

**ESTABLISHING LINKAGES WITH CIVIL SOCIETY: THE CASE OF MALAWI
PARLIAMENT AND THE MALAWI ECONOMIC JUSTICE NETWORK**

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INTRODUCTION

The Malawi parliament is increasingly taking the responsibility of providing oversight functions in several aspects of public policy and practice. Parliamentarians are combining this role with their legislative and representative functions. There is a great shift from concentrating attention on party political interests which frequently happened at the expense of poverty policy focus and other priority matters of national interest.

The advent of the Malawi Poverty Reduction Strategy Paper (MPRSP) and the consequent reorganisation of public policy in line with the poverty reduction agenda have also significantly contributed to the increasing policy orientation among parliamentarians. However, the role of the Malawi parliament is currently shaped by the nature of political party composition in the national assembly. The role of MPs in poverty reduction strategies and macroeconomic policy tends to be driven by the party political dynamics at given times of the life of any parliament. Such dynamics also have a spill-on effect on the relationships with civil society organisations (CSOs).

In Malawi, CSOs regard parliamentarians as crucial players in their advocacy efforts. MPs are taken as agents of policy change especially through their legislative function and oversight role on public policy. On the other hand, CSOs also regard parliamentarians as partners in development as, together, they strive to ensure meaningful representation of the general public. In a nutshell, CSOs advocate for policies that are meant to contribute to the improvement of welfare of the people. Other CSOs operate as non-governmental organisations (NGOs) which seek to deliver services to the same people that are constituents for parliamentarians.

The Malawi Economic Justice Network (MEJN) is one civil society network that works in close partnerships with parliamentarians. MEJN promotes participatory economic governance and poverty reduction and this necessitates working with and through parliamentarians. This paper highlights areas of partnership between MEJN and the Malawi parliament. Efforts have also been made to highlight the levels of parliamentary and civil society interplay around macroeconomic frameworks used in the poverty reduction strategies. It also articulates some of the challenges faced which offer lessons for improved partnerships for poverty reduction and people centred macroeconomic policies.

RELATIONSHIP BETWEEN MALAWI PARLIAMENT AND CIVIL SOCIETY

Since 2001, MEJN has conducted national budget advocacy activities which have resulted into obvious interaction with MPs. The civil society network conducts budget analyses and provides recommendations that support parliamentary debate on national budgets. In this mutual relationship, parliamentarians act as vehicles for transforming civil society messages into policy change and pro-poor budget focus. This role also means that parliamentarians have access to research-based evidence for meaningful dialogue on the budget and other related poverty reduction policies.

Repackaging of Poverty Reduction Policy Information

MEJN also relates with the Malawi parliament as a provider of researched simple messages on selected issues. In 2003, MEJN simplified the Malawi PRSP which was disseminated to MPs and formed basis for dialogue with the parliamentarians at district level. MEJN plans to take a similar approach with the second PRSP which is called the Malawi Growth and Development Strategy (MGDS). It is the overarching operational medium-term strategy for Malawi for the next five years from 2006/2007 to 2010/2011 fiscal years designed to attain the nation's Vision 2020.

The main thrust of the MGDS is to create wealth through sustainable economic growth and infrastructure development as a means of achieving poverty reduction. It also presents a policy framework that articulates issues related to both economic growth and social development. Parliamentarians did not adequately participate in the formulation of the MGDS. Save for reference made in budget documents on the new policy, no efforts were made to allow meaningful input of the majority of the MPs in the process.

MEJN therefore considers it as part of the civil society responsibility to fill any policy gaps among the parliamentarians. This responsibility rests on lessons learnt in the formulation of the first PRSP for Malawi. Several factors crippled participation of the majority MPs in the PRSP and these include inadequate technical expertise to engage in the formulation process. This meant only a few MPs were prominent in the processes and were possibly overstretched to deliver.

Public Expenditure Monitoring

Malawi Economic Justice Network (MEJN) also interacts with parliamentarians around PRSPs and budget monitoring. In 2001, MEJN embarked on the process of monitoring Protected Pro-poor Expenditures (PPEs). The PPE concept originated from the civil society and was met with support by parliamentarians. The philosophy behind the PPEs was that government should not cut spending on the PPEs even the government is faced with public resource constraints. The PPEs were a product of the Interim PRSP since the full PRSP was still under formulation.

The PPEs, which include purchase of drugs, teaching and learning materials, construction and rehabilitation of rural roads, have now become fully part of Malawi national budget. This therefore widened the scope of the role of MPs on these priorities. MEJN and its partner civil society sectoral networks monitor government implementation of the PPEs using both qualitative and quantitative tools.

In 2002, an informal arrangement was agreed between MEJN and the budget and finance committee of parliament to divide labour between them. The committee took the responsibility of monitoring the inputs and flow of funding from ministry of finance (treasury) to the line ministries and further to the spending points. The civil society would monitor the outputs arising from the inputs and where applicable, analyse the outcomes from the process.

The findings from the monitoring efforts were instrumental in parliamentary budget debates in 2002/03 and provided a caveat for civil society dialogue with the executive arm of the government. This division of labour arrangement with parliament was not without its challenges which include the turn-over after the May 2004 general elections and MPs changed committees which affected the levels of momentum and interest in new members.

Budget Advocacy and Dialogue

MEJN also gains its strength and leverage with Malawi parliament during budget debate sessions. In the year 2006, a number of interventions were designed that increased civil society interaction and influence on the 2006-07 budget for Malawi. These are explained in the following sections.

MEJN conducted the analysis of the 2006-07 budgets soon after the tabling of the appropriation bills by the Minister of Finance. The analysis covered diverse sectors of the budget and made recommendations. Some of the recommendations include strengthening non-tax revenue collection, and strengthening absorptive capacity of the Government to absorb project grants. On the expenditure side, recommendations were made on terminating involvement of Ministry of Finance in the purchases of maize and subsidized fertilizers. Others include enhanced spending for teaching and learning materials, and on the development budget which was recording low-levels of spending despite infrastructural deficits in the Malawi. A total of twenty (20) recommendations were submitted to parliament and the executive branches of Government. A bound report of the budget analysis was distributed to all MPs and relevant government departments. Parliamentary debate of the budget indeed reflected selected concerns and recommendations made in the MEJN reports.

In addition, MEJN managed to host a dinner meeting with over 20 parliamentarians representing different constituencies and parliamentary committees. Representatives of the women caucus in parliament were also in attendance. During the dinner, MEJN and its civil society partners presented and lobbied to the MPs on expectations of the 2006-07 budgets. Other two planned meetings could not take place due to that nature of the 2006-07 budget debate which required extra time of the MPs than in previous years' budgets and this made it difficult to meet again with the MPs.

To ensure multiple benefits from the budget analysis and advocacy with and through parliament, the budget analysis report documents were distributed to all MPs through the office of the Clerk of parliament (COP). The reports influenced budget debate as MPs quoted the report as they contributed to the floor.

Other commentators referred to the MEJN reports in unanticipated ways, *"MEJN's interventions and booklets on the budget (Budget Analysis and Policy briefs) are what brings 'chaos' in Parliament because they give members what to say about the budget and what needs to be critically revisited..."*- So are the different pathways budget advocacy takes. The budget

documents were also circulated to influential media houses, to civil society partners of MEJN and to MEJN district chapters at the local level.

Media Advocacy

Interaction with parliamentarians has also been done through budget media advocacy on TV and radio. MEJN has normally taken MPs as panellists in its policy advocacy and budget panel discussions. These normally happen before the tabling of the budgets in parliament and after. The first series of MEJN sponsored media programmes are aimed at capturing expectations of the general public, the private sector and civil society on the budget. These are met by responses and clarifications from the panellists on Television Malawi and selected radio stations.

During the 2006-07 budget media dialogue, notable panellists included the Deputy Minister of Finance, Chairpersons of Parliamentary committees (notably Budget and Finance, Agriculture and Education), private sector and some from the civil society. An average of 10 members from the general public make meaningful contributions through phone ins per one-hour long program and the participating MPs are normally targeted with questions or recommendations.

The relationship between MEJN and parliament during budget sessions is sometimes frustrated by overwhelming party political interests that normally determine the political survival of the MPs. The parliamentary sessions during the 2006-07 budget debate were at times overtone with party political interests that potentially threatened the effectiveness of the MEJN interventions as MPs tended to focus on petty political issues aside the substantive budget issues.

Supporting Coalition of MPs

Recent efforts by MEJN to consolidate its relationships with the Malawi parliamentarians include the hosting of a coalition of MPs called Malawi Parliamentary Coalition on International Finance Institutions (MAPCOI). This is a coalition that was established to allow MPs provide checks and demand accountability in the policies used by the World Bank, the International Monetary Fund (IMF) and other IFIs on the Malawi government.

MEJN has been instrumental in providing the institutional home and policy support to the coalition. The successes of MAPCOI are yet to be countenanced with since the establishment is still in its infancy. However, it is expected that political dynamics will not radically affect the operations of the coalition which survives on joint purpose and solidarity beyond party interests.

ROLE OF PARLIAMENTARIANS AND CIVIL SOCIETY IN MACROECONOMIC FRAMEWORKS

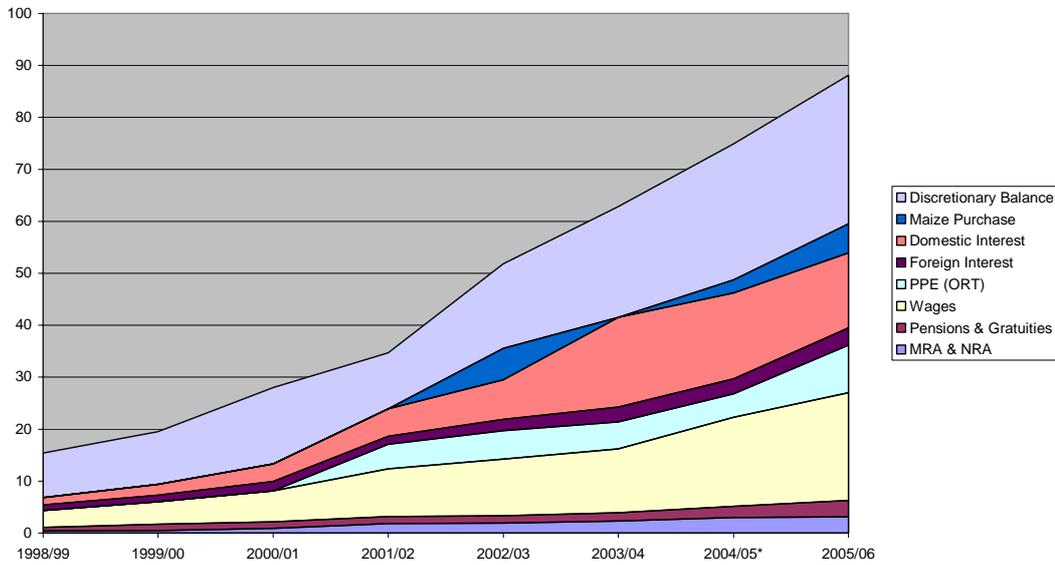
Since December 2000, Malawi has been implementing an economic programme with support from the IMF under the Poverty Reduction Growth Facility (PRGF) aimed at restoring macroeconomic stability, which is a prerequisite for sustainable poverty reduction. Every year from 1994, the budget ran into over expenditures and did not meet targets agreed with the IMF.

However, some progress was made which saw the IMF approving Malawi's first PRGF in 2000. However, the programme went off track in November 2001 due to fiscal slippages that prompted donors to withhold budgetary support. Donors under the Common Approach to Budgetary Support (CABS) made their support conditional upon Government remaining on track with the IMF.

Following an apparent improvement in fiscal management in 2003, Malawi got back 'on track' with the IMF PRGF in October 2003 and CABS donors resumed disbursements of budget support. However, this rebound was not long-lasting as Government performed badly in the run-up to the May 2004 elections. This resulted into a yawning deficit of -7.8% and the abandonment of the PRGF. This led Government to rely on domestic borrowing to finance the budget deficit.

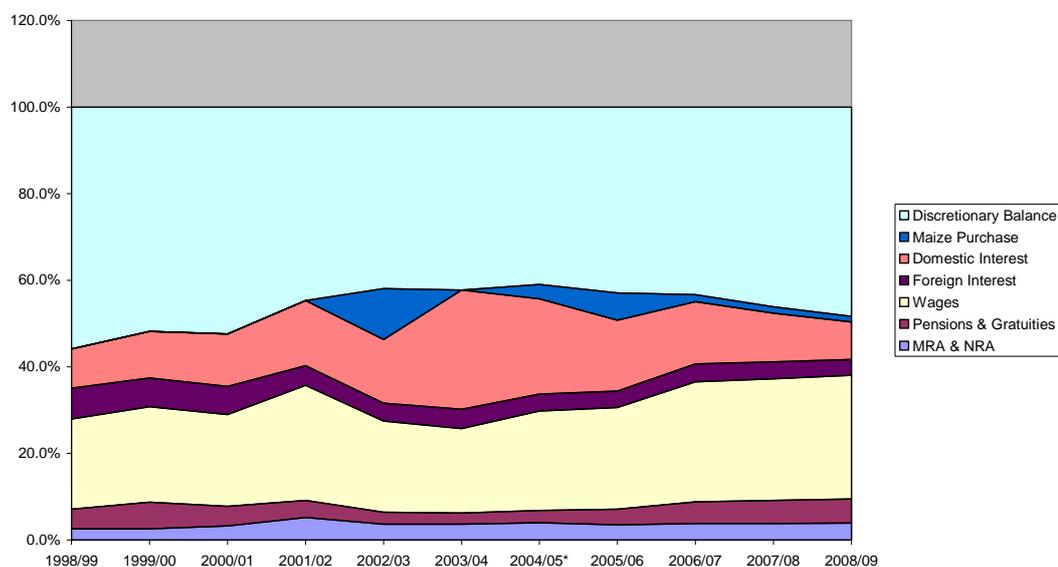
The donor pull-out also exerted undue pressure on domestic expenditures and weakened Government control over the budget due to the small discretionary expenditures. This is illustrated in the figure below.

Breakdown of Total Domestic Expenditure (Kwacha billion)



Due to the fiscal crisis and apparent inability to fulfill policy commitments, the authorities subsequently requested for a Staff Monitored Program (SMP) covering July – 2004 to June – 2005 to build a performance track record. Malawi’s macro-economic performance has improved since mid 2004 under the program monitored by the Fund staff. After several years of economic deterioration, significant progress has been made in restoring macroeconomic stability, strengthening prospects for economic growth, and stabilizing the government’s domestic debt.

Figure 3a: Breakdown of Domestic Expenditure (%)



Notable Areas of Economic Improvement

Some notable areas of achievement include:

- Government spent within the budget approved by parliament for the first time since 1994
- Government met all but one target agreed within the SMP of the IMF, and the target which was missed was the wage bill which was expanded to accommodate allowances into salaries.
- Demonstrated political will towards fiscal discipline
- Improved revenue performance leading to an increase in tax/GDP ratio
- Reduction in domestic interest bill
- Reduction in Bank Rate from 35% to 25% in June 2004

It is clear that the economic improvement has been crucial in bringing the country back on the path to growth and poverty reduction. For example, the reduction in interest rates resulted into substantial increase in private sector borrowing from commercial banks from MK10.5 billion in June 2004 to MK16.5 billion in June 2005, representing a 57% increase¹.

Notable areas of improvement vis-à-vis the IMF targets and the 2005/06 Budget include:

¹ *Monetary Survey*, Reserve Bank of Malawi.

- Reclaiming the lost credibility with donors to support the budget
- Meaningful steps taken to curb corruption and free resources to fight poverty
- Enhanced competence in managing the budget evident through resumption of aid².
- Increase in Wages and Pensions & Gratuities reflecting civil service reforms and the consolidation of some alliances into salaries.
- Increased control by the Government over the budget due to increased discretionary domestic expenditure mainly attributable to reduced debt servicing bill.

Following these and other notable achievements from the IMF SMP, in August 2005, the fund approved a 3 year arrangement for Malawi under the PRGF in an amount equivalent of US\$55.9 million to support government's program of economic reform and poverty reduction through private sector led growth.

Limited Participation of MPs in the PRGF

The macroeconomic frameworks for the Malawi government since 2000 have been influenced by the IMF. This therefore restricted input by the civil society and other stakeholders into the macroeconomic framework that accompanies the MGDS. This is a serious matter of concern considering that macroeconomic frameworks determine the resource envelope or amount of resources to be used for implementing a policy strategy and the role of parliamentarians in approving the designs is essential, unlike compacting the macroeconomic frameworks in already developed budget documents as MPs are normally pre-occupied with actual budgetary allocations at that stage.

The framework also determines the levels of resource allocation in various spending areas in the medium term (3-5 years). For example, it is stated that the total government expenditure is expected to average about 39 percent of the GDP in the current MGDS macroeconomic framework. However, capital expenditure still remains low but it is the intention of Government to increase it during the period of the MGDS. Such assertions give an impression that MPs have

² 'Programme grants have increased from K5.2 billion (2.3% of GDP) in 2004/05 to MK15.1 billion (5.7% of GDP) in 2005/06.

limited influence over the expenditure and revenue structures and that the macroeconomic frameworks must be accepted as the final truth.

Limited Input on Conditionality by MPs

In addition, the IMF prescribes through the PRGF that government will implement a number of structural reforms to strengthen public expenditure management, tax system and administration, parastatal reform, civil service reform, decentralization, and good governance. These and others are benchmarks to be adhered to by the Malawi government under the current PRGF which runs from 2005 to 2008.

Some of the structural reforms are controversial as they are more likely to affect the social welfare of the poor people. Privatisation, for example, is a policy area that would have needed adequate input of both parliament and the civil society before casting it in the PRGF. These are some of the areas that MEJN plans to base its interaction with MPs on, provide well researched information, and unmask the technical aspects of the macroeconomic frameworks for the understanding and use of parliamentarians.

CHALLENGES

The relationship between parliament and the civil society derives its strength from the issue that is central. MEJN's mission to promote poverty production and economic justice acts as a galvanizing force and cements this relationship. However, the party political imperatives that underlie operations and behaviour of parliamentarians are a source of challenges to the role of MEJN and other civil society organisations discharging similar duties.

Recommendations made by MEJN on various aspects of policy do not seem to capture the interest and support of all parliamentarians. This is largely dependent on whether an MP belongs to the "ruling" side or opposition benches in the august house. On the other hand, the MEJN recommendations and positions that appear to augur well with the assumptions and expectations of the opposition MPs are normally met with great support and are pushed further during debate.

The same recommendations therefore become a source of potential discontent from the government side. This relationship may not be long lasting especially if MEJN brings another set of recommendations that puts the opposition on the defensive side. This behaviour is also displayed when MPs switch sides especially from opposition to government and all of a sudden attitudes change accordingly. This has tended to make MEJN interventions difficult to target at times.

Consistency in MEJN work is also challenged by turn-over of MPs and months before a general election make civil society relationships with Mps almost difficult to contain. This is because of the uncertainty of who is likely to become the next MP. Any amount of training and other forms of capacity building on the parliamentarians are therefore done on a flimsy basis. At such times, MPs also tend to be occupied with their own strategising on the next election or their momentum dwindles if they are not interested to contest again.

The dissolution of parliament finally means the civil society have to wait until a new crop of parliamentarians is voted into office. While not necessarily suggesting that MPs should not leave

office, the civil society is also challenged with the responsibility of going through capacity development and relationship building processes with the new parliamentarians all over again.

The weak research capacity in Malawi parliament is another source of challenge to the Malawi civil society. MEJN has had to generate evidence for parliamentary debate on emergent issues like supplementary budgets, privatisation of parastatals and international trade issues. Only a few donors, notably Canadian International development agency (CIDA) are supporting selected parliamentary committees.

This presents strains on MEJN and other civil society networks to develop position, clarification and analyses for MPs on emergent issues that were not pre-planned. This situation would be tricky in the event that MEJN and CSOs have not raised resources in time to support development of responses to the parliamentarians.

Lack of access to information continues to bedevil society relationships with parliament. The unavailability of the access to information legislation in Malawi makes it difficult and sometimes lengthy for MEJN and other CSOs in Malawi to conduct meaningful policy analysis and research that is expected to form basis for interaction with parliamentarians. Monitoring of public expenditures is one of the programmes that suffer from such a legislative gap.

Parliamentary oversight over loan contraction processes has also been compromised since the MPs are normally provided with summary information on loans that government procures with the authority of parliament. This has the potential threat of turning parliamentarians into mere rubber stamps on loan authorisation bills and other important legislation of wide national interest. Lack of adequate access to information has also made it difficult for Malawian parliamentarians to fully understand and appreciate the conditionality and other donor-government dynamics which have largely remained the preserve of the executive arm of government.

The heavy presence of the executive arm of government in Malawi also challenges the structure of relationships between civil society and parliament. This is because MPs on the government side tend to be sympathetic to executive positions even if such positions are detrimental to the discharge of duties by the other branches of government. Finally, the heavy handedness of the

executive over the legislature tends to carry with it “fiscal” penalties as the executive may tend to withholding funding for selected parliamentary committees. Ineffective parliamentary structures put a strain on civil society and MEJN has had to raise resources just to meet with parliamentarians.

CONCLUSION

The mutual relationship between parliament in Malawi and the MEJN highlights how such relationships can be crucial for poverty reduction. Civil society generates evidence that is fed into the parliamentary processes for influencing poverty policy change. The exclusion of majority parliamentarians in the formulation of the Malawi PRSP and the MGDS reflects how civil society can come in and fill the gaps.

MEJN provided summaries of the MPRS to parliamentarians that formed basis for meaningful parliamentary engagement on poverty reduction strategies. An extension of the same approach on the MGDS can also meaningfully bring the role of Malawi parliamentarians into the vicinity of policy influence. The advantages MEJN count from its interaction with parliamentarians on the budget are crucial to the promotion of accountability and transparency, and presents an opportunity for the MPs to use evidence in holding the executive to account.

Challenges that MEJN faces in its interactions with parliament are not insurmountable although others are girded in the political structures that are the essence of parliament itself. Campaigning for access to information for public expenditure monitoring and other policy needs must be taken as a joint effort between parliament and the civil society in Malawi. Joint policy efforts between civil society and parliament are stepping stones to meaningful contribution in poverty reduction, pro-poor macroeconomic policies and people-centred development.

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