



# MALAWI

## A TRADE UNION FOCUS ON THE SDGs

#HLPF2020

**COVID-19:  
WORKERS DEMAND  
JOBS, INCOME AND  
SOCIAL  
PROTECTION**

## COVID-19: WORKERS NEED RESPONSES FOR RECOVERY AND RESILIENCE

Following the declaration of the Covid-19 pandemic the president of Malawi declared a state of disaster in the country and cross-border passenger travel was suspended; however, no lockdown measures have been put in place as these were blocked by the country's High Court. The government did nonetheless introduce specific measures for the containment of the pandemic, to increase the capacity of the health sector and to mitigate risks for the economy. Specific measures to support the economy were predominantly oriented at supporting business while measures to support wages or protect the income of workers have been limited. Although the government has introduced an emergency social cash transfer for informal economy workers in the urban and peri urban areas for a period of six months, the social protection system still needs to be strengthened and universalised.

In this context trade unions are urging employers to ensure the safety and health of workers and have urgently demanded increased risk allowances for health workers. Trade unions have insisted on the need for social dialogue and collective bargaining with employers and the government to deal with the crisis and have been engaging in this sense.

## ARE TRADE UNIONS AT THE TABLE?

The government of Malawi has integrated the Sustainable Development Goals (SDGs) into its national development plan, the Malawi Growth and Development Strategy for 2017-2022 (MGDS III). The MGDS cascades down to the Medium-Term Expenditure Framework (MTEF), sectoral policies and strategic plans and annual budgets.

The National Planning Commission (NPC) oversees the integration of the SDGs into national plans, it also monitors, enforces implementation and reports on the country's performance on the 2030 Agenda. All ministries, departments and agencies are required to mainstream the SDGs in their organisational and sectoral planning. Sector Working Groups consisting of civil servants, private sector representatives and CSOs working on the relevant sector are in charge of monitoring and reporting on the implementation of the SDGs. The Ministry of Local Government and Rural Development plays a coordination and oversight role over local governments, which

are expected to mainstream the SDGs in their district and urban development plans. Trade unions report that although the decision-making process on the prioritisation of SDGs and the budget allocations foreseen for their implementation are transparent, the access to information is however limited. During the design phase of the MGDS, consultations on mainstreaming the SDGs into the plan took place with all relevant stakeholders. Consultations on the SDGs implementation continue to take place annually through the budget consultation process. However, trade union input was limited to SDG 8 and some elements of SDG 5. Social dialogue discussions do not include SDGs in their agenda, with social partners making individual submissions on the 2030 Agenda.

Trade unions alert that budgetary allocations towards the SDGs are insufficient. In addition, Sector Working Groups are often underfunded, limiting their capacity to coordinate the implementation of the SDGs or report on their implementation.

### TRANSPARENCY



Irregular access to limited information

### CONSULTATION



Structured multi-stakeholder platform

### SOCIAL DIALOGUE



Social partners submit joint contributions to the government's SDG national plan



# IS THE (DECENT) WORK GETTING DONE?

Given its placement at the bottom of the global ranking for its human development index (HDI of 0.485 in 2019, 172nd place), enormous challenges are in the way of Malawi reaching the SDGs.

With 70 per cent of its population living under the internationally defined poverty rate, Malawi faces significant challenges in meeting **SDG 1 (end poverty in all its forms everywhere)**. The proportion of the population living in poverty on under \$3.2 was at 87 per cent, suggesting that **target 1.1 (eradicating extreme poverty)** is far from being met. In 2020, the country's working poverty rate based on modelled estimates stood at 64.2 per cent, likely caused by low wages and a rising cost of living. Reaching **target 1.3 (implement nationally appropriate social protection systems and measures)** is far off, as the proportion of the population covered by at least one social protection benefit stood at only 21.3 per cent in 2016. The budgetary allocation towards education stood at an equivalent of six per cent of GDP, towards health at 2.7 per cent of GDP, while social protection is mostly financed off-budget by donors and development partners.

Achieving **target 5.5 (ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life)** remains a challenge, since as of 2018, only 7.6 per cent of women over 25 years of age have received at least some secondary education, compared to 25.9 per cent of men in the same age group.

There are significant obstacles to Malawi meeting the targets set by **SDG 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all)**. In 2018, 59.5 per cent of workers were considered vulnerable, posing a challenge to reaching **target 8.3 (support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of**

**MSMEs)**. The 2018 unemployment rate stood at a high 18.5 per cent (higher for women – 20.3 per cent than for men – 16.6 per cent), suggesting challenges in fulfilling **target 8.5 (full and productive employment and decent work for all women and men)**. Youth between 15 and 19 years of age had a staggering 35.8 per cent rate of unemployment. The gender pay gap remains significant, as in 2018, the median salary for men was roughly 21 per cent higher than for women. At 32.9 per cent, NEET (not in education, employment or training) indicators for **target 8.6 (reduce the proportion of youth not in employment, education or training)** were high, with women significantly more affected (41.4 per cent) than men (23.6 per cent). Indicators on **target 8.7 (take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour)** remain worrying, as 38 per cent of children aged 5-17 were involved in child labour in 2015; among them, 60 per cent were in hazardous work. Delivering on **target 8.8 (protect labour rights and promote safe and secure working environments for all workers)** seems far off, as trade union density stood at just 5.5 per cent in 2013, and the number of trained labour inspectors is a paltry 148 in a country with a population of over 18 million.

Meeting **target 10.4 (progressive achievement of greater equality)** remains a challenge as the labour share of GDP (wages and social protection transfers) remains very low, standing at 35.1 per cent in 2017. In 2016, the income share of the top ten per cent of income earners stood at 38.1 per cent, while the share of the bottom 20 per cent of income earners accounted for only 6.4 per cent.

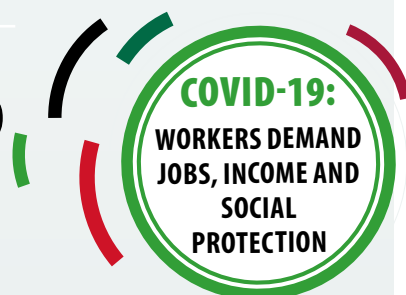
In order to meet **target 13.2 (integrate climate change measures into national policies, strategies and planning)**, the Malawi government has adopted a National Climate Change Management Policy in 2016. However, a meaningful dialogue with social partners to achieve a Just Transition has been missing.

## TRADE UNION ASKS TO LEAVE NO ONE BEHIND

The government of Malawi needs to put in place policies and measures in order to tackle the economic and social shocks brought by the Covid-19 pandemic. Today more than ever the SDGs show the way in building up a sustainable and inclusive economy and society.

Trade unions call on the government of Malawi to ensure urgent action to cope with the pandemic crisis in line with the SDGs, through the following measures:

- Protect employees against arbitrary pay cuts.
- Protect workers against unnecessary job losses.
- Widen social protection coverage and institute social protection measures for low-income earning employees and those in the informal economy.
- Install a waiver on income tax for those earning less than MWK100,000 (\$135)
- Support job creation initiatives including support to MSME.
- Streamline expenditures and generally improve public finance management by making it more result oriented.
- Ensure no misappropriation of public funds allocated to respond to the Covid-19 pandemic.
- Address the political economy factors enabling corruption which derail focus on the desired development outcomes.



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