The Malawi Economic Justice Network (MEJN)
MEJN is a coalition of about 100 civil society organizations. They carry out activities in the fields of economics, trade, agriculture and the national budget. MEJN’s membership includes NGOs, CBOs, Trade Unions, representatives of the media and the academia. The MEJN Secretariat, which is based in Lilongwe, coordinates the day-to-day activities.

"MEJN and its members are committed to poverty reduction through promotion of equitable and just distribution of socio-economic opportunities through capacity building of civil society, evidence-based policy research and information dissemination, advocacy and monitoring for good economic governance at national and international levels" (Kumbatira, 2008).

The organisation was started in 2000 and has had a number of successes, especially with regard to its influence on the direction adopted by the Malawian government in the Economic Partnership Agreement (EPA) negotiations. MEJN is now at the apex of civil society activities aimed at the promotion of economic good governance and capacity building. In this case study we review the challenges MEJN and other CSOs continue to experience in making Malawi’s
trade and economic policy environment respond to the needs of the poor. We also find out that while Malawi’s CSOs have made major inroads with regard to influencing the direction of negotiations for EPAs, they continue to have trouble in finding acceptance for their role in the overall trade and economic policy environment.

Malawi’s Trade Policy and Trade Policy Making Process

Although Malawi has witnessed remarkable growth in recent years, it remains one of the poorest countries in sub-Saharan Africa. The country’s trade policy is underscored by the desire to move from a “net importing and consumption based economy to one that is producing and exporting”.

Agriculture, which is the most important sector of the economy, “contributes about 38% to GDP, employs 85% of the workforce and contributes about 90% of foreign exchange”, according to a Ministry of Agriculture and Food Security 2008 report. By 2020 Malawi envisions a high level of agricultural productivity for equitable household food security, income and employment by “raising farm incomes, employment and household food security”

To that end, Malawi’s trade policy is directed towards the maintenance of an open economy with low tariffs and a general absence of non-tariff barriers. The government believes this will “contribute to economic growth, improve the standard of living and create employment. The trade policy is premised on the need to integrate the country and to participate effectively in the multilateral trading system” (Mandindi, 2008).

In terms of specific trade policy frameworks, Malawi has the ‘Integrated Trade and Industry Policy (ITIP) of 1998, the Malawi Growth and Development Strategy (MGDS)’, which is the overarching operational medium-term strategy to achieve the country’s Vision 2020.

Mr. H. J. K. Mandindi, Director for International Trade in the Ministry of Trade and Private Sector Development says that Malawi is “one of the most liberalized economies in Africa”. Although most of it is a remnant of the IMF and World Bank Structural Adjustment Programmes (SAPs), the Malawian government maintains that this approach to trade policy will bring the much needed foreign investment to the country. However, this has not always been true.

In terms of the trade policy making process, aimed at moving and achieving the agenda of development, Malawi’s “trade policy formulation is demand driven”. This means that it usually emanates from a government desire to regulate trade and align it to government policies, moved by developments in the regional and multilateral trading systems as well as private sector interests.

According to government officials, trade policy making starts with stakeholders consultations, through regular inter-agency meetings convened by the Department of Trade in the Ministry of Trade and quarterly meetings of the National Working Group on Trade Policy (NWGTP). This group was formed in 1997 as a platform for garnering inputs from stakeholders on the formulation, implementation and management of trade policies. It comprises of representatives from private civil society, academia, media, government departments, donor partners and trade unions.

Recommendations, which emerge from the NWGTP (mainly from government agencies and private sector), are then submitted to the
Minister of Trade and Private Sector Development, who then takes it to Cabinet for consideration. The Cabinet is chaired by the President.

Once Cabinet approves the recommendations, policies are developed. If these are to be translated into laws, the Ministry of Justice and Constitutional Affairs is directed to draft such a Bill before it is tabled in the National Assembly by the Minister of Trade for consideration and approval. It then goes to the Office of the President who, after careful consideration will sign or ratify. Implementation falls back on the Ministry of Trade.

On the basis of these structures, processes and internal workings of government, the perception is that the trade policy making process in Malawi is highly consultative and “takes into account the interests of government, private sector and consumers”. However the broader civil society experience with the process is different and they feel left out of crucial stages of that ‘consultative process’.

Role of MEJN and CSOs in Trade Policy Making

One of the problems with the NWGTP is the dominance of the government and private sector; secondly the ‘group’ has no funding for research; thirdly has capacity challenges; and lastly does not meet as regularly as required to move the trade policy making process. These challenges underscore the civil society experience with trade policy making in Malawi.

MEJN would like to see a more inclusive approach to the process whereby stakeholders are defined broadly as “those affected and/or affecting trade” and that they include producers, consumers and institutions (including government, private sector and civil society). According to this definition, it is clear that government’s approach to trade policy formulation excludes many key role players, particularly the ordinary citizens of Malawi.

According to Milward Tobias of the Africa Research Institute and Mavuto Bamusi of the Human Right Coordinating Council (HRCC), CSOs were left out of key trade policy discussions and decisions over the years such as:

- The periodic increases in interest rates and agricultural product pricing;
- Periodic devaluation of the Malawi Kwacha;
- Liberalisation of agricultural marketing services;
- Privatisation of state-owned enterprises;
- Removal of fertilizer subsidy in 1991;
- Liberalisation of some agricultural produce prices in 1988;
- Liberalisation of entry into manufacturing in 1991;
- Bilateral trade agreements with South Africa, Zimbabwe and Mozambique;
- Multilateral trade agreements in COMESA, SADC, WTO and EU;
- Exclusion from the initial stages of the PRSP process;
- Only government and private sector developed the Malawi Growth and Development Strategy (MGDS) in 2007;
- CSO participation almost non-existent on the Poverty Reduction and Growth Framework;

However, in recent times, particularly with regard to the EPA negotiations, MEJN and the broader CSO community have seen greater inclusion and consultation. Such inclusion has in a way revived the NWGTP. MEJN and other CSO groups have played a significant role with respect to the positions which have been adopted and continue to be taken by the Malawian government in those negotiations. One such
decision is the refusal of the Malawian government to sign the Interim EPA by the end of 2007. The government maintains that in addition to the proposed EPAs being unfavorable, Malawi is a ‘least developed country’ and has no obligation to sign. They would be covered under the ‘everything but arms’ provisions.

The reason for that level of influence by MEJN and its affiliates on EPAs is said to be because of the shared understanding with government on the general implications of EPAs.

In that sense the EPA negotiations represent a slight departure from the closed-door negotiations under bilateral and some multilateral trade agreements. MEJN is at the forefront of “providing alternatives and in influencing the nature and content of the negotiations with the EC” (Kumbatira, 2008).

MEJN and its affiliates have campaigned on EPAs from an evidence-based perspective. For example, a study was done in 2006 with support from the Tear Fund (research) and One World Action (publishing and distribution) which provided analysis and empirical evidence of the potential gains and losses to be incurred by Malawi if it were to sign the EPA. The conclusion was that there would be little to gain and much to loose for Malawi under an EPA.

MEJN also led a mass awareness campaign on EPA, initiated discussions with selected communities, shared information and compiled their responses for the attention of policy makers. Media-based campaigns and advocacy activities were a major part of that process.

The EPA experiences perhaps offers a good model of CSO engagement on trade policy as it unearthed previously hidden capacities available within CSOs – including research and in-depth analyses that are the driving forces for successful advocacy. It must be mentioned that CSOs are aware that certain departments within government as well as the EC are uncomfortable with the influence the CSOs wield.

Conclusion
One of Malawi’s major challenges with respect to trade policy making is the continued inclusion and consultation of all stakeholders – those who affect trade and are affected by trade. Evidence of such inclusion and successful collaboration is clear in and around the EPA negotiations.

MEJN argues that a consultative and broad CSO participation will bring them out of obscurity and ready to fight to ensure that “the majority of citizens do benefit from international trade”. The opening up of policy space for civil society participation and influence in trade policy making is in line with current trends of openness and transparency which are increasingly being regarded as pivotal to meaningful and people-centred development.

While recent efforts by Malawi Government to widen the policy window for CSOs around EPAs are commendable, it is recommended that more recognition of the role of the civil society be acknowledged. It is also recommended that while government is being called upon to be more inclusive and accountable to its citizens on trade policy, CSOs should work tirelessly to enhance their technical competency and fast-track information to communities who are the ultimate beneficiaries of public policy.

In the event that such a blatant need for collaboration and working for the common good is ignored, the lack of participation in trade policy making by CSOs can be seen as an
“extension of the lack of participation of citizens of Malawi” (Bamusi, 2008). Mavuto Bamusi, the National Coordinator of the Human Rights Consultative Committee (HRCC) argues that “generally policy failure in Malawi stems directly from the lack of people’s participation”.

Certainly, such a broad consultative process will ensure that Malawi’s preparations for negotiations and negotiations themselves will not be hasty and lacking in capacity.

References


