

First month update from the Ministry of Labour

On 8th July, 2020, it pleased the Head of State of the Republic of Malawi His Excellency The State President Dr Lazarus McCarthy Chakwera to appoint Hon. Ken Kandodo, who is MP for Kasungu Central and myself as Minister of Labour and deputy respectively. Hon Kandodo has served in cabinet before as Minister of finance and Defense respectively. We took oath of office on the 11th of July 2020 and assumed our respective duties on 13th July 2020; meaning that we have been in office for a month now. I therefore felt duty bound to provide an update on what we have been up to in the past month. While the ministry is responsible for a number of important issues like labour laws, the youth internship program, Temporary Employment permits, minimum wages, child labour, tenancy issues and so on, the focus of this report will be on the “One Million Jobs Creation Agenda” which was one of the flagships for the Tonse Alliance Campaign in the run up to the Fresh Presidential Elections.

The Ministry of Labour is not only a strategic ministry in the Government but it also creates a basis on which the economy can thrive; as all economic activities will require the use of labour. The job creation drive therefore was ably linked to the economic activities spearheaded by the Vice President of the Republic, Right Hon. Dr Saulos Klaus Chilima as part of the government’s agenda. From the onset therefore, we had our work cut out for us, but we needed very critical information both from within and without to facilitate our work. It is a blessing that we are led in the Ministry by a well experienced man, who has ever run our economy before.

It must be mentioned from the onset that it was very clear from the beginning that we were at a place where we were underutilizing our potential in as far as labour was concerned. This was partly because for over 18 months, we had experienced some turbulence and two elections in a short period of time. Thus, Business decisions were being made based on intuition rather than based on facts backed by research. Our major task therefore, both for now and the future is to change this perception and bring back the confidence into peoples minds on running businesses that can produce jobs for masses.

And so we met all departmental heads in the first week and we did that in parallel to other external stakeholders they work with. We needed to have a firm understanding of the Ministry we were heading, as well as the labour economics and development involved, the services it renders and of course the quality thereof, the supply and demand issues of the services, the enablers, the bottlenecks which are there, the measures that had been put in place to mitigate these, the partners they have, the projects they are running, the capacity gaps, past successes, weakness and opportunities, the works.

By the end of the first week, we had a pretty good idea of what was involved and how we could approach our work in as far as job creation was concerned. Thus we developed and launched a road map with an outline of activities that will assist in implementing the agenda toward the realisation of the one million jobs. The expected key deliverable of the roadmap is an implementation strategy which will assist in operationalising the initiative into reality.

The following very important steps are being undertaken on the road map to turn the vision into a reality:

- We have set up a National Steering Committee on Labour and Employment to play the role of providing overall guidance; This committee includes the following Ministries: Labour, Finance, Economic

Planning and Development, Trade and Industry. The committee also includes MCCI and others relevant stakeholders;

- We are currently undertaking Ministerial consultations with some key stakeholders in both the public and private sector including the informal business sector to leverage on potential strategies that can create jobs. To date we have met over 20 Key institutions in Lilongwe, 130 large scale companies and Small and Medium Enterprises (SMEs) in the Southern Region and 67 companies in the Northern Region. This week we were expected to meet about 70 companies in Lilongwe using a Virtual online facility; but we managed to meet just a few of them

- We are also currently collecting additional data from 1,100 institutions. These include large scale firms SMEs, public sector, NGOs and Civil Society Organisations. The data collected will reveal the current employment situation in the country and the potential jobs that will be created in the next five years. In addition the data will be used to develop an issues report, a concept document and its implementation Strategy;

- It should be pointed out that we did not have a system for tracking jobs created and those lost, and so we are currently finalizing the development of a web based Labour Market Information system which will do that for us. We have since met with the consultant who developed the system, we have given our input on how it can be improved and it should be up and running by the end of August 2020. The system will be accessible to the general public as well.

- Upon completion of the multi-sectoral strategy, which will be a blue print on how the jobs will be created, based on the situation at that time, it will be launched and then rolled out accordingly

- It must be pointed out that our consultations with various stakeholders has shown that there are some sectors with great potential to develop jobs, e.g Agriculture, tourism, mining, service among others.

- A Monitoring and Evaluation Framework will be prepared to monitor the implementation of the Job creation strategy plan

- We plan to establish job centres in every district councils and cities. This is because access to information on labour and employment information by both potential employers and employers has proven to be a challenge. The existing job placement centres (labour offices) only cater for lower level jobs but modern job centres will target all levels of jobs. In the initial phase the centres will be developed starting with cities of Blantyre, Zomba, Lilongwe and Mzuzu; including municipalities of Mangochi, Karonga, Kasungu and Luchenza.

- We also do realize that the technical and community colleges across the country must accurately respond to the ever changing needs of the labour market. Thus the TEVET curriculum will be reviewed so that these colleges can offer high demand skills training for our young people with a potential to increase their employability as well as their capacity to create their own jobs and employ others as well. Two days ago, we participated in the signing ceremony of 7 year project between Government and the EU, the Zantchito project (skills for jobs program) which will largely contribute to the productive of skilled labour for our economy as well. Other development partners like the ADB, World Bank, The German government among others have also played a tremendous role in this regard too. While some of our technical colleges have very old equipped, some have state of the art equipment thanks to our

development partners. We have however discovered that we have a challenge on technical trainers, a challenge the Ministry will be addressing among other issues.

-so far, we have met with the Acting EU and Germany Ambassadors respectively.

From the consultations with SMEs, we are happy to report that they are all optimistic that job can and will be created even in the face of the white elephant amongst us, the COVID-19. It is evidently clear that they are the ones who will create the bulk of jobs we are looking for because they use both skilled and unskilled labour, they can be set up within a short period of time, they promote equal distribution of economic power and that they will steer innovation and technology usage.

However, to create jobs, the SMEs will require some decisions to be made by government and other issues may also require actual policy changes or even just enforcement of already existing strategies like the PPDA Act for example which provides for 60% of contracts to be awarded to qualifying indigenous owned businesses and so on.

For those SMEs in the productive sectors such as Agriculture, Mining, Tourism and Manufacturing among others who have a large potential to create jobs and yet they have limited access to finance, deliberate action must be made to link them to Micro-Finance Institutions(MFIs) such as MEDEF, EDF and MAICC. These organization have amazing plans which will also culminate into job creation both in the mid term and the long term. It must be noted however, that while the ministry of labour does not have direct mandate over most of the aforementioned agencies, it will however endeavor to engage with the Ministries responsible in this regard.

Last but not least, the creation of jobs in Malawi will be achieved, the process may be tedious and at times overwhelming, but it will be done, our economy depends on it. We require your continued engagement, prayers, criticism and encouragement. Together, we can and we will achieve our goal; it will take the participation of each one of us. While this is government's agenda, but this plan will be realized through YOU, the job creators. It is the responsibility of government to ensure that you are operating in an enabling environment that will steer the creation of decent and well paying jobs for our people.

For feedback, email: Vera.kamtukule@opc.gov.mw