

COUNTRY STUDY

MALAWI

Social Protection Monitoring

Main recommendations

- The EU should support the Government in improving public services and making them more affordable, to ensure that all people have access to quality health care, education and safe drinking water.
- EU support to the agricultural sector must be modernized to make use of new technologies and techniques to increase productivity and thus rural incomes.
- More opportunities for training and skills development must be made available to young people in order to assist them in finding jobs.
- The right to social protection must be promoted, and citizens made aware of this right. The EU's support to civil society should include civic education, as well as reinforcing civil society organisations in their engagement with the Government.
- Civil society organisations should have their capacity built, to effectively implement social protection interventions, as well as monitor interventions championed by government and development partners.
- A sound financial plan for social protection must be developed with EU support in order to ensure that adequate resources are identified and mobilised. The Government should commit a proportion of the national budget to social protection and take full ownership of the policy.

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INTRODUCTION

Vision 2020 sets out Malawi's goal of becoming a middle-income country that is secure, democratically mature, environmentally sustainable, technologically driven and self-reliant with equal opportunities for and active participation by all, with good social services and vibrant cultural and religious values. The Malawi Growth and Development Strategy II (2011-2016) is the medium-term strategy for attaining this vision. One of the main assumptions of the MGDS is that "effective social protection programmes are designed to mitigate negative side effects of growth and development."¹ The Social Support Policy of 2012, designed to contribute towards the reduction of poverty and vulnerability in line with the MGDS Theme on Social Support and Disaster Risk Reduction, contains the following priority areas: 1) provision of welfare support, 2) protection of assets and building resilience, 3) productivity enhancement to increase incomes and accumulate assets, and 4) policy linkages and mainstreaming, addressing economic and social vulnerabilities including social exclusion.

Malawi has ratified the International Covenant on Economic, Social and Cultural Rights, which recognizes a whole range of rights relating to social protection. Moreover, by adopting the ILO Recommendation on National Floors of Social Protection (R 202) the country is engaged in the set-up of a national floor of social protection for all its residents with the aim of building a comprehensive and human rights-based national social protection system. Currently, there are significant challenges to achieving universal social protection in Malawi, to address which will require support from development partners.

The EU's development cooperation with Malawi is defined in the National Indicative Programme (NIP) 2014-2020. The three priority areas for cooperation were agreed jointly by the EU and Government of Malawi, in consultation with other donors and civil

1 Malawi Growth and Development Strategy II (2011-2016), p.3

society. These are: 1) governance, 2) sustainable agriculture, and 3) secondary education and vocational training. The following report provides the views of the Malawi Platform for Social Protection (MPSP) and the Council for NGOs in Malawi (CONGOMA) on issues the NIP could tackle to better support the achievement of decent work and social protection for all in the country. This would be in line with the EU's commitments enshrined in the 2012 Communication on Social Protection in Development Cooperation, the EU Action Plan on Human Rights and Democracy and the objectives and targets of Agenda 2030 adopted in September 2015. In this respect, the forthcoming NIP Mid-Term Review could provide the space for these commitments to be better reflected in the 11th European Development Fund programmes.

MALAWI

MALAWI AT A GLANCE²

Population
16.7 million

Gross Domestic Product (GDP)
US \$4.258 billion

Human Development Index (HDI) and ranking
0.445 (173rd out of 188 countries)

Public spending on social protection including health
5.91% of GDP (2007)

Total envelope of National Indicative Programme (NIP)
EUR 560 million

² World Bank: <http://www.worldbank.org/en/country/kenya>, UNDP Human Development Report 2014: http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/KEN.pdf, ILO World Social Protection Report 2014/15, Kenya National Indicative Programme 2014-2020



MAIN ISSUES TO BE TACKLED

- There is a chronic shortage of qualified medical personnel, particularly doctors which, together with poor infrastructure and a lack of equipment and essential medicine, is putting people's health at risk.
- Access to secondary education is a challenge, and given the poor quality of facilities and teaching, retention rates are also low, particularly in rural areas.
- Malawi is one of the poorest countries in the world, with the majority of the population employed in subsistence agriculture. In addition, the land available for farming is coming under increasing pressure from a growing population.
- Young people are facing huge challenges in accessing the labour market, and over three-quarters of working young people aged 15-29 are in vulnerable, casual and temporary employment.
- Spending on social protection is highly donor-dependent, with Government contributions falling short of 20%.

RECOMMENDATIONS FOR THE EU NATIONAL INDICATIVE PROGRAMME

- The EU should support the Government in improving the quality of public services and making them more affordable, to ensure that all people have access to quality health care, education and safe drinking water.
- EU support to the agricultural sector must ensure that new technologies and techniques are employed to increase productivity and thus rural incomes
- More opportunities for training and skills development must be made available to young people in order to assist them in finding jobs.
- The right to social protection must be promoted, and citizens made aware of this right. The EU's

support to civil society should include civic education, as well as reinforcing civil society organisations in their engagement with the Government to ensure the provision of universal social protection.

- Civil society organisations should have their capacity built, to effectively implement social protection interventions, as well as monitor interventions championed by government and development partners.
- A sound financial plan for social protection must be developed with EU support in order to ensure that adequate resources are identified and mobilised. The Government should commit a proportion of the national budget to social protection and take full ownership of the policy.

BENCHMARKS FOR MONITORING SOCIAL PROTECTION

1. Improving access to essential services

The **health care system** in Malawi is considerably under-resourced and lacks adequate human resources, infrastructure and equipment. Malawi has one of the worst doctor-to-patient ratios in the world, with just 0.2 physicians per 10,000 population from 2007-2013, compared to the regional average for Africa of 2.7 and the global average of 13.9³. Despite the 50% increase in the health workforce that was achieved through the implementation of the six-year Emergency Human Resources Plan from 2005, there is still a chronic shortage of skilled health professionals, particularly in rural areas.⁴ The health system has been largely dependent on donor funding, which accounted for approximately 60% of total health expenditure in 2009.⁵ However, the government has also increased its expenditure on health, generally surpassing the Abuja target of 15% of the national budget since 2008⁶ and is developing a health financing strategy to improve

3 WHO, World Health Statistics 2015

4 http://www.who.int/countryfocus/cooperation_strategy/ccsbrief_mwi_en.pdf

5 ibid

6 Note that spending decreased to 12% of the total budget in 2014



the funding available and move towards establishing universal health coverage.

The MPSP and CONGOMA⁷ wish to highlight the problems of frequent drug shortages, including of essential medicines, in many health facilities and the lack of food provided to patients in public hospitals. On top of that, private health care facilities are charging exorbitant fees, which make **quality health care inaccessible to the majority**. The partners also highlight the challenge faced by the Government in committing adequate resources to health from the national budget, given the fact that many donors prefer to provide support outside of the national budget framework, due to governance challenges in Malawi.

When it comes to **education**, access to secondary education is a challenge in Malawi, with a transition rate from primary to secondary school of only 32% in 2012/2013.⁸ Completion and retention rates are also very low due to factors such as poor school facilities, long distances to school, the uneven geographical distribution of schools, a shortage of qualified teachers and teaching materials. More qualified teachers tend to prefer urban locations, contributing to lower standards, higher absenteeism and higher dropouts in rural areas. The drop-out rate and repetition levels are higher for girls than boys, due in part to early marriages, pregnancies and family obligations keeping girls from school, which is of particular concern to the partners. Long distances to school pose high security risks for girls either travelling daily or seeking housing outside of their homes.

Moreover, secondary school education continues to be university-oriented, lacking the technical training that would enable more school leavers to enter the labour market. A new National, Technical, Entrepreneurial and Vocational Education and Training (TEVET) Policy was approved in 2013, which aims to improve access for women and people from marginalized and

⁷ Hereinafter referred to as the partners

⁸ National Indicative Programme 2014-2020

disadvantaged groups. There are many challenges to achieving the targets of the policy, however, including issues of standards, quality and capacity.

The EU's support to Malawi contains a specific focal area on secondary education and vocational training, which aims to empower the education sector by promoting equitable access, improving the quality and relevance of education, and strengthening the management and governance of education institutions. More specifically in terms of access, there is a particular focus on girls and women, as well as people with disabilities. In terms of quality and relevance, the EU is supporting the implementation of the new science and skills-focused curriculum for secondary education, whilst for vocational training, there should be a demand-oriented, competency-based approach to improve the availability and uptake of skilled workers into the labour market. It is also expected that there will be improvements to the training of teachers and instructors as well as to the provision of appropriate infrastructure and teaching and learning materials.

While the partners welcome the EU's prioritisation of education, they believe that improving access to education will require bursaries for vulnerable households who cannot afford the tuition and associated costs of sending their children to school, especially when these are far away. They are also concerned at the lack of adequate colleges which school leavers can attend, which are expensive and therefore inaccessible to students from poor families. This applies too to technical and vocational training, which the partners strongly believe should be made more affordable, in order to encourage students from vulnerable backgrounds to attend.

The partners also wish to point out that Government statistics on the availability of services do not always reflect reality. Despite reports that 86% of Malawians have access to an improved water source, the fact is that some water points are not functional, and there is



the additional issue of some areas being favoured over others, for political reasons. Services that are provided are of poor quality, which the partners believe could be tackled by developing service charters between the Government and the public, for which EU support should be extended.

2. Ensuring income security

Malawi is one of the poorest countries in the world, with a GDP per capita (based on purchasing power parity) of US \$819.68, placing it 183rd of 185 countries surveyed.⁹ Half of the population was living below the national poverty line in 2010¹⁰ and a quarter of the population is ultra-poor. Agriculture employs the vast majority of the working population (85%), most of whom are subsistence farmers with small landholdings. Low productivity means that incomes derived from farming are very low, and insecure in the event of climatic shocks and variations in food prices.

Young people face considerable challenges in finding opportunities in the labour market. Over three-quarters of working young people aged 15-29 were in **vulnerable, casual and temporary employment** in 2012/13.¹¹ Women are also particularly disadvantaged in wage employment: they are over-represented in jobs with low or no skill requirements and low wage categories, both in agriculture and non-agriculture sectors. 61% of female waged workers fall within the lowest wage category compared to 37% of their male counterparts.¹² In 2015 the Government approved a statutory **minimum wage** for workers of MK687 (approximately US \$1.24) per day. There is no unemployment benefit in Malawi.

As the partners point out, social protection is currently defined in a narrow sense in Malawi, and does not

⁹ <https://www.gfmag.com/global-data/economic-data/worlds-richest-and-poorest-countries>

¹⁰ <http://data.worldbank.org/country/malawi>. The national poverty line of MK37,002 per year is equivalent to MK101.4 or US\$0.36 per person per day

¹¹ ILO, Global Employment Trends for Youth 2015

¹² FAO (2011) Malawi Country Profile, Gender Inequalities in Rural Employment in Malawi: An Overview

include income security and social security, which are still very much confined to the formal economy and are not considered as realistic or affordable targets. As the economy improves, the partners hope that these aspects of social protection will also be developed. The Government's strategy to combat chronic poverty and vulnerability is set out in the National Social Support Policy and Programme of 2012. It moves from a purely safety-net approach to one that focuses on asset creation and resilience-building, as well as on increasing productivity. These measures aim to increase agricultural incomes by providing access to credit in the form of village savings and loans as well as microfinance schemes, to increase investment in the long-term.

Sustainable agriculture is a key priority area for the EU under the NIP, which aims to transform agriculture from a low-value, subsistence sector, to one that can provide decent jobs, and ensure food and nutrition security. A specific objective is to promote sustainable agricultural growth and incomes through commercialisation and value addition of smallholder production, ensuring better access to finance, and facilitating access to markets by improving rural transport infrastructure.

The partners point out that a major challenge to rural livelihoods is the shrinking land available for cultivation due to population pressure. It welcomes EU support to boost commercial farming, but highlights too the need to focus on crop diversification, mixed cropping, irrigation and water harvesting to enable farmers to maximize their crop production.



3. Promoting a rights based approach to social protection

The Constitution of Malawi provides for the “right to development”, including economic, social, cultural and political development. One of the aims of the National Social Support Policy is to support the fulfilment of human rights and freedoms. However, a right-based approach to social protection is not clearly defined and no Government policy clearly conceptualises social protection within a human rights framework. According to the partners, this is because the adoption of universal social protection is regarded as too costly by the Government.

For the partners, it is imperative to champion social protection as a right, as it creates an enabling environment for the enhancement of people’s capabilities and the expansion of their choices through the fulfilment of duties and obligations by the State. People are therefore not passive beneficiaries of social protection programmes but active citizens claiming their right. Many people are unaware of their rights, particularly those who are poor and/or have low literacy. In addition, many programmes have become politicised, affecting the design, targeting and distribution of social protection schemes, as the ruling regime has tried to buy support through these schemes. This has undermined the perception of social protection as a right, as it is seen as coming with political conditions. In the view of the partners, EU support should include civic education to enable citizens to access their right to social protection. In addition, it is important to develop a clear and shared definition of social protection, establishing the principle of universalism, for which the Government should take strong leadership to move the country forward.

4. Promoting Freedom of Association and CSO participation

According to SOLIDAR, Freedom of Association is

not only a right per se but is also an essential precondition for the progressive realisation of Economic, Social and Cultural Rights (ESCRs) including social protection. Freedoms of association and assembly are enshrined in the Constitution, but these came under pressure during the 2011 anti-Government protests. Civil society activists faced harassment, intimidation, death threats, and violent treatment from government forces and the ruling party militia. The climate for civil society and opposition groups improved notably during the short-lived Presidency of Joyce Banda (2012-2014) but since the election of a new President in 2014, there have been sporadic protests, which have been disrupted by the Government. Nongovernmental organizations (NGOs) generally operate without interference but certain legal provisions regarding registration and fees for NGOs are considered particularly burdensome, and there have been reports of the Government harassing those doing politically sensitive work. The right to organise labour unions and to strike is legally protected, with notice and mediation requirements for workers in essential services.¹³ Malawi was given a score of 2 by the Global Rights Index, signifying that collective labour rights are generally guaranteed, that workers can freely associate and defend their rights and can improve their working conditions through collective bargaining. Violations against workers are not absent but do not occur on a regular basis.¹⁴

The NIP includes an envelope to support civil society, particularly enhancing the capacity of non-state actors to contribute to service delivery, advocacy and economic development. The NIP recognises the critical role CSOs have to play in strengthening the demand for better service delivery, as well as for transparency and accountability of duty bearers. Support to civil society is also part of priority area 1 on governance.

In the process of formulating the National Social Support Policy, the partners point out that CSOs were

¹³ Freedom House: <https://freedomhouse.org/report/freedom-wor-ld/2015/malawi>

¹⁴ International Trade Union Confederation Global Rights Index 2014: The world’s worst countries for workers



not able to play an active role. On the whole, it was felt by CSOs that the consultation process was unclear and poorly managed, and did not benefit from the voices of the poor and vulnerable, exactly those that the policy is targeting.

The partners call on the EU for support to enable them to carry out their work in ensuring the proper implementation of social protection instruments, as well as harmonizing CSO efforts to engage the Government and other partners involved in social protection programmes. The EU should also support umbrella bodies such as the Council for NGOs in Malawi (CONGOMA) and other CSO networks. CONGOMA has been calling for a review of the NGO Law for over ten years, and although the Government announced a planned review in 2014, no concrete steps have been taken so far. The partners point out the critical lack of an access to information law in Malawi, which would enable CSOs and the general public to access information on government policies.

5. Mobilising financial resources for social protection

Agriculture is the main source of Malawi's economic growth, contributing around 30% of Gross Domestic Product (GDP) followed by wholesale and retail trade, services, and manufacturing.¹⁵ The country relies on tobacco for the majority of its export earnings, which are highly vulnerable to shocks. Public spending on social protection including health amounted to 5.91% of GDP in 2007, which is the latest figure available according to the ILO World Social Protection Report. According to the National Social Support Programme, a basket fund will be created for all social protection interventions, which is currently in the consultation process. In addition, the proposed Social Support Act will commit the Government to allocate a certain proportion of the national budget to social protection.

The NIP priority on governance includes a focus on public financial management. The NIP recognises the need to support and build government capacities in

¹⁵ African Economic Outlook, Malawi 2015

expenditure control and budget execution, to enhance budget credibility, and improve internal and external audit, in order to improve accountability and public service delivery. Therefore there is significant scope for the EU to support the Government in honouring its commitments.

The partners are concerned that the Government's contribution to the National Social Support Programme is less than 20% of the total budget, meaning that it is highly donor dependent. This has led to a lack of Government ownership of social protection programmes. Another concern is that donors' policies are often out of sync with one another and this lack of coordination, together with conflicting advice to the Government, has held back the development of a coherent social protection strategy, according to the partners. They believe the EU could play a role in strengthening civil society to engage with the Government to guarantee a higher and predictable financial commitment to social protection, as well as ensuring prudent use of public resources. They identify possible sources of revenue that include the removal of tax holidays for international investors, and the introduction of a financial transaction tax (FTT) through the Stock Exchange. They warn that there is a risk of harming citizens economically, however, as companies usually transfer extra costs to consumers; therefore any financing strategy must ensure that the poor are not made more vulnerable.

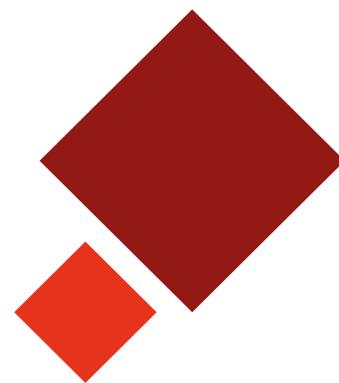






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This Social Protection Monitor Country Report was written by Dharini Bhuvanendra, based on the contributions of the Malawi Platform for Social Protection (MPSP) and the Council for NGOs in Malawi (CONGOMA). The MPSP is a local chapter of the Africa Platform for Social Protection, and was established in 2007. It brings together local and international NGOs, faith-based organisations and civil society organisations working towards improving and enhancing the lives and livelihoods of the poor, marginalised and vulnerable population of Malawi. CONGOMA is the current Secretariat of the Platform.

The Social Protection Monitor is a tool developed by SOLIDAR, the Friedrich-Ebert-Stiftung and the Africa Platform for Social Protection to consult partner organisations on the priorities of the 11th European Development Fund's (EDF) National Indicative Programmes (NIPs).

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