of debt distress. Debt causes many problems for the economy and these can rapidly feed through into individual livelihoods especially vulnerable households. High debt levels means that government interest payment in servicing debt will increase leaving little to be spent in other areas such as health, education and social protection. High debt levels especially domestic debt might crowd out private borrowers which may lead to low private investment, productivity and subsequent job loses. High debt levels also has the potential to depreciate the currency and increase inflation.

[11] 2019 Budget Speech (2018)

[12] World Bank Economic Brief (2018 Second Quarter)

Because the economy is weak, fewer people may want to invest in Zambia so there is less demand to "buy" the Zambian kwacha. This is what happened in 2014-15, and it led to the kwacha weakening against the dollar, making anything imported (fuel, food, electricity, etc) much more expensive. Inflation and job losses will reduce living standards, but weak growth also prevents wider reductions in poverty.

7.3 Zambia Plus Programme and Policy Response

Large fiscal deficits accumulated over the years and the resultant high public debt have raised alarms about the sustainability of the Country's debt and has even prompted the IMF to issue a warning that the Country is at high risk of defaulting or distress. The IMF is also reported to have refused to grant the Zambian Government a loan of US$1.3 billion on account of unsustainable borrowing plan demanding that government slows down on its loan contraction plans. In response to the increasing public demand for remedial measures, Government on 20th October 2016 came up with a Programme called Zambia Plus aimed at restoring economic growth and reduce debt levels. The program is dubbed "Zambia Plus" as "all solutions are expected to be determined by Zambians while external partners are expected to form the plus as the Government engage them to assist in this process. The Program has the following pillars[13] aimed at revamping the economy including reduction of debt:

- Strengthening tax policy and administration to improve revenue inflows and to shift public expenditure back to affordable levels.
- Increasing budgetary allocation to social protection including addressing the plight of pensioners.
- Improving economic and fiscal governance through strengthening of regulations and laws to ensure transparency of spending decisions.
- Improving budget credibility through better planning, adherence to expenditure plans and improvement of the quality of Government's spending.
- Improving the country's economic stability through easing access to credit, lowering lending rates and reducing inflation.

Since launching the Zambia Plus Programme in 2016, Government has implemented a number of policy measures that have adverse impacts on citizens' incomes and capacity to earn a decent life. In cutting down on its expenditure and aligning it to revenues, Government for instance removed electricity, fuel and agriculture subsidies between 2016 and 2018 which pushed the price of these commodities high making them affordable to the majority of Zambians. Government also introduced several fines and enforced certain taxes that had lied dormant such as the withholding tax on rentals. This put pressure on people's incomes especially those in low income brackets and making it harder to provide for their families. It has also been noted that Government has cut back allocations to certain sectors such as education, health and social protection to prioritize loan repayment. These are sectors that serve interest of the poor who cannot afford privately provided social services and any budget allocation cut back disadvantages them. On the other hand, measures that could have improved fiscal governance with little adverse impact on the lives of

[13] Read more at: http://www.zambiainvest.com/economy/economic-recovery-program and follow us on www.twitter.com/zambia_invest

citizens such as amending the loans and guarantees act by enhancing Parliament's oversight role in loan contraction and utilization have been ignored and not implemented. The following section therefore analyzes impacts/ likely impacts of some of the measures government has undertaken to address the economic downturn on the lives people.

8 EMERGING ECONOMIC TRENDS AND ACCESS TO CHILDREN RIGHTS

Muted economic growth, Increasing fiscal deficit and high public debt both internal and external have increasingly characterized Zambia's economic trend in the last three years. Cognizant of these challenges; government committed to a well-planned fiscal consolidation plan under the Zambia Plus Programme – targeting a reduction in deficit and enhancement of tax and non-tax revenues. This was to be done along with several structural and debt management reforms.

8.1 2017 and 2018 National Budgets and Social Spending

While fiscal consolidation measures such as the 5 percent fall in spending on subsidies following fuel, electricity and agriculture subsidies reforms commenced in 2017 and clearing of a huge deficit back log resulted in reduction of the fiscal deficit from 8.9 percent of GDP in 2016 to 4.3 percent in 2017, social spending fail. Spending on social cash transfers for 2017 for instance was 42 percent below target.[14] In 2018, the World Bank also reports that although the total spending between January and May 2018 was 20 percent above budget, wages and salaries and social spending fail below target. Increase in expenditure instead was largely at the back of budget overruns in debt financed projects (by 74 percent) as well as loan interest payments which increased by 21 percent.

Government budget is a critical vehicle for advancing child rights as children's lives are deeply affected by government's budget decisions. This is especially so in poor or developing countries, where many parents are unable to provide for all the basic needs of their children. How the state chooses to spend its money therefore has a huge impact on children's living conditions, their care and protection, as well as the services and opportunities that are available to them. The act of withdrawing subsidies from key sectors, reducing spending to social protection and workers' salaries while prioritizing loan repayment is no recipe for promoting children rights.

Because the state has signed and ratified certain child rights treaties, it has a legal obligation to set resources aside for the realization of children's rights. Guaranteeing the rights of children is not only a legal and moral responsibility; it also has implications for economic and social policies and, consequently, for the allocation of a country's financial resources. No matter how much importance countries assign to the rights of children through rhetoric or through legislation, allocating insufficient resources to fulfil these rights means they cannot be considered a real priority. Prioritizing the rights of all children, for today and for future generations, calls for adequate resources devoted to implementing relevant legislation and for ensuring the functionality

[14] World Bank 11th Economic Brief

and capacity of institutions that work to fulfil these rights. Fulfilling obligations under the Convention on the Rights of the Child (CRC) has clear financial implications.

While the need to extend care, assistance and protection to children is enshrined in national laws and international agreements, the process of translating these commitments into strong programmes with corresponding budgets so that children may enjoy their rights can be difficult in settings with severe resource constraints. Moreover, social investment often involves trade-offs where devoting resources to one area may necessarily imply sacrificing them in others.

To create a budget that serves to realize the rights of all children, it is necessary for the Zambian government to profile the amount of revenue available, or what needs to be raised, as well as the allocated expenditure and then create fiscal space to allow for children's issues to be debated and for policies to be designed to address them. Making the case for children is also important because children usually do not have a voice in policy and budgeting processes.

8.2 2019 Social Sector Budgetary Allocations

Given the hype about the need to reduce the country's debt, the 2019 budget was always going to be about containing government spending and enhancing revenue mobilization and therefore the budget's theme of delivering fiscal consolidation for sustainable and inclusive growth speaks it all. In the process of returning the economy to its sound growth trajectory, often citizens get bruised as government cut back spending and tries to earn revenue from the limited sources. In terms of expenditure to health sector, while the 2019 nominal budgetary allocation has increased from K6.9 billion in 2018 to K8.1 billion in 2019, the allocation as a share of the budget has actually reduced from 9.5% in 2018 to 9.3% in 2019. This shows that government attaches less importance to the sector in 2019 than it did in 2018. The budget to health sector has continued to be low and has always fallen short of the Abuja declaration that Zambia signed many years ago obliging the country to allocate 15% of its national budgets to the health sector despite its importance. With the country having a youthful population, increased investment in health sector is not an option. UNICEF reports in its Maternal, Newborn and Child Health report of 2017 that neonatal mortality rates and Under Five are still high with 34 newborn babies per 1,000 live births dyeing while 119 under five babies die per 1,000. Government should consider providing better attention to health care provision through increased budgetary allocations to improve on the required infrastructure and human resources. Government also needs to reduce its reliance on donor funding to the sector as donor funding has not been very stable lately. A number of donors have cut down on funding citing high level of corruption in the health sector. The health sector is too important to be left to the mercy of donors.

Education sector too has received less attention with the education budgetary allocation share falling from 16.1% in 2019 to 15.3% in 2019 though nominally the allocation has increased by K1.6 billion. As for social protection, both the nominal allocation and the social protection share of the total budget have fallen from K2.3 billion in 2018 to K2.1 billion in 2019 and from 3.2% to 2.5% during the same period respectively. Both Social Cash Transfer and the Food Security Pack and the Social Welfare Assistance schemes have received nominal cuts in the 2019 budget. The decrease in social protection spending is contradictory to national aspirations and commitments the Government announced through the 7NDP to reduce vulnerabilities on the extreme poor. With reduced budgets it is definitely difficult to reach as many people as pronounced which leaves many vulnerable families with no hope of living a better life. This will adversely affect children and their upbringing.

These allocations to key sectors that are supposed to facilitate children's realization of their rights are insufficient to guarantee progressive realization of children rights. The International Covenant on Economic, Social and Cultural Rights (ICESCR) specifies that States have the obligation to progressively achieve over time the full realization of the rights recognized in the Covenant to the maximum of their available resources. Given the many aspirations and transformations required to improve the quality of education and health, the marginal increases observed in the 2019 budget raises doubts as to whether the Government is really committed to actualize its aspirations. These allocations are further threatened by failure by government to release all the budgeted funds as already noticed in the 2017 budget as well as misallocations of funds. It has also been noted in previous budgets that allocations have been skewed towards emoluments such as in the 2017 budget where 91% of the allocation to primary education went to personal emoluments and have also showed bias towards primary education. The low budgetary allocations are further threatened by high levels of corruption and misapplication of funds as was noted in the 2018 budget where millions of Kwachas meant for social cash transfer where misdirected and never reached the intended beneficiaries. There is urgent need for government to not only significantly increase budgetary allocations to sectors that facilitate realization of children rights but also ensure release of full amounts and ring fence them against corruption and abuse.

8.3 Debt Servicing versus Social Sector Allocations

Government's fiscal expansion over the years financed by expensive borrowing has increased debt towards an unsustainable levels. Dismantling the current debt levels means the country will have to spend more on debt repayment and less on other critical sectors. Though government plans to spend 21% more in 2019 (K86.8 billion) than in 2018 (K71.7 billion), most of this growth is projected to go towards loan repayment as a number of loans fall due. ZIPAR notes that the increase in debt service of K9.4 billion in 2019 over 2018 is actually higher than the increase in domestic revenues of K7 billion. This means that all the revenue gains will be channeled to debt servicing.

Figure 4: Growth in Debt Servicing

	2017 Budget	2018 Budget	2019 Budget
	K 'million		
Total Expenditure	64,510	71,663	**86,807**
Debt servicing	11,467	14,241	**23,573**
Expenditure, less debt servicing	53,043	57,422	**63,234**
	Nominal percentage changes		
Total Expenditure		11%	**21%**
Debt servicing		24%	**66%**
Expenditure, less debt service		8%	**10%**

Source: ZIPAR

The World Bank has also noted that increased costs of debt servicing are constraining space for spending on productive and social services and threatening external balance stability.[15] The increased interest payments are crowding out fiscal space for other social and economic sectors. For instance, as the cost of debt service has averaged 21% above its budget between 2011 and 2017, the following sectors have seen their actual disbursement below budget allocation: education (by 35%), health (by 12%), social protection (by 14%) and economic sectors (by 25 %).[16] Social Cash transfer in 2018 which is meant to support 574,000 selected poor households is said to have only received 27% of the budget as at end of June. Out of the total social cash transfer budget of K822 million, only K197 million had been released by June 2018 instead of a minimum of K411 million since this a midway into 2018 fiscal year. Poor people indeed are paying the brunt of increased debt and debt servicing. There is need for government to ring fence resources meant for social sectors even as government spends more to liquidate its debt if needs of the poor especially children have to be addressed. Government has made this commitment in its Zambia Plus programme and it should be honored.

[15] World Bank 11th Economic Brief
[16] Ibid

9 CONCLUSION

While strides have been made in stabilizing the economic trends with some fiscal and structural reforms in the Zambia Plus Programme, care must be taken not to disrupt flow of resources to sectors that are at the core of children's rights such as health, education and social protection. It is apparent that in the process of addressing the many economic challenges the country is facing such as debt, less attention is being given to these key sectors. The reduction in budgetary allocation and disbursement to key social sectors as demonstrated above at the time loan repayment has escalated is no coincidence. Repayment of debt must not blind us from safeguarding the needs of the poor and vulnerable including children. Sustainable development cannot be achieved where human rights are not protected and promoted. This is because respect for human rights demands that the government strives to do everything to ensure that its people are protected against threats to their life, health, economic well-being, social stability and adequate resource allocation is indispensable. The right to education still poses a challenge in Zambia as equitable access to quality education is still a dream for most of the young population. There still are more males than females accessing higher education and training in Zambia. The right to health is as well far from being fully realized as health facilities and services are not easily accessible to all. Poorer households should be protected from health expenses as this can undermine their ability to meet other livelihood expenses. It is encouraging to note government announcing increase in the number of food security pack beneficiaries from 40, 000 to 80, 000 to support vulnerable and viable famers. The reduction in social protection and under disbursement of funds to social sectors is however regrettable. There is indeed urgent need to reverse the current economic trends but human cost of such reversals must be considered and avoided at all cost. Rights of the child mean that the government should put in place special measures to protect children, without any discrimination either directly or through support to children's family. The government should make an effort to reduce infant mortality, eradicate malnutrition among children, provide education opportunities and to protect them from being subjected to acts of violence and cruel and inhuman treatment. All these require increased budgetary allocations and disbursements to key sectors. It is JCTR's considered view that the following proposed measures if well implemented could safeguard interests of the poor including children while at the same time support revamping on the economy.

10 RECOMMENDATIONS

Following the analysis of the economic trends, the JCTR proposes that government should:

1. **Consider and implement measures to slow down accumulation of public debt as announced in the Zambia Plus Programme -** While government has announced plans not to start new projects and discontinue projects that are less than 70% complete, in a bid to slow down accumulation of debt, it has continued to announce new projects and carry on with old projects that are less than 70% complete. We are agree with the World Bank who have observed that ffailure to address the debt situation urgently would risk a spiral of debts, where new borrowing would be channeled towards paying back pre-existing debt, and not towards financing development and wealth creation. Government would reduce debt accumulation by reprioritizing public spending and focusing limited public resources on investment projects with high economic returns. We therefore call on government to urgently implement debt reduction measures announced in the new fiscal consolation plans, including amending of the

loans and guarantees act to enhance Parliament's oversight on debt contraction and utilization, postponing the contraction of some pipeline debt, cancelling some of the contracted loans that are yet to be disbursed, and ceasing the issuance of guarantees and letters of credit.

2. **Put in place a comprehensive social protection policy and enact a legal framework that will ensure accountability in the delivery of social protection schemes** - Diversion of funds meant for the most vulnerable people must be severely punished to curb the practice. Better and transparent delivery mechanism of social protection funds must also be devised to guarantee timely transfer of such funds

3. **Adopt all community schools as government schools -** Community schools have been associated with poor structures and quality of service. Pupils in such schools are also human beings who deserve decent education services if they have to enjoy a dignified life.

4. **Consult children in the design and implementation of social protection schemes -** to enable them own the schemes and hold government to account when the schemes are not honoured.

5. **Increase national budget allocation to the education sector progressively (1% each year) aimed fulfilling our International commitment to both education and children -**Increasing the education sector budget share of the national budget by 1% every year means that we would have fulfilled the Cairo Protocol and Dakar Education Framework resource allocation requirements by the year 2021, when the 7th National Development Plan comes to an end. Further allocations within the education sector that provide for improved quality of education e.g. funds towards primary education provision or early childhood provision should receive more funding.

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