LABOUR MARKET PROFILE 2016 MALAWI

LO/FTF Council’s Analytical Unit
Copenhagen, Denmark
PREFACE

The LO/FTF Council is the Danish trade union council for international development co-operation. It was established, under a slightly different name, in 1987 by the two largest Danish confederations, the Danish Federation of Trade Unions (LO) and the Danish Confederation of Salaried Employees and Civil Servants (FTF). The organization activities are related to: i) to support democratic development of the trade union movements in Africa, Middle East, Asia and Latin America; and ii) to contribute to democratic development in the societies in which the unions operate.

The LO/FTF Council presents this Labor Market Profile as a yearly updated report that provides an overview of the labor market’s situation.

This country profile presents the recent main developments and is not an in-depth analysis. Nevertheless, it shows a wide range of data in a reader-friendly style. Certain key findings of this report can be found on the Executive Summary.

The report is divided in 11 thematic sections, which includes trade unions, employers’ organizations, tripartite structures, national labor legislation, violations of trade union rights, working conditions, situation of the workforce (with subsections such as unemployment, sectoral employment, migration, informal economy, child labor, gender, and youth), education (with subsection vocational training), social protection, general economic performance, and trade. Additionally, the reader finds an Appendix with a list of the ratified ILO Conventions and an updated status of trade unions in Malawi in terms of members and Collective Bargaining Agreements (CBAs).

As indicated, the report is driven by statistical data selection from international databanks, surveys and reports (e.g. the International Labour Organization (ILO), the International Trade Union Confederation (ITUC), the World Bank, the U.S. Department of State’s Annual Country Reports on Human Rights Practices, WageIndicator Foundation, etc.) as well as national statistical institutions and ministries, and others. Moreover, narrative inputs are collected from international news sources (e.g. The Economist, the British Broadcasting Corporation (BBC), LabourStart, The Guardian, etc.) together with local sources such as trade unions centers, NGOs, national news, the LO/FTF Council’s Sub-Regional Office, among others.

This report also collects references from several indexes, e.g. the Global Rights Index, the Doing Business Index, the Governance Indicators, and the Human Development Index. The indexes’ methodologies and the data quality can be followed by the sources websites.

Most statistical data of trade union membership is gathered through collaboration with trade union centers and research.

ACKNOWLEDGMENT

This Labour Market Profile is prepared by the LO/FTF Council’s Analytical Unit in Copenhagen with support from our Sub-Region Office in Tanzania as well as the Malawi Congress of Trade Unions (MCTU) in terms of data collection of trade union membership.

All other labour market profiles of the countries where LO/FTF Council operates are available at our website: http://www.ulandssekretariatet.dk/content/landeanalyse

Should you have questions about the profiles you can contact Kasper Andersen (kan@loftf.dk), Manager of the Analytical Unit.

Cover Photo: Carsten Snebjerg

Design and layout: Adriana Romero
EXECUTIVE SUMMARY

The evolution of the labour market in Malawi has demonstrated very limited improvements. As an illustration, many countries in Africa are experiencing rising middle-classes, but this is not happening the same way in Malawi: Nine out of ten (88 percent) of workers have been stalled as working poor.

There has basically not been approved any new labour market related legislations in recent years in Malawi. Although the freedom of association and the right to collective bargaining is respected, the International Trade Union Confederation (ITUC) has registered flaws with reference to the legal framework. On the positive side, sources have not registered any cases of violations of trade union rights in recent years.

The agricultural sector is employing 64 percent of the total employment which is dominated slightly by women. This sector is confronting very vulnerable and uncertain working conditions. The industry sector is very narrow and it is losing its stance in the economic growth which is moving towards the service sector. This has been related to an internal migration from rural to urban areas where workers are looking for better job opportunities. The non-farm enterprises are to a large degree (87 percent) covered by sole proprietors. This gives a glimpse of the very low labour productivity in Malawi.

It is important to note that the labour market is fragmented in a minor formal sector and a vast dominating informal economy. Workers and entrepreneurs are confronting a lack of knowledge of the labour market regulations and doing business. Also labour inspection is rare. This report registered that the coverage of social protection is likewise very restricted and with a basically diminutive active contributors to pension schemes.

The nominal minimum wages have been on an increase. It remains lower than the neighboring countries, though. Not to mention, the minimum wage in Malawi is far below the cost of a basic life. The value of the real minimum wage has been eroded by the high inflation in consumer prices which has created panicking among the population. What is furthermore relevant to mention is that the minimum wage is only covering the formal sector; thus, a large majority of labour force are not covered by the minimum wage in practice.

The standard estimation of the unemployment in Malawi was relatively low in comparison with the Southern Africa average. On a more ‘broader’ measurement the unemployment is actually much higher with gender, education and region gaps, especially among youth.

The labour market in Malawi has persistent discrimination against women. A majority (90 percent) of all employed women are in the rural informal economy. In the formal sector women are stereotypically low-paying jobs just as with limited access to financial credits.

The education system has shown impressive high net primary school enrolment. The quality of the education has been acute, though. To improve the education system, around 10,000 new teachers were trained, but their recruitment has been delayed. On a positive side, the secondary school enrolment is on a rise. The tertiary school enrolment remains extremely low. The narrow formal sector provides a limited vocational training coverage and a majority of students choose informal apprenticeship. This is worrisome that at least four out of five (83 percent) of the youth in Malawi are confronting very high qualifications mismatch on the labour market.

The trade union movement in Malawi has been on a rise. It remains with a low trade union density on both the waged workers (13 percent) and the total labour force (2.0 percent). Trade union members have been dominated by men. This has been related to that trade union have mainly been operating in the formal sector. It is changing now due to opening up for members from affiliated trade union organizations from the informal economy. The trade unions are confronting the avoidance of union fees; and lack of knowledge on the existence of trade union in the informal economy.
COUNTRY MAP

Source: The CIA World Factbook
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TRADE UNIONS

The trade union movement in Malawi was initiated in the end of the Second World War. It has undergone a process of growth, decline and growth again over the past seven decades. The political context has been an influential factor in the way trade unionism has developed and the trade unions have a weighty challenge today. As an example, the government has set up committees to comment on social and economic issues of national interest and advise the executive, but trade union members are not included in programs.

Generally, the Labour Law allows workers to form and join trade unions of their choice without previous authorization or excessive requirements. Military personnel and police are an exception, though. The legislation also provides unions to conduct their activities without government interference. Members of a registered union are allowed to strike or go through a formal mediation process supervised by the Ministry of Labour. Members of a registered trade union in essential services have only a limited right to strike. It is worth mentioning that there were no strikes declared illegal during 2015 (no data available from 2016). Sources argue that freedom of association and the right to collective bargaining have been respected for those in the formal sector.1

In practice, a large majority of the workforce is not covered by the trade union regulations since they operate in the informal economy (see also the section: Informal Economy). The trade union movement in Malawi is improving the possibilities of affiliating organized workers from the informal economy in the trade unions. The so-called ‘taxi-moto’ sector provides a good example of what union organizing can achieve for informal workers in Malawi.2

According to the Industrial Relations Court there are around 200,000 unionized workers. According to the available data, the trade union density has been estimated at 2.5 percent of the total labour force and 13 percent of the wage and salaried workers (Table 1 & Appendix Table 28). This relatively low trade union density has been related to trade unions is confronting the avoidance of union fees, financial constraints and the alliances some union leaders form.3

Table 1: Status of trade unions in Malawi, 2016

<table>
<thead>
<tr>
<th>Number of trade unions</th>
<th>22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dues (standard)</td>
<td>1 %</td>
</tr>
<tr>
<td>Members of trade unions (est.)</td>
<td>200,000</td>
</tr>
<tr>
<td>Trade union members share to total labour force</td>
<td>2.5 %</td>
</tr>
<tr>
<td>Trade union members share to waged workers</td>
<td>13 %</td>
</tr>
<tr>
<td>Women member share of trade unions</td>
<td>32 %</td>
</tr>
<tr>
<td>Members of affiliated trade unions from the informal economy</td>
<td>43,000 *</td>
</tr>
</tbody>
</table>

* All members from MUFIS, TOAWUM and QMIWU. This underestimates the real total number of informal members.

Note: The trade union density of the total labour force covers all members while the waged workers with only members paying dues.


According to the Labour Force Survey 2013, the most prevalent reason for not joining trade unions or employees associations were lack of knowledge on the existence of the trade union or employee association (52 percent) and not aware of any union to join in my work place (22 percent). Women have an estimated share at 32 percent of trade union membership (see also Table 1 & Table 28).

A majority of trade union membership in terms of occupation is concentrated among managers, professionals or clerical support workers (66 percent), which are dominated by men (Figure 1).

Figure 1: Percentage of trade union membership by occupation, 2013

![Pie chart showing percentage of trade union membership by occupation.](Image)


The trade union movement covers 22 trade unions and two congresses (see also Table 2 & Appendix’s Table 28).
Table 2: Trade Union Centres, 2016

<table>
<thead>
<tr>
<th>Trade Union Centre</th>
<th>Total Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCTU Malawi Congress of Trade Unions</td>
<td>149,526</td>
</tr>
<tr>
<td>COMATU Congress of Malawi Trade Unions</td>
<td>7,000 *</td>
</tr>
</tbody>
</table>

* Data from COMATU is from 2009.
Note: This table does not include many affiliated trade union members from the informal economy; thus, it diverges from the total number of trade union members in Table 1.
Source: MCTU’s research department’s data collection and LO/FTF Council.

Malawi Congress of Trade Unions (MCTU)
The Malawi Congress of Trade Unions (MCTU) was re-established in 1995 after having been banned during the years when Malawi had a one party state under Hastings Banda. The MCTU currently has around 150,000 contributing members from all economic sectors represented in 22 affiliated unions (Table 2 & Table 28). MCTU is affiliated to the International Trade Union Confederation (ITUC). The membership has been on an increase by 11 percent in the period from 2014 to 2016 (August) (Figure 2). Organized workers from the informal economy have contributed much to this increase. Coupled with an internal policy has helped MCTU to collect more subscription fees and enhanced the organization’s financial sustainability.

Figure 2: Growth in MCTU membership, 2014-2016

The Chemicals, Energy Mining and Allied Workers Union (CEMAWU) had conducted their congress and one woman was elected into a Vice Secretary-General which represents 20 percent.

Communication Workers union of Malawi (COWUMA) held its congress in May 2015 where the Youth Committee chairperson retained his position. COWUMA also merged with Electronic Media Workers Union (EMWU). Only one women representative was elected as Deputy Secretary General, i.e. 20 percent women representation.

Congress of Malawi Trade Unions (COMATU)
COMATU is a breakaway union from MCTU. It used to be affiliated with the World Congress of Labour, but is no longer affiliated with the successor organization ITUC. COMATU has two affiliated unions representing about 7,000 members (Table 2 & Table 28).

Affiliated unions from the informal economy
Affiliated to MCTU is the Malawi Union for the Informal Sector (MUFIS) that was established in 2000. This organization organizes, promotes, protects, and negotiates issues dealing with the rights of informal economy workers and business training. MUFIS is open for all informal workers, who can become members in the local departments of MUFIS. The organization has approximately 14,550 members. According to information from MCTU, membership of MUFIS is 2,500 contributing members in 2016. The dues are 200 kwacha (US$0.5) per year paid to the national headquarters and 50 kwacha (US$0.12) per month paid to the local department. Around 60 percent of the members are women while 40 percent are men. The members work in the different sectors: home-based workers, street vendors, waste pickers, construction workers, domestic workers and small-scale tea farmers. In June 2015 MUFIS held its congress and two women were elected as vice president and vice general secretary that represents 40 percent.

MCTU and MUFIS work to formalize those working in the informal economy by advocating for the provision of decent benefits. Not to mention, informal economy employees from MUFIS are still unable to obtain the same standard of protection as formal sector workers. This has been related to a Ministry of Labour decision that the MUFIS did not have sufficient standing to bargain collectively. However, it has been observed that a
memorandum of understanding (MoU) between MUFIS, the Unkhondo Toilet Association and Lilongwe Market Vendors Committee was agreed and it has made it possible to recruit approximately 100 members per month in Lilongwe City market alone. This explains – to some degree – the previously mentioned increase in trade union membership.

Three other trade unions organize workers in the informal economy. This includes the Tobacco and Allied Workers Union of Malawi (TOAWUM) with a total 27,510 members (including not paying dues) and the Commercial Industrial and Allied Workers Union (CIAWU) with a total 9,200 members (including not paying dues), which includes workers in the domestic sector and has a special organizer to deal with domestic workers. Both are affiliated to MCTU. The Quarries Mines and Informal Workers Union (QMIWU) has 1,300 members and affiliated to COMATU.7 Malawi has around nine other unions from the informal economy that are not affiliated to trade union federation.8

**EMPLOYERS’ ORGANISATION**

Employers’ Consultative Association of Malawi (ECAM)

ECAM was established in 1963, shortly before Malawi’s independence. The institution has around 221 employers registered as members and seven sectoral trade associations. The main role of ECAM is to protect the interests of employers on social and labour policy.9

ECAM’s challenges include members’ inadequate technical competence on labour issues, institutional, logistical and financial constraints, and the need for new forms of collaboration with other bodies providing similar services.

ECAM addresses the areas:10
- Gender
- Occupational health and safety
- Collective bargaining agreements and recognition agreements
- Social security
- Freedom of association and the right to organise
- HIV/AIDS in the work place
- Terms and conditions of service
- Child labour and youth development
- Small & Medium Enterprises Development

Since funds have been misappropriated along with fraudulent activities in government departments and private sector, ECAM launched training in internal controls and risk management, strategic planning and fraud prevention in June 2016 to company managers and officers.11 The organization also promoted awareness activities in August 2016 which were related to discussion on some planned amendment of the Employment Act (see also the section: National Labour Legislation). In addition, ECAM opened up for an offer to Malawian companies an opportunity to use a web based competition and recruitment platform (SQORE), an instrument that uses a skills-based approach to graduate recruitment.

Institute of People Management Malawi (IPPM)

IPPM is professional body whose main objective is to promote the Human Resource Management in Malawi. IPMM was the guiding force behind the introduction of in-country training facilities for Malawi. IPMM was also instrumental in putting in place the Human Resources Act (see also the section: National Labour Legislation).

**COLLECTIVE BARGAINING**

Collective bargaining is regulated by at least 20 percent of employees (excluding senior managerial staff) must belong to a union before it can engage in collective bargaining at the enterprise (factory) level, and at least 15 percent of employees must be union members for collective bargaining at the sector (industry) level. The legislation also provides for the establishment of industrial councils in the absence of collective agreements for sector-level bargaining.12

MCTU has registered 85 Collective Bargaining Agreements (CBAs). The Communications Workers Union of Malawi signed two new CBAs in 2016. Based on the latest Labour Force Survey from 2013, 18 percent of paid employed workers are covered by CBAs (Table 3). According to sources, the right to collective bargaining generally has been respected.13

<table>
<thead>
<tr>
<th>Table 3: Status of Collective Bargaining, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of CBAs (MCTU)</td>
</tr>
<tr>
<td>Workers covered by CBAs in terms of paid employed persons</td>
</tr>
<tr>
<td>Share of workers covered by CBA</td>
</tr>
</tbody>
</table>

CENTRAL TRIPARTITE STRUCTURES

Mediation and Arbitration

Industrial disputes are regulated under the Labour Relations Act. A dispute which cannot reach settlement can be referred to the Industrial Court. The Industrial Relations Court is composed of a Chief Justice and five members each from employees and employers. This Act requires the Ministry of Labour to apply to the Industrial Relations Court to determine whether a particular strike involves an “essential service,” the interruption of which would endanger the life, health, or personal safety of part of the population. The Act does not provide a specific list of essential services, though.

Arbitration rulings have legally been enforceable. Notwithstanding, due to lack of funding and a heavy case backlog, the Industrial Relations Court could not monitor cases or adequately enforce the laws. In addition, a shortfall of this system is also that many stakeholders on the labour market lack sufficient knowledge of roles in labour relations and disputes.14

National Construction Industry Council of Malawi (NCIC)

It is mandatory for all contractors, consultants and construction material manufactures/suppliers, both local and foreign, to register with NCIC before undertaking or completing any construction work in Malawi.

All applications for registration or upgrading shall pass through Registration Committee for assessment and recommendations before final decision is made by the NCIC Board.15

Currently close to 97 percent of construction work to foreign companies are awarded in Malawi while only 3 percent is given to locals. NCIC is attempting to getting the local contractors in Malawi a larger share in the construction industry and implementing a sustainable level of work, services, skills and technological transfer.16

Tripartite Labour Advisory Board

The board is composed of 16 members, four each from the government, trade unions and employers’ organizations. It gives advice to the government on labour and employment, including the promotion of collective bargaining, the labour market, human resources development and the review of the operation and enforcement of the Employment Act and any other acts relating to employment.

Other bi/tripartite organs17

- Minimum wage advisory committee
- Ministry of Labour Directorate of OSH
- Social Dialogue Commission
- National Pension Administrator (to be set)
- Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA)
- Ministry of education and Labour
- Gender
- Chamber of commerce
- Thematic working group on trade and development
- Tripartite plus
- Local assemblies and community groups

NATIONAL LABOUR LEGISLATION

Constitution18

The constitution from 1994 recognises the right to work and guarantees the freedom of association, fair and safe labour practices, fair and equal remuneration, right to form and join unions and protection of children from economic exploitation. The state shall also provide a healthy working environment and access to employment.

Employment Act

The Employment Act of 1999 concerns forced labour, anti-discrimination, equal pay, remedies for infringement of fundamental rights, the labour commissioner, labour officers, employment of young persons, labour contracts, hours of work, weekly rest and leave, wages, discipline and dismissal. This Act received amendments in 2010.

Labour Relations Act

The Labour Relations Act of 1996 regulates trade unions, collective bargaining, strikes, lockouts and industrial disputes. It established the Tripartite Labour Advisory Board and the Industrial Relations Court. Equally important, the law does not apply to or benefit the vast majority of workers who operate in the informal economy.

Occupational Safety, Health and Welfare Act19

The Act from 1997 sets standards and the scope for Occupational Safety and Health, for labour inspection and investigations of accidents and working environments.
Pension Act
The Pension Act of 2011 makes provision for mandatory pension, and for matters relating to the supervision and regulation of pension funds and umbrella funds. Previously, there was no legislation governing the private pension schemes.

Worker’s Compensation Act
The Worker’s Compensation Act of 2000 makes provision for compensation for injuries suffered or diseases contracted by workers in the course of their employment or for death resulting from such injuries or diseases.

Child Care, Protection and Justice Act
The Child Care, Protection and Justice Act of 2010 consolidates the law relating to children by making provision for child care and protection and for child justice; and for matters of social development of the child and for connected matters. The prohibition of child labour does not apply to work done in homes, vocational technical schools, or other training institutions, though. The law prohibits child trafficking, including labor exploitation and the forced labour of children for the income of a parent or guardian.

Employment Order 2012
Although the Constitution states that children under age 16 are entitled to protection from hazardous work, the Employment Act sets the minimum age for hazardous labour at 18. A list of hazardous occupations - Employment Order, 2011 (“Prohibition of Hazardous Work for Children”) - was published in the Gazette.

Other labour market legislations
Several other legislations exist that regulate and set standards and restrictions for the labour market in Malawi. ILO has registered a total 103 national labour, social security and related human rights legislation in the country. Only one new piece of legislation was registered in the period from 2014 to 2016 (see also Table 4):

- Elimination of forced labour: Trafficking in Persons Act, 2015 (No. 3 of 2015)

Table 4: Status of the national labour, social security and human rights related legislations in Malawi

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of new legislations</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: ILO, NATLEX, Malawi

Observations on the labour legislation
The International Trade Union Confederation (ITUC) has registered some observations of the legislations:

- Categories of workers prohibited or limited from forming or joining a union, e.g. armed forces and “other categories”.
- Excessive requirements in respect to trade unions’ representativity or minimum number of members required to bargaining collectively.
- A union must have 20 percent membership among the workplace/s or categories of employees it aims to represent in bargaining.
- There is a fairly extensive list of requirements that must be included in a union’s rules as a prerequisite to registration, but while the list is long, the requirements seem largely good practice and reasonable.
- Limitations on collective bargaining in the armed force, the police and “other categories”.
- In terms of the right to strike, there is a seven-day notice period, which, combined with the 21-day conciliation process, may be viewed as excessively long as a minimum period.
- Discretionary determination or excessively long list of “essential services” in which the right to strike is prohibited or severely restricted

Ratified ILO Conventions in Malawi
With reference to Malawi’s ratification of international labour standards, a total 29 ILO Conventions are ratified (see also Appendix Table 27):

- Fundamental Conventions: 8 of 8.
- Governance Conventions (Priority): 3 of 4
- Technical Conventions: 18 of 177.
- Out of 29 Conventions ratified by Malawi, of which 29 are in force, no Convention has been denounced; none have been ratified in the past 12 months.

The latest ratified Conventions were from 1999: the Worst Forms of Child Labour Convention (No. 182), the Minimum Age Convention (No. 138) from 1999, and the Labour Administration Convention (No. 150).

With reference to the Article 22 of the ILO Constitution (i.e. annual reports on ratified Conventions), there were several observations and direct requests by the Comments
of the Committee of Experts (CEACR) on 13 conventions in 2015.  

**TRADE UNION RIGHTS VIOLATIONS**

ITUC ranked Malawi 2 out of 5+ in the Global Rights Index in 2015. This ranking has been interpreted as ‘repeated violation of rights’ (Table 5). Countries with a ranking 2 have slightly weaker collective labour rights than those with the ranking 1. Certain rights have come under repeated attacks by governments and/or companies and undermining better working conditions.

Table 5: Global Rights Index, Malawi ranking, 2014-2016

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranking on the Global Rights Index</td>
<td>2</td>
<td>2</td>
<td>N/a</td>
</tr>
</tbody>
</table>

Note: Five clusters in total with ratings from 1 to 5. A country is assigned the rating 5+ by default, if the rule of law has completely broken down.  
Source: ITUC, Global Rights Index

ITUC has not registered any violation of trade union rights cases in the period 2014-2016. Likewise the U.S. Department of State’s Annual Country Reports on Human Rights Practices did not record any similar rights cases. There have been anecdotal evidence that union organizers have been dismissed or had their rights violated in order to deter unionization.

The ‘tenancy system’ and bond labour can involve entire families. For example, the tobacco plantation tenants had exclusive arrangements, often unwritten, with estate owners to sell their crop and to buy inputs such as fertilizer, seed, and often food. These costs, in addition to rent charges, could be greater than the amount of money received from tobacco sales, leading to a situation of debt bondage to repay the inputs and other costs.

Malawi has one closed Freedom of Association case related to the ILO’s Complaints Procedure; and none active or follow-up cases (Table 6).

Table 6: ILO Complaints Procedure in Malawi

<table>
<thead>
<tr>
<th>Freedom of Association cases</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Follow-up</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closed</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: ILO, NORMLEX, International Labour Standards country profile, Malawi

**WORKING CONDITIONS**

The Tripartite Wage Advisory Board covers debates on minimum wages among representatives of labour, private sector and the government. The minimum wage was raised from 551 kwacha (US$0.75) per day in 2014/15 to 688 kwacha (US$0.94) for both urban and rural regions; in function per October 1, 2015 (Table 7). There was no exception to the requirement of paying the minimum wage for foreign or migrant workers.

Table 7: Monthly Wages in Malawi

<table>
<thead>
<tr>
<th></th>
<th>Current Malawi Kwacha</th>
<th>Current US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median wages (2013)</td>
<td>13,600</td>
<td>37</td>
</tr>
<tr>
<td>Mean wages (2013)</td>
<td>41,643</td>
<td>113</td>
</tr>
<tr>
<td>Minimum wage (2015-2016)</td>
<td>18,000</td>
<td>24.7</td>
</tr>
</tbody>
</table>

Growth of minimum nominal wage (2013-2016) 117%

Growth of real average wage (2000-2009) 614%

Note: The real growth of wages is based on estimations of deflated wages by consumer price inflation: Year 2000 = Index 100 – Percent (see also Figure 3).  

Since a family of five needs a minimum of kwacha 71,000 (US$146) per month in 2015 to cover the costs of a basic life, the minimum wage level continues to be far below these needs (see also the section: General Economic Performance).

Estimations suggest that the growth of real minimum wage has increased by 117 percent in periods 2013 to 2016. There has been registered a growing gap between the nominal and the real minimum wage and mean wages due to the rising inflation in consumer prices in recent years (Figure 3). This is related to the currency was devaluated by about 50 percent in 2012, which undermined imported goods (see also the sections: General Economic Performance and Trade).
Figure 3: Wages and earnings, monthly average, median and legal minimum wage, current Kwacha, 2000-2016

Table 8: Working Conditions in Malawi

<table>
<thead>
<tr>
<th>Normal weekly hours limit</th>
<th>48 hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overtime limit</td>
<td>Unidentified</td>
</tr>
<tr>
<td>Maximum weekly hours limit</td>
<td>48 hours</td>
</tr>
<tr>
<td>Minimum mandatory overtime premium/time off in lieu of overtime wages</td>
<td>Hourly rate of not less than one and one-half his wage for one hour</td>
</tr>
<tr>
<td>Minimum annual leave</td>
<td>15 days</td>
</tr>
<tr>
<td>Duration of Maternity Leave</td>
<td>8 weeks (every 3 years)</td>
</tr>
<tr>
<td>Amount of maternity leave benefits</td>
<td>100 %</td>
</tr>
<tr>
<td>Source of maternity leave benefits</td>
<td>Employer</td>
</tr>
</tbody>
</table>


WORKFORCE

Malawi’s total population has been estimated 18 million in 2015. The labour force was assessed to 7.9 million workers. The population is largely rural-based with as low as 15 percent residing in the urban areas. The population is fast growing and very young.

There are only quite marginalized gender gaps on the overall employment distribution, except women tend to have a slightly higher distribution by youth (15-24 years), which is diverted marginally when they become older. The employment-to-population ratio is higher than the sub-Saharan Africa average on all levels (Table 9).

Table 9: Employment-to-population ratio, 2016, Age and Sex distribution, %

<table>
<thead>
<tr>
<th>Sex &amp; women</th>
<th>Age</th>
<th>Malawi</th>
<th>Sub-Saharan Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men &amp; women</td>
<td>Total</td>
<td>15+</td>
<td>76 %</td>
</tr>
<tr>
<td></td>
<td>Youth</td>
<td>15-24</td>
<td>54 %</td>
</tr>
<tr>
<td></td>
<td>Adult</td>
<td>25+</td>
<td>89 %</td>
</tr>
<tr>
<td>Men</td>
<td>Total</td>
<td>15+</td>
<td>76 %</td>
</tr>
<tr>
<td></td>
<td>Youth</td>
<td>15-24</td>
<td>52 %</td>
</tr>
<tr>
<td></td>
<td>Adult</td>
<td>25+</td>
<td>90 %</td>
</tr>
<tr>
<td>Women</td>
<td>Total</td>
<td>15+</td>
<td>75 %</td>
</tr>
<tr>
<td></td>
<td>Youth</td>
<td>15-24</td>
<td>55 %</td>
</tr>
<tr>
<td></td>
<td>Adult</td>
<td>25+</td>
<td>87 %</td>
</tr>
</tbody>
</table>

Sources: ILO, Key Indicators of the Labour Market (KILM), 9th Edition.

Malawi’s total labour participation rate has basically been on a flat growth during the last two decades. The youth participation rate was rising fast in the beginning of the 2000s, but it was curbed and fell back at around 60
percent since 2010. This change for the youth participation rate was related to a fast enrolment in secondary education (see also the section: Education). The country’s labour market participation rates are placed high above the Southern Africa average. The latter sub-region has worrying low labour participation rates (Figure 4).

Figure 4: Participation rates in Malawi, 1995-2015, %

The inactivity rate has been estimated at a round 19 percent of the working age population (WAP, 15+) and two out of five (41 percent) of the youth population (15-24 years old) in 2016. There is a small gender gap between men and women at 43 percent and 39 percent, respectively (Table 10).

Table 10: Inactivity rate in Malawi, 2016, %

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactivity rate</td>
<td>19 %</td>
<td>19 %</td>
<td>19 %</td>
</tr>
<tr>
<td>Inactivity rate, youth</td>
<td>41 %</td>
<td>43 %</td>
<td>39 %</td>
</tr>
</tbody>
</table>

Note: The inactivity is related to working-age population that is not engaged actively in the labour market, either by working or looking for work.
Sources: ILO, Key Indicators of the Labour Market (KILM), 9th Edition.

Among the age group 15-29 years old, around 83 percent operate with ‘skill mismatch’; a little more than eight out of ten (83 percent) cannot support the labour markets demand with necessary skills. Women have a slightly higher incidence (85 percent) than men (80 percent). Over-education is not a critical issue in Malawi (Table 11).

Table 11: Skills mismatches between job requirements and qualifications in Malawi by sexes and age group 15-29 years old, 2013, %

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incidence of over-education</td>
<td>1.6 %</td>
<td>1.6 %</td>
<td>1.6 %</td>
</tr>
<tr>
<td>Incidence of under-education</td>
<td>83 %</td>
<td>80 %</td>
<td>85 %</td>
</tr>
</tbody>
</table>

Sources: ILO, Key Indicators of the Labour Market (KILM), 8th Edition.

The labour productivity is very low in Malawi and positioned far below the Southern Africa average. This has been related to that the Gross Domestic Product (GDP) per capita growth has simply not been able to grow as much as the employment rate. It has been observed, though, since 2012 the labour productivity is growing again, but only slowly (Figure 5).

Figure 5: Labour productivity, 2007-2016

Unemployment and Underemployment

According to the ILO’s estimations, the unemployment rate has been very stable the last two decades at around 7 percent. There are only marginalized gender gaps in unemployment in Malawi. The youth unemployment is also relatively low at 9.0 percent in 2016, and has also been stable the last decades. It is interesting to observe that the Southern Africa average unemployment rates are extremely high (Table 12 & Figure 6).
Table 12: Unemployment and youth unemployment, 2016

<table>
<thead>
<tr>
<th></th>
<th>Unemployment</th>
<th>Youth unemployment</th>
<th>Under-employment (2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>6.8 %</td>
<td>9.0 %</td>
<td>27 %</td>
</tr>
<tr>
<td>Men</td>
<td>6.4 %</td>
<td>9.4 %</td>
<td>26 %</td>
</tr>
<tr>
<td>Women</td>
<td>7.2 %</td>
<td>8.6 %</td>
<td>28 %</td>
</tr>
<tr>
<td>Southern Africa</td>
<td>25 %</td>
<td>47 %</td>
<td>N/a</td>
</tr>
</tbody>
</table>


Figure 6: Unemployment and youth unemployment rate, 2007-2016

The Malawi Labour Force Survey 2013 assessments of the ‘strict’ unemployment rate (i.e. a person takes active steps to look for work or to start some form of self-employment) are relatively close to ILO’s estimations. But based on a more ‘broader’ unemployment interpretation - i.e. those that want to work but are not actively searching for a job, wanted to work but there are no jobs in the area or were unable to find work that required their skills - was estimated at 20 percent with a significant gender gap between men (14 percent) and women (26 percent). Equally important Malawi has both a high share of the population living in rural areas and has a high urbanisation growth, which increase demand for urban jobs and is a cause for the relatively high youth unemployment (see also Table 18).

Sectoral Employment

The formal sector is narrow in Malawi and it was estimated at 7.2 percent of the labour force in 2008 - about 2.5 percent for private businesses, 1.1 percent work on estates; and 3.6 percent from the public sector.

The agricultural sector is the largest employer of workers in Malawi. Based on the data availability, around 59 percent of men workers are operating in the agricultural sector while 70 percent among women. This sector contributes with 28 percent of GDP. The second largest is the trade sector that locates 16 percent and 18 percent, respectively; and with a relatively high GDP share at 21 percent. It is curious to observe that the finance, real estate and business sector has basically no employment, but create up to 17 percent of the GDP share. Table 13 gives a fast overview of the employment sectors.

Table 13: Employed persons and GDP share per sector in Malawi, 2013, %

<table>
<thead>
<tr>
<th>Sector</th>
<th>Men</th>
<th>Women</th>
<th>GDP share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>59 %</td>
<td>70 %</td>
<td>28 %</td>
</tr>
<tr>
<td>Mining &amp; quarrying</td>
<td>0.2 %</td>
<td>0.3 %</td>
<td>1.1 %</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4.5 %</td>
<td>3.6 %</td>
<td>9.1 %</td>
</tr>
<tr>
<td>Electricity, gas &amp; water</td>
<td>0.7 %</td>
<td>0.1 %</td>
<td>1.3 %</td>
</tr>
<tr>
<td>Construction</td>
<td>4.2 %</td>
<td>1.0 %</td>
<td>4.9 %</td>
</tr>
<tr>
<td>Trade, restaurants &amp; hotels</td>
<td>16 %</td>
<td>18 %</td>
<td>21 %</td>
</tr>
<tr>
<td>Transport, storage &amp; communication</td>
<td>3.8 %</td>
<td>0.2 %</td>
<td>6.4 %</td>
</tr>
<tr>
<td>Finance, real estate &amp; business services</td>
<td>0.0 %</td>
<td>0.0%</td>
<td>17 %</td>
</tr>
<tr>
<td>Public administration, education and health</td>
<td>8.8 %</td>
<td>4.0 %</td>
<td>2.1 %</td>
</tr>
<tr>
<td>Other services</td>
<td>3.4 %</td>
<td>2.7 %</td>
<td>10 %</td>
</tr>
</tbody>
</table>


Around 87 percent of household non-farm enterprises are owned by a sole proprietor and 13 percent are partnerships. Most of trading enterprises (98 percent) in women headed households are owned by single proprietors compared to 81 percent in men headed households. The Integrated Household Survey also showed that approximately 20 percent of households in Malawi operate as non-farm enterprises. The proportion of households engaged in the small economic activities in urban areas (36 percent) is more than double the rural
proportion (17 percent), reflecting the wide intra-country disparities in the distribution of non-agricultural enterprises. Other approximations of the employment by aggregated sectors show that women are more present in the agricultural sector than men, while this is diverted in the industry and service sectors (Figure 7).

Figure 7: Employment by aggregate sector in Malawi, 2013

Based on the GDP per sector it is noteworthy to mention that the finance, transport, trade and construction sectors have experienced increases while the manufacturing and agricultural sectors have declined in the period from 2010 to 2013 (Figure 8).

Figure 8: GDP per sector in Malawi, 2010-2013

In terms of the more broad sectors’ share of GDP contribution to GDP during the last decade, there has been a sectoral shift away from the industry sector to the service sector. Since the industry sector is the most regulated, it could to some extent indicate that the economy is becoming more informalized.

When growth in paid employment in an economy does not match the increase in the labour force, self-employment is an alternative to a majority of job seekers as a source of livelihood. Stated differently, people in self-employment are those who are either employers or own-account workers. Based on the mentioned MLFS 2013, self-employment contributes to 55 percent of the total employment. Women are more likely than men to be involved in self-employment. There are variations in the level of self-employment by residence, region and educational level.
Migration

Malawi receives considerably less remittances than the sub-Saharan Africa average, in fact only 0.7 percent of GDP. The net migration is estimated as zero, i.e. there are as many immigrants that enter the country as those who emigrate (Table 15). Most of the Malawians who emigrated to find a job were often in mines and farms in Southern African countries, especially in Zimbabwe; and also in Tanzania. The United Kingdom is also a destination.36

Table 15: Migration Facts

<table>
<thead>
<tr>
<th>Net migration (2008-2012)</th>
<th>Malawi</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net migration to average population per year (2008-2012)</td>
<td>Malawi</td>
<td>0 : 0 inhabitants</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>1 : 2,799 inhabitants</td>
<td></td>
</tr>
<tr>
<td>Personal remittances (% of GDP) (2012)</td>
<td>Malawi</td>
<td>0.7 %</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>2.0 %</td>
<td></td>
</tr>
</tbody>
</table>

Note: Net migration is the net total of migrants during the period, i.e. the total number of immigrants less the annual number of emigrants, including both citizens and noncitizens.

Source: World Bank, World Development Indicators

According to the available data, the net migration trend has been volatile in the period from 1998 to 2012 (Figure 10). This has been related to a return of refugees such as from Mozambique during the 1990s. During the 2000s Malawi attracted immigrants from Asian countries, especially from Pakistan and India.

Figure 10: Net migration trend in Malawi, 2008-2012

As already mentioned Malawi has experienced skill shortages and received many skilled immigrants. In a survey conducted by Malawi’s Technical, Entrepreneurial and Vocational Education and Training Authority (TEVETA) most immigration applications were Indian (20 percent), followed by British (10 percent), Zimbabwean (9 percent), and Americans (9 percent). Most had either a Professional Certificate (43 percent) or a Bachelor Degree (30 percent). These shortages have been related to emigration of high-skilled labour. As with many other African and developing countries this is particular common in the health care sector. For example, it has been very difficult to fill post for registered nurses in Malawi.37

Informal Economy

The Malawi Labour Force Survey 2013 estimated that nine out of ten (89 percent) employed persons in Malawi are predominately engaged in informal employment. This is similar to the sub-Saharan African countries which tends to have between 85 percent and 95 percent of the labour force in the informal economy. As already indicated, the informal economy has experienced a growth which is related to the formal sector does not create sufficient jobs.

Malawian women are more employed than men in the informal economy. Data show that in rural zones, 91 percent are operating in informal employment compared to 69 percent in urban zones. Men and women in urban zones are less likely to be engaged in informal employment than workers in the rural zones.38 To point out informal employed is particularly in the agricultural sector (97 percent) followed by the non-agricultural sector (75 percent) and finally among private households (58 percent) (Table 16).

Table 16: Informal employment in Malawi, 2013

<table>
<thead>
<tr>
<th>Sector of employment</th>
<th>Formally employed</th>
<th>Informally employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>3.4 %</td>
<td>97 %</td>
</tr>
<tr>
<td>Non-agriculture</td>
<td>25 %</td>
<td>75 %</td>
</tr>
<tr>
<td>Private households</td>
<td>42 %</td>
<td>58 %</td>
</tr>
</tbody>
</table>


The informal economy is characterised by worse working conditions both in form of less income, lack of social protection, work safety, and representation.

With reference to the survey conducted by Malawi Technical Entrepreneurial, Vocational Education and...
Training Authority (TEVETA) on the informal economy, revealed that most employees (60 percent) had been employed for less than three years. Only 11 percent of the surveyed informal enterprises had no employees, 40 percent had two to four working in them and 49 percent more than five. The most common type of informal enterprise was in carpentry (41 percent), welding (22 percent) and mechanics (19 percent). Few in the survey were in retail or service, where there are usually many informal jobs in the form of self-employment with no employees, such as street vendors, bike taxis, among others.

**Child Labour**

By law the minimum age for employment is set at 14 years old. Children between the ages 14 and 18 may not work in hazardous jobs or jobs that interfere with their education. In practice, the law is not effectively enforced due to lack of resources and staffing. In addition, penalties and enforcement were insufficient to deter offenders.

Child labour remains a serious and widespread problem in Malawi. Around 26 percent are working children, which is in line with the sub-Saharan Africa average (Table 17). Child labour is twice as high in rural areas (28 percent) compared to the urban areas (14 percent). There is barely any difference between sexes. Child labour is predominantly common in tobacco farms, subsistence farms, fishing, and in domestic service.

**Table 17: Working children Proportion of all children in age group**

<table>
<thead>
<tr>
<th>Region</th>
<th>Year</th>
<th>Type</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malawi (age 5-14)</td>
<td>2006</td>
<td>Child labourers</td>
<td>26 %</td>
</tr>
<tr>
<td>Sub-Saharan Africa (age 5-17)</td>
<td>2008</td>
<td>Children in employment</td>
<td>28 %</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Child labourers</td>
<td>25 %</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hazardous work</td>
<td>13 %</td>
</tr>
</tbody>
</table>

Note: Children in employment include all children who conduct some kind of work, whereas child labourers are a narrower term without mild forms of work. Hazardous work is the worst form of child labour as defined in ILO C182.


Trade Unions’ role in eliminating child labour has been strengthened. Among others, MCTU contributed to building alliances and institutional analysis on the fighting against child labor as well as helping develop and implementation of national policies on child labor.

Albeit the Ministry of Labour has carried out some inspections, mainly among agricultural estates, the enforcement by police and ministry inspectors of child labour laws was minimal, according to sources. It was also augured that the government made only a little progress to implement its National Action Plan on Child Labor (2010-16).

**Gender**

With reference to cultural and ethnic aspects of Malawi, there are four main tribes, two of which, the Chewa and Lomwe tribes, are women-dominated.

The labour market in Malawi still has persistent discrimination against women that is a cause for concern. For example, according to the Gender Based Violence Baseline Survey from 2012, 40 percent of women had experienced sexual violence and 30 percent experienced other physical violence.

Nearly 90 percent of all employed women worked in the rural informal economy, particular in subsistence farming. It has been noted that equal pay for equal work has not been enforced just as women are over-represented in low-paid jobs. Despite the fact that the informal economy is heavily patronized by women, their earnings still lag behind those of men: women earn nearly 50 percent of what their men counterparts involved in similar ventures in informal enterprise earn. Maternity protection is insufficient (see also Table 8).

Based on the mentioned Malawi Labour Force Survey 2013, women's unemployment nearly doubled than men's unemployment rate, and was at 28-38 percent highest in the two largest cities. In addition, unemployment was high among those with completed secondary and higher education, again especially among women.

Despite efforts to alleviate poverty through social cash transfers, women have limited access to financial assistance and credits. On the other hand, the Customary Land Bill was approved by the Parliament in July 2016 which now allows Malawians owning a piece of land...
binding documents that would give them ownership unlike before.

In the formal sector women tend to work in more stereotypically low-paying jobs. This has been registered by surveys that show that a less numbers of women were qualified within many organizations to occupy the managerial positions. This disparity is to a large extent due to discriminatory tactics employed by employers who are mainly men. Similarly, there are more men than women occupying positions in professional syndicates such as engineers, architects and medical associations and others mainly due to these occupations are to a large extent considered to be men domains. Also according to the recent Malawi Enterprise Survey from 2014, 14 percent of firms have top women management, which remains in line with the sub-Saharan Africa average. One out of four (27 percent) of firms have women participation in ownership, which is lower than the region average (Figure 11).

Figure 11: Women in Management and Ownership in Firms 2014, Women participation, %

![Bar chart showing women participation in management and ownership in firms](image)


Youth

Malawi has a relatively large young population: There are around 3.6 million persons in the 15-24 years old segment out of which 2 million are workers. This is also one of the countries with the highest proportions of youth without education among low-income countries in Africa.

Around 130,000 young people are entering the labour market each year. But the formal sector only produces around 30,000 jobs. Instead a majority are entering vulnerable work in the informal economy or as unemployed. Based on a strict definition of youth unemployed was estimated at 9 percent in 2016. On the other hand, based on the MLFS 2013, a broader youth unemployment rate was assessed at 28 percent with a gender gap between men (24 percent) and women (31 percent). With this in mind urban youth unemployment is significantly high at 47 percent while rural youth unemployment is lower at 25 percent. The youth unemployment rate also rises along the level of education and from regions (Table 18).

Table 18: Youth unemployment rate (broad definition), 2013

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28 %</td>
<td>47 %</td>
<td>25 %</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>24 %</td>
<td>41 %</td>
<td>23 %</td>
</tr>
<tr>
<td>Primary</td>
<td>30 %</td>
<td>49 %</td>
<td>27 %</td>
</tr>
<tr>
<td>Secondary</td>
<td>40 %</td>
<td>55 %</td>
<td>34 %</td>
</tr>
<tr>
<td>Tertiary</td>
<td>44 %</td>
<td>52 %</td>
<td>37 %</td>
</tr>
<tr>
<td>Region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern</td>
<td>17 %</td>
<td>31 %</td>
<td>16 %</td>
</tr>
<tr>
<td>Central</td>
<td>22 %</td>
<td>45 %</td>
<td>19 %</td>
</tr>
<tr>
<td>Southern</td>
<td>36 %</td>
<td>53 %</td>
<td>34 %</td>
</tr>
</tbody>
</table>

Note: The definition of broad unemployment includes discouraged job-seekers: those who want to work but are not actively searching for a job as they have lost hope, wanted to work but there are no jobs in the area or were unable to find work that required their skills.


Based on the NEET rate - i.e. the proportion of youth not in employment, education or training - was estimated at 18 percent in 2012, while women's rate is much higher at 26 percent than men's 9 percent. Because the NEET group is neither improving their future employability through investment in skills nor gaining experience through employment, it is particularly at risk of exclusion of both the labour market and social protection.45

Other data reveals that the labour market has a high qualification mismatch: While over-education affects 1.6 percent of young workers, there are 83 percent with under-education (Figure 12). Traditionally the public sector has a role of absorbing educated youth, but since it is a very limited sector in this country, it explains parts of the huge mismatch.
Figure 12: Qualifications mismatch of youth in Malawi, % of employment

Source: ILO, Is education the solution to decent work for youth in developing economies? Identifying qualifications mismatch from 28 school-to-work surveys, Work4Youth Publication Series No. 23, December 2014

As indicated, the youth population is primarily engaged in part-time, casual labour, mostly in the informal economy. Close to nine out of ten (88 percent) of this youth segment are employed in the agricultural sector. Young Malawians have few choices other than entering and work in this primary sector, which, unlike other forms of business, has fewer barriers to entry for survival.

Based on a Youth NGOs Monitoring Report, there is an urgent need to raise awareness about youth’s work deficiencies in Malawi. It has even been noted that most NGOs are operating with youth do not strategize on how best to create a form of employment from their members.46

The government launched a revised National Youth Policy in 2013 which aims to empower the youth to face the social, cultural, economic and political challenges facing the country. The policy has previously been lying idle for a long period.47

EDUCATION

Most Malawians can be said to have some sort of education. Most have begun primary school enrolment, yet fewer have progressed into higher education. This leaves the average year of schooling per capita at around 4.3 years. Extremely few have same sort of university education, especially compared to the otherwise higher number of people in Malawi with some education (Table 19).

Table 19: Highest level attained and years of schooling in the population, 2010
Population 25+, Male & Female, % of population aged 15 and over

<table>
<thead>
<tr>
<th>Highest Level Attained</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Schooling</td>
<td>20 %</td>
<td>39 %</td>
</tr>
<tr>
<td>Primary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Begun</td>
<td>58 %</td>
<td>50 %</td>
</tr>
<tr>
<td>Completed</td>
<td>16 %</td>
<td>9.2 %</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Begun</td>
<td>21 %</td>
<td>11 %</td>
</tr>
<tr>
<td>Completed</td>
<td>12 %</td>
<td>5.6 %</td>
</tr>
<tr>
<td>Tertiary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Begun</td>
<td>0.5 %</td>
<td>0.2 %</td>
</tr>
<tr>
<td>Completed</td>
<td>0.4 %</td>
<td>0.2 %</td>
</tr>
<tr>
<td>Average year of total schooling</td>
<td>5.2 years</td>
<td>3.4 years</td>
</tr>
</tbody>
</table>

Note: Primary, secondary and tertiary is the internationally defined distinction of education. In Denmark these corresponds to grundskole, gymnasium & university.

Based on the available data, Malawi has demonstrated a very high net primary school enrolment at 97 percent while the sub-Saharan Africa average was 77 percent. A gender gap shows that slightly more girls are enrolled than boys in Malawi.

The secondary school enrolment has been on a fast upsurge during the last decade. On this level, Malawi’s females are currently in par with the region average while males’ stay lower.

As mentioned, the tertiary school enrolment growth has basically stayed flat. The country remains one of the lowest enrolments into tertiary education in the world. You can see more on Figure 13.
Figure 13: School Enrolment, 2005-2013, %
 Male and Female, Malawi and the sub-Saharan Africa (SSA)

Overall, gender difference tends to be relatively small in Malawi’s school enrolment. The rising education enrolment level in the secondary education is a positive trend. A previous study even concluded that education is like a ‘passport’ to formal employment and leads to higher hourly earnings. Within regular wage employment, secondary education is associated with a 123 percent wage premium, and university education with a 234 percent wage premium (relative to illiteracy) in Malawi.48

However, as shown above, relatively few complete their education and instead end up in (broad) unemployment or entering the informal economy.

Albeit the government trained 10,000 teachers through open and distance primary teacher education program. However, these teachers have, so fat, not been recruited. This has been related to administrative challenges incorporating the previous graduates into the education system, especially adding them on the payroll. The teachers union of Malawi expressed its concern that the government not yet has recruited the new trained teachers taking into consideration the high pupil enrolment ratio in schools was already alarming. Not to mention the teachers are suffering in primary schools because of harsh working conditions emanating from unrealistic teacher pupil ratio as well as bitter for being turned into freeloaders.

Vocational training

Malawi’s technical and vocational education system is diverse. Among others it has a multitude of private and public providers offering, but the service costs are unaffordable to the large majority. This is also a main reason why many young people choose informal apprenticeship since it seems a greater likelihood of securing a job afterward in comparison with formal training.49

The government established in 1999 the Technical, Entrepreneurial and Vocational Education and Training Authority (TEVETA). This system is covering both the formal sector and the informal economy. The institution operates with eleven programs (Table 20).

<table>
<thead>
<tr>
<th>Programs</th>
<th>Year commenced</th>
<th>No. of trained students/trainers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship skills</td>
<td>2007</td>
<td>2,262</td>
</tr>
<tr>
<td>training programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skills Development Initiative</td>
<td>2000</td>
<td>3,500</td>
</tr>
<tr>
<td>Small Enterprise Development</td>
<td>2003</td>
<td>3,030</td>
</tr>
<tr>
<td>On the Job Training</td>
<td>2009</td>
<td>330</td>
</tr>
<tr>
<td>Enhancing TEVETA Outcomes (ETO)</td>
<td>2003</td>
<td>100</td>
</tr>
</tbody>
</table>
A revised TEVET policy was launched in October 2014 to be implemented over the next five years to incorporate a number of developments that have taken place in the country.

According to the percentage of private firms offering formal training to their permanent and full-time staff, Malawi seems to perform notably better than its three neighboring countries. The most recent available data for Malawi was 48 percent in 2009. However, private registered enterprises offering training is a very narrow group since the vast majority operate in the informal economy. And many enterprises fail to implement in-house training mainly due to production pressure as well as a lack of training materials and qualified trainers.

The assessment of the Enabling Environment for Sustainable Enterprises (ESEE) Survey in Malawi from 2013 provided information on whether workers are perceived to have the skills demanded by businesses. Slightly over one out of three of interviewees (36 percent) believed that there are minor skills deficits among workers. Large companies share this opinion more than other types of firms grouped by size. On the other hand, about 31 percent of all respondents feel that there are ‘significant’ skills deficits. This is related to that many well-educated and skilled Malawians go abroad and are employed out of the country. The private sector reports skills shortages.

Indeed the Malawi post-primary education system lacks the ability to absorb enough and produce the skills needed. Only 1 percent of applicants to technical and vocational institutes are admitted and Malawi has one of the lowest numbers of vocational graduates in the sub-Saharan Africa.

TEVET conducted also a study of the labour market for vocational training graduates in 2009. Most graduates were men (80 percent), and almost all had attained secondary school education (97 percent). Close to one out of ten (8.9 percent) were unemployed, 85 percent of graduates were in waged employment, whereas 57 percent preferred self-employment. Of the graduates in waged employment 63 percent earned 1,000-10,000 kwacha per month (US$7-70), 26 percent earned 10,000-30,000 kwacha (US$70-210) and 10 percent earn more than 30,000 kwacha.

It has been identified that an effective way to boost entrepreneurial culture needs to change the education training curriculum, including entrepreneurial skills in schools starting from primary education. Among others, the Government has promoted the Community Technical College concept during 2016, which is directed towards to scale up the opportunities for young to acquire vocational skills to create own employment.

SOCIAL PROTECTION

Social protection is a pillar in the Malawi Growth and Development Strategy, and the Social Protection Policy from 2009 has largely been a donor-driven process.

Poverty and vulnerability are widespread in Malawi. Unfortunately there is little data and information on the coverage of benefits, coverage and contributions to pension schemes. Estimations suggest there has been a positive growth trend at 13 percent per year on government expenditure in health (Table 21). It was also assessed that the public social protection expenditure is very low at US$3.7 per person.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measure</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total social protection expenditure</td>
<td>% of GDP</td>
<td>N/A</td>
</tr>
<tr>
<td>Public Health care expenditure</td>
<td>% of GDP</td>
<td>N/A</td>
</tr>
<tr>
<td>Health social protection coverage</td>
<td>% of total population</td>
<td>N/A</td>
</tr>
<tr>
<td>Trends in government expenditure in health</td>
<td>% change per year (2007-2011)</td>
<td>13 %</td>
</tr>
</tbody>
</table>

In contrast the country has a very high health-care expenditure not financed by private household out-of-pocket payments at 86 percent (Figure 14). This is contrast with the widespread high poverty and working vulnerability in Malawi, which suggests that workers are still confronting very challenging social protection conditions.

Figure 14: Total health-care expenditure not financed by private household’s out-of-pocket payments, 1995-2011, %

The proportion of elderly receiving an old age pension was estimated at 4.1 percent in 2010. This proportion in Africa has an average at 21 percent. It places Malawi in a group of countries in Africa with the lowest proportion of old age pensions.

Table 22: Pension Schemes: Benefits, Coverage and Contributions in Malawi, 2010, %

<table>
<thead>
<tr>
<th>Social benefits for active age</th>
<th>% of GDP</th>
<th>N/a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensionable age receiving an old age pension (age 60+)</td>
<td>Proportion of total</td>
<td>4.1 %</td>
</tr>
<tr>
<td>Active contributors to a pension scheme 15+</td>
<td>0.0 %</td>
<td></td>
</tr>
<tr>
<td>Active contributors to a pension scheme 15-64 years</td>
<td>0.0 %</td>
<td></td>
</tr>
</tbody>
</table>

Source: ILO, Social Protection, Statistics and Indicators

A mandatory national pension system (NPS) was established in 2011 that requires both employee and employer contributions. Employees contribute 5 percent of salary; employers contribute 10 percent for employees with at least 12 months of service. Workers with at least 20 years of service may retire at age 50. The system is yet to be implemented. In 2008 there were around 150,000 workers covered by private schemes. Employers in the public sector were covered by the Government Public Pension Scheme (GPPS). There were 125,000 government employees. In total, 2.4 percent of the labour force was covered.

Work injury benefits are provided under the Worker’s Compensation Act. It only applies to formal workers and not to casual workers, self-employed persons, family workers or armed forces personnel. The compensation or insurance cost rests on the employer, with no pooling of risk across the labour market.

Around twelve non-contributory social safety nets programs have been implemented. A study showed that the impact of food and cash transfers has been modest in terms of generalized poverty reduction or in strengthening the resilience of households. There has also been targeting problems, resulting in the exclusion of about half of the poor and inclusion of about 40 percent of the non-poor. The programs’ scales are too small and too brief: E.g. people benefitted from such programs between one and eight months depending on the program; and only 0.2 percent to 0.4 percent of the population had received benefits through the cash transfer programs.

In addition, these schemes are more ‘crisis-oriented’ instead of more long-term development oriented actions.

The country has no occupational safety and health policy. A large share of respondents of the previous mentioned ESE survey, 43 percent believe that occupational safety and health (OSH) practices are not very well sensitized and implemented by enterprises in the country.

There are no government programs that directly provided social protections for workers in the informal economy (i.e. non-agricultural workers).

The only major health insurance provider in Malawi is the Medical Aid Society and 95 percent of its members are formal workers. There are also loan schemes established by government such as the Youth Development Fund (YEDEF), the Malawi Rural Development Fund (MARDEF), and Income Generating Programme.
Despite the challenges there has been noteworthy progress in reducing the spread of HIV/AIDS: HIV prevalence has decreased from 12 percent to 10.6 percent, and mortality as a share of overall deaths declined from 11 percent to 3 percent, according to the 2010 Malawi Demographic and Health Survey. However, there are rapidly growing problems of HIV/AIDS, e.g. the many vulnerable members of the Malawian society, young people who have lost one or both parents are among the most challenged groups.

**GENERAL ECONOMIC PERFORMANCE**

Malawi remains a low income country and dependent on substantial inflows of foreign aid assistance. The economy was affected by a large-scale theft of public funds uncovered in 2013, which is known as the “cash-gate”. Donors suspended all budget support and the government started to print money to cover the deficit. This was together with the harvest season 2014/15 that was hit by floods and drought, and affected crop production.

The country has experienced a volatile economic growth during the last decade. The growth was estimated at 5.7 percent in 2015 (Table 23). As previously demonstrated, the economic is mainly driven by the agricultural sector and the wholesale & retail trade sectors.

Table 23: General Economic Performance Key Facts

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4.3</td>
<td>5.7 %</td>
<td>141 of 189 countries</td>
<td>173 of 188 countries</td>
<td>46.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>69 of 145 countries</td>
</tr>
</tbody>
</table>

* A high ranking on the Ease of Doing Business Index means the regulatory environment is more conducive to the start-up and operation of a local firm.

** The Human Development Index (HDI) measures the average of a long and healthy life, access to knowledge, and a decent standard of living.

*** A Gini coefficient of 1 (or 100 percent) expresses maximal inequality among values. This Gini Index ranks the first country with the highest inequality while the number 145 has the highest equality.

Source: CIA, The World Factbook; Nepal, World Bank; World Development Indicators; World Bank & IFC, Ease of Doing Business 2015/2016 in Malawi; and UNDP, Human Development Index trends.

Malawi’s economy continued on the path to recovery in the aftermath of a deep contraction in 2012. The real GDP growth per capita even plummeted to -1.2 percent. This was related to a general shortage of foreign exchange, which affected the ability to pay for imports, and fuel shortages that hinder transportation and productivity. The growth returned positive in 2013 and stays higher than the sub-Saharan Africa average since ten (Figure 15).

![Figure 15: GDP growth per capita, 2005-2014](image)

The country is still far behind the sub-Saharan Africa average GDP per capita in terms of the Purchasing Power Parity (PPP) (Figure 16). Other estimations suggest that Malawi is placed rock bottom, i.e. ranking as 223 out of 229 countries in terms of the GDP per capita (PPP). Equally important the evolution of the Gini Index signals that the inequality in terms of the distribution of income has increased significantly in Malawi.

![Figure 16: GDP per capita (PPP) growth and Gini Index](image)
Data also shown that working poor remains very high and has basically stayed flat during the 2000s: The evolution of the extreme working poor (>US$1.9 per day) has stayed at around 70 percent while the moderate working poor (US$1.9-3.1 per day) also stayed with no changes at around 19 percent. There were some gender gaps: More women (72 percent) than men (65 percent) are extreme working poor, but these changes among the moderate working poor where less among women (18 percent) than men (20 percent). Not to mention the country’s working poor rates are much higher than the sub-Saharan Africa averages (Figure 17).

Figure 17: Working poor, 1998-2010, %

![Graph showing the percentage of people living in poverty in Malawi from 1998 to 2010, compared to SSA averages.]

Note: ‘Working poor’ is the proportion of persons living with their families below the poverty line in line with the full distribution of employment across economic classes.

Source: ILO, Key Indicators of the Labour Market (KILM), 9th Edition

Consistent with the high presence of working poor, Malawi has a very limited middle-class. This group has not experienced an evolution. Estimations point towards a lower middle-class (US$3.1-5 per day) at 8 percent and a higher middle-class (US$5-13 per day) at 3 percent. This remains far below the sub-Saharan Africa averages (Figure 18).

Figure 18: Middle-class trends, 1998-2010, %

![Graph showing the percentage of people in the middle-class in Malawi and SSA from 1998 to 2010.]

Note: Middle-class US$3.1-US$5 (Malawi) and SSA - US$3.1-US$5

Source: ILO, Key Indicators of the Labour Market (KILM), 9th Edition

The inflation in consuming prices has continued to be quite high in Malawi in recent years (Figure 19). The Basic Needs Survey Report from August 2016 showed that in urban areas the cost of living has gone up as compared to a decline of nine percent in the same period last year. As already outlined, many workers are receiving less than 44,000 kwacha per month (US$62), which is lower than the basic food basket, which is at K71,277 (US$101) as of October 2015. Depreciation of the kwacha has left many households panicking and looking for ways to source extra income so that they can maintain their consumption patterns.

Figure 19: Inflation trend, 2005-2015, %

![Graph showing the percentage change in inflation in Malawi and SSA from 2005 to 2015.]

Source: World Bank, World Development Indicators
The capital formation has increased to a higher rate than the sub-Saharan Africa average in the period from 2006 to 2010, but afterwards the rate plummeted (Figure 20). This is related to the mentioned economic downturn and high inflation.

![Figure 20: Gross Fixed Capital Formation, 2006-2015, % of GDP](image)

The degree of entrepreneurial culture is quite challenging in Malawi. As demonstrated, it is characterized by a large majority of micro and small enterprises that operate in the informal economy. This prevalent culture often does not recognize the value of entrepreneurial activity. The government has implemented reforms to improve the business climate, but the pace has been slow. The delay in enacting business laws has contributed to the deterioration in the business entrepreneurial environment. The key constraints to private sector development and competitiveness include: red tape, poor infrastructure, limited access to finance and a weak skills base. Recently the government reinvigorated regulatory reforms.

The Doing Business ranked Malawi as 141 out of 189 countries in 2015/16 - an improving step-up of 3 levels from the previous period 2014/15. This was mainly related to some improvements of getting electricity. This indicator’s ranking remains very low, though; i.e. 175 out of 189 countries. Dealing with construction permits has the highest ranking 65 followed by registering property at 93. In contrast, apart from getting electricity, Malawi scores low on resolving insolvency at 164 and starting a business at 161 (Table 24).

### Table 24: Malawi’s Ease of Doing Business

<table>
<thead>
<tr>
<th>Topics</th>
<th>2016</th>
<th>2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting a Business</td>
<td>161</td>
<td>158</td>
<td>-3</td>
</tr>
<tr>
<td>Dealing with Construction Permits</td>
<td>65</td>
<td>64</td>
<td>-1</td>
</tr>
<tr>
<td>Getting Electricity</td>
<td>175</td>
<td>185</td>
<td>10</td>
</tr>
<tr>
<td>Registering Property</td>
<td>93</td>
<td>92</td>
<td>-1</td>
</tr>
<tr>
<td>Getting Credit</td>
<td>152</td>
<td>150</td>
<td>-2</td>
</tr>
<tr>
<td>Protecting Minority Investors</td>
<td>115</td>
<td>114</td>
<td>-1</td>
</tr>
<tr>
<td>Paying Taxes</td>
<td>102</td>
<td>100</td>
<td>-2</td>
</tr>
<tr>
<td>Trading Across Borders</td>
<td>123</td>
<td>123</td>
<td>No change</td>
</tr>
<tr>
<td>Enforcing Contracts</td>
<td>147</td>
<td>145</td>
<td>-2</td>
</tr>
<tr>
<td>Resolving Insolvency</td>
<td>164</td>
<td>165</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: Doing Business 2016 indicators are ranking from 1 (top) to 189 (bottom) among other countries. The rankings tell much about the business environment, but do not measure all aspects of the business surroundings that matter to firms and investors that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.

Note: This Index has been controversial due to flawed data, especially in terms of labour market flexibility and undervalued paying taxes. However, the table can still be used as indicative measurement with reservations.


Overall the governance environment in Malawi has been quite negative in recent years, especially in terms of government effectiveness, regulatory quality, control of corruption, and rule of law. The country has been struggling with political stability, but there has been registered some small improvements (Table 25).

The Public Order Management Act that was signed into law in October 2013 has been criticized in the media as seriously flawed with restrictions of freedoms of expression and peaceful assembly; and further deteriorates an already shrinking space for civil society and human rights defenders in the country.
Table 25: Malawi’s Governance Indicators, 2009-2014

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2009</th>
<th>2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice &amp; Accountability</td>
<td>-0.16 / 43 %</td>
<td>-0.12 / 45 %</td>
<td></td>
</tr>
<tr>
<td>Political Stability</td>
<td>0.05 / 47 %</td>
<td>0.12 / 52 %</td>
<td></td>
</tr>
<tr>
<td>Government Effectiveness</td>
<td>-0.47 / 41 %</td>
<td>-0.69 / 25 %</td>
<td></td>
</tr>
<tr>
<td>Regulatory Quality</td>
<td>-0.44 / 36 %</td>
<td>-0.69 / 27 %</td>
<td></td>
</tr>
<tr>
<td>Rule of Law</td>
<td>-0.12 / 52 %</td>
<td>-0.30 / 46 %</td>
<td></td>
</tr>
<tr>
<td>Control of Corruption</td>
<td>-0.38 / 42 %</td>
<td>-0.76 / 26 %</td>
<td></td>
</tr>
</tbody>
</table>

Note: The Governance Indicators score from -2.5 to 2.5 while the percentiles rank from 0 (lowest) to 100 (highest). [66]

Source: World Bank, Worldwide Governance Indicators

TRADE

The Government launched its first Malawi National Export Strategy 2013-2018, which has aimed to move into the export of high value goods and services, and to reducing Malawi’s reliance on the export of raw or semi-raw commodities.

Both the export and import peaked in 2013 at 36 percent and 43 percent of GDP, respectively; hovering above the sub-Saharan Africa average. Both fell in 2014 and 2015, reaching the region average (Table 26 & Figure 21).

The foreign direct investment (FDI) growth has experienced some high volatile upsurges in 2011 and in 2013-2014. FDI is particularly encouraged in agriculture, mining, tourism, energy, and transport infrastructure.

Table 26: Trade and Foreign Direct Investment (FDI) in Malawi, 2015

<table>
<thead>
<tr>
<th></th>
<th>US$1.9 billion</th>
<th>28 % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imports</td>
<td>US$2.2 billion</td>
<td>34 % of GDP</td>
</tr>
<tr>
<td>FDI Flow (average 2011-2015)</td>
<td>US$514 million</td>
<td>7.2 % of GDP</td>
</tr>
<tr>
<td>FDI Stock</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

Source: World Bank, World Development Indicators

Figure 21: Trade and Foreign Direct Investment (FDI) trends, 2006-2015

There has been little progress on trade diversification in Malawi. So far, the country exports are especially dominated by tobacco production (51 percent) (Figure 22). It was noted that earnings from tobacco decreased more than 75 percent in 2012. The government has criticized the European Union’s (EU) revised Tobacco Products Directive, which was approved by the European Parliament in February 2014 to the extent it can affect the country’s economy.

Mining has started to have a larger share of exports with the Kayelekera uranium mine opening in 2009.

Figure 22: Main products share of exports, 2014

Source: MIT, The Observatory of Economic Complexity, What does Malawi Export?
The European Union (EU 28), Zimbabwe and India are the main export markets for Malawi (Figure 23).

**Figure 23: Main export markets, 2015**

Source: European Commission, DG TRADE, Bilateral Relations, Statistics

### Trade Agreements

Malawi is in the 2000 Cotonou Agreement on development cooperation between EU and African, Caribbean and Pacific (ACP) countries, which reaffirms commitment to ILO’s Fundamental Conventions and includes provisions on cooperation on various labour and social issues. Since 2000, Malawi has benefitted from the United States’ African Growth and Opportunity Act (AGOA), which is a Generalised System of Preferences. It allows duty and quota free access for some products. Malawi can be removed from AGOA, if the United States deems that Malawi among other human rights issues do not seek to uphold the ILO Core Labour Standards and have acceptable minimum wages, hours of work and occupational safety and health.

In a bid to increase market access for its products Malawi has also signed bilateral trade agreements with South Africa, Zimbabwe, Botswana, Mozambique, and China. Among others, there has been a higher recognizing of informal trade. For example, Zimbabwe has signed a Memorandum of Understanding with the government of Malawi to facilitate informal trade, specifically between small and medium-sized enterprises.

### Export Processing Zone (EPZs)

All companies engaged exclusively in manufacture for export may apply for EPZ status. As of December 2012, 16 companies were operating under the EPZ scheme. Almost all these companies are foreign owned.

A Manufacturing under Bond (MUB) scheme offers slightly less attractive incentives to companies that export some of their products, but not all. Most investors prefer to operate under EPZ arrangement.

According to a 2007 study commissioned by the government, the EPZ has created less FDI, employment and diversification of exports than expected. Anti-union harassment is common, and union organizers have little access to workers in the EPZ.

There are no special laws or exemptions from regular labour laws in EPZs, but the Parliament passed the Export Processing Zones Amendment Bill in June 2013 to restructure the regulations of the EPZs. As a result, investors in EPZs no longer enjoy a zero corporate tax rate. As an impact the number of factories that were designated as EPZs declined afterward from 30 to 10. This could diverge from the above mentioned 16 EPZ companies due to accessed data, but still the trend can be interpreted as a declining presence of EPZs in Malawi.
### APPENDIX: ADDITIONAL DATA

#### Table 27: Ratified ILO Conventions in Malawi

<table>
<thead>
<tr>
<th>Subject and/or right</th>
<th>Convention</th>
<th>Ratification date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fundamental Conventions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>C098 - Right to Organise and Collective Bargaining Convention, 1949</td>
<td>1965</td>
</tr>
<tr>
<td>Elimination of all forms of forced labour</td>
<td>C029 - Forced Labour Convention, 1930</td>
<td>1999</td>
</tr>
<tr>
<td></td>
<td>C105 - Abolition of Forced Labour Convention, 1957</td>
<td>1999</td>
</tr>
<tr>
<td>Effective abolition of child labour</td>
<td>C138 - Minimum Age Convention, 1973</td>
<td>1999</td>
</tr>
<tr>
<td></td>
<td>C182 - Worst Forms of Child Labour Convention, 1999</td>
<td>1999</td>
</tr>
<tr>
<td>Elimination of discrimination in employment</td>
<td>C100 - Equal Remuneration Convention, 1951</td>
<td>1965</td>
</tr>
<tr>
<td></td>
<td>C111 - Discrimination (Employment and Occupation) Convention, 1958</td>
<td>1965</td>
</tr>
<tr>
<td><strong>Governance Conventions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour inspection</td>
<td>C081 - Labour Inspection Convention, 1947</td>
<td>1965</td>
</tr>
<tr>
<td>Employment policy</td>
<td>C122 - Employment Policy Convention, 1964</td>
<td>Not ratified</td>
</tr>
<tr>
<td></td>
<td>C144 - Tripartite Consultation (International Labour Standards) Convention, 1976</td>
<td>1986</td>
</tr>
<tr>
<td><strong>Up-to-date Conventions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Migrant Workers</td>
<td>C097 - Migration for Employment Convention (Revised), 1949</td>
<td>1965</td>
</tr>
<tr>
<td>Employment Policy</td>
<td>C159 - Vocational Rehabilitation and Employment (Disabled Persons), 1983</td>
<td>1986</td>
</tr>
<tr>
<td>Specific categories of workers</td>
<td>C149 - Nursing Personnel Convention, 1977</td>
<td>1986</td>
</tr>
</tbody>
</table>

Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work. Equivalent to basic human rights at work.

Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. In other words, conventions that promote a well-regulated and well-functioning labour market.

In addition, there are 71 conventions, which ILO considers “up-to-date” and actively promotes.

Source: ILO, NORMLEX Country Profiles
Table 28: Status of trade unions in Malawi
Membership, women members, dues, Collective Bargaining Agreements (CBAs), and Occupational Safety and Health (OSH) committees

<table>
<thead>
<tr>
<th>Trade Union</th>
<th>Affiliation</th>
<th>Total Members</th>
<th>Women members</th>
<th>Dues (share of salary)</th>
<th>No. of CBAs</th>
<th>No. of OSH committees at workplaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Construction Civil Engineering</td>
<td>MCTU</td>
<td>6,401</td>
<td>-</td>
<td>100 MK/month</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Civil Servants Trade Union</td>
<td>MCTU</td>
<td>15,000</td>
<td>-</td>
<td>1 %</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Commercial Industrial Allied Workers</td>
<td>MCTU</td>
<td>9,212</td>
<td>1,960</td>
<td>0.03 %</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Escom Staff Union</td>
<td>MCTU</td>
<td>2,400</td>
<td>-</td>
<td>1 %</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Hotels Food Catering Services Union</td>
<td>MCTU</td>
<td>6,067</td>
<td>-</td>
<td>100 MK/month</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Malawi Housing Corporation Workers Union</td>
<td>MCTU</td>
<td>350</td>
<td>-</td>
<td>1 %</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Communications Workers Union of Malawi</td>
<td>MCTU</td>
<td>2,741</td>
<td>719</td>
<td>1 %</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Plantations Agriculture Allied Workers Union</td>
<td>MCTU</td>
<td>3,148</td>
<td>4,476</td>
<td>1 %</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Private Schools Employees Union of Malawi</td>
<td>MCTU</td>
<td>3,489</td>
<td>988</td>
<td>1 %</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Railways Workers Union of Malawi</td>
<td>MCTU</td>
<td>360</td>
<td>17</td>
<td>1 %</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Sugar Plantation Allied Workers Union of Malawi</td>
<td>MCTU</td>
<td>8,598</td>
<td>450</td>
<td>1 %</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Teachers Union of Malawi</td>
<td>MCTU</td>
<td>43,000</td>
<td>15,000</td>
<td>100 MK/Month</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Textiles Garments Leather Security</td>
<td>MCTU</td>
<td>8,284</td>
<td>623</td>
<td>1 %</td>
<td>22</td>
<td>2</td>
</tr>
<tr>
<td>Services Union</td>
<td>MCTU</td>
<td>5,993</td>
<td>2,856</td>
<td>300 MK/Year</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Tobacco Tenants Allied Workers Union of Malawi</td>
<td>MCTU</td>
<td>5,100</td>
<td>322</td>
<td>100 MK/Month</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Transport General Workers Union</td>
<td>MCTU</td>
<td>1,085</td>
<td>-</td>
<td>1,000 MK/Year</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>University Workers Union</td>
<td>MCTU</td>
<td>2,700</td>
<td>470</td>
<td>1 %</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>National Organisation of Nurses and Midwives</td>
<td>MCTU</td>
<td>4,035</td>
<td>1,633</td>
<td>-</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Malawi Union for Informal Sector (MUFIS)</td>
<td>MCTU</td>
<td>2,514</td>
<td>-</td>
<td>500 MK/year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shipping Customs Clearing Allied Trade Union</td>
<td>MCTU</td>
<td>180</td>
<td>10</td>
<td>1 %</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Malawi Municipal Workers Union</td>
<td>MCTU</td>
<td>2,240</td>
<td>448</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Quarries Mines and Informal Workers Union</td>
<td>COMATU</td>
<td>1,300</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: There lack information on affiliated trade unions to COMATU and not affiliated trade unions from the informal economy to the federations.
Source: MCTU’s research department’s data collection 2016.
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