

Is Zero Base Budgeting a Reality or a Symbolic Representation of Politics in Public Sector in Sri Lanka?

by

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Abstract

The purpose of this research paper is to examine whether Zero-Base Budgeting (ZBB) implemented by Sri Lanka in 2016 is a reality as planned or a symbolic representation of politics. Among other issues, inability to spend allocated funds in line with budget lines shows the poorness in planning and execution of budgets in Sri Lanka over time and therefore, ZBB is argued to be a solution for better planning and referred achieve identified annual targets based on capacities and priorities within a fiscal year instead of having incremental traditional budgeting.

Qualitative approach is used and data is collected from a sample of officials who involve in budgeting process, namely accountants, directors of budget/accounts and payments, directors planning/ development, and support staff.

This study finds that preparers of ZBB have simply follow guidelines and formats provided by the government treasury to prepare budgets. Objectives of ZBB are unlikely to have been achieved as preparers have not understood them and how they are included in ZBB. Budget planning does not happen in line with capacities and priorities of spending units. Budget preparation is routed with a traditional institutionalized practice of estimating numbers with increments proposed by spending units subject to budget ceilings decided by higher authorities. Accountabilities of achieving objectives of budget except of the objective of spending allocated funds are not vested with spending units. Preparers understand ZBB as a task of simply inserting budget estimates in the new ZBB formats provided. Need of integrating planning with reviewing, measuring output and outcome is not well communicated among different players engage in budget preparation.

Working environments at spending units is also found not to be conducive for successful implementation of ZBB mainly due to lack of technological support, required training and guidance. On the other hand political presence and its representation is pretty much seen in the introduction of ZBB in Sri Lanka and as a result ZBB is used as a tool to cut the budget in terms of allocations instead. The hurriedness in implementation and political representation are seen to have deviated from the objective of ZBB thus pushing the authorities to stop it without having a review as to what when wrong.

Keywords: Zero Base Budgeting, Planning, Prioritizing, Output and Outcome, Budget allocation