Malawi
Civil Service Pay and Employment Study

December 6, 1994

Southern Africa Department
Africa Region
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<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>DPD</td>
<td>Department of Data Processing</td>
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<tr>
<td>DPMT</td>
<td>Department of Personnel Management and Training</td>
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<tr>
<td>ESAMI</td>
<td>Eastern and Southern Africa Management Institute</td>
</tr>
<tr>
<td>FY</td>
<td>Financial Year</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GOM</td>
<td>Government of Malawi</td>
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<td>IC</td>
<td>Industrial Class</td>
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<tr>
<td>ID I</td>
<td>Institutional Development Project I</td>
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<td>ID II</td>
<td>Institutional Development Project II</td>
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<tr>
<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>MASTEP</td>
<td>Malawi Special Teachers’ Education Program</td>
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<td>MOA</td>
<td>Ministry of Agriculture</td>
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<td>MOE</td>
<td>Ministry of Education</td>
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<td>MOF</td>
<td>Ministry of Finance</td>
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<td>MOW</td>
<td>Ministry of Works</td>
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<td>MPSR</td>
<td>Malawi Public Service Regulation</td>
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<td>MSD</td>
<td>Management Services Division</td>
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<td>OPC</td>
<td>Office of the President and Cabinet</td>
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<td>PER</td>
<td>Public Expenditure Review</td>
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<td>PSC</td>
<td>Public Service Commission</td>
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<tr>
<td>SPC</td>
<td>Secretary to the President and Cabinet</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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This report is based on the findings of two missions to Malawi in February/March and October/November 1993. The team for both missions comprised Ladipo Adamolekun (Principal Public Sector Management Specialist and Team Leader), Noel Kulemeka (Economist, Bank Resident Mission, Malawi), Kithinji Kiragu (Consultant, KK Consulting Associates) and Harold Kuchande (Management Development Consultant at the Malawi Institute of Management). The Lead Advisor was Malcolm Holmes and the peer reviewer was Michael Stevens (both in Operations Policy Department). The report was reviewed by Luis de Azcarate, Senior Adviser and Gene Tidrick, Lead Economist (both in Southern Africa Department). Ms. Sylvie Lelièvre provided support in compiling and processing the report.
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EXECUTIVE SUMMARY

1. The Pay and Employment Study (PAES) was undertaken in 1993 as a follow-up to the Public Sector Management Review (PSMR) completed in 1991 and published in 1993. The Bank study team worked with counterparts designated by the Government in each of the key ministries and departments responsible for issues relating to civil service pay and employment: Economic Planning and Development, Finance, Personnel Management and Training, Labour and Public Service Commission. Against the background of the problems of pay and employment highlighted in the PSMR report, the following were adopted as the objectives of PAES:

- gather and analyze data on pay and employment policies and practices;
- review employment growth trends and examine alternative compensation and employment arrangements;
- assess the impact of Government personnel policies and practices on the size and composition of Civil Service establishment;
- formulate proposals that would provide both sustainable and capable system of attracting and retaining skilled technical/professional staff and senior managers in the Civil Service; and
- make recommendations on how best to link improved pay and other incentives to increased efficiency and productivity, including some comparisons with pay and employment policies and practices in the private and parastatal sectors.

2. The report of the Study comprises chapters focused on: (i) Civil Service Wage Bill; (ii) Civil Service Employment; (iii) Civil Service Pay; (iv) Comparative Analysis of Pay Levels in Different Sectors; and (v) Main Issues in Personnel Management. There is a concluding chapter on policy objectives and implementation options.

A. Civil Service Wage Bill

3. PAES found that measured as a proportion of total Government expenditures (minus debt service charges), the civil service wage bill nearly doubled between FY 1988/89 and FY 1993/94, from 19.74 to 33.39 percent. Furthermore, in 1993/94, the civil service wage bill represented 43.87 percent of total Government recurrent expenditures compared to 26.7 percent in 1988/89. These developments were due essentially to the substantial salary increases approved in 1992/93 and 1993/94. Significantly, non-established employees (mostly of the industrial class) and employees of commercially-oriented Treasury Funds constituted 17 percent and 9 percent respectively of the wage bill in 1993/94.

4. Two salient issues underscored by the evolution of the wage bill are: (a) the striking inability of Government to maintain control of the wage bill (due, in part, to lack of effective establishment control) and (b) a creeping imbalance between the wage bill and non-wage expenditures with the former crowding out expenditures on operations and maintenance.
B. Civil Service Employment

5. PAES was unable to determine the size of the civil service in a definitive manner. The most reliable set of figures adopted in the study are: a total of 143,790 positions of which 91,819 were established; 75,663 of the established positions were filled, leaving about 13 percent vacant. Established positions increased at an annual rate of over 14 percent between 1989/90 and 1992/93, a significantly higher rate than the 2 percent growth rate projected by the Government. The huge number of industrial class employees underscores the ineffectiveness of existing staff control methods. PAES found that the high concentration of this category of staff in the Ministry of Works is linked, in part, to certain types of seasonal functions undertaken by the Ministry that could be contracted out or privatized.

C. Civil Service Pay

6. PAES found that the distortions identified in the salary structure since the mid-1980s have remained largely uncorrected, notably excessive number of grades, inconsistencies in the grading structure and absence of schemes of service. There are also significant distortions in pay levels arising from ad hoc salary adjustments, characterized by declining compression ratios (from 1:42.9 in 1982 to 1:23.9 in 1993). Furthermore, the increasing salience of non-salary benefits, especially housing allowance, has resulted in a reward system that is neither transparent nor equitable. Total value of non-monetary benefits for top civil servants is estimated at 147 percent of the total monetary pay (basic salary plus monetary allowances). For junior officials with access to government housing, the total value of the direct non-monetary benefits can be as high as 364 percent of the total monetary pay. PAES concludes that monetization of benefits and consolidation of the entire compensation package are essential steps toward the removal of distortions and the achievement of a transparent and equitable pay structure.

D. Comparative Analysis of Pay Levels in Different Sectors

7. The conclusion from a comparison of pay levels among all sectors — civil service, parastatal, private sector and donor sector — is that those in the civil service are generally lower, except at the lower salary grades. However, after monetization of the benefits enjoyed by the most senior civil servants, their total compensation package would be only slightly below the level of their counterparts in the other sectors. In contrast, the middle-level technical and professional civil servants remain significantly worse off than their counterparts in the other sectors with adverse consequences for Government’s ability to recruit and retain staff in these positions. Comparison with some of the neighboring countries in Eastern and Southern Africa shows that Malawi civil servants have consistently been better remunerated than their counterparts except at the junior levels where only the huge salary increases of 1992-93 pushed pay levels ahead of those of their counterparts.
E. Main Issues in Personnel Management

8. The salient features of the legal and institutional framework for managing civil service pay and employment include a multiplicity of institutions whose roles are not clearly defined. Coordination among the institutions are also generally poor in respect of both pay and employment. Furthermore, the poor management of the personnel function is manifested in the form of inadequacies in systems and procedures relating to: manpower planning and training, recruitment, deployment and utilization, promotions and career progression and personnel data. There are strong linkages between the institutional weaknesses and the poor systems and procedures on the one hand and the pay and employment problems examined in the study on the other.

F. Policy Objectives and Implementation Options

9. Given the findings and conclusions in the study, three policy objectives are proposed: control of the civil service wage bill, rationalization of the pay structure and of pay enhancement, and improvement of the quality and performance of the civil service. To achieve effective control of the civil service wage bill, the actions that Government could take include firmly linking establishment control to the budget process; developing departmental manpower plans and targets; abolishing the industrial class; and abolishing all the existing vacancies in the establishment. Regarding the rationalization of the pay structure and enhancement of pay, it would be necessary to establish a committee that would undertake annual review of salaries; reverse the drift to non-transparent and inequitable remuneration options; and progressively introduce performance-related pay. Finally, to improve morale, performance and productivity would require, in addition to pay reform, implementation of merit-based recruitment and promotion and increased budgetary allocation for operations and maintenance.
CHAPTER 1
BACKGROUND AND INTRODUCTION

The Macroeconomic Context

1.1 Historical Perspective. During the 1960s and 1970s, Malawi’s development strategy emphasized infrastructure and estate agriculture as prime vehicles for increased production and growth. Over two decades, Malawi’s economy was open and world market prices for its major exports (tobacco, tea, coffee, and cotton) were relatively high, real GDP more than doubled, and real per capita income grew by 3 percent per year. The period of strong growth ended in the early 1980s with the onset of economic problems and external shocks, including deterioration of terms of trade, oil crises, disruption of external transport routes through Mozambique, and weather-related shocks. In combination, these shocks led to an economic crisis culminating in 1986/87 with a decline in per capita income and policy setbacks which reversed the openness of the economy and discouraged private sector investment and output.

1.2 The adoption of a strategy in 1989/90 based on "Growth Through Poverty Reduction" was a crucial point in Malawi’s development. Efforts have been made to develop structural policies focused on removing the binding constraints to sustainable growth while simultaneously addressing the roots of pervasive poverty. The new attempt to liberalize the economy included reforms to redress the policy bias against smallholders, remove constraints on private sector participation in all sectors of the economy, and move toward a more liberal external sector policy. Increasing adoption of fertilizer and hybrid seed in the smallholder sector combined with expanding private sector participation in production and marketing resulted in per capita GDP growth of 2 percent annually during 1989-91.

1.3 Developments in the 1990s. Economic management was challenged by new internal and external developments, including bilateral donors’ decision at the May 1992 Consultative Group meeting to withhold all new non-humanitarian aid pending tangible and irreversible reform in Malawi’s approach to governance issues and the unprecedented drought throughout southern Africa in 1992. Following several years of macroeconomic stability and positive per capita growth, Malawi’s economy contracted by nearly 8 percent in 1992.

1.4 The return of normal weather during the 1992/93 crop season helped facilitate recovery of production in the agricultural sector, allowing overall GDP to grow by some 11 percent in 1993. Following the June 1993 referendum that endorsed the move to multiparty democracy and subsequent steps taken by the Government (general elections are to be held on May 17, 1994), donors agreed to resume economic aid and financial support at the December 1993 Consultative Group meeting.

1.5 Monetary and Fiscal Developments. After several years of fiscal and monetary discipline, macroeconomic balances started to deteriorate in early 1992. In response to the withdrawal of donor support and the impact of the drought, the Government tightened its fiscal and monetary policies in June/July 1992 through various measures, including increase in the rediscount rate and devaluation of the kwacha. Yet, the weakening of the economic and financial situation persisted. Given the substantial shortfall in external financing and the additional requirements for drought-related financing, the Government became a major user of
domestic credit in 1992/93. In mid-1993, further tightening of monetary policies supported a
general improvement in the rate of broad money growth and inflation. By January 1994, the
annual rate of inflation had declined to 20 percent (compared to 33 percent in March 1993).

1.6 The fiscal deficit (before grants) rose from 6.3 percent of GDP in 1991/92 to 9.1
percent of GDP in 1992/93 (15.7 percent of GDP including drought-related operations);
largely on account unexpectedly high increase in civil service wages in 1992, and the
weakened revenue performance caused by lower economic activity in the wake of the drought.
Early in 1993/94, the Government introduced additional revenue and expenditure measures
that helped achieve economic stabilization, brought the fiscal program back on track, and
reduced the deficit (before grants) to 6.6 percent of GDP in FY93/94. However, Malawi will
have to persist with macroeconomic reforms. And these reforms will be significantly
impacted by employment, pay and performance in the civil service.

Significance of Government Pay and Employment

1.7 According to Gail Stevenson, government pay and employment affect macro-economic
performance in several ways. First, Government spending on wages and other inputs that
produce public goods may be stimulative, contractionary, or neutral depending upon whether
it produces goods and services that enhance, diminish, or have no effect on the productivity of
the private capita stock. Second, the government’s wage and employment policies also affect
the exchange rate and its management. Labor market segmentation, induced at least in part
by a large government sector, may reduce the effectiveness of an exchange rate adjustment -
devaluation is absorbed more by the informal than by the formal sector due to indexation of
government wages. Third, government pay and employment are likely to affect the
microeconomic behavior of firms and individuals. For example, the response to a falling real
wage may be either an increased preference for leisure or the transfer of work effort to
outside endeavor where the returns are greater. Then, even for those who do not spend work
time pursuing outside income, discipline can suffer because those engaged in outside pursuits
are in no position to reprimand those who are not. Those with marketable skills tend to seek
employment outside government or abroad, where the pay is better. The resulting skill
imbalances within a production unit may further erode morale and productivity due to a lack
of workers with complementary or managerial skills. Fourth, public sector pay and
employment policies may have direct and indirect effects on the behavior of economic actors
outside the public sector. Such government spillover effects may take the form of
employment and pay policies that apply only to government, but which affect private
employers. Or government policies may be intended to affect the private sector - for example
minimum wages, wage indexation, severance restrictions or mandatory severance
compensation, or the mandatory provision of pensions and other benefits. All of these
interventions raise the cost of labor -- or of certain kinds of labor -- to the private sector1.

1.8 In Malawi, although civil service employment constitutes only about 2.5 percent of all
those in Malawi who are defined to be economically active, it makes up about 20 percent of
those engaged in the formal, modern or enumerated sector (Table 1.1). The public sector’s
strategically important position in the labor market is confirmed in that it employs about one

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1 Gail Stevenson, How Public Sector Pay and Employment Affect Labor Markets, a World Bank Policy
Research Paper, August 1992 (pp 6-12).
in every three persons engaged in the formal, non-agricultural, non-estate sector. Moreover, according to the 1989 comprehensive survey of human resources in Malawi\(^2\), 45 percent of public employment is classified as being skilled, compared with only 26% of parastatal employees and 11 percent of those engaged in the modern private sector. Furthermore, 52 percent of all professionals and 79 percent of sub-professionals were working for the Government. In non-teaching, technical occupations the Government engages 61 percent and 52 percent, respectively, of all professionals and sub-professionals. Our investigations suggest that the situation has not changed dramatically since 1989. The dominance of the public sector is also reflected in its share of average earning per employee (see Figure 1.1).

Table 1.1: PERCENTAGE DISTRIBUTION OF PAID EMPLOYEES, BY SECTOR, 1985 - 1989

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<tr>
<td>Total</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Private</td>
<td>79.55%</td>
<td>79.80%</td>
<td>77.90%</td>
<td>79.90%</td>
<td>80.24%</td>
</tr>
<tr>
<td>Public</td>
<td>20.45%</td>
<td>20.20%</td>
<td>22.10%</td>
<td>20.10%</td>
<td>19.76%</td>
</tr>
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Source: Appendix Table 1.1

1.9 The strategic role of the public sector in Malawi’s formal sector labor market must be set in the context of a situation where past and on-going rapid population growth will ensure that the country’s annual labor force growth rate will continue to exceed 3 percent for the next decade and well into the 21st century. Yet, concern exists about the shortages of Malawians trained in key skills and about the general calibre of a sizeable segment of the skilled workforce\(^3\). The other critical concern is the recent militancy of civil servants resulting in the unprecedented strikes of 1992 and 1993 and the subsequent salary increases.

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\(^2\) International Organization/DPMT, Comprehensive Survey of Human Resources in Malawi, 1989.

\(^3\) W.J. House & Chaluma, The Implications of Raising the Mandatory Retirement Age in the Malawi Civil Service (a paper prepared for the Department of Economic Planning & Development, Nov 1990).
Figure 1.1

AVERAGE EARNING PER EMPLOYEE BY SECTOR

Source: Appendix Table 1.2
CHAPTER 2
CIVIL SERVICE WAGE BILL

A. Size and Growth of the Wage Bill

2.1 A common approach for measuring the size of civil service wage bill is to relate government expenditures on salaries and wages against total government expenditures\(^4\). Using this measure, the size of the wage bill for Malawi in the current and past five fiscal years is shown in Table 2.1 below. Thus in FY 1993/94 the civil service wage bill constitutes more than a third (33.9 percent), of total Government expenditures (minus debt servicing charges). The wage bill is also a much larger proportion (43.87 percent) of the total Government recurrent expenditures.

Table 2.1: GOVERNMENT EXPENDITURE ON SALARIES AND WAGES

<table>
<thead>
<tr>
<th>(a) Amounts in K million (current prices)</th>
<th>1988/89 - 1993/94</th>
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<tr>
<td>Recurrent Budget</td>
<td>161.20</td>
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<tr>
<td>Development Budget</td>
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<td>Total</td>
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<th>(b) As % of Government Expenditure</th>
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<td>Recurrent Budget</td>
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Memo Items

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</tr>
</thead>
<tbody>
<tr>
<td>Recurrent (Net of debt servicing)</td>
</tr>
<tr>
<td>Development</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Note: Authors’ estimates of expenditures on salaries and wages for FY 1993/94 incorporate the impact of salaries increases and housing allowances benefits announced by the Government in September 1993.


2.2 As shown in Table 2.1, the size of the wage bill has grown considerably over the past few years. Measured as proportion of total Government expenditures (minus debt service charges), the wage bill has nearly doubled between FY 1988/89 and FY 1993/94, from 19.74

\(^4\) See, for example, Barbara Nunberg, Public Sector Pay and Employment Reform, World Bank Discussion Papers, No. 68, 1989.
percent to 33.39 percent in nominal terms. Even by other measures, the wage bill has become a relatively large component of the Government expenditures. In the period 1982-1990, the ratio of salaries and wages to total Government consumption fluctuated between 43 percent and 48 percent. This ratio dropped considerably, to about 33 percent in 1991, but since then it is on an upward trend (see Figure 2.1).

![Figure 2.1](image)

Source: Appendix Table 2.6.

2.3 In the past, Malawi Government was among the few countries in the SSA region that effectively controlled the proportion of public expenditures taken by salaries and wages. Table 2.2 shows that throughout the 1980s, the percentage of expenditures on salaries and wages in proportion to total government expenditures (minus debt repayments) have, for Malawi, been consistently lower than the average for all SSA, and most of the other countries in the East & Central Africa region (including Zambia, Tanzania, Zimbabwe and Kenya).

2.4 Also, as illustrated in Figure 2.2, compared to these other countries in the East and Central Africa region, Malawi in the past maintained a moderate rate of real growth in Government expenditures on wages and salaries. Furthermore, relative to the national GDP, Government expenditures on salaries and wages have generally been on the decline during the period 1987 - 1993 mid (see Figure 2.3).
Table 2.2: GOVERNMENT EXPENDITURE ON WAGES AND SALARIES AS PERCENTAGE OF TOTAL EXPENDITURE AND LENDING MINUS REPAYMENTS MALAWI COMPARED TO SELECT SSA COUNTRIES, 1980 - 1989

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Malawi</td>
<td>12.9</td>
<td>13.9</td>
<td>19.8</td>
<td>19.3</td>
<td>18.2</td>
<td>17.6</td>
<td>17.8</td>
<td>20.7</td>
<td>17.8</td>
<td>15.7</td>
</tr>
<tr>
<td>SSA(excluding Nigeria)</td>
<td>27.4</td>
<td>27.7</td>
<td>26.8</td>
<td>27.6</td>
<td>27.7</td>
<td>27.3</td>
<td>25.3</td>
<td>25.5</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Zambia</td>
<td>22.4</td>
<td>32.9</td>
<td>29.6</td>
<td>31.4</td>
<td>30.7</td>
<td>25.6</td>
<td>22.3</td>
<td>25.8</td>
<td>22.2</td>
<td>n.a.</td>
</tr>
<tr>
<td>Tanzania</td>
<td>18.6</td>
<td>21.1</td>
<td>20.4</td>
<td>22.9</td>
<td>22.3</td>
<td>25.6</td>
<td>24.8</td>
<td>19.2</td>
<td>18.2</td>
<td>n.a.</td>
</tr>
<tr>
<td>Botswana</td>
<td>24.9</td>
<td>26.7</td>
<td>24.9</td>
<td>26.3</td>
<td>24.3</td>
<td>23.5</td>
<td>20.8</td>
<td>20.8</td>
<td>20.2</td>
<td>19.3</td>
</tr>
<tr>
<td>Kenya</td>
<td>25.3</td>
<td>27.2</td>
<td>27.6</td>
<td>31.1</td>
<td>31.7</td>
<td>29.7</td>
<td>33.7</td>
<td>31.5</td>
<td>32.0</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Source: UNDP/The World Bank, African Development Indicators, 1992

Figure 2.2
Impact of Recent Salary Adjustments on the Wage Bill

2.5 There has been a steep rise in the wage bill over the past two years. The salary and wages adjustments effected in FY 1992/93 raised, in nominal terms, the annual wage bill in the recurrent budget by an extraordinarily high 84 percent, from K 244 million (actual expenditures in FY 1991/92) to about K449 million (revised estimates for FY 1992/93). Furthermore, following an unprecedented strike by civil servants, the Government (i) raised basic salaries and wages by an average of 15 percent with effect from July 1993 and (ii) granted a 15 percent tax-free housing allowance for all civil servants not housed by the Government with effect from September 1993. About two thirds of Government employees are currently not housed but the majority are in the lower salary grades. On this basis, it is estimated that the housing allowance will result in an average increase of about 5 percent in the monthly total civil service wage bill. Overall, therefore, the monthly civil service wage bill is estimated to rise by about 20 percent between June and September 1993, and the total wage bill for the current FY is estimated at 15.5 percent higher than that for the FY92/93. Thus between FY91/92 and FY93/94, the total wage bill will have been raised by over 100 percent.
B. The Structure of the Wage Bill

2.6 The distribution of the wage bill by budget vote heads (ministries/departments) is shown in Table 2.3. As shown in the Table, about 88 percent of the wage bill is paid through the recurrent vote and the balance through the development vote. Furthermore, the Table shows that the five institutions leading in the share of the wage bill are the ministries of Education (27.29%), Agriculture (9.82%), Works (9.10%), Defence (7.67%), and Health (7.06%). Thus the five ministries account for more than 60 percent of the total wage bill.

2.7 Table 2.4 shows the composition of the wage bill by major categories of civil service employment and benefit as budgeted for the fiscal years 1991-1994. Employees in established staff positions, who may be regarded to constitute the core of the civil service, account for the bulk of the wage bill, being about 70 percent of the total wage bill in 1993/94. The personnel in the non-established category (mainly industrial class employees) account for about 17 percent of the bill. The other category of employees with a significant contribution to the wage bill is temporary employment, which accounts for about 4 percent of the wage bill.

2.8 Pensions and gratuities also constitute a significant portion (7.2 percent in FY 1993/94) of the wage bill. Considering that the numbers of retired civil servants is generally on the increase, it is noteworthy that the proportion of the pensions and gratuities in the wage bill has been on a steady decline over the past few years. It was 12.7 percent in FY 1990/91 (Table 2.4). This trend suggests that (i) employment in the civil service is growing at higher rates than the number of retirees, and (ii) the value of the average retirement benefits is declining relatively to the current levels of average remuneration.

2.9 A further significant feature of the civil service wage bill is that a large proportion of it (about 12 percent) is used to pay salaries and wages of employees working in semi-autonomous Treasury Funds and non-commercial statutory bodies. Yet, most of the Treasury Funds are expected to operate commercially. Some of them could even be regarded as strong candidates for privatization (see Box 2.1). Therefore, the future management of the wage bill needs to address the prospect of reducing this proportion of the wage bill.

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5 The major categories of civil service employment are explained in the next chapter.
Table 2.3: PERCENT COMPOSITION OF THE WAGE BILL BY MINISTRIES AND DEPARTMENTS - FY 1992/93

<table>
<thead>
<tr>
<th>Head/Ministry/Department</th>
<th>PERSONAL EMOLUMENTS</th>
<th>As % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual Expenditure</td>
<td></td>
</tr>
<tr>
<td>301 The President</td>
<td>270,000.00</td>
<td>0.09%</td>
</tr>
<tr>
<td>305 State Residences</td>
<td>3,093,504.00</td>
<td>1.07%</td>
</tr>
<tr>
<td>306 Audit</td>
<td>756,714.00</td>
<td>0.26%</td>
</tr>
<tr>
<td>307 Judicial</td>
<td>1,154,029.00</td>
<td>0.40%</td>
</tr>
<tr>
<td>308 National Assembly</td>
<td>1,866,172.00</td>
<td>0.65%</td>
</tr>
<tr>
<td>309 Office of the President &amp; Cabinet</td>
<td>1,831,580.00</td>
<td>0.63%</td>
</tr>
<tr>
<td>310 Defence</td>
<td>22,137,360.00</td>
<td>7.67%</td>
</tr>
<tr>
<td>311 Economic Planning</td>
<td>461,181.00</td>
<td>0.16%</td>
</tr>
<tr>
<td>312 District Administration</td>
<td>4,387,524.00</td>
<td>1.52%</td>
</tr>
<tr>
<td>313 Lands and Valuation</td>
<td>1,506,776.00</td>
<td>0.52%</td>
</tr>
<tr>
<td>314 National Statistical Office</td>
<td>938,288.00</td>
<td>0.33%</td>
</tr>
<tr>
<td>315 Police</td>
<td>13,572,035.00</td>
<td>4.70%</td>
</tr>
<tr>
<td>316 Printing &amp; Stationary</td>
<td>707,397.00</td>
<td>0.25%</td>
</tr>
<tr>
<td>317 Prisons</td>
<td>2,131,511.00</td>
<td>0.74%</td>
</tr>
<tr>
<td>318 Survey</td>
<td>957,348.00</td>
<td>0.33%</td>
</tr>
<tr>
<td>319 Agriculture</td>
<td>28,331,547.00</td>
<td>9.82%</td>
</tr>
<tr>
<td>321 Fisheries</td>
<td>1,442,773.00</td>
<td>0.50%</td>
</tr>
<tr>
<td>322 Forestry</td>
<td>19,113,269.00</td>
<td>6.62%</td>
</tr>
<tr>
<td>323 Geological Survey</td>
<td>628,533.00</td>
<td>0.22%</td>
</tr>
<tr>
<td>324 Education</td>
<td>78,760,258.00</td>
<td>27.29%</td>
</tr>
<tr>
<td>325 External Affairs</td>
<td>15,894,855.00</td>
<td>5.51%</td>
</tr>
<tr>
<td>326 Finance</td>
<td>1,589,241.00</td>
<td>0.55%</td>
</tr>
<tr>
<td>327 Customs and Excise</td>
<td>1,606,782.00</td>
<td>0.56%</td>
</tr>
<tr>
<td>328 Income Tax</td>
<td>712,943.00</td>
<td>0.25%</td>
</tr>
<tr>
<td>329 Office Equipment</td>
<td>167,183.00</td>
<td>0.06%</td>
</tr>
<tr>
<td>330 Health</td>
<td>20,377,204.00</td>
<td>7.06%</td>
</tr>
<tr>
<td>331 Women &amp; Children Affairs &amp; Community Services</td>
<td>3,039,418.00</td>
<td>1.05%</td>
</tr>
<tr>
<td>332 Information and Tourism</td>
<td>858,041.00</td>
<td>0.30%</td>
</tr>
<tr>
<td>334 Justice</td>
<td>3,717,590.00</td>
<td>1.29%</td>
</tr>
<tr>
<td>335 Registrar General</td>
<td>197,130.00</td>
<td>0.07%</td>
</tr>
<tr>
<td>336 Labor</td>
<td>1,342,090.00</td>
<td>0.47%</td>
</tr>
<tr>
<td>337 Local Government</td>
<td>1,449,325.00</td>
<td>0.50%</td>
</tr>
<tr>
<td>338 Trade and Industry</td>
<td>5,900,897.00</td>
<td>2.04%</td>
</tr>
<tr>
<td>339 Transport and Communication</td>
<td>3,905,772.00</td>
<td>1.35%</td>
</tr>
<tr>
<td>340 Posts and Telecommunication</td>
<td>9,875,292.00</td>
<td>3.42%</td>
</tr>
<tr>
<td>341 Works</td>
<td>26,257,367.00</td>
<td>9.10%</td>
</tr>
<tr>
<td>342 National Parks And Wildlife</td>
<td>1,338,008.00</td>
<td>0.46%</td>
</tr>
<tr>
<td>343 Youth &amp; Malawi Young Pioneers</td>
<td>729,298.00</td>
<td>0.25%</td>
</tr>
<tr>
<td>344 Personnel Mgt. &amp; Training</td>
<td>2,040,939.00</td>
<td>0.71%</td>
</tr>
<tr>
<td>345 Housing &amp; Physical Planning</td>
<td>1,008,631.00</td>
<td>0.35%</td>
</tr>
<tr>
<td>346 Forestry &amp; Natural Resources</td>
<td>536,576.00</td>
<td>0.19%</td>
</tr>
<tr>
<td>347 Accountant General</td>
<td>1,431,806.00</td>
<td>0.50%</td>
</tr>
<tr>
<td>348 Data Processing</td>
<td>571,588.00</td>
<td>0.20%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>288,595,775.00</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Source: Appendix Table 2.4(a) & 2.4(b)
Table 2.4: COMPOSITION OF THE WAGE BILL BY MAJOR CATEGORIES OF EMPLOYMENT AND BENEFITS, AS BUDGETED FYs 1990/91-1993/94

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Established Staff - Salaries</td>
<td>64.7%</td>
<td>46.5%</td>
<td>64.0%</td>
<td>66.5%</td>
</tr>
<tr>
<td>Established Staff - Allowances</td>
<td>3.6%</td>
<td>4.5%</td>
<td>4.0%</td>
<td>5.3%</td>
</tr>
<tr>
<td><strong>sub-total</strong></td>
<td>68.2%</td>
<td>51.0%</td>
<td>68.0%</td>
<td>71.8%</td>
</tr>
<tr>
<td>Non-established staff - salaries</td>
<td>13.0%</td>
<td>31.0%</td>
<td>14.8%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Temporary Employment</td>
<td>4.3%</td>
<td>4.6%</td>
<td>4.9%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Village Headmen’s Remuneration</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Technical Assistance Personnel</td>
<td>1.8%</td>
<td>1.9%</td>
<td>1.8%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Student and Uniform Allowances</td>
<td>0.0%</td>
<td>0.3%</td>
<td>0.2%</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>sub-total</strong></td>
<td>87.3%</td>
<td>88.8%</td>
<td>89.6%</td>
<td>92.8%</td>
</tr>
<tr>
<td>Pensions and gratuities</td>
<td>12.7%</td>
<td>11.2%</td>
<td>10.4%</td>
<td>7.2%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Note: It appears that in FY 1991/92, some of the salaries of the established staff were budgeted under the non-established staff line item.
Source: Appendix Table 2.5

BOX 2.1: WAGE BILL EXPENDITURES ON TREASURY FUNDS AND NON-COMMERCIAL STATUTORY BODIES

1. More than 12 percent of the total Government expenditures on salaries and wages are directly incurred on employees in treasury funds and non-commercial statutory bodies.

2. Treasury Funds: Total expenditures on salaries and wages on treasury funds for the FYs 1988/89 to 1992/93 are presented in Appendix Table 2.1. In FY 93/94, these expenditures amount to K 26.861 million, which is a significant 9.3 percent of the total salaries and wages paid by the Government. It is also significant that the bulk of these expenditures (amounting to K 25,285,000 or 94 percent of the total) are in “Commercially” oriented treasury funds.

3. Non-Commercial Statutory Bodies: In FY 1992/93, total subventions to non-commercial statutory bodies amounted to K 19.788 million (see Appendix Table 2.3). Salaries and wages constitute a higher proportion of Government subventions to non-commercial statutory bodies. In a sample of five such bodies, salaries and wages were on average some 41 percent of the total subventions (see Appendix Table 2.2). If it is assumed that salaries and wages constitute 41 percent of the total subventions, then these expenditures amount to K 8.11 million. Therefore, non-commercial statutory bodies add a further 2.8 percent on total Government expenditures on salaries and wages.
C. Major Issues Arising from the Evolution of the Wage Bill

The Recent Rapid Growth of the Wage Bill

2.10 The recent rapid growth in the wage bill (1992/93 and 1993/94) does not appear to be an outcome of systematic policy. Indeed, the large salary adjustments had not been anticipated in the budgetary process. Consequently, the increases in salaries and wages: (i) were not efficiently, equitably and transparently distributed among the various salary grades (which further distorted the pay structure, and partly explains the recent serious industrial unrest among civil servants in spite of the very high salary increases in FY 1991/92); (ii) necessitated a 50 percent down-ward revision in the 1993/94 budget allocations for, among others, maintenance of buildings, plant and equipment, which may adversely affect the productivity of the civil servants; and (iii) significantly exacerbated the Government’s fiscal problems.

2.11 Furthermore, these ad-hoc salary adjustments, (regardless of whether or not it was in response to civil servants, genuine needs or conceded to avoid political costs), would appear to provide a false signal regarding the capacity of the Government to continuously raise higher the salaries of its employees. Thus, for example, even after the recent high increases, teachers have threatened to strike for improved employment benefits. (See Box 2.2).

BOX 2.2: THE RECENT TEACHERS' CAMPAIGN FOR PAY INCREASES

The Campaign for more increases in pay for teachers should be a matter of serious concern for two reasons. First, teachers are already better remunerated than their equivalently educated and trained counterparts in the civil service. Thus, for example, after a Malawi Certificate of Education (MCE holder) successfully completes the two-year training in primary teacher training college, she/he is employed by the Government at the T2 salary grade which starts at a basic salary of K 3894 per annum. However, the MCE graduate who also successfully completes a two-year training course in agricultural technology at the Malawi Natural Resources College (NRC) is employed by the same Government, and in similar environments as the teacher, in the salary grade TA/C2, at a basic salary of K 1884 per annum (i.e., two annual increments above the bottom of the salary scale for the grade), which is less than half the teacher’s starting salary*. Yet, according to the Malawi News of September 25 - October 1, the Government is likely to accommodate the teachers’ demands. The second concern is the fact that teachers are by far the fastest growing cadre of the civil service. Moreover, if the teachers succeed in their campaign, several other occupation groups are likely to initiate similar campaigns. A combination of higher average pay and sustained high growth in the number of teachers could be an explosive dynamite in the Government wage bill in the foreseeable future.

*See Tables 4.1 and 4.5

Difficulties in Maintaining Budgetary Control of the Wage Bill

2.12 In both FY92/93 and FY93/94, it has been impossible for the Government to maintain budgetary control of the wage bill. As illustrated in Figure 2.4, during FY 1992/93, the ultimate levels of total Government expenditures on the wage bill by far exceeded the original target. And as explained above (para 2.5), in the FY93/94 budget the actual wage bill will far exceed the original approved budget. Yet, as stated in Chapter 1, a major macro-economic goal for the Government in FY 1993/94 is to significantly reduce the proportion of budgetary spending in GDP. All this means that unless the Government reinstates budgetary control on the wage bill, it will find it increasingly difficult to achieve its fiscal policy goals.
(Figure 2.4). Re-establishing effective budgetary control of the wage bill would involve better control of staff strength growth, especially the large number of industrial class employees and removal from the payroll of employees in the commercially-oriented parastatals that could be privatized (see Chapter 3 below).

**Figure 2.4**

![Figure 2.4: Shifts in the Budget Wage Bill Figures](chart)

**Source:** Appendix Table 2.7

**Creeping Imbalance between the Wage Bill and Non-Wage Expenditures**

2.13 In the past, Malawi has been commended for avoiding the pitfall characteristic of many SSA countries that have allowed salaries to increase as a percentage of recurrent expenditures, thereby reducing the funds available for operational expenses and leading to a severe curtailment of Government activities. The recent rapid growth in the wage bill is progressively crowding-out from the budget the financial resources for procuring complementary goods and other services (see Figure 2.5).

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6 The World Bank, *Malawi Public Sector Management Review*, March 1993 (p. 8). See also Appendix Table 2.9.
Figure 2.5

EXPENDITURES ON GOODS AND SERVICES AS MULTIPLIER OF PERSONNEL EXPENDITURE

Source: Appendix Table 2.8
CHAPTER 3
CIVIL SERVICE EMPLOYMENT

A. Defining the Civil Service

3.1 There is currently no agreed definition of the civil service in the country. Flowing
from this is the problem of establishing the exact size of the civil service. There are three
main explanations for this confusion. First, there is the historical problem of defining what is
the civil service: (i) while in the immediate years following the country's independence the
police and teachers were not considered to be in the civil service, for all legal and practical
purposes today, these are regarded as civil servants; (ii) although the law provides for
judiciary officers to be outside the administrative mandate of the Public Service Commission,
which is vested with the specific responsibility for the recruitment, promotion and discipline
of civil servants, in virtually all other administrative aspects, the judiciary officers are treated
as civil servants; and (iii) the Government underwrites the payroll of employees in Treasury
Funds and non-commercial parastatals. Therefore, a budget or payroll-based definition of
central Government employees would normally include employees in these categories.

3.2 Second, while the Malawi Public Service Regulations (MPSR) stipulate that civil
servants are those Government employees on permanent and pensionable established posts, in
practice: (i) significant numbers of industrial class employees who would ordinarily be on
temporary and wage-based employment contracts, have, since 1983, been admitted into
permanent and pensionable status without any upgrading into established posts; (ii) the
regulations approve the appointment of temporary employees against vacancies in the
established permanent and pensionable posts, and many such temporary employees have
remained in employment for periods as long as 10 years; and (iii) the study team noted that,
in the case of military personnel, employment is not guided or constrained by establishment of
positions.

3.3 Third, the absence of an effective system for control and monitoring of recruitment in
all cadres of the civil service results in a situation whereby at any point in time, it is
impossible to reliably establish the actual numbers of all central government employees. In
particular, since there are no central records of non-established employees, their total number
cannot be correctly determined. Available evidence suggests that the number is a significant
proportion of the total number of those in the central government payroll. As further
elaborated below, these "non-established" employees in the main comprise "industrial class"

---

7 This situation contrasts, for example, with that in Kenya where teachers have through, a Teachers Service
Act (which established a Teachers Service Commission) clearly been delinked from the civil service.

8 As a matter of fact, the admission of some industrial class employees into pensionable status was retro-
active since it was effected after the formal termination of employment.

9 In practice, when employees remain on temporary employment for many years, it is unlikely that they will
have their services terminated. When they are, they will be paid a gratuity (one month’s salary for every
year of service). And in some cases, they may successfully petition Government for pension benefits.
workers, but also include personnel employed in development projects who have not yet been transferred to the payroll under the recurrent budget, and other temporary and seasonal employees. In all, these employees constitute about a third of the total number of government employees. The exact status of these categories of government employees has to be clarified before the size of the civil service could be determined.

3.4 Established Staff: This category of employees forms the vast majority of civil servants. As indicated in Chapter 2, about 70 percent of the approved budgetary allocation on the civil service wage-bill for FY93/94 was allocated to this category of employees. The positions for established staff are created by DPMT in liaison with the Treasury. The positions are classified in a hierarchical order from the highest superscale grade S1/P1 (i.e., for the Secretary to the President and Cabinet and the Chief Justice) down to the lowest subordinate class grade (SC.IV) for Security guards, messengers, etc.

3.5 The minister responsible for the civil service appoints or promotes Civil Servants into posts graded S4/P4-S1/P1 by recommendation. Appointments and promotions for other established staff are ostensibly based on merit and are sanctioned by:

- heads of departments for subordinate class employees;
- Ministerial Appointments and Disciplinary Committee for posts grades CO/TA or SCO/STA; and
- the Public Service Commission for senior officers in the grades EO/TO to S5/P5.

3.6 Non-Established/Temporary Employees: This category of Government employees are engaged to cater for specific tasks in a program of defined lifespan and against vacancies in the established posts. The recruitment and upgrading of temporary employees should be on the authority of the DPMT. However, a number of them have either been upgraded into established positions or have been maintained on the Civil Service payroll even for periods in excess of 10 years without seeking DPMT approval for their continued employment. While DPMT has not tried hard enough to track this category of officials, Ministry and Department heads have also been negligent in sending up-to-date reports to the DPMT and the Treasury. The confusion is then compounded by the fact that the Treasury continues to make budgetary allocations to maintain them on the payroll; long after the original need for their services would have disappeared.

3.7 Industrial Class Employees: This category of Government employees fill posts that are neither established nor have a life-span. Authority for appointment, promotion and termination of these employees is also the responsibility of the departmental/ministerial responsible officer or controlling Officer. Most employees are in construction/maintenance projects. There are also tradesmen such as mechanics and electricians who serve in the Ministry of Works on a more less permanent basis. Industrial class employee grades vary considerably, mainly based on the level and type of skills:

- Unclassified Workmen: unskilled laborers;

---

10 Details on the job/salary grades are provided in Chapter 4; see Table 4.1
- Classified Workmen: Semi-skilled workers e.g. cook, boatman, caretaker, gardener etc;

- Tradesman (ungraded or graded): Electrician, mechanic, plumber, fitter, bricklayer, etc;

- Operators (ungraded and graded): plant operator, drivers, etc.

3.8 Industrial class (IC) employees may be considered to constitute the informal component of the civil service. It is, however, important to distinguish between two broad categories of IC employees: (i) temporary and seasonal (casual) labor, constituting the majority of IC employees. The total number fluctuates considerably, especially by seasons and (ii) the quasi-permanent employees who have been graded into the three categories of classified workmen (grades 1, 2 and 3), tradesmen (ungraded and graded) and operators (ungraded and graded). Thus, the vast majority of those in the second category are de-facto part of the permanent civil service establishment.

3.9 Furthermore, since 1983, the graded tradesmen and operators, like those civil servants in established posts have been eligible for pension benefits. Therefore, a realistic examination of civil service pay and employment needs to adopt a definition of the civil service that encompasses the industrial class employees while recognizing their ambiguous status (see Box 3.1).

3.10 Clearly, in spite of weak controls and poor personnel record keeping, many GOM employees in non-established positions are de facto under terms and conditions of service statutorily designated for civil servants in the MPSR. Given these realities, the term civil service is broadly used in the study to describe employees on the government payroll whether or not they occupy established, non-established and industrial class positions. However, this definition excludes employees in parastatals and local government whose salaries may be funded by the central government through subsidies and grants.

**BOX 3.1: THE AMBIGUOUS STATUS OF INDUSTRIAL CLASS EMPLOYEES**

1. In 1983, following an ILO recommendation, the Government availed long-serving graded industrial class employees the option to be on permanent and pensionable status. However, a large number of industrial class employees opted to remain on temporary appointment so that they could:

   (a) earn their gratuity after 10 years;

   (b) leave the civil service anytime after 10 years with some benefits; and

   (c) continue getting overtime privileges which may not be available for permanent and pensionable employees.

2. While many employees did not exercise the option, they have subsequently successfully argued that they were never made aware of the option and therefore received the pension benefit. And in 1990, the Government promulgated procedures for graded tradesmen and operators to apply for admission into permanent and pensionable status while remaining in the industrial class pay grades.
B. The Problem of Data on the Size of the Civil Service

3.11 Through the years, it has been difficult to reliably determine the size of the civil service. Data on Government employees is maintained by the DPMT (for established posts), the MOF (Budget Department for established and temporary posts), the Data Processing Department (for those paid salaries through computerized payroll) and line ministries (for all employees, i.e. including industrial class employees). Both the DPMT and the MOF-Budget Department would be expected to have reliable personnel data bases to facilitate effective performance of their roles and functions with regard to the hiring and funding of Government employees. However, over the years, there have been consistent discrepancies between the DPMT and MOF-Budget Department figures for established posts in the civil service (see Table 3.1). In fact, both the 1990 Public Expenditure Review Report (PER) and the 1993 Public Sector Management Review Report (PMSR) noted the discrepancy between figures maintained in the schedule of established offices and those reported in the establishment estimates appended to the budget.

3.12 The study team was confronted with several choices of sets of data for total established positions in the civil service. According to the DPMT annual schedule there were 85,860 established positions in the civil service at the beginning of the FY93/94. But the study team's consolidation of data from line ministries suggested a total establishment of 78,437 employees. At the same time, the computerized payroll was showing a total of 64,184 employees (see Appendix Table 4.3). The study team sought to obtain an explanation for the huge discrepancies. It was established that the inaccuracies were largely due to duplication of names, staff mobility and staff turnover detail. Information on postings, resignations retirements and deaths are often not readily updated by salary officers when submitting monthly change-sheets to DPD. It was also learnt that during any financial year, details of past employees are not removed from the payroll data within the year for purposes of producing tax certificates at the end of the financial year.

3.13 A special exercise by the Management Services Division (MSD) of the DPMT, which required all ministries to submit complete returns on employment showed total established positions to be 91,819, of which 75,663 were filled. This exercise also showed the total number of non-established and industrial class employees to be 1,931 and 50,624 (see Appendix Table 3.1) respectively. It was impossible to reconcile this data with that in the annual schedule. In these circumstances, the study team has opted to rely on the data set obtained from the special exercise by the DPMT according to which, treasury officials interviewed, constitute the most authoritative list of the total number of established positions in the civil service.
### Table 3.1: CIVIL SERVICE ESTABLISHED POSITIONS, 1980/81 - 1992/94

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NO. OF ESTABLISHED POSITIONS</th>
<th>NO. OF ESTABLISHED POSITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DPMT FIGURES</td>
<td>BUDGET (MOF) FIGURES</td>
</tr>
<tr>
<td>1980/81</td>
<td>44,274</td>
<td>39,824</td>
</tr>
<tr>
<td>1981/82</td>
<td>45,144</td>
<td>43,345</td>
</tr>
<tr>
<td>1982/83</td>
<td>46,380</td>
<td>45,333</td>
</tr>
<tr>
<td>1984/85</td>
<td>48,178</td>
<td>46,379</td>
</tr>
<tr>
<td>1985/86</td>
<td>48,267</td>
<td>46,666</td>
</tr>
<tr>
<td>1986/87</td>
<td>51,786</td>
<td>49,673</td>
</tr>
<tr>
<td>1987/88</td>
<td>57,108</td>
<td>51,699</td>
</tr>
<tr>
<td>1988/89</td>
<td>60,245</td>
<td>54,256</td>
</tr>
<tr>
<td>1989/90</td>
<td>65,480</td>
<td>58,580</td>
</tr>
<tr>
<td>1990/91</td>
<td>66,290</td>
<td>65,010</td>
</tr>
<tr>
<td>1991/92</td>
<td>66,987</td>
<td>64,924</td>
</tr>
<tr>
<td>1992/93</td>
<td>91,819</td>
<td>66,973</td>
</tr>
</tbody>
</table>

Sources: (a) DPTM, (b) Table of Civil Service Establishment, Budget Estimates, various years

### C. CURRENT STRUCTURE OF CIVIL SERVICE EMPLOYMENT

3.14 Appendix Table 3.1 shows the distribution of civil servants by vote (ministry or department). Significant features of the data on that table include:

(a) While established posts constitute the majority (about 60 percent) of all civil servants, industrial class employees are also quite a large proportion (about 39 percent).

(b) Education, Department of Forestry, Agriculture and Works account for the bulk of civil service employment comprising 30.6 percent, 13.3 percent, 11.8 percent and 11.7 percent respectively. The high percentage shares of education, and agriculture sectors are not surprising considering the emphasis given by the government to these "priority areas", and the labor intensity of these sectors.

(c) The Ministry of Works employs the largest number of Industrial Class employees totalling 15,357 or 90 percent of the Ministry's total of posts.
Compared with the 2,749 established positions, its industrial class component is substantially overgrown; and

(d) Some 15,572 established positions, equivalent to about 12 percent of the total estimated number of government employees, are vacant.

3.15 The large numbers in the education and health sectors reflect government commitment to the implementation of its policies. In its Statement of Development Policies, 1987-1996, the Government asserts that, "for the next five years, and to some extent also for the balance of the next decade, growth in the civil service will be very limited. The only significant exceptions to this will be basic education and primary health care where expansion will be needed to improve service coverage - itself a high priority." At the same time, the 1990 Policy Framework Paper commits the Government to a maximum 2 percent annual growth rate in the overall growth of the civil service, and with priority additional staffing in the ministries of health, education and agriculture.

3.16 The high proportion of industrial class employees suggests that there is an urgent need by government to critically examine and review the activities of its ministries, especially the Ministry of Works, to determine actual requirements for industrial class employees. There is also need to set up employment ceilings for this category of employees and ensure that the ministry adheres to the new establishment targets. The existing situation poses serious budgetary and establishment control problems for government in view of the fact that there is currently no public mechanism or institution to regulate the employment of industrial class employees. The current practice is that Controlling Officers have a free hand to engage and maintain any number of such employees. A careful analysis of the ministry’s activities may reveal that some of its building, construction, maintenance and hiring services could be competently sub-contracted to private small and medium-scale operators while maintaining high operational standards at a reduced cost.

3.17 The data quoted in Appendix Table 3.1 on the size and structure of the civil service shows temporary employees to be less than two percent of the total number. Considering that these employees may be recruited at fairly senior levels, this percentage is still significant. Furthermore, the figure of 1931 temporary employees provided to DPMT by ministries may have been deliberately understated. The number of this category of employees compiled by the study team from data gathered directly from ministries was more than three times what is shown in Appendix Table 3.1. Since the temporary employees are engaged against established positions, it may be that the ministries mixed up between the two categories of employees. But these may also be an incentive for ministries to conceal from DPMT the number of those temporary employees they have engaged without the explicit approval of the latter, as stipulated in the MPSR.

3.18 Distribution of Established Posts by Salary Grades: Table 3.2 shows the distribution of established posts in the civil service by job grades. Thus the very top civil servants constitute less than one half percent of the total number of established posts. Clerical and technical support staff constitute more than one in every two civil servants. These

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statistics are significant in the context of developing feasible strategies and policies on civil service pay reform as discussed in Chapter 6.

Table 3.2: SUMMARY DISTRIBUTION OF CIVIL SERVANTS IN ESTABLISHED POSITIONS BY SALARY GRADES

<table>
<thead>
<tr>
<th>Salary Grades</th>
<th>Total Number</th>
<th>% of Total</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>S4/P4 - S1/P1</td>
<td>244</td>
<td>0.28%</td>
<td>Appointed by Minister in OPC</td>
</tr>
<tr>
<td>S8/P8 - S5/P5</td>
<td>2086</td>
<td>4.43%</td>
<td>Appointed by PSC</td>
</tr>
<tr>
<td>EO/TO - AO/PO</td>
<td>20873</td>
<td>24.35%</td>
<td>Appointed by PSC</td>
</tr>
<tr>
<td>CO/TA - SCO/TA (including D4/3)</td>
<td>49100</td>
<td>57.27%</td>
<td>Appointed by PSC</td>
</tr>
<tr>
<td>SCIV - DP3/2</td>
<td>10539</td>
<td>12.29%</td>
<td>Appointed by Ministerial/Departmental Appointments &amp; Disciplinary Committee</td>
</tr>
<tr>
<td>UNCLASSIFIED</td>
<td>2896</td>
<td>3.38%</td>
<td>Appointed by Ministerial/Departmental Appointments &amp; Disciplinary Committee</td>
</tr>
<tr>
<td>TOTAL</td>
<td>85738</td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Appendix Table 3.2

D. GROWTH OF CIVIL SERVICE EMPLOYMENT

3.19 Although Malawi has in the past been commended for a relatively conservative approach to civil service employment, particularly in comparison with many other African countries where, until recently, double digit annual growth rates were common\(^\text{13}\), the growth rate for employment in the Malawi civil service has in itself been quite rapid. In the 1964-1985 period (just about two decades following independence), the civil service establishment (excluding the police and army) expanded some four-fold, from 10,695 to 40,762 employees (equivalent to an annual average growth rate of 13 percent)\(^\text{14}\). And as shown in Table 3.3, during the 1980s and the early part of 1990, while Malawi’s economy was virtually stagnant, the established posts in the civil service increased by an annual average rate of 7.2 percent.


Table 3.3: GROWTH IN CIVIL SERVICE EMPLOYMENT 1980/81 - 1993/94

<table>
<thead>
<tr>
<th>YEARS</th>
<th>GROWTH PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980/81</td>
<td></td>
</tr>
<tr>
<td>1981/82</td>
<td>2.0%</td>
</tr>
<tr>
<td>1982/83</td>
<td>2.7%</td>
</tr>
<tr>
<td>1984/85</td>
<td>3.4%</td>
</tr>
<tr>
<td>1985/86</td>
<td>0.4%</td>
</tr>
<tr>
<td>1986/87</td>
<td>0.2%</td>
</tr>
<tr>
<td>1987/88</td>
<td>7.3%</td>
</tr>
<tr>
<td>1988/89</td>
<td>10.3%</td>
</tr>
<tr>
<td>1989/90</td>
<td>5.5%</td>
</tr>
<tr>
<td>1990/91</td>
<td>8.7%</td>
</tr>
<tr>
<td>1991/92</td>
<td>1.2%</td>
</tr>
<tr>
<td>1992/93</td>
<td>0.0%</td>
</tr>
<tr>
<td>1993/94</td>
<td>28.2%</td>
</tr>
<tr>
<td>Average Annual</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

Source: Table 3.1 above, (DPMT)

3.20 The relatively rapid growth of civil service employment was due to many factors, including:

(a) **Localization:** After independence, some positions previously held by expatriates had to be localized. Some highly skilled expatriates occupied technical positions whose responsibilities had to be shared among several Malawians who had not acquired the experience and professional expertise to discharge in full the duties of the vacant posts with maximum efficiency and effectiveness.

(b) **The rising demand for more and better quality social services such as health and education due to an expanding and better educated population:** Government embarked on development projects such as construction of roads, health facilities, agriculture and other previously neglected services. Undertaking such labor intensive programs required manpower, hence the expansion of the civil service.

(c) **Donor Funded Development Programs:** These are on completion taken over by the government. The absorbed manpower and equipment are incorporated into the revenue account, adding more people and expenses to the Civil Service. Sometimes non-established project employees have proved to be better skilled and more competent in their duties during the project period and therefore have been given established positions. Some project employees have also been kept on humanitarian or personal grounds. Retrenchments or layoffs rarely occurred.
(d) **Staffing Self Help Schemes:** Health, education and agricultural physical facilities put up by villages have been handed over to government to provide human, financial and material resources; thereby expanding the services.

(e) **Declining Economic Conditions:** Declining terms of trade and growing fiscal constraints especially from the late 1970's to date, have forced the government to become the primary provider of economic opportunities such as employment.

(f) **Small size of the Wage-Employment Sector and Improved Education:** The private sector for example absorbs a very small proportion of economists, administrators and teachers graduating from the University. The Civil Service provides the only attractive employment.

(g) **Neglect, Abuse, and Mismanagement of the Civil Service Institution as a National Resource:** The abuse from both politicians and Civil Servants alike result in deliberate overstaffing, duplication and lack of coordination, some ghosting, poor supervision and utilization of human resources. Government is actually in the process of creating additional positions for the newly established Ministries of Defence, Home Affairs and State.

(h) **Low Levels of Productivity:** These are caused by lack of critical skills, poor skills mix, poor infrastructure and inadequate equipment. The "employed to fill a post attitude" in the Malawi Civil Service is a major cause of declining productivity.

### E. RECENT TRENDS IN CIVIL SERVICE ESTABLISHMENT

3.21 Table 3.4 shows the distribution and growth of civil service establishment by leading ministries in the late 1980s and early 1990s. From the table it can be discerned that at the turn of the decade, recorded levels of established posts increased by quite high rates: 8 percent in FY89/90 and 11 percent in FY90/91. For FY91/92, the growth rate dropped to 1.4 percent. But in FY92/93, the number of established positions increased by an unprecedented high 37 percent. On average therefore, between FY89/90 and FY92/93, the established positions (as a yardstick for growth in formal civil service employment), increased at an annual rate of 14.35 percent. These high growth rates in established positions are particularly significant considering Government’s objective in 1990 to keep annual growth rate in the overall growth of civil service employment to a maximum of 2 percent. In other words, Government was unable to control the growth of its civil service staff strength.
Table 3.4: CIVIL SERVICE EMPLOYMENT DISTRIBUTION AND GROWTH
BY MINISTRIES, 1987/88 to 1992/94

(a) Numbers

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Total Establishment</th>
<th>Agriculture</th>
<th>Educ. and Culture</th>
<th>Health</th>
<th>Works</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987/88</td>
<td>51,699</td>
<td>7,036</td>
<td>16,965</td>
<td>4,771</td>
<td>2,227</td>
<td>20,700</td>
</tr>
<tr>
<td>1988/89</td>
<td>54,256</td>
<td>7,112</td>
<td>16,965</td>
<td>4,771</td>
<td>2,157</td>
<td>23,251</td>
</tr>
<tr>
<td>1989/90</td>
<td>58,580</td>
<td>7,275</td>
<td>18,446</td>
<td>4,820</td>
<td>1,806</td>
<td>26,233</td>
</tr>
<tr>
<td>1990/91</td>
<td>65,010</td>
<td>7,801</td>
<td>23,046</td>
<td>4,944</td>
<td>1,967</td>
<td>27,252</td>
</tr>
<tr>
<td>1991/92</td>
<td>65,924</td>
<td>7,788</td>
<td>23,145</td>
<td>4,944</td>
<td>2,120</td>
<td>27,927</td>
</tr>
<tr>
<td>1992/93</td>
<td>91,819</td>
<td>7,882</td>
<td>46,368</td>
<td>6,415</td>
<td>2,749</td>
<td>28,405</td>
</tr>
</tbody>
</table>

(b) Percentage shares:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Agriculture</th>
<th>Educ. and Culture</th>
<th>Health</th>
<th>Works</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987/88</td>
<td>13.6</td>
<td>32.8</td>
<td>9.2</td>
<td>0.043</td>
<td>0.400</td>
</tr>
<tr>
<td>1988/89</td>
<td>13.1</td>
<td>31.3</td>
<td>8.8</td>
<td>0.040</td>
<td>0.429</td>
</tr>
<tr>
<td>1989/90</td>
<td>12.4</td>
<td>31.5</td>
<td>8.2</td>
<td>0.031</td>
<td>0.448</td>
</tr>
<tr>
<td>1990/91</td>
<td>12.0</td>
<td>35.4</td>
<td>7.6</td>
<td>0.030</td>
<td>0.419</td>
</tr>
<tr>
<td>1991/92</td>
<td>11.8</td>
<td>35.1</td>
<td>7.5</td>
<td>0.032</td>
<td>0.424</td>
</tr>
<tr>
<td>1992/93</td>
<td>8.6</td>
<td>50.5</td>
<td>7.0</td>
<td>3.0</td>
<td>30.9</td>
</tr>
</tbody>
</table>

(c) Annual percentage growth:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Agriculture</th>
<th>Educ. and Culture</th>
<th>Health</th>
<th>Works</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987/88</td>
<td>9.4</td>
<td>1.0</td>
<td>-2.6</td>
<td>1.9</td>
<td>6.9</td>
</tr>
<tr>
<td>1988/89</td>
<td>4.9</td>
<td>1.1</td>
<td>0.0</td>
<td>0.0</td>
<td>-3.1</td>
</tr>
<tr>
<td>1989/90</td>
<td>8.0</td>
<td>2.3</td>
<td>8.7</td>
<td>1.0</td>
<td>-16.3</td>
</tr>
<tr>
<td>1990/91</td>
<td>11.0</td>
<td>7.2</td>
<td>24.9</td>
<td>2.6</td>
<td>8.9</td>
</tr>
<tr>
<td>1991/92</td>
<td>1.4</td>
<td>-0.2</td>
<td>0.04</td>
<td>0.0</td>
<td>7.8</td>
</tr>
<tr>
<td>1992/93</td>
<td>37</td>
<td>12.1</td>
<td>100.3</td>
<td>29.8</td>
<td>29.7</td>
</tr>
</tbody>
</table>

Note: The establishment figures for 1992/93 were compiled in February 1993 by the Department of Manpower Services of the DPMT at the request of the Study Team.

Source: DPMT, Schedule of established offices, 1989/90 to 1992/93
3.22 **Impact of Establishment Growth in the Ministry of Education:** The high overall growth in established positions of the civil service is largely explained by the expansion of establishment in the Ministry of Education (MOE) which not only doubled in FY92/93, but also rose by high rates of 8.7 percent and 24.9 percent in FY89/90 and FY90/91 respectively (Table 3.5). This recent growth in the establishment of the Ministry of Education and Culture is mainly due to the implementation of a restructuring process. The ministry has recently decentralized field operations with its regional offices taking on additional functions such as the payment of primary school teachers’ salaries. With a staff strength of over 25,000 primary school teachers, a substantial number of positions, especially in the accounting area, had to be created for the regions to ensure the efficient processing of teachers’ salaries. At the levels of secondary schools, teachers training colleges and technical colleges (as well as at headquarters), new positions have been created and others upgraded in an attempt to step up the career progression of teachers. This was aimed at improving the teachers’ morale, minimizing frustration and enhancing the delivery of quality services within the educational sector. A number of primary school teachers have been recently absorbed as permanent and pensionable employees of the ministry.

3.23 Furthermore, the World Bank-funded Malawi Special Teachers’ Education Program (MASTEP) is expected to produce its first graduates totalling about 4,000 between July and September 1993. The increased number of established positions in the Ministry of Education and Culture is partly a plan to absorb the MASTEP teachers once they graduate. Finally, the planned growth in schools enrolment is projected to increase demand for teachers by an annual average of about 1000, equivalent to about one percent of the current establishment.\(^5\)

3.24 In these circumstances, Government’s success in tightening civil service employment growth, will significantly depend on how it plans and maintains an optimal size for the Ministry of Education and Culture. Future growth of the ministry requires careful manpower planning. Instead of having a sudden boom in the Ministry’s establishment, small but regular manpower increases, implemented gradually over a period of time, is likely to ensure the achievement of better results in the education sector. Such planned increases should always be carefully budgeted for and should match with the supply of teachers as well as increases in enrolment levels in primary and secondary schools.

3.25 The Ministries of **Health** and **Works** also had their establishments considerably expanded in FY92/93 by 29.8 percent and 29.7 percent respectively (Table 3.5), thereby contributing significantly to the overall growth in establishment during the year. However, since these ministries constitute relatively small proportions of the total established positions (7.0 percent and 3.0 percent in FY 1992/93 respectively), the impact of expansion of their establishment is considerably below that from the expansion in the MOE.

3.26 **Significance of the Recent Creation of New Ministries:** The Malawi Government recently established three new ministries Defence, Home Affairs and State. It is likely that the civil service establishment will be expanded to provide staff for these ministries. The creation of the new ministries raises doubts about the commitment of the government to streamline and rationalize the size and the cost of the Civil Service.

\(^5\) ILO/DPMT (ibid)
F. RECENT INITIATIVES TO CURTAIL EMPLOYMENT

3.27 The number of civil servants, and especially industrial class and temporary employees, may have dropped considerably in the latter half of 1993. A Treasury Circular of June 1993 directed all Government ministries (Principal Secretaries) to, among other measures, reduce the numbers of industrial class and temporary employees on their payroll by 50 percent, by which proportion the Treasury was also adjusting downwards the approved budgetary provisions for temporary and non-established employment. The Treasury also followed up with a circular abolishing the employment of retired civil servants who had extended their employment on a month to month basis. Some ministries, such as MOW, have started implementing the Treasury directive by laying off most of their casual labor force.

3.28 However, the reduction of IC employees is progressing slowly because (i) the selection of those to be laid-off is generally (and correctly) perceived to be a socio-politically sensitive and delicate process which should be governed by objective, transparent and fair criteria, and (ii) these retrenches will be entitled to gratuity payments and ministries are concerned that they do not terminate employment before the Treasury provides the funds to pay the retrenches. Furthermore, cutting the number of industrial class positions by a predetermined percentage cannot succeed without a full understanding of the operational activities of an organization. For example, the Ministry of Works cannot be treated in the same manner as the Ministry of Labor. The nature of their operations (i.e., construction and maintenance) requires different levels and types of industrial class workers.

G. RETIREMENT AND ATTRITION IN THE CIVIL SERVICE

3.29 Staff attrition in the Malawi civil service has been rather low. The attrition rate was estimated at 1 percent per annum in the late 1980s. This low attrition can today be explained by a review of the age and experience profiles of the government employees.

3.30 Age Profile: Projecting MOA data to the entire civil service, the significant features of the age profile statistics (Table 3.7) include the following:

- up to 5 percent of those currently in Government employment have exceeded the mandatory retirement age of 50 years;

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17 Data on the age and experience profile of employees is useful especially for manpower planning and the design and planning of retirement benefits. In the context of the objectives of this study, the data is useful for establishing the extent of post-mandatory retirement-age employees in the civil service. But such data is not available for the total civil service. Fortunately, though, the Ministry of Agriculture has this data for its employees in a computerized system. The study team considers that the overall scenario for the civil service is not likely to be very different from that in the Ministry of Agriculture (MOA).
in another five years, if the mandatory retirement age was enforced, up to 24.6 percent (about a quarter) of the civil servants would quit the civil service; and

only a tiny 2.4 percent of the civil service are youths below 25 years of age.

3.31 **Experience Profile:** In terms of experience, it is significant that a very large proportion (39.4 percent) of civil servants have less than 10 years in the service (Table 3.7). Those with such few years of experience have little incentive to retire because: (i) until after 20 years of experience, they are not entitled to pension benefits; and (ii) a majority of these employees will be in the lower and middle job grades where the gaps in remuneration between the Government and private sector is relatively low (see Chapter 5).

**H. OVERMANNING AND LOW PRODUCTIVITY**

3.32 The productivity of the Malawi civil service does not appear to have been a subject of any comprehensive survey. Until about 1992, such indicators of low productivity as idleness, late arrival and early departure to and from the office, absenteeism and moonlighting were much less in evidence in Malawi compared to many other SSA countries. However, there is increasing evidence that these negative attitudes to work are gaining ground. This new trend is confirmed in the recent management audit of the DPMT by ESAMI. The study revealed that slack time among the staff in the Department exceeds 30 percent. Therefore, there may still be significant opportunities for improving the manning levels and productivity in the Malawi civil service.

**I. SUMMARY OF PROBLEMS AND ISSUES**

3.33 **Developing and Maintaining an Effective Personnel Information System:** The lack of complete and reliable information on civil service employment must significantly hinder effective policy-making and management. DPMT is the Central Government institution that is mandated to maintain such a system. However, as already pointed out, DPMT is not performing this function satisfactorily. One problem the DPMT has faced is the fact that registers of authorized positions were not regularly updated, especially for non-established (temporary and industrial class) employees. Instead, DPMT generally has been relying on incomplete returns from the line ministries. A second problem has been that, in spite of the Government's policy directive in 1986 freezing the creation of new positions and prohibiting the renewal of the life-spans for non-established posts after expiry, controlling officers (in ministries) continued to employ in these positions without the authority of DPMT. Consequently, DPMT could no longer effectively monitor employment in the ministries. A third problem was that, until recently, DPMT was maintaining a centralized manual system of personnel data. As the establishment expanded and institutional complexities emerged, it was increasingly difficulty to effectively and efficiently maintain such a system.

3.34 With technical assistance from USAID, DPMT embarked on the implementation of a computerized personnel management information system. The development and implementation of the system will be completed under the Second Institutional Development project to be launched toward the end of 1994.
3.35 **Vacancies in Established Posts:** The 1991 civil service study conducted by the Malawi Institute of Management with technical assistance from UNDP indicated that there are many vacancies in the civil service with estimates of over 35 percent in professional, technical and senior management positions. As reflected in Table 3.5, there is preponderance of high vacancy rates in those ministries with relatively large numbers of professional and technical personnel, i.e. the ministries of Agriculture, Education, Public Works and Health, etc. While this in part reflects the extent to which supply of professional and technical skills falls short of demand (as perceived/judged by those responsible for determining manning levels and fixing the approved establishment, i.e. the DPMT), it also suggests that the past practice has been to determine manning levels and approve establishment without due regard to the potential supply of manpower. Such manning standards cannot be considered objective. More realistically, these standards should be on the basis of what is considered to be the achievable target of supply and recruitment of manpower in the period (fiscal years) covered by the approved establishment.

3.36 It is also significant that if, hypothetically all existing vacancies in the approved establishment were to be filled in one fiscal year, then the civil service employment would grow by a magnitude of 17.6 percent (Table 3.5). In other words, these would result in some 8 plus times the annual rate (of 2 percent) at which the Government has targeted for civil service employment growth. This again demonstrates that the current levels of vacancy rates are not consistent with objective determination of manning levels and approved establishment. Moreover, if it is assumed that the high levels of vacancy rates in the priority sector ministries of education, health and agriculture (as in Table 3.6) reflect a high demand for manpower in these ministries, then the Government’s policy goal of no more than 2 percent employment growth of the civil service is not realistic. Therefore, either, the Government adjusts upwards its growth target for civil service employment, or it must embark on rationalization of manning levels (by redefining functions and staffing norms), approved establishment, and training and recruitment of personnel for its institutions in the education, health, and agricultural sectors. The latter option appears more prudent and achievable given the existing fiscal constraints, the need to control the wage bill (see Chapter 2) and the need to enhance civil service pay (see Chapter 4).
Table 3.5: THE MALAWI CIVIL SERVICE ESTABLISHMENT: VACANT POSTS IN TERMS OF ESTABLISHED POSTS, MARCH 1993

<table>
<thead>
<tr>
<th>MINISTRY/DEPARTMENT</th>
<th>ESTABLISHED POSTS</th>
<th>FILLED POSTS</th>
<th>VACANT POSTS</th>
<th>VACANCIES AS A % OF ESTABLISHED POSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Residence</td>
<td>110</td>
<td>67</td>
<td>43</td>
<td>39%</td>
</tr>
<tr>
<td>National Audit Office</td>
<td>222</td>
<td>135</td>
<td>87</td>
<td>39%</td>
</tr>
<tr>
<td>Judicial Department</td>
<td>327</td>
<td>299</td>
<td>28</td>
<td>9%</td>
</tr>
<tr>
<td>National Assembly</td>
<td>37</td>
<td>33</td>
<td>4</td>
<td>1%</td>
</tr>
<tr>
<td>Office of the President and Cabinet</td>
<td>382</td>
<td>335</td>
<td>47</td>
<td>12%</td>
</tr>
<tr>
<td>Defence</td>
<td>2,769</td>
<td>2,769</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Economic Planning and Development</td>
<td>97</td>
<td>87</td>
<td>10</td>
<td>10%</td>
</tr>
<tr>
<td>District Administration</td>
<td>658</td>
<td>658</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Lands and Valuation Department</td>
<td>369</td>
<td>347</td>
<td>22</td>
<td>6%</td>
</tr>
<tr>
<td>National Statistics Office</td>
<td>342</td>
<td>337</td>
<td>5</td>
<td>1%</td>
</tr>
<tr>
<td>Police (includes immigration)</td>
<td>6,200</td>
<td>6,176</td>
<td>22</td>
<td>0%</td>
</tr>
<tr>
<td>Printing and Stationary</td>
<td>240</td>
<td>230</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Prisons</td>
<td>1,123</td>
<td>1,112</td>
<td>11</td>
<td>1%</td>
</tr>
<tr>
<td>Surveys Department</td>
<td>207</td>
<td>151</td>
<td>56</td>
<td>27%</td>
</tr>
<tr>
<td>Ministry of Agriculture</td>
<td>7,882</td>
<td>6,774</td>
<td>1,108</td>
<td>14%</td>
</tr>
<tr>
<td>Ministry of Energy and Mining</td>
<td>89</td>
<td>42</td>
<td>47</td>
<td>53%</td>
</tr>
<tr>
<td>Fisheries Department</td>
<td>465</td>
<td>418</td>
<td>47</td>
<td>10%</td>
</tr>
<tr>
<td>Forestry Department</td>
<td>1,728</td>
<td>1,597</td>
<td>131</td>
<td>8%</td>
</tr>
<tr>
<td>Geological Surveys</td>
<td>149</td>
<td>116</td>
<td>33</td>
<td>22%</td>
</tr>
<tr>
<td>Ministry of State</td>
<td>40</td>
<td>23</td>
<td>17</td>
<td>43%</td>
</tr>
<tr>
<td>Ministry of Education and Culture</td>
<td>46,368</td>
<td>36,451</td>
<td>9,917</td>
<td>21%</td>
</tr>
<tr>
<td>Ministry of External Affairs</td>
<td>235</td>
<td>208</td>
<td>27</td>
<td>11%</td>
</tr>
<tr>
<td>Ministry of Finance(1)</td>
<td>113</td>
<td>94</td>
<td>19</td>
<td>17%</td>
</tr>
<tr>
<td>Central Government Stores(2)</td>
<td>302</td>
<td>230</td>
<td>72</td>
<td>24%</td>
</tr>
<tr>
<td>Customs and Excise Department</td>
<td>555</td>
<td>497</td>
<td>58</td>
<td>10%</td>
</tr>
<tr>
<td>Income Tax Department</td>
<td>247</td>
<td>157</td>
<td>90</td>
<td>36%</td>
</tr>
<tr>
<td>Office Equipment Department</td>
<td>57</td>
<td>56</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Ministry of Health</td>
<td>6,415</td>
<td>4,790</td>
<td>1,625</td>
<td>25%</td>
</tr>
<tr>
<td>Ministry of Women's and Children's</td>
<td></td>
<td></td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td>Affairs and Community Services</td>
<td>1,148</td>
<td>975</td>
<td>173</td>
<td>15%</td>
</tr>
<tr>
<td>Ministry of Information and Tourism</td>
<td>394</td>
<td>312</td>
<td>82</td>
<td>21%</td>
</tr>
<tr>
<td>Ministry of Justice</td>
<td>1,634</td>
<td>1,471</td>
<td>163</td>
<td>10%</td>
</tr>
<tr>
<td>Registrar General's Department</td>
<td>49</td>
<td>44</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>Ministry of Labour</td>
<td>337</td>
<td>299</td>
<td>38</td>
<td>11%</td>
</tr>
<tr>
<td>Ministry of Local Government</td>
<td>347</td>
<td>217</td>
<td>130</td>
<td>37%</td>
</tr>
<tr>
<td>Ministry of Trade and Industry</td>
<td>205</td>
<td>179</td>
<td>26</td>
<td>13%</td>
</tr>
<tr>
<td>Min. of Transport and Communications</td>
<td>1,048</td>
<td>1,016</td>
<td>32</td>
<td>3%</td>
</tr>
<tr>
<td>Min. of Posts and Telecommunications</td>
<td>4,002</td>
<td>3,300</td>
<td>702</td>
<td>18%</td>
</tr>
<tr>
<td>Ministry of Works</td>
<td>2,749</td>
<td>1,717</td>
<td>1,032</td>
<td>38%</td>
</tr>
<tr>
<td>Dept. of National Parks and Wildlife</td>
<td>428</td>
<td>357</td>
<td>71</td>
<td>17%</td>
</tr>
<tr>
<td>Dept. of Youth and Malawi Pioneers</td>
<td>228</td>
<td>193</td>
<td>35</td>
<td>15%</td>
</tr>
<tr>
<td>Dept. of Personnel Mgt. and Training</td>
<td>418</td>
<td>383</td>
<td>35</td>
<td>8%</td>
</tr>
<tr>
<td>(includes pool of trainees of 150)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dept. of Housing &amp; Physical Planning</td>
<td>418</td>
<td>416</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>Min. of forestry &amp; Natural Resource HQ</td>
<td>130</td>
<td>105</td>
<td>25</td>
<td>19%</td>
</tr>
<tr>
<td>Accountant General's Department</td>
<td>413</td>
<td>372</td>
<td>41</td>
<td>10%</td>
</tr>
<tr>
<td>Data Processing Department</td>
<td>143</td>
<td>107</td>
<td>36</td>
<td>25%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>91,819</td>
<td>75,663</td>
<td>16,156</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: Appendix Table 3.1
Table 3.6: AGE DISTRIBUTION OF CIVIL SERVANTS IN THE MOA BY BROAD JOB GROUPS (IN PERCENTAGE)

<table>
<thead>
<tr>
<th>LABEL</th>
<th>BELOW 25 YEARS</th>
<th>25-34 YEARS</th>
<th>35-44 YEARS</th>
<th>45-50 YEARS</th>
<th>OVER 50 YEARS</th>
<th>GRAND % TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super scale</td>
<td>0.0%</td>
<td>2.6%</td>
<td>52.6%</td>
<td>33.6%</td>
<td>11.2%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Administrators</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Professionals</td>
<td>0.0%</td>
<td>71.4%</td>
<td>22.9%</td>
<td>0.0%</td>
<td>5.7%</td>
<td>0.5%</td>
</tr>
<tr>
<td>General Service</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>100.0%</td>
<td>0.0%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Executive Officers</td>
<td>0.0%</td>
<td>11.9%</td>
<td>54.3%</td>
<td>25.8%</td>
<td>7.9%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Technicians</td>
<td>0.6%</td>
<td>22.8%</td>
<td>42.6%</td>
<td>27.9%</td>
<td>6.1%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Secretaries</td>
<td>0.9%</td>
<td>16.3%</td>
<td>54.8%</td>
<td>24.0%</td>
<td>4.1%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Clerical</td>
<td>6.7%</td>
<td>38.7%</td>
<td>43.4%</td>
<td>8.9%</td>
<td>2.3%</td>
<td>16.4%</td>
</tr>
<tr>
<td>Technical Assts</td>
<td>1.9%</td>
<td>32.5%</td>
<td>40.8%</td>
<td>20.6%</td>
<td>4.2%</td>
<td>55.9%</td>
</tr>
<tr>
<td>Subordinates</td>
<td>1.2%</td>
<td>19.0%</td>
<td>46.1%</td>
<td>22.2%</td>
<td>11.5%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Other</td>
<td>3.0%</td>
<td>39.4%</td>
<td>45.5%</td>
<td>7.9%</td>
<td>4.2%</td>
<td>2.3%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2.4%</td>
<td>30.1%</td>
<td>42.8%</td>
<td>19.6%</td>
<td>5.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Appendix Table 3.3

Table 3.7: YEARS OF SERVICE OF CIVIL SERVANTS IN THE MOA BY BROAD JOB GROUPS (IN PERCENTAGE)

<table>
<thead>
<tr>
<th>LABEL</th>
<th>BELOW 5 YEARS</th>
<th>5-9 YEARS</th>
<th>10-14 YEARS</th>
<th>15-19 YEARS</th>
<th>20-24 YEARS</th>
<th>OVER 25 YEARS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super scale</td>
<td>1.3%</td>
<td>6.6%</td>
<td>17.1%</td>
<td>39.5%</td>
<td>25.0%</td>
<td>10.5%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Administrators</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Professionals</td>
<td>54.3%</td>
<td>22.9%</td>
<td>11.4%</td>
<td>5.7%</td>
<td>0.0%</td>
<td>5.7%</td>
<td>0.5%</td>
</tr>
<tr>
<td>General Service</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Executive Officers</td>
<td>3.8%</td>
<td>7.6%</td>
<td>21.5%</td>
<td>34.2%</td>
<td>22.8%</td>
<td>10.1%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Technicians</td>
<td>7.9%</td>
<td>18.2%</td>
<td>26.1%</td>
<td>20.2%</td>
<td>19.8%</td>
<td>7.9%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Secretaries</td>
<td>13.2%</td>
<td>18.7%</td>
<td>29.7%</td>
<td>23.3%</td>
<td>11.0%</td>
<td>4.1%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Clerical</td>
<td>30.2%</td>
<td>22.0%</td>
<td>31.5%</td>
<td>11.0%</td>
<td>3.1%</td>
<td>2.1%</td>
<td>16.4%</td>
</tr>
<tr>
<td>Technical Assts</td>
<td>15.8%</td>
<td>22.9%</td>
<td>24.9%</td>
<td>19.4%</td>
<td>13.5%</td>
<td>3.5%</td>
<td>56.0%</td>
</tr>
<tr>
<td>Subordinates</td>
<td>18.4%</td>
<td>24.3%</td>
<td>32.3%</td>
<td>14.6%</td>
<td>7.6%</td>
<td>3.0%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Other</td>
<td>26.7%</td>
<td>21.8%</td>
<td>23.0%</td>
<td>17.6%</td>
<td>8.5%</td>
<td>2.4%</td>
<td>2.3%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>17.7%</td>
<td>21.7%</td>
<td>26.6%</td>
<td>18.3%</td>
<td>11.8%</td>
<td>3.8%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Appendix Table 3.4
3.37 **Ineffective Control on Recruitment into Non-Established Posts**: The standing Government policy that was promulgated way back in 1986 on the creation of new positions and the renewal of the life-spans for non-established posts is not being observed by most ministries. This has resulted in excessive recruitment into this category of employees. One explanation for DPMT’s failure to enforce compliance with this policy is its very weak personnel management information system. Another is the perceived weak and ambiguous mandate given to the DPMT for the control of recruitment and personnel record-keeping by other ministries.

3.38 **Effectiveness of the On-going Lay-off of Industrial Class and Temporary Employees**: Since recruitment controls for the IC and temporary employees are exceedingly weak (for example, ministries have fully delegated the recruitment at these grades to regions and departments), unless there is effective budgetary control\(^\text{18}\), the on-going retrenchment of industrial class and temporary employees will prove ineffective. In other words, many of the retrenched employees will be re-hired into the ministries as soon as the budgetary constraint is relieved. One possible and fairly effective corrective measure is for the Treasury to strictly prohibit the payments of casual labor from the personal emoluments line items (number 002 and 007) in the budget\(^\text{19}\).

**Employment in Sub-Vented Parastatals, Treasury Funds and Trust Funds**

3.39 The activities and services of the sub-vented parastatals and treasury funds fall outside the demarcation of what should be the core functions of the Government. However, the government continues to underwrite the payroll costs of these employees who constitute some 14.5 percent of the total civil service (see Box 3.2).

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\(^{18}\) Effective budgetary control will be achieved specially by restraining (i) overdrawing in the ministries' bank accounts, and (ii) expenditures against the unapproved budget line items, i.e. unauthorized virement.

\(^{19}\) The logic here is that such casual labor should constitute the direct labor inputs costs in specific program and projects, for which separate budget line items exist. For example, should be charged to the maintenance expenditure line item under any program or project the wages of any casual labor engaged on the activity.
BOX 3.2: THE EMPLOYMENT SITUATION IN SUB-VENTED PARASTATALS, TREASURY FUNDS, AND TRUST FUNDS

1. Through subventions and grants, the government finances a significant level of employment in sub-vented parastatals, treasury funds, and trust funds. In all, total regular employment in these organizations is estimated at 18,600 employees, which number is about 14.5 percent of total employment by the central government.

2. Sub-Vented Parastatals: There are about 32 organizations in the category of sub-vented parastatals. The study team reviewed employment in twenty of these organizations. Only one of the twenty institutions examined by the mission, the University of Malawi, employs more than a thousand employees. The average employment size for the parastatals is 168 with fifteen of them, that is 75 percent, employing less than one hundred people. The twenty parastatals reviewed by the mission comprise a total of 3,353 established positions, 28 non-established and 559 temporary positions, altogether adding to a total of 3,940.

3. Employment In Treasury Funds: These funds employ a total number of 13,262 established and non-established/industrial class employees. Treasury funds are classified into three categories namely: Commercially oriented funds, Development oriented Funds, and Agricultural Division Credit Funds (ADD Credit Funds). The total establishment for the seventeen commercially oriented Treasury Funds is 10,759. The majority of these are employed in the Malawi Post Office. The seventeen Development Oriented Treasury Funds with a staff strength of 2,038 employees. These funds have a very small number of established positions and the majority of their positions belong to the non-established industrial class category. None of them is commercially viable and as such would not survive without government financing. Agriculture Development Treasury funds are smallholder farmers’ credit funds employ very few people with a total staff strength of 465 positions.

4. Trust Funds. The three organizations in this category together have a total of 679 positions, comprising 306 established positions and 373 non-established/temporary positions.
CHAPTER 4
CIVIL SERVICE PAY

A. THE SALARY STRUCTURE

4.1 Table 4.1 shows the general structure for grading and remuneration of civil servants in Malawi. For established posts, there are some eleven distinct salary scales in this structure, viz:

- Professional and Administrative Superscale (S8/P8 - S1/P1),
- Professional and Administrative scale (A3 - A1),
- Executive and Technical Scale (B3 - B1),
- Secretarial Scale (D8 - D1),
- Junior Technical and Clerical Scale (C2 - C1),
- Subordinate Cadre Scale (SCIV-SCI),
- Tradesmen Scale (EL - E1),
- Industrial Class Scale (CW3 - CW1),
- Police Scale (PS8 - PS1),
- Nurses Scale (N9 - N1), and
- Teachers Scale (T5 - ET1).

4.2 In addition, there are non established grades for judges, chiefs, traditional court chairmen, district court assessors and drivers.
### Table 4.1: CURRENT SALARY GRADES AND STRUCTURE

<table>
<thead>
<tr>
<th>SALARY GRADES</th>
<th>REPRESENTATIVE/GENERAL JOB TITLES</th>
<th>1991 ANNUAL BASE SALARY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low Min.</td>
<td>High Min.</td>
</tr>
<tr>
<td>SUPERSCALE, ADMIN ROLES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1</td>
<td>SPC. Chief Junior</td>
<td>38,372</td>
</tr>
<tr>
<td>P2B</td>
<td>Deputy SPC</td>
<td>35,984</td>
</tr>
<tr>
<td>P3A</td>
<td>Attorney General</td>
<td>31,596</td>
</tr>
<tr>
<td>P3</td>
<td>Principal Secretaries</td>
<td>29,208</td>
</tr>
<tr>
<td>P4</td>
<td>Sec. DPS. Ambassador</td>
<td>29,356</td>
</tr>
<tr>
<td>P5</td>
<td>DPS.</td>
<td>26,892</td>
</tr>
<tr>
<td>P5</td>
<td>Under Secretaries</td>
<td>24,410</td>
</tr>
<tr>
<td>D6</td>
<td>Sec. Assistant Sec.</td>
<td>22,080</td>
</tr>
<tr>
<td>D7</td>
<td>Prov. Admin. Officers</td>
<td>19,740</td>
</tr>
<tr>
<td>D8</td>
<td>Sec. Admin. Officers</td>
<td>17,400</td>
</tr>
</tbody>
</table>

| SUPERSCALE PROF | | | |
| P1 | Chief Special Prof. | 56,372  | 58,652  | 57,912 |
| P2B | Chief Special Prof. | 53,984  | 55,264  | 54,409 |
| P3A | Chief Special Prof. | 51,596  | 52,876  | 52,136 |
| P3 | Commissioners | 49,208  | 50,488  | 50,008 |
| P4 | Principal Special | 49,356  | 50,636  | 50,286 |
| P5 | Senior Special | 46,892  | 48,172  | 47,482 |
| P5 | Chief Officers | 44,410  | 45,690  | 45,000 |
| D6 | Assistant Chief Officers | 42,080  | 43,360  | 42,500 |
| D7 | Principal Officers | 39,740  | 41,020  | 40,850 |
| D8 | Senior Officers | 37,400  | 38,680  | 38,310 |

| ADMIN & PROFESSIONAL | | | |
| A3/A4/A5/PG | Prov. Admin. Officers | 9,324  | 9,760  | 9,550 |

| EXEC & TECHNICAL | | | |
| B1/B2/B3/C1 | Chief Exec. Tech. Officer | 12,792  | 13,240  | 12,968 |
| B3/C1/C2/C3 | Chief Exec. Tech. Officer | 9,512  | 10,160  | 9,868 |

| LEGAL | | | |
| D1 | Personal Secretary Grade I | 12,972  | 13,240  | 13,108 |
| D2 | Personal Secretary Grade II | 10,692  | 10,872  | 10,782 |
| D3 | Senior Typist | 7,712  | 8,240  | 8,008 |
| D4 | Senior Typist II | 5,904  | 5,880  | 5,824 |
| D5 | Senior Copy Typist | 4,884  | 5,160  | 5,064 |
| D6 | Copy Typist I | 3,708  | 3,880  | 3,844 |
| D7 | Copy Typist II | 2,484  | 2,552  | 2,520 |
| D8 | Copy Typist III | 1,920  | 2,008  | 1,972 |

| HIGHER EDUCATIONAL | | | |
| C/D/F | See Clerical/Technical | 5,716  | 6,216  | 5,968 |
| A1/A2/A3 | Assistant Foreman | 3,708  | 3,880  | 3,844 |
| C/D/E | Clerical/Technical | 2,484  | 2,552  | 2,520 |

| SUBORDINATE STAFF | | | |
| E1 | Messenger | 3,084  | 3,280  | 3,184 |
| E2 | Messenger | 2,908  | 3,080  | 3,042 |
| E3 | Messenger | 2,544  | 2,736  | 2,632 |
| E4 | Messenger | 2,384  | 2,576  | 2,480 |

| FARMERS | | | |
| E1 | Tractorman | 2,508  | 2,592  | 2,548 |
| E2 | Tractorman | 2,076  | 2,160  | 2,112 |
| E3 | Tractorman | 1,824  | 1,908  | 1,880 |
| E4 | Tractorman | 1,736  | 1,812  | 1,793 |

| INDUSTRIAL CLASS | | | |
| C1/CW1/CW2 | n/a | 2,800  | 2,872  | 2,832 |
| C2/CW2/CW3 | n/a | 2,672  | 2,760  | 2,712 |
| P5 | Senior Police Superintendents | 14,520  | 15,384  | 15,008 |
| P6 | Police Superintendent | 12,240  | 13,004  | 12,672 |
| P7 | Account Superintendents | 8,292  | 9,056  | 8,768 |
| P8 | Inspector | 7,328  | 8,112  | 7,848 |

| POLICE CONSTABULARY | | | |
| P5 | Sub-Inspector of Police | 5,904  | 6,256  | 6,080 |
| P6 | First Sergeant | 4,116  | 4,656  | 4,432 |
| P7 | Second Sergeant | 3,752  | 3,872  | 3,812 |
| P8 | Corporal | 2,908  | 3,128  | 3,048 |

| SENIORITY NURSES | | | |
| N1 | Principal Matron | 9,528  | 10,184  | 9,908 |
| N2 | Senior Nurse Tutor | 12,972  | 13,240  | 13,108 |
| N3 | Nurse Tutor | 12,972  | 13,240  | 13,108 |
| N4 | Senior Nursing Sister | 10,692  | 11,004  | 10,808 |
| N5 | Nursing Sister | 7,920  | 8,216  | 8,112 |
| N6 | Staff Nurse | 7,920  | 8,216  | 8,112 |

| ENROLLED NURSES | | | |
| RB1 | Staff Enrolled Nurse | 4,884  | 5,160  | 5,024 |

| SNR SCHOOL TEACHERS | | | |
| A1 | Primary School Teacher | 7,920  | 8,216  | 8,112 |
| A2 | Primary School Teacher | 6,416  | 6,672  | 6,544 |
| A3 | Primary School Teacher | 4,912  | 5,160  | 5,024 |
| A4 | Primary School Teacher | 3,408  | 3,552  | 3,480 |
| A5 | Primary School Teacher | 2,436  | 2,576  | 2,508 |

| PRIMARY SCHOOL TEACHERS | | | |
| B1 | Primary School Teacher | 11,352  | 11,772  | 11,564 |
| B2 | Primary School Teacher | 9,282  | 9,672  | 9,476 |
| B3 | Primary School Teacher | 7,212  | 7,608  | 7,416 |
| B4 | Primary School Teacher | 5,144  | 5,536  | 5,344 |

| SOURCE: Appendix Table 4.1 | | | |
4.3 The basic attributes of this structure have not changed significantly since they evolved in the decade following independence, in 1964. The structure is considered to have several positive attributes. First, the salary gradings are sufficient to cater for career progression in the service. Second, the structure has rationally accommodated diversity in professional cum occupational groups in the service. Thus, for example, the police, nurses and teachers services have separate salary scales. Third, the pyramidal distribution of personnel across the salary structure appears to be consistent with the hierarchical structure of Government organization (see Appendix Table 4.3 for distribution of personnel by salary grades).

4.4 However, over the years, the salary structure became distorted. Thus, the structure is found to be deficient in terms of:

(i) **Excessive number of grades**: with over 70 grades, the current salary structure is rather complex to administer. Evidence of this emerged during the general salary adjustments in 1992 and 1993. For example: (i) there have been errors in the pay adjustments; (ii) as discussed in the next section, some grades have higher salaries than higher grades. Furthermore, many of these grades do not reflect either job sizes or job content differentials.

(ii) **Progressive compression of the structure**: Following independence, the GOM pursued an egalitarian policy on civil service pay. The goal was to narrow the gap in the pay for top and junior civil servants which was perceived to be an undesirable colonial heritage. The result however has been to erode the structure's attributes of relating pay level to responsibility and career progression. The details of salary compression trends are discussed in the next section.

(iii) **Absence of schemes of service**: The schemes of service support and ensure fair and transparent administration of the job grading and salary system. Also, without the schemes of service, there is some inflexibility of the system in certain areas, especially in terms of catering for career progression in the professional cadres.

4.5 All the above defects in the salary structure were identified by the 1985 civil service Review Commission\(^\text{20}\). In the latter context, therefore, the Review Commission had recommended, inter alia: (i) the elimination of some salary grades, (ii) a follow-up salary review to address outstanding anomalies, (iii) a systematic and comprehensive review of the internal consistency of the grading structure, and (iv) the development and implementation of schemes of service. And in 1986, following the recommendations of the Commission, the Government reviewed and modified the salary structure by reducing anomalies in salary ranges and reversing the trend to decompress the structure\(^\text{21}\). However no, other measures to address deficiencies in the salary structure have since been implemented.

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B. TRENDS IN BASIC SALARY LEVELS

4.6 On the whole, basic salary levels for Malawi civil servants declined rapidly in the late 1970s and the first half of 1980s. However, the decline in the real value of the basic salaries has since been abated through periodic and relatively large adjustments effected in 1986, 1989, 1992 and 1993. (see Table 4.2).

| Table 4.2: NOMINAL LEVELS OF MAJOR SALARY SCALE ADJUSTMENTS FOR SELECT SALARY GRADES 1982 - 1993 |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| SUPERSCALE                      |                                 |                                 |                                 |                                 |
| S1/P1                           | 52.0%                           | 12.8%                           | 78.8%                           | 0.0%                            |
| S2B/P2B                         | 57.2%                           | 12.0%                           | 81.5%                           | 0.0%                            |
| S2A/P2A                         | 47.7%                           | 12.1%                           | 82.5%                           | 0.0%                            |
| S2/P2                           | 38.5%                           | 12.0%                           | 83.6%                           | 0.0%                            |
| S3/P3                           | 43.5%                           | 12.1%                           | 84.4%                           | 9.0%                            |
| S4/P4                           | 33.7%                           | 16.1%                           | 84.4%                           | 9.0%                            |
| S5/P5                           | 37.9%                           | 13.1%                           | 82.2%                           | 6.8%                            |
| S6/P6                           | 35.8%                           | 13.6%                           | 79.5%                           | 9.0%                            |
| S7/P7                           | 37.4%                           | 14.2%                           | 75.1%                           | 9.0%                            |
| S8/P8                           | 24.9%                           | 13.7%                           | 70.2%                           | 9.0%                            |
| ADMIN & PROFESSIONAL            |                                 |                                 |                                 |                                 |
| A1/AA/PAA                       | 22.1%                           | 21.2%                           | 41.8%                           | 17.0%                           |
| A2/AOA/POB                      | 23.5%                           | 20.6%                           | 45.9%                           | 16.7%                           |
| A3/AC/PAC                       | 21.7%                           | 20.0%                           | 50.3%                           | 16.4%                           |
| EXECUTIVE AND TECHNICAL         |                                 |                                 |                                 |                                 |
| B1/CEO/CTO                      | 20.7%                           | 16.3%                           | 55.7%                           | 15.0%                           |
| B2/STO/SEO                      | 19.0%                           | 23.8%                           | 53.4%                           | 15.0%                           |
| B3/TO/EO                        | 17.4%                           | 37.2%                           | 51.3%                           | 25.0%                           |
| SECRETARIAL                     |                                 |                                 |                                 |                                 |
| D1                              | 20.7%                           | 16.3%                           | 55.7%                           | 15.0%                           |
| D2                              | 19.0%                           | 23.8%                           | 53.4%                           | 15.0%                           |
| D3                              | 17.2%                           | 37.4%                           | 51.3%                           | 25.0%                           |
| D4                              | 10.8%                           | 0.3%                            | 90.5%                           | 30.1%                           |
| D5                              | 19.8%                           | 80.2%                           | 28.4%                           | 30.0%                           |
| D6                              | 21.9%                           | 32.8%                           | 42.9%                           | 29.9%                           |
| D7                              | 21.2%                           | 25.5%                           | 73.4%                           | 27.9%                           |
| D8                              | 26.2%                           | 20.9%                           | 92.7%                           | 31.0%                           |
| JUNIOR TECHNICAL/Clerical       |                                 |                                 |                                 |                                 |
| C1/DPI/SCO/STA                  | 22.6%                           | 19.7%                           | 54.2%                           | 32.2%                           |
| A1                              | n.a.                            | n.a.                            | 42.9%                           | 29.9%                           |
| C2/CO/DP2&3/TA                  | 50.2%                           | 17.6%                           | 44.6%                           | 30.1%                           |
| SUBORDINATE STAFF               |                                 |                                 |                                 |                                 |
| SC I                            | 20.1%                           | 20.7%                           | 80.0%                           | 30.6%                           |
| SC II                           | 18.7%                           | 23.0%                           | 90.0%                           | 30.9%                           |
| SC III                          | 24.2%                           | 31.9%                           | 98.9%                           | 25.4%                           |
| SC IV                           | 21.9%                           | 48.9%                           | 108.0%                          | 30.5%                           |
| INDUSTRIAL CLASS                |                                 |                                 |                                 |                                 |
| CW G1/CW1                       | 19.1%                           | 43.9%                           | 92.7%                           | 30.4%                           |
| CW G2/CW2                       | 14.6%                           | 45.6%                           | 89.2%                           | 29.3%                           |
| CW G3/CW3                       | 19.2%                           | 46.7%                           | 98.5%                           | 21.4%                           |

SOURCE: Appendix Table 4.2

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22 The World Bank, ibid, (Table IIC.2).
<table>
<thead>
<tr>
<th>Table 4.3: REAL LEVELS OF MAJOR SALARY SCALE ADJUSTMENT, FOR SELECT SALARY GRADES 1982 - 1993</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SALARY GRADES</strong></td>
</tr>
<tr>
<td><strong>SUPERSCALE</strong></td>
</tr>
<tr>
<td>S1/P1</td>
</tr>
<tr>
<td>S2B/P2B</td>
</tr>
<tr>
<td>S2A/2A</td>
</tr>
<tr>
<td>S2/P2</td>
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<tr>
<td>S3/P3</td>
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<td>S4/P4</td>
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<td>S7/P7</td>
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<tr>
<td>S8/P8</td>
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<tr>
<td><strong>ADMIN &amp; PROFESSIONAL</strong></td>
</tr>
<tr>
<td>A1/AOA/POA</td>
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<tr>
<td>A2/AOAB/POB</td>
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<td>A3/AOAC/POC</td>
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<td><strong>EXECUTIVE AND TECHNICAL</strong></td>
</tr>
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<td>B1/CEO/CTO</td>
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<td>B2/STO/SEO</td>
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<td><strong>SECRETARIAL</strong></td>
</tr>
<tr>
<td>D1</td>
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<td>D2</td>
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<td>D3</td>
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<td>D8</td>
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<tr>
<td><strong>JUNIOR TECHNICAL/CLERICAL</strong></td>
</tr>
<tr>
<td>C1/DPI/SCO/STA</td>
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<td>C2/CO/DPI&amp;3/TA</td>
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<tr>
<td><strong>SUBORDINATE STAFF</strong></td>
</tr>
<tr>
<td>SC I</td>
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<td>SC II</td>
</tr>
<tr>
<td>SC III</td>
</tr>
<tr>
<td>SC IV</td>
</tr>
<tr>
<td><strong>INDUSTRIAL CLASS</strong></td>
</tr>
<tr>
<td>CW G1/CW1</td>
</tr>
<tr>
<td>CW G2/CW2</td>
</tr>
<tr>
<td>CW G3/CW1</td>
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<tr>
<td><strong>SENIOR NURSES</strong></td>
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<td>N1</td>
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<td>N2</td>
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<tr>
<td>N3</td>
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<td>N4</td>
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<tr>
<td>N5</td>
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<tr>
<td>N6</td>
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<tr>
<td><strong>ENROLLED NURSES</strong></td>
</tr>
<tr>
<td>N7</td>
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<tr>
<td>N8/N9</td>
</tr>
<tr>
<td><strong>SENIOR SCHOOL TEACHERS</strong></td>
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<td>ET1</td>
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<td>ET3</td>
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<tr>
<td><strong>JUNIOR SCHOOL TEACHERS</strong></td>
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<td>T4</td>
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<tr>
<td>T5</td>
</tr>
</tbody>
</table>

**SOURCE:** Appendix Table 4.2
These periodic salary adjustments have neither been evenly nor equitably distributed among the various salary grades. The adjustments in 1986 were generally biased towards higher salary grades. In 1989 the bias was towards the lower salary grades: while the increases for industrial class grades ranged between 43.9 percent and 46.7 percent, those in the superscale ranged from 12.0 percent to 16.1 percent and increases for the middle grades generally fell in-between those for the superscale and the junior cadres.

The 1992 adjustments were on the other hand significantly biased against the middle salary grades (i.e. administrative, junior professional, technical and secretarial officers) so that while the superscale and industrial class grades were awarded increases in the range of 70.2 percent to 84.4 percent and 89.2 percent to 98.5 percent respectively, the middle grades generally fell well below these ranges (Table 4.2). Overall, even in nominal value terms for the period 1982-1992, the middle grade cadres appear to have fared worst in basic salary adjustments. Furthermore, the creeping distortion and ineffectiveness of the salary structure is indicated by the significant decline in the salary compression ratio. Between 1982 and 1993, from 42.9 to 23.9 (see Table 4.4). Also trends in salary compression factors indicate the biased impact of previous salary adjustments. Thus, as shown in Table 4.4, the compression factors for the middle job grades have declined to relatively lower levels during the period 1982-1993.

The 1993 salary adjustments were more equitably distributed across the salary grades, but generally they were in favor of the employees in the lower grades and were not extended to the top two job grades (S1 and S2). The adjustments were as follows:

- for those in clerical, messengerial and industrial class grades: a 30 percent salary increase;
- for those in grades between Executive Officer (EO) and Senior Technical Assistant (STA): a 25 percent salary increase;
- for those in the grades between Senior Technical Officer (STO) and Professional Officer (PO): a 15 percent salary increase; and
- for those in the lower superscale grades (S3-S8): a 9 percent salary increase.

As shown in Table 4.3, these salary adjustments have fallen considerably below the levels required to compensate civil servants for the inflationary erosion of the purchasing power of their basic salaries. The salary adjustments in 1986 and 1989 were not sufficient to compensate for the inflationary erosion of the real value of the basic salaries in the intervening period. However, the salary adjustments in 1992 were quite substantial, and in real terms raised the salary levels for most grades by more than 20 percent over the levels in 1989. Nevertheless, in real terms the basic salaries in 1992 remained, on average, about 50 percent below the levels of 1982 (see Table 4.3).

Moreover, these inequitable salary adjustments distort the pay structures. Thus, as illustrated in Figure 4.1, different salary scales, and therefore job grade and/or occupational groups, have been impacted differently by the salary adjustments. For example, contrary to the intentions reflected in the job grades, the basic salaries for S3 officers are now higher than those for S2 officers (see Table 4.1).
4.12 **Salary Compression Factors**: Trends in salary compression factors provide a good indicator of the efficiency of the salary structure. An efficient salary structure: (i) provides an internal equity in grading and compensation, and (ii) supports the maintenance of pay rates that are competitive both internally and externally. For these matters, the grading and pay levels should progressively reflect levels of skills experience and responsibility. In this regard however, a review of the trends in the salary compression factors for the Malawi civil service shows negative results.

4.13 Table 4.4 shows the trends in the salary compression factors during the period 1982-1993. Overall, for all the job grades, and more so the middle job grades, the salary compression factors have been on a steady decline over the past decade. Consequently, the effectiveness, equity and competitiveness of the rates of pay for civil servants must have been significantly impaired. However, the evidence on changing compression ratios could be misleading because of the uneven distribution of civil servants on the salary scale. Therefore, its significance should not be exaggerated.
### Table 4.4: SALARY COMPRESSION FACTORS BY GRADES IN THE YEARS OF ADJUSTMENT, FOR SELECT SALARY GRADES: 1982-93

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>SUPERSCALE</strong></td>
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<td></td>
</tr>
<tr>
<td>S1/P1</td>
<td>42.9</td>
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<td>30.1</td>
<td>31.0</td>
<td>23.9</td>
</tr>
<tr>
<td>S2B/P2B</td>
<td>37.6</td>
<td>44.8</td>
<td>27.6</td>
<td>29.1</td>
<td>22.4</td>
</tr>
<tr>
<td>S2A/P2A</td>
<td>36.9</td>
<td>41.5</td>
<td>25.6</td>
<td>27.1</td>
<td>20.9</td>
</tr>
<tr>
<td>S2/P2</td>
<td>36.2</td>
<td>38.4</td>
<td>23.7</td>
<td>25.2</td>
<td>19.4</td>
</tr>
<tr>
<td>S3/P3</td>
<td>31.3</td>
<td>35.3</td>
<td>21.8</td>
<td>23.3</td>
<td>19.6</td>
</tr>
<tr>
<td>S4/P4</td>
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**SOURCE:** Appendix Table 4.2
4.14 **Actual Levels of Basic Salary**: Table 4.5 shows the approximate actual levels of annual monetary compensation for the various grades in the civil service at the beginning of 1993\(^2\). In terms of basic salary, the level of actual compensation is about equal or below the median for the grade on the salary scale for most salary grades. The exceptions generally fall in the grades of tradesmen, industrial class and the lowest two grades of primary school teachers (T4 and T5 grades), where the actual basic salary compensation, on average, exceeds the medium for the grade by about 20 percent (see Table 4.6). This situation suggests that most employees in these grades have been on the same grade for relatively longer periods than prevails elsewhere in the civil service. All this suggests that improvements in the management of salary grading and promotions is required.

---

\(^2\) The actual levels of annual monetary compensation are approximated by (i) obtaining average gross monthly payments shown in the payroll of January 1993, and (ii) converting the average to an annual figure by multiplying with a factor of 12 (see Appendix Tables 4.2 and 4.3)
## Table 4.5: AVERAGE GROSS MONETARY PAY BY SALARY GRADES ON PAYROLL, JAN 1993

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<tr>
<th>SALARY GRADES</th>
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<th>ALLO.</th>
<th>TOTAL</th>
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<td>24000</td>
<td>61968</td>
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<tr>
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<td>Deputy SPC</td>
<td>29549</td>
<td>9395</td>
<td>38945</td>
</tr>
<tr>
<td>S2A</td>
<td>Attorney General</td>
<td>32394</td>
<td>1503</td>
<td>33897</td>
</tr>
<tr>
<td>S2</td>
<td>Principal Secretaries</td>
<td>34896</td>
<td>39000</td>
<td>73896</td>
</tr>
<tr>
<td>S3</td>
<td>Senior DPSs, Ambassadors</td>
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<td>1500</td>
<td>22665</td>
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<td>Deputy Principal Secretaries(DPSs)</td>
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<tr>
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<td>Under Secretaries</td>
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</tr>
<tr>
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<td>Senior Assistant Secretaries</td>
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<td>21288</td>
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<tr>
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<td>Principal Administration Officers</td>
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<td>1172</td>
<td>21466</td>
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<tr>
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<td>16968</td>
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<td>9903</td>
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<td>13007</td>
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## Table 4.6: VARIANCES OF CURRENT GROSS AV. BASIC PAY FROM MEDIAN BASIC
SALARY ON SCALE, FOR SELECT SALARY GRADES, JAN 1993

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<td>(MK/Annnum)</td>
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<td>D8</td>
<td>2118</td>
<td>2070</td>
<td>48</td>
<td>2.3%</td>
</tr>
<tr>
<td>JUNIOR TECHNICAL/CLERICAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C1/DPI/SCO/STA</td>
<td>5335</td>
<td>5124</td>
<td>211</td>
<td>4.1%</td>
</tr>
<tr>
<td>AF</td>
<td>3096</td>
<td>3576</td>
<td>-480</td>
<td>-13.4%</td>
</tr>
<tr>
<td>C2/CO/DP2/3/TA</td>
<td>3845</td>
<td>3192</td>
<td>653</td>
<td>20.5%</td>
</tr>
<tr>
<td>SUBORDINATE STAFF</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC I</td>
<td>2958</td>
<td>3024</td>
<td>-66</td>
<td>-2.2%</td>
</tr>
<tr>
<td>SC II</td>
<td>2485</td>
<td>2622</td>
<td>-137</td>
<td>-5.2%</td>
</tr>
<tr>
<td>SC III</td>
<td>2096</td>
<td>2220</td>
<td>-124</td>
<td>-5.6%</td>
</tr>
<tr>
<td>SC IV</td>
<td>1763</td>
<td>1710</td>
<td>53</td>
<td>3.1%</td>
</tr>
<tr>
<td>INDUSTRIAL CLASS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CW G1/CW1</td>
<td>2419</td>
<td>1896</td>
<td>523</td>
<td>27.6%</td>
</tr>
<tr>
<td>CW G2/CW2</td>
<td>2056</td>
<td>1680</td>
<td>376</td>
<td>22.4%</td>
</tr>
<tr>
<td>CW G3/CW3</td>
<td>1542</td>
<td>1572</td>
<td>-30</td>
<td>-1.9%</td>
</tr>
</tbody>
</table>

SOURCE: Appendix 4.3
C. USE OF NON-SALARY BENEFITS FOR COMPENSATION

4.15 Direct Monetary Allowance\textsuperscript{24}: Table 4.7 shows the direct monetary allowances (excluding housing and pension) that may be paid to GOM Civil Servants. As reflected in the table, relatively few civil servant have access to these allowances at any one time. Enjoyment of the allowances is generally contingent on some occasional event. Thus before the latter half of 1993, when housing allowance for all civil servants was introduced, direct monetary allowances constituted less than 10 percent of total monetary compensation for virtually all civil servants in grades falling in the range below S2 and above E1 (tradesman), and excluding junior clerical and technical grades. For civil servants on S2 grade (Principal Secretaries), allowances constitute some 53 percent of the total monetary compensation. Tradesmen in grades (EL-E1) are the next group to benefit from a high proportion of compensation through allowances, ranging from 31 percent to 41 percent. For junior technical and clerical staff, the allowances were 10 percent to 12 percent of the total monetary compensation, and for industrial class the proportion of allowances was in the range of 10-12 percent (see Table 4.8).

4.16 The effect of the newly introduced housing allowance (see Box 4.1) is to raise significantly (by as much as 100 percent for most of the middle and junior grades) the level of direct monetary allowances received by those civil servants who are not provided with government housing. In total, therefore, before incorporating the value of retirement benefits, direct monetary allowances now would account for about 25 - 17 percent of the total monthly direct monetary compensation for the civil servants not housed by the Government.

\textsuperscript{24} The term direct monetary allowances is used here to describe those allowances constituting direct (and regular) employment benefits, that accrue to employees outside the contracted terms of service. Examples of the latter include benefits arising from training travel, use of facilities in the Government Office etc.
<table>
<thead>
<tr>
<th>DESCRIPTION OF THE ALLOWANCE</th>
<th>CRITERIA FOR ENTITLEMENT</th>
<th>SALARY GRADES COVERED</th>
<th>AMOUNTS</th>
<th>POTENTIAL IMPACT ON TOTAL MONETARY COMPENSATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Hourly overtime Allowance</td>
<td>When the time duties of a civil servant below the superscale grade exceed the statutory 45 working hours per week. The overtime allowance must be authorized by the Secretary to the Treasury.</td>
<td>All except super-scale</td>
<td>15%-200% of the regular hourly rate</td>
<td>Major impact, as much as 30% of total monetary compensation for personnel in some departments.</td>
</tr>
<tr>
<td>2. Duty Allowances</td>
<td>Duty allowances are paid in lieu of the hourly overtime allowance where the duties of a particular post require a civil servant to work unusual, intermittent or irregular hours.</td>
<td>Secretarial, Subordinate, and Industrial Class</td>
<td>K1200 Per annum</td>
<td>For a Select and relatively few postholders (mainly chauffeurs and secretaries from ministries and PSs) this allowance is up to 50 percent of the monthly monetary compensation.</td>
</tr>
<tr>
<td>3. Holiday Grants</td>
<td>This grant is paid when a civil servant is proceeding on annual holiday</td>
<td>All grades excluding Industrial class</td>
<td>K100 SC grades K140 for CO/TA to AO/CEO CTO K200 for 58/P8 to S3/P3 K240 for 52/p2 to S1/P1</td>
<td>Generally less than 5% of total compensation</td>
</tr>
<tr>
<td>4. Secretarial Service Allowance</td>
<td>Copy Typists and Shorthand Typists are eligible for this allowance</td>
<td>Typist Grade II &quot;Leader&quot; Typist in Pools Typist with 50 W.P.M speed</td>
<td>K240 p.a K360 p.a K600 p.a</td>
<td>These allowances could be 5-10% of total compensation but apparently few secretaries qualify for the entitlement.</td>
</tr>
<tr>
<td>5. Responsibility allowance</td>
<td>For the top civil servants with exceptionally heavy responsibilities</td>
<td>S1/P1 S2/P2 and above</td>
<td>K9600 p.a K6000 p.a</td>
<td>These allowances amount to about 20 percent of total compensation</td>
</tr>
<tr>
<td>6. Entertainment Allowance</td>
<td>As above</td>
<td>S1/P1 S2/P2 and above</td>
<td>K6000 p.a K2400 p.a</td>
<td></td>
</tr>
</tbody>
</table>

NOTE: A larger number of the allowances are listed in the MPSR but only those allowances accruing directly to all employees within a salary grade are listed in this table.

Source: DPMT, Malawi Public Service Regulations.
<table>
<thead>
<tr>
<th>SALARY GRADES</th>
<th>JAN 1993</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BASIC</td>
</tr>
<tr>
<td>SUPERSCALE</td>
<td></td>
</tr>
<tr>
<td>S1/P1</td>
<td>61%</td>
</tr>
<tr>
<td>S2B/P2B</td>
<td>76%</td>
</tr>
<tr>
<td>S2A/P2A</td>
<td>96%</td>
</tr>
<tr>
<td>S2/P2</td>
<td>47%</td>
</tr>
<tr>
<td>S3/P3</td>
<td>93%</td>
</tr>
<tr>
<td>S4/P4</td>
<td>91%</td>
</tr>
<tr>
<td>S5/P5</td>
<td>94%</td>
</tr>
<tr>
<td>S6/P6</td>
<td>99%</td>
</tr>
<tr>
<td>S7/P7</td>
<td>95%</td>
</tr>
<tr>
<td>S8/P8</td>
<td>98%</td>
</tr>
<tr>
<td>ADMIN &amp; PROFESSIONAL</td>
<td></td>
</tr>
<tr>
<td>A1/AOA/POA</td>
<td>100%</td>
</tr>
<tr>
<td>A2/AOB/POB</td>
<td>97%</td>
</tr>
<tr>
<td>A3/AOC/POC</td>
<td>96%</td>
</tr>
<tr>
<td>EXECUTIVE AND TECHNICAL</td>
<td></td>
</tr>
<tr>
<td>B1/CEO/CTO</td>
<td>95%</td>
</tr>
<tr>
<td>B2/STO/SEO</td>
<td>95%</td>
</tr>
<tr>
<td>B3/TO/OE</td>
<td>95%</td>
</tr>
<tr>
<td>JUNIOR TECHNICAL/CLERICAL</td>
<td></td>
</tr>
<tr>
<td>C1/DP1/SCO/STA</td>
<td>88%</td>
</tr>
<tr>
<td>AF</td>
<td>100%</td>
</tr>
<tr>
<td>C2/CO/DP2&amp;3/TA</td>
<td>90%</td>
</tr>
<tr>
<td>SUBORDINATE STAFF</td>
<td></td>
</tr>
<tr>
<td>SC I</td>
<td>97%</td>
</tr>
<tr>
<td>SC II</td>
<td>97%</td>
</tr>
<tr>
<td>SC III</td>
<td>95%</td>
</tr>
<tr>
<td>SC IV</td>
<td>94%</td>
</tr>
<tr>
<td>TRADESMEN</td>
<td></td>
</tr>
<tr>
<td>E1</td>
<td>62%</td>
</tr>
<tr>
<td>E2</td>
<td>68%</td>
</tr>
<tr>
<td>E3</td>
<td>59%</td>
</tr>
<tr>
<td>EL</td>
<td>69%</td>
</tr>
<tr>
<td>INDUSTRIAL CLASS</td>
<td></td>
</tr>
<tr>
<td>CW G1/CW1</td>
<td>90%</td>
</tr>
<tr>
<td>CW G2/CW2</td>
<td>88%</td>
</tr>
<tr>
<td>CW G3/CW3</td>
<td>80%</td>
</tr>
</tbody>
</table>

Source: Appendix table 4.3
D. NON-MONETARY EMPLOYMENT BENEFITS

4.17 As a matter of policy, the GOM does not accord any direct non-monetary employment benefits, other than Government housing to its civil servants. The benefit of free use of Government vehicles for the Principal Secretaries was withdrawn in 1986.

4.18 Retirement Benefits: Every long-serving employee of the GOM is entitled to a retirement benefit in the form of either pension or gratuity (see Box 4.2). In nominal terms, the pension benefit is at least equal to one-fortieth (2.5 percent) of the annual basic salary for each year of service. And the gratuity benefit is targeted to be less generous than the pension benefit.

BOX 4.1: INTRODUCTION OF HOUSING ALLOWANCE FOR CIVIL SERVANTS

1. In September 1993, the Government awarded a 15 percent of-basic salary tax-free housing allowance for those civil servants who were not housed by the government. This decision partially redressed the past inequity in employment benefits. The value of the housing benefit was considerably in excess of the nominal 10 percent-of-basic salary that the Government housed officers were paying while those not housed were receiving no corresponding benefit.

2. On the other hand, progress towards a more transparent and equitable salary structure argues against further increased use of allowances in-lieu of direct pay. Moreover, the granting of another tax-free allowance increases the bias in the taxation of employment benefits, against private sector employees (whose allowances are taxed). Such discrimination is likely to encourage tax avoidance and evasion by the non-civil service employers.

4.19 The current level of retirement benefits is low relative to the basic salaries. Furthermore, the erosion of the basic salaries that has taken place over the past decade (see para 4.7 above) has further reduced the real value of these benefits, which are pegged to the basic salary of the employees at the time of retirement. In fact, in a recent attitude survey on salaries and benefits, GOM employees complained that pension benefits were low, inadequate and miserable. Further, the survey results indicated that most formal sector employees in the parastatal and private sectors contribute about three to five times what GOM is currently paying for retirement benefits.

BOX 4.2: SUMMARY OF GOM RETIREMENT BENEFITS SCHEMES

A: Pension Scheme: The key features of the Civil Service pension and conditions of payment include:

- pension accrues at a rate of 1/480 of the pensionable salary for each completed year of pensionable service;
- minimum pensionable service is 10 years;
- normal retirement age is 50;
- voluntary retirement age is 40 and associated pension is payable to a civil servant who after completing 20 years service, retires voluntarily, or with ministerial approval;
- no pension exceeds 2/3 of the highest salary drawn in the civil service.

B. Gratuity Scheme: Civil servants who are not eligible for pension and against whom no disciplinary proceedings are being taken are eligible for gratuity benefit. Other conditions for eligibility are one of the following:-

- voluntary retirement after completing 10 years qualifying service.
- forced retirement on medical grounds or in the public interest.
- forced retirement on redundancy grounds or on abolition of office.

The maximum amount of gratuity granted is dependent on length of service and is calculated as follows:-

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Maximum Gratuity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 years</td>
<td>5 times the annual amount of pension which might have been granted under GOM regulations</td>
</tr>
<tr>
<td>Over 10 years but not over 15 years</td>
<td>12 months' salary</td>
</tr>
<tr>
<td>Over 15 years but not over 20 years</td>
<td>15 months' salary</td>
</tr>
<tr>
<td>Over 20 years</td>
<td>18 months' salary</td>
</tr>
</tbody>
</table>

4.20 Low retirement benefits can definitely be demoralizing to long-serving civil servants. For such employees, these benefits are often regarded as the most important benefits after the basic salary\(^26\). But the reactions of the highly-skilled and lowly-skilled civil servants to low retirement benefits are likely to be quite different. The highly-skilled are likely to seek early retirement with the promise or expectation of securing better remunerated employment in the private and parastatal sectors. Thus, a 1990 survey indicated that about three-quarters of professional officers in the Malawi Civil Service would opt to retire at the earliest opportunity (i.e. after 20 years of service which often comes well before the mandatory retirement age of 50). In contrast, less than one-half of non professionals opt for early retirement, preferring to remain in the civil service until they attain the mandatory retirement age\(^27\).

4.21 **Government Housing:** A significant number of civil servants (estimated at a total of 27,100) enjoy the benefit of subsidized Government housing.\(^28\) The civil servants housed by the Government are required to make a rent payment equal to 10 percent of their basic salary or 12.5 percent of basic salary if the house is furnished. This rent is well below the market rate. A survey carried out in the mid-1980s showed that rents then paid by the civil servants for Government housing were only in the range of 6.2 percent of the open market rates\(^29\). And in 1993, it was independently estimated that the rents paid represented 4.1 percent to 10.5 percent of the open market rates. Therefore, it is reasonable to conclude that the value of subsidized housing is substantial.

**Indirect Monetary Benefits**

4.22 Civil servants also have access to a variety of indirect monetary benefits, such as training, travelling and subsistence allowances. There are also the allowances associated with the free use of Government facilities such as telephones. It is difficult to quantify these benefits, but the high prevalence of substantial cost overruns (i.e. excess expenditure over approved budget) reported by the Auditor-General suggests that many senior civil servants have access to these benefits.\(^30\) Indeed, junior civil servants consider the top civil servants to be overrenumerated because of the latter's access to many indirect benefits. That was the reason provided for the junior officers' resistance to the inclusion of top civil servants in the award of salary increases in 1993 (see Box 4.3).

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\(^{27}\) W.J. House & P. Chahima (EPD), "The Implications of Raising the Mandatory Retirement age in the Malawi Civil Service: Some Considerations," mimeo, November 1990.


\(^{29}\) GOM/Herbecq, P. 271.

BOX 4.3: CIVIL SERVANTS STRIKE FOR PAY INCREASE BUT AGITATE AGAINST SALARY INCREASES FOR PRINCIPAL SECRETARIES

1. In 1992, following relatively high nominal salary increases for civil servants, a spate of strikes hit Malawi's private sector. The politically-charged campaigns for salary increases started in the large textile, sugar and tea estates and industries but later on engulfed virtually the entire urban populations in the major cities for about a week. These strikes have since recurred sporadically: there was a strike by employees in the sugar industry in May 1993, and one by employees of the city of Blantyre in July 1993. These strikes must have influenced the subsequent industrial action by civil servants.

2. Malawi civil servants do not have a registered labor union. Nevertheless, in the unfolding and highly charged political atmosphere created by the transition to political pluralism, beginning July 1993, most civil servants were informally galvanized to collectively agitate for significant improvements in their employment benefits. They demanded a salary increase of 150 percent and a housing allowance back-dated to April 1993. And to back their demand, the civil servants were mobilized for a strike in August 1993. The immediate Government response was to approve a salary increase of about 15 percent backdated to June 1993. Representatives of the striking civil servants rejected this offer, insisting on the 150 percent salary increases. After negotiations, the civil servants consented to an average 15 percent salary increase (with a maximum of 30 percent for the junior civil servants).

3. It is nonetheless significant that, in accepting the terms of ending the strike, the civil servants demanded, and the Government conceded, that Principal Secretaries (on salary grades S2/P2 and above) should be excluded from the salary increases. The argument was that these top civil servants were already well pampered with non-salary employment benefits.

4.23 Estimated Value and Impact of Direct Non-Monetary Benefits: Table 4.9 below provides annual estimate of the total value of the key benefits (housing, car and retirement) for select job grades in the civil service. As shown in this table:

- for the top civil servants (Principal Secretary grade), the total value of these benefits is estimated at 147 percent of the total monetary pay (i.e., basic salary plus monetary allowances). And it is significant that virtually all civil servants at this grade have access to these benefits: and

- for the lucky few junior civil servants with access to Government housing, the total value of the direct non-monetary benefits can be as high as 364 percent of the total monetary pay.
### Table 4.9: Annual Estimates of Total Value of the Major Non-Monetary Benefits for Select Job Grades in the Civil Service

<table>
<thead>
<tr>
<th>Job Grade</th>
<th>Type</th>
<th>House Market Rent</th>
<th>Car Benefit</th>
<th>Retirement Benefit</th>
<th>Total Monetized Value</th>
<th>As % Av. Total Monetary Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle Secretary (S2)</td>
<td>B1</td>
<td>67,200</td>
<td>31,00</td>
<td>10,464</td>
<td>106,664</td>
<td>147%</td>
</tr>
<tr>
<td>(M)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principle Administrative Secretary (S7)</td>
<td>B1</td>
<td>42,000</td>
<td>n.a.</td>
<td>6,088</td>
<td>48,088</td>
<td>224%</td>
</tr>
<tr>
<td>Principle Specialist (P3)</td>
<td>BH</td>
<td>45,000</td>
<td>n.a.</td>
<td>8,365</td>
<td>53,365</td>
<td>191%</td>
</tr>
<tr>
<td>Administrative Officer (AO1)</td>
<td>AO1</td>
<td>31,440</td>
<td>n.a.</td>
<td>3,476</td>
<td>34,916</td>
<td>301%</td>
</tr>
<tr>
<td>Personnel Secretary (D1)</td>
<td>CH15</td>
<td>30,600</td>
<td>n.a.</td>
<td>3,146</td>
<td>33,746</td>
<td>312%</td>
</tr>
<tr>
<td>Senior Executive Officer (B2)</td>
<td>CH10</td>
<td>29,400</td>
<td>n.a.</td>
<td>2,936</td>
<td>32,336</td>
<td>314%</td>
</tr>
<tr>
<td>Clerical/Technical (C2/TA)</td>
<td>DL3</td>
<td>10,200</td>
<td>n.a.</td>
<td>1,154</td>
<td>11,354</td>
<td>265%</td>
</tr>
<tr>
<td>Messenger (SC1)</td>
<td>DL3</td>
<td>10,200</td>
<td>n.a.</td>
<td>887</td>
<td>11,087</td>
<td>364%</td>
</tr>
</tbody>
</table>

**Notes:**

1. The proportion of civil servants with access to Government Housing decreases significantly at lower job grades.
2. While the policy is that only the SPC among Civil Servants is allowed private use of the Government car, it has not been practical to deny this use to Principal Secretaries.
3. The monthly value of retirement benefit is estimated at one-fortieth of the Annual Basic Salary.

**Sources:**

1. GOM/The Housing Consultancy, Malawi Civil Servants Home Ownership Scheme, Final Report (Table 12.1, page 40), 1991 for House types and market rents.
2. Table 4.5 above for Basic and Total Monetary Pay.
E. SUMMARY OF MAIN ISSUES

Improving the Salary Structure

4.24 While civil service salary adjustments have contributed significantly to the huge increase in the size of the wage bill in recent years (see para 2.12 above), it is clear that salaries remain comparatively low, as elaborated in Chapter 5. Therefore, there cannot be a blanket freeze or major curtailment in the enhancement of salaries in order to control the wage bill. What is required is an overhaul of civil service salary structure along the lines recommended by the 1985 Civil Service Review Commission. The existing salary structure should be subjected to a systematic and comprehensive review with a view to rationalizing and simplifying it. In this context, the introduction of schemes of service and the decomposition of the salary structure should be emphasized.

4.25 The Need for Schemes of Service: The introduction of schemes of service for Malawi Civil Servants should be at the core of rationalizing the salary structure because these schemes will (i) facilitate consolidation of experience and specialist training for efficiency and effectiveness; (ii) enhance equity and transparency in salary grade entry points and promotion avenues for the different job and occupational groups.

4.26 Decompression of the Salary Structure: In terms of maintaining a salary structure with a reasonable level of compression ratio, the Malawi Civil Service compared favourably with other SSA countries up to the late 1980s (see Table 4.10).

Table 4.10: SALARY STRUCTURE COMPRESSION RATIOS FOR MALAWI COMPARED TO RATIO FOR A SAMPLE OF COUNTRIES IN THE SSA REGION, IN 1975 AND 1985

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>COMPRESSION RATIO 1975</th>
<th>COMPRESSION RATIO 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malawi</td>
<td>48.0</td>
<td>45.0</td>
</tr>
<tr>
<td>Benin</td>
<td>17.3</td>
<td>17.3</td>
</tr>
<tr>
<td>C.A.R.</td>
<td>13.0</td>
<td>9.4</td>
</tr>
<tr>
<td>Chad</td>
<td>7.5</td>
<td>17.5</td>
</tr>
<tr>
<td>Gambia</td>
<td>10.7</td>
<td>9.8</td>
</tr>
<tr>
<td>Guinea</td>
<td>15.0</td>
<td>12.6</td>
</tr>
<tr>
<td>Kenya</td>
<td>28.0</td>
<td>32.4</td>
</tr>
<tr>
<td>Mauritania</td>
<td>6.9</td>
<td>5.0</td>
</tr>
<tr>
<td>Niger</td>
<td>18.2</td>
<td>18.2</td>
</tr>
<tr>
<td>Nigeria</td>
<td>19.4</td>
<td>10.1</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>10.5</td>
<td>7.0</td>
</tr>
<tr>
<td>Somalia</td>
<td>8.2</td>
<td>6.9</td>
</tr>
<tr>
<td>Sudan</td>
<td>14.4</td>
<td>11.7</td>
</tr>
<tr>
<td>Tanzania</td>
<td>10.9</td>
<td>8.9</td>
</tr>
<tr>
<td>Togo</td>
<td>10.4</td>
<td>10.4</td>
</tr>
<tr>
<td>Uganda</td>
<td>34.2</td>
<td>12.0</td>
</tr>
<tr>
<td>Zaire</td>
<td>16.7</td>
<td>25.0</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>41.7</td>
<td>16.1</td>
</tr>
</tbody>
</table>
The situation has deteriorated in recent years, with a compression ratio of only 23.9 in 1993. However, this conclusion has to be qualified if basic salaries are adjusted to take into account monetary allowances and estimated monetized value of benefits. This point reveals the extent to which the non-salary allowances and benefits distort and give rise to inequity in the remuneration structure. Table 4.11 shows the effective pay compression factors before and after monetization of benefits for select job grades in the Civil Service (for which benefits have been estimated and monetized). The data in this table show that for the top administrators in the Civil Service, consolidation of allowances, and basic salary result in quite an attractive pay compression factor of 38.5 (as contrasted with a compression factor of 14.3 for the representative job grade for the top professional grade, P3). However, there is no remarkable contrast between the compression factor for the latter (professional) job grade and those of the representative job grades below. The same observations can be made using the pay data after monetization of benefits. Again the relative gap between the pay compression factor for the grade (at 13.9) and that for the P3 grade (at 6.2) is very large, at more than 100 percent (see Table 4.11). In the circumstances, the pay compression ratio measured on the basis of comparing the remuneration between the very top civil service executives and the industrial class grades can be misleading because it marks the inequities between the effective remuneration of the top administrators and that of those of the job grades in-between.

<table>
<thead>
<tr>
<th>SELECT JOB GRADES</th>
<th>GROSS ANNUAL MONETARY PAY</th>
<th>TOTAL VALUE OF MONETIZED PAY</th>
<th>TOTAL ANNUAL GROSS MONETIZED PAY</th>
<th>COMPRESSION FACTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>K</td>
<td>K</td>
<td>K</td>
<td>BEFORE MONETIZATION OF BENEFITS</td>
</tr>
<tr>
<td>Principal secretary (S2)</td>
<td>73,896</td>
<td>106,664</td>
<td>180,560</td>
<td>38.5</td>
</tr>
<tr>
<td>Principal Specialist (P3)</td>
<td>27,466</td>
<td>53,365</td>
<td>80,831</td>
<td>14.3</td>
</tr>
<tr>
<td>Principal Admin Sec (S7)</td>
<td>21,466</td>
<td>48,088</td>
<td>69,554</td>
<td>11.2</td>
</tr>
<tr>
<td>Administration Officer (AO1)</td>
<td>11,585</td>
<td>34,916</td>
<td>46,501</td>
<td>6.0</td>
</tr>
<tr>
<td>Personal Secretary (DI)</td>
<td>12,475</td>
<td>33,746</td>
<td>46,221</td>
<td>6.5</td>
</tr>
<tr>
<td>Senior Exec Officer (B2)</td>
<td>10,310</td>
<td>32,336</td>
<td>42,646</td>
<td>5.4</td>
</tr>
<tr>
<td>Clerical/Techn. Officer (C2/TA)</td>
<td>4,234</td>
<td>11,354</td>
<td>15,638</td>
<td>2.2</td>
</tr>
<tr>
<td>Messenger (SC 1)</td>
<td>3045</td>
<td>11,087</td>
<td>14,132</td>
<td>1.6</td>
</tr>
<tr>
<td>* Industrial class (CW3)</td>
<td>1918</td>
<td>11,087</td>
<td>13,005</td>
<td>1.0</td>
</tr>
</tbody>
</table>

On the other hand, as reflected in the data in the last two columns of Table 4.11, the pay compression factors for all job grades are significantly reduced when benefits are monetized to estimate effective pay levels. Therefore, with monetization of benefits, the pay structure is significantly more equitable.

Salary compression ratio is defined as the ratio of the salary at the top grade of the salary structure to that of the minimum salary on the same structure. Salary compression factors refer to the ratios of different Salary grades to minimum salary on the same structure.
Sustained Decline in Real Pay Levels

4.27 The full effects of the sustained decline in real pay for Malawi civil servants have not been determined. However, it has been established in a number of studies on the decline in real wages of government employees that sustained decline in real wages has resulted in stagnating productivity per worker, especially in Africa. Other negative consequences include the proliferation of special allowances, pervasive corruption, reduced working hours and moonlighting.

Increased Use of Allowances for Compensation

4.28 It has been argued that the importance of nonwage benefits from an analytical perspective lies not in their quantitative trend compared with real wages - which is country specific - but in their pervasive effects on productivity; because most are unrelated to performance. Furthermore, studies of the effects of the proliferation of allowances and non-monetary benefits in other neighboring countries have shown that this is likely to result in such problems as: (i) lack of transparency in the remuneration structure, (ii) inequitable compensation (iii) erosion of the personal income tax-base when some of these allowances are tax-exempt, (iv) erosion of the pension base, and (v) difficulties in the administration of the salary structure.

4.29 On the premise that the non-salary benefits grossly distort the pay structure, it is logical to conclude that these benefits should be monetized and consolidated with the basic salary. However, the monetization of non-salary benefits must be a planned and gradual process, for at least three reasons. First, since these benefits are unevenly distributed among employees even on the same salary grades, an across-the-board, instant monetization and consolidation of the benefits into the salary grades can result in a major rise in the size of the wage bill, and thereby giving rise to a fiscal crisis. It is therefore important that any major initiative to monetize benefits is preceded by: (a) a comprehensive survey of the distribution of the non-salary benefits (which can be achieved through a census of civil servants), and (ii) realistic estimates of the financial implications of implementing the initiative. Second, the monetization of government housing which is the predominant non-salary benefit raises its own complexities, in terms of, for example: (i) what is the strategy for disposing of the houses? (ii) who would qualify to rent or buy the houses? (iii) how can transparency and fairness be assured in the renting or selling of the houses etc. Third, it is significant that top executives in the private and parastatal sectors in Malawi are generally accorded such in-kind

32 Gail Stevenson, ibid (p 20)

33 Gail Stevenson, (ibid), p. 20

34 see, for example, K. Kiragu & R. Mushi, Monetization of Benefits and Pay Reform Proposals: Tanzania Civil Service Reform Programme, a consultants' report to the Government of Tanzania and the World Bank.
benefits as housing, private use of employer's car, free telephone and electricity facilities, etc. In this context, it appears that top civil servants are also deserving of such in-kind benefits. Therefore, the rationalization of the pay structure should probably be a phased process, beginning with the consolidation of those monetary allowances not linked to either responsibility or performance and ending with the monetization of in-kind benefits for the top civil servants.
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CHAPTER 5

COMPARATIVE ANALYSIS OF PAY LEVELS IN DIFFERENT SECTORS

A. INTRODUCTION AND OVERVIEW

5.1 The efficiency and effectiveness of the civil service pay levels should be evaluated by a comparative analysis of pay levels in other employment sectors. Furthermore, in the context of the demonstrated decline in civil service pay over the years (Chapter 4), it is important to assess how low this pay is, especially relative to pay levels in other sectors, i.e., private, parastatal and external assistance (donor) sectors. The results of such analysis can also be used to assess the competitiveness of the Government as an employer in attracting appropriately qualified and experienced staff.

5.2 A useful starting point in this analysis appears to be a recent and fairly comprehensive study of pay levels in the different sectors\(^3\). This study matched pay levels for selected benchmark jobs across various employers in the different sectors. Appendix Table 5.1 illustrates the various benchmark jobs that were used to compare salaries between the sectors. The study’s findings are summarized in Table 5.1. In brief, according to the results of this study, all private sector jobs have higher salaries than the civil service equivalents.

5.3 Also, according to the results in Table 5.1, with regard to comparison with pay levels in the donors sector, it is indicated that earnings in government employment generally exceeded those in the donor organizations for the top management personnel. On the other hand, for middle grade and support staff cadre, salary levels for the benchmark jobs were higher in the donors’ sector than in the Government. And for two of the benchmark jobs, i.e., systems analyst and clerical officer, the gap was particularly large; being 356 percent and 565 percent respectively.

5.4 And for the parastatal sector, the results in Table 5.1 show that for the benchmark jobs, average salaries there are higher than in the civil service, except for the principal accountant position, where the civil service pay is higher by 3 percent.

5.5 The above results, however, significantly contradict the historical observation that pay levels for low grade occupations in government employment exceed or are comparable to those in the private sector. In the latter context, it is considered that the sample of employers used for this particular study, especially for the private employers, could have significantly biased the results obtained. There is no uniform pay structure for private and donor sector employers and thus the pay levels vary from employer to employer. Thus, as illustrated in Appendix Table 5.5, within the manufacturing sector the lowest monthly salaries by some of the employers are as low as K117, which is significantly below the minimum civil service pay. At the same time, other employers in the sector are paying as much as K400 per month to the same cadre of employees, which is some 30 percent above the highest civil service salary for staff in this cadre. Therefore, comparison of pay levels between sectors must be approached with considerable care.

\(^3\) Price Waterhouse, *Wages, Salaries and Fringe Benefits Study, Republic of Malawi*, June 1993
<table>
<thead>
<tr>
<th>Job Categorization</th>
<th>Total Package Cost Monthly</th>
<th>% Difference With GOM Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GOM</td>
<td>Parastatal</td>
</tr>
<tr>
<td><strong>TOP MANAGEMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secretary to Treasury</td>
<td>8503</td>
<td>9958</td>
</tr>
<tr>
<td><strong>FINANCIAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal Accountants</td>
<td>5014</td>
<td>4872</td>
</tr>
<tr>
<td>Middle Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Accountant</td>
<td>865</td>
<td>2906</td>
</tr>
<tr>
<td><strong>DATA PROCESSING</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal Systems Analyst</td>
<td>5014</td>
<td>6326</td>
</tr>
<tr>
<td>Middle Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Systems Analyst</td>
<td>886</td>
<td>2052</td>
</tr>
<tr>
<td><strong>PERSONNEL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief Personnel Officer</td>
<td>5012</td>
<td>7390</td>
</tr>
<tr>
<td>Middle Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Officer</td>
<td>769</td>
<td>4512</td>
</tr>
<tr>
<td><strong>LEGAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief State Advocate</td>
<td>6224</td>
<td>10920</td>
</tr>
<tr>
<td>Middle Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Advocate</td>
<td>974</td>
<td>4068</td>
</tr>
<tr>
<td><strong>PROFESSIONAL TECHNICAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief Engineer Planning</td>
<td>6224</td>
<td>7884</td>
</tr>
<tr>
<td>Middle Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civil Engineer</td>
<td>1085</td>
<td>5580</td>
</tr>
<tr>
<td><strong>AGRICULTURE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief Agriculture Officer</td>
<td>6452</td>
<td>15014</td>
</tr>
<tr>
<td>Middle Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture Officer</td>
<td>891</td>
<td>6985</td>
</tr>
<tr>
<td><strong>SUPPORT STAFF</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Secretary</td>
<td>922</td>
<td>1521</td>
</tr>
<tr>
<td>Middle Staff Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerical Officer</td>
<td>174</td>
<td>563</td>
</tr>
<tr>
<td>Bottom Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Messenger</td>
<td>134</td>
<td>321</td>
</tr>
</tbody>
</table>

B. COMPARISON WITH PAY LEVELS IN THE PRIVATE AND PARASTATAL SECTORS

5.6 A 1989 survey and comparison of pay levels in the government, parastatal and private sectors concluded that, on average:

- **in professional occupations:** private and parastatal employees receive basic salaries that are, respectively, about 147 percent and 68 percent higher than their counterparts in government employment; and

- **in sub-professional occupations:** the private and parastatal employees were earning 45 percent and 7 percent respectively higher than their counterparts in government; but

- **in low-skills occupations:** government employees were earning about 4 percent more than their counterparts in the private sector.  

5.7 In Table 5.2 below, using more recent (September 1992), fairly representative, but less comprehensive data, pay levels for a select number of positions in private sector enterprises are matched with those of grades in the civil service judged to require about the same level of skills and experience. Further, considering the pervasive impact of the non-monetary benefits on the remuneration of the civil servants, it is found useful to show separately the estimated remuneration levels for these select grades before and after monetization of benefits.

Table 5.2: COMPARISON OF CIVIL SERVICE PAY LEVELS WITH THOSE IN THE PRIVATE SECTOR, BASED ON SALARY SURVEY DATA FOR A FEW SELECT PRIVATE SECTOR POSITIONS, SEPT 1992

<table>
<thead>
<tr>
<th>PRIVATE SECTOR</th>
<th>GOVT SECTOR</th>
<th>DIFFERENCE IN PAY AS % OF CIVIL SERVICE PAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>POSITION SURVEYED</td>
<td>ANNUAL PAY (K)</td>
<td>POSITION JUDGED EQUIVALENT (GRADE)</td>
</tr>
<tr>
<td>A. Senior Executives/Professionals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. General Manager</td>
<td>292,680</td>
<td>Principal Secretary (S2)</td>
</tr>
<tr>
<td>2. Personnel Manager</td>
<td>100,552</td>
<td>Principal Administrative (S7)</td>
</tr>
<tr>
<td>3. Service Engineer</td>
<td>78,942</td>
<td>Principal Specialist (P3)</td>
</tr>
<tr>
<td>B. Junior Executives/Sub-Professional</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Office Manager</td>
<td>29,300</td>
<td>Admin Officer (AO1)</td>
</tr>
<tr>
<td>2. Sec to MD</td>
<td>17,759</td>
<td>Personnel Officer (D1)</td>
</tr>
<tr>
<td>3. Asst Accountant</td>
<td>17,586</td>
<td>Senior Executive Officer (B2)</td>
</tr>
</tbody>
</table>

Sources:
2. Table 4.5 above, and authors' judgement for government sector figures.
3. Table 4.9 above, for monetary value of benefits

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5.8 Comparison before Monetization of Benefits: The results of comparison of private sector and government sector pay levels before monetization of benefits, as shown in Table 5.2, suggest that:

- in professional occupations: private sector pay on average exceeds monetary pay in government sector by margins ranging from about 48 percent to 143 percent; and

- in semi-professional occupations: the margin between private sector and government sector pay levels is in the range of 29 percent to 116 percent. These figures, it should be emphasized, are only indicative. Nonetheless, they are considered to fairly reflect the order of magnitude by which private sector pay levels for professional and semi-professional occupations are higher than monetary pay (before non-monetary benefits) of their counterparts in the Government sector.

5.9 For the job grades in Table 5.2, it is expected that the parastatal sector pay levels are in-between the private sector and government sector levels.

5.10 Comparison after Monetization of Benefits: When the major non-monetary benefits for civil servants are consolidated with the monetary pay:

- in the top administration/professional grades: the gap between private sector and public sector remuneration is considerably reduced, to an estimated maximum of 60 percent, at the principal secretary grade (see Table 5.2); and

- in the middle, junior and sub-professional grades: the gap is reversed in favor of the civil servants; so that, for example, for the grade of senior personal secretary, the civil servant’s total monetized pay could exceed that of the equivalent grade in the private sector by as much as 62 percent. It is however, particularly significant that, at junior grades, few civil servants have access to the Government housing which is the predominant monetized benefit. Nonetheless, it is true that even the prospect of eventually gaining access to this benefit may contribute to retention of critical numbers of skilled civil servants.

5.11 Also, comparing civil service pay levels with those obtained from yet another survey carried out in September 1992 for the remuneration packages in the private sector, relatively higher pay levels are indicated for the junior grades in the Government sector (see Appendix Table 5.6). Moreover, an ILO survey of 1990 in six African countries found that the Government sector paid more for unskilled labor, but at the higher-level occupations it generally found a pay differential in favor of the private sector employees.37

5.12 Thus, it is expected that for the messenger, industrial class and other low job groups, earnings in government exceed those in the private sector. This is the more likely situation particularly considering that during the major government salary adjustment in 1992, the messenger and industrial class employees were awarded pay increases in the range of 80

---

percent to 108 percent (see Table 4.3 above). Yet the subsequent pay increases for the equivalent job groups in the private sector are indicated to have been much lower, in the range of 25 percent to 35 percent. Furthermore, on aggregate, the level of average earnings in private sector have remained consistently below those in the government sector (see Appendix Table 1.2). Therefore, generally, it must be the case that pay levels for junior grade positions in government employment exceed those in private sector.

C. COMPARISON WITH PAY LEVELS IN THE DONOR SECTOR

5.13 The results of the comparative salary survey shown in Table 5.1 above suggested that salaries in the donor sector were the lowest compared to those in other sectors for all job categories, except for support staff. For the latter category, the salaries in the donor sector were above levels prevailing in the private and parastatal sectors, and the civil service. Different results, however, emerge from a survey of a few representatives donor organizations by the authors. The results of the latter survey are shown in Table 5.3 below.

5.14 The results in Table 5.3 show that for comparative job grades, before consolidating the value of direct non-monetary benefits, pay in the donor sector far exceeds the average monetary remuneration in the civil service; the gap is in the range of 80 percent to 993 percent.

5.15 After monetizing the benefit for the civil servants grades, however, the gap between pay levels in the donor sector and those in the civil service is drastically reduced. In fact the gap is reversed for the support staff positions of secretary, driver and messenger where the average total remuneration in the civil service then exceeds that of equivalent grades in the donors sector by 52 percent, 12 percent and 47 percent respectively. Nonetheless, again it is important to emphasize that only a few civil servants in these junior grades have access to Government housing, which is the predominant benefit. Therefore, the overall indications is that, generally pay levels in the donor sector by far exceed those in the civil service.

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38 The general level of pay increases for the junior employees in the private sector during 1992 as quoted here were obtained by the authors through interviews with private business executives in Blantyre.
### Table 5.3: COMPOSITION OF PAY LEVELS FOR SELECT JOB POSITIONS IN THE DONOR SECTOR WITH MATCHED CIVIL SERVICE GRADES

<table>
<thead>
<tr>
<th>DONOR SECTOR</th>
<th>CIVIL SERVICE SECTOR</th>
<th>Total Pay before monetizing benefits</th>
<th>Total Pay after monetizing benefits</th>
<th>% Donor Sector Pay exceeds civil service pay Before Monetizing Benefits</th>
<th>After Monetizing Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job category and positions</td>
<td>Annual Total Pay after Monetizing Benefits</td>
<td>Matched Job Grades</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MANAGEMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sr commercial officer/Sr programme officer</td>
<td>123,012</td>
<td>Sr. Specialists (P4)</td>
<td>27,466</td>
<td>80,246</td>
<td>348%</td>
</tr>
<tr>
<td>Sr Finance assistant</td>
<td>84,012</td>
<td>Asst Chief Officer (P6)</td>
<td>21,639</td>
<td>72,991</td>
<td>288%</td>
</tr>
<tr>
<td>Assistant Accountant</td>
<td>110,004</td>
<td>Sr. Officer (P8)</td>
<td>17,816</td>
<td>55,345</td>
<td>517%</td>
</tr>
<tr>
<td>Finance Officer</td>
<td>36,792</td>
<td>Chief Ex. Officer (CEO)</td>
<td>13,007</td>
<td>46,101</td>
<td>183%</td>
</tr>
<tr>
<td>Accounts Officer/Sr Finance Assistant</td>
<td>126,624</td>
<td>Admin. Officer (A1)</td>
<td>11,585</td>
<td>46,501</td>
<td>993%</td>
</tr>
<tr>
<td>Administrative officer</td>
<td>104,604</td>
<td>Admin. Officer (A2)</td>
<td>10,821</td>
<td>43,367</td>
<td>867%</td>
</tr>
<tr>
<td>Assistant administrative officer</td>
<td>44,724</td>
<td>Admin. Officer (A3)</td>
<td>9,903</td>
<td>42,153</td>
<td>352%</td>
</tr>
<tr>
<td>Sr. administrative officer</td>
<td>33,480</td>
<td>Sr. Clerical Officer (C1)</td>
<td>6,056</td>
<td>17,856</td>
<td>453%</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUPPORT STAFF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance clerks</td>
<td>25,212</td>
<td>Technical officer (B3)</td>
<td>7,398</td>
<td>19,696</td>
<td>241%</td>
</tr>
<tr>
<td>Secretary</td>
<td>22,440</td>
<td>Personal Secretary (D1)</td>
<td>12,475</td>
<td>46,964</td>
<td>80%</td>
</tr>
<tr>
<td>Drivers</td>
<td>12,036</td>
<td>Industrial Class (CW1)</td>
<td>2,700</td>
<td>13,626</td>
<td>345%</td>
</tr>
<tr>
<td>Messengers</td>
<td>7,500</td>
<td>Messenger (SC1)</td>
<td>3,045</td>
<td>14,132</td>
<td>146%</td>
</tr>
</tbody>
</table>

Note: Total Annual Pay After monetizing benefits is derived by adding to Monetary Pay
- estimated annual value of retirement benefit = 0.025% of Annual Basic Salary
- estimated annual value of the housing benefit (as per the sources below)

Sources: (1) Appendix Table 5.5 for data on the Donors’ sector figures
(2) Tables 4.5 for Total Annual Pay before Monetizing Benefits
(3) GOM/The Housing Consultancy, Malawi Civil Servants’ Home Ownership Scheme, Final Report (1991), as used to derive monetized value of benefits in Table 4.9 above.

### D. COMPARISON OF PAY LEVELS WITH OTHER COUNTRIES IN THE REGION

5.16 In terms of minimum wage, and therefore pay levels for junior and unskilled civil servants, Malawi compares very unfavorably with most countries in this region. This fact is illustrated in Figure 5.1 below where the annual earnings at minimum wage in Malawi are compared with those in Kenya, Tanzania and Zambia.

Note: The only exception among its neighbours is likely to be war-torn and impoverished Mozambique.
5.17 The low minimum wages in Malawi are consistent with the low incomes and per capita consumption levels in the country. Furthermore, as shown in Table 5.4 below, throughout the 1980s the per capita consumption in Malawi was considerably below the levels in, for example, Kenya and Zambia, and it is only in the late 1980s that it caught up with the declining levels in neighboring Tanzania.

Table 5.4: COMPARISON OF TOTAL CONSUMPTION PER CAPITA AMONG COUNTRIES IN THE REGION

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>357</td>
<td>318</td>
<td>293</td>
<td>255</td>
<td>256</td>
<td>229</td>
<td>269</td>
<td>295</td>
<td>301</td>
<td>287</td>
<td>296</td>
</tr>
<tr>
<td>Tanzania</td>
<td>256</td>
<td>279</td>
<td>281</td>
<td>291</td>
<td>263</td>
<td>302</td>
<td>180</td>
<td>153</td>
<td>150</td>
<td>125</td>
<td></td>
</tr>
<tr>
<td>Zambia</td>
<td>555</td>
<td>640</td>
<td>688</td>
<td>449</td>
<td>349</td>
<td>282</td>
<td>184</td>
<td>234</td>
<td>392</td>
<td>536</td>
<td>319</td>
</tr>
<tr>
<td>Malawi</td>
<td>181</td>
<td>173</td>
<td>154</td>
<td>154</td>
<td>148</td>
<td>137</td>
<td>143</td>
<td>134</td>
<td>152</td>
<td>184</td>
<td>197</td>
</tr>
</tbody>
</table>

5.18 At higher job grades, however, in the past, Malawi civil servants appear to have been generally better remunerated than their matched counterparts in the other countries in the region. This observation is based on two reasons. First, as shown in Table 4.10 above the salary compression ratio for Malawi was considerably higher than that of the comparator countries. Second, using relatively current data, the basic salaries of civil servants in Malawi have been compared with those in Kenya. The results of this comparison are as shown in Table 5.5 below. And the data in the latter Table shows that, for virtually all job grades in the civil service, both the lowest and highest basic salary levels are significantly higher in Malawi than in Kenya.

5.19 However, again referring to data in Table 5.5, at the lowest job grades in the civil service, pay levels in Malawi are about the same level with those in Kenya; with the highest point in the industrial class scale for Malawi exceeding that of matched (subordinate) grade in Kenya by only 8.3 percent, and with the lowest point in the clerical/copy typist grade in Malawi some 6 percent below the level for the matched grade in Kenya. Furthermore, considering the very high salary increases effected for junior civil servants in Malawi during the 1992-1993 period (see Chapter 4), then it can be logically surmised that, in the past, the salaries of junior civil servant in Malawi have been significantly below the levels prevailing in most countries of the region.

Table 5.5: COMPARISON OF BASIC SALARIES BETWEEN MALAWI AND KENYA CIVIL SERVICE

<table>
<thead>
<tr>
<th>Position Surveyed</th>
<th>Malawi Civil Service</th>
<th>Kenya Civil Service</th>
<th>Percentage Difference Between Malawi and Kenya</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lowest</td>
<td>Highest</td>
<td>Equivalent</td>
</tr>
<tr>
<td>Industrial Class</td>
<td>385</td>
<td>657</td>
<td>Subordinate Staff</td>
</tr>
<tr>
<td>Clerical/Copy Typist</td>
<td>457</td>
<td>1,397</td>
<td>Clerical/Copy Typist</td>
</tr>
<tr>
<td>Executive/Technical Officer</td>
<td>1,717</td>
<td>2,703</td>
<td>Exec./Pers. Officer</td>
</tr>
<tr>
<td>Professional/Administrative</td>
<td>2,220</td>
<td>3,629</td>
<td>Economist/Doctors/ Agric.</td>
</tr>
<tr>
<td>Senior Officers</td>
<td>4,143</td>
<td>4,671</td>
<td>Economist I</td>
</tr>
<tr>
<td>Principal Officers</td>
<td>4,700</td>
<td>5,229</td>
<td>Senior Accountants</td>
</tr>
<tr>
<td>Chief Officer/Under Secretary</td>
<td>5,814</td>
<td>6,133</td>
<td>Principals/Under Secretary/CPO</td>
</tr>
<tr>
<td>Sr. Specs./Deputy Prin. Sec.</td>
<td>6,403</td>
<td>6,960</td>
<td>Deputy Secretary/Deputy Director</td>
</tr>
<tr>
<td>Principal Specialists</td>
<td>6,991</td>
<td>7,549</td>
<td>Directors</td>
</tr>
<tr>
<td>Principal Secretaries</td>
<td>6,954</td>
<td>7,497</td>
<td>Permanent Secretary</td>
</tr>
</tbody>
</table>

Source: Malawi; Current Salary Grades and Scale for 1993. Kenya; Adjustment of Civil Service Salaries and Scales (Mbithi Salary Review Committee 1993/94)
Exchange Rate MK 4.1 = US$ 1 : Kshs 65 = US$ 1
5.20 It is also significant that at the prevailing low levels of per capita consumption, the scope for raising the minimum wages in Malawi has in the past, on average, remained minimal. As illustrated in Figure 5.2 below, in the 1980-1986 period, compared to Kenya, Tanzania and Zambia, Malawi had a consistently higher ratio of minimum wage to total per capita consumption. This is also significant in that in the past the Government generally used the minimum wage policy to control growth in wage levels in both public and private sectors.

![Figure 5.2: Ratio of Min. Wage to Total Consumption](image)

Source: Appendix Table 5.3

E. COMPARATIVE EFFICIENCY OF THE CIVIL SERVICE PAY STRUCTURE

5.21 The study team also considered the efficiency of the civil service pay structure in comparison with the other sectors in two other dimensions viz: (i) salary compression ratios; and (ii) salary grade widths.

Salaries Compression Ratios

5.22 Although the data used in the analysis of pay levels for the private, parastatal and donor sectors is derived from varying structures from different employers, the average values from a sample of employers from each of the sectors can be relied on to indicate the order of magnitude of the compression ratios for the salary structures in a sector. On this basis, representative compression ratios have been computed for the different sectors, and the summary results are presented in Table 5.6 below. In brief, the results in this table show that the civil service basic salary compression ratio of 23.9, is higher than that approximated for the donor sector but is below that in the parastatal and private sectors. These results reinforce the observation in Chapter 4, that the civil service salary structure has been unduly
compressed over the years. Therefore, the efficiency of the civil service salary structure, can be improved through decompression, in line with the compression ratios prevailing in the private and parastatals sectors.

Table 5.6: COMPARISON OF SALARY COMPRESSION RATIOS FOR VARIOUS SECTORS

<table>
<thead>
<tr>
<th>Government of Malawi</th>
<th>Parastatal Sector</th>
<th>Private Sector</th>
<th>Donor Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.9</td>
<td>32.6</td>
<td>44.1</td>
<td>16.4</td>
</tr>
</tbody>
</table>

Sources: (1) Table 4.4 above for GOM
(2) Price Waterhouse Study for data on parastatals
(3) Delloites & Touche, for samples various data collected on private sector
(4) Table 5.3 for data on the donor sector

Job Grade Width

5.23 Apart from salary levels being attractive to employees, the motivational benefits inherent in the structures is a very critical factor in staff retention. Thus, a renown author in personnel management, Armstrong, recommends that, to allow room for progression, the maximum salary for clerical levels, for example should not be outside the range of 15 percent to 20 percent above the minimum salary in the grade. The reason advanced for this limited width at such job grades is that within these grades, there are no significant improvements on performance expected either through knowledge advancement or experience. Consequently, at these grades, pay-based motivation may not achieve any significantly better performance. This ideal situation contrasts significantly with observations from the Malawian civil service which has a width of up to 150 percent for the junior category of staff (Figure 5.3). Other employers have considerably lower salary widths for this category of staff, with an average salary width of 36 percent (Figure 5.3).

5.24 For the top job grades in the civil service, for example that of principal secretary (categorized NO-D under the UN classification), the civil service structure provides a salary grade width of only about 8 percent. For similar top job grades in other sectors, the grade salary widths are in the range of 30 percent to 37 percent; this estimate being an average from a sample from the manufacturing sector. Thus, the salary grade width in the civil service is dismally low, being only about 8 percent, in a category that is expected to have an average width of 50-60 percent between the minimum and maximum pay. The implications of having a small grade width in the civil service compared to other employers include the risk of adverse effect on staff retention, attraction of appropriate personnel, and staff motivation. This is especially so in the case where most employees joining these job grades rarely start from the minimum salary in the grade and hence attain a maximum salary increment well before reaching the higher scale for that job grade.

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41 Ibid.
F. CONCLUSIONS

5.25 Generally, civil service pay levels remain significantly lower than those for comparable positions in the parastatal, private and donor sectors. However, at the lower salary grades (i.e. clerical, messenger and other unskilled labor) pay levels in the civil service are, on average, higher than those in the private sector. First, in the past two years, civil service pay increases have set the pace for those in most of the private sector. Second, the high levels of unemployment among unskilled workers generally depress wage levels in the private sector, where most enterprises target the minimum statutory wage. Furthermore, if salaries and wages of these lower grades in the other sectors especially the donor sector, were adjusted for qualifications and experience, it appears that lower cadre civil servants are adequately compensated.

5.26 On the other hand, the middle (technical and professional) grades in the civil service have experienced a steady relative deterioration in their pay levels when compared to both the lower and top grades in the civil service, and the pay levels in the other sectors. The trend for many years in the past has been to award higher salary increases to the lower job grades in the civil service, thereby leaving the higher grades relatively worse off (i.e., compressing the pay structure). However, the top cadres in the civil service are compensated for the lower increase in pay with non-salary benefits. Since these benefits are not commensurately extended to the middle grades, the officers in these grades remain worse-off relative to both the lower and top grades in the same service. This is a very important policy issue concerning the efficiency and effectiveness of the civil service pay structure.
CHAPTER 6

MAIN ISSUES IN PERSONNEL MANAGEMENT

A. INTRODUCTION

6.1 The review of pay and employment issues in Chapters 3 and 4 above reveals the profound weaknesses in the performance of the personnel management function. However, to put the assessment of personnel management performance in the Government in perspective, it is important to examine the following two critical issues:

- the legal and institutional framework; and
- the underdevelopment of the personnel management system.

B. THE LEGAL AND INSTITUTIONAL FRAMEWORK

6.2 The current Constitution of the Republic of Malawi vests in the President the statutory authority to (i) promulgate Public Service Regulations which are the legal instruments underpinning the administration of the civil service; and (ii) establish a Public Service Commission (PSC) to be responsible for the recruitment, promotion, discipline and retirement of civil servants. Furthermore, under these regulations, the President has mandated the Secretary to the President and Cabinet (SPC) to be responsible for the overall administration of the civil service. Also, the regulations empower the SPC to delegate any of the functions conferred on him under the regulations to other public officers. And under the latter arrangements, the SPC has delegated most of the responsibilities for the administration of the Public Service Regulations, and therefore civil service personnel management, to the Department of Personnel Management and Training (DPMT). Under this broad legal framework, the personnel management function in the GOM civil service is a shared responsibility between the DPMT, line Ministries, the PSC, and the Ministry of Finance (Treasury).

6.3 The Department of Personnel Management and Training (DPMT): As its title implies, the DPMT is the central government institution for personnel management. Since the Herbecq Commission report of 1985, there have been persistent complaints about the serious weaknesses in both the mandate and functional capacity of the DPMT. A recent management audit of the DPMT (1993) identified the following weaknesses, among others:

- there is no appropriate legal context for the execution of the DPMT’s central personnel management mandate;
- the organization’s internal coordination mechanisms are rather weak;
- staff are not adequately skilled to effectively perform all the personnel functions;
- management systems, especially those for personnel management, are underdeveloped; and
- linkages with ministries and departments are not effective.

42 ESAMI, Organizational Audit of the Department of Personnel Management and Training, 1993
6.4 **Personnel Units in the Line Ministries**: The personnel administration units in the line ministries are staffed with common cadre officers seconded by the DPMT. As such, these units are operational extensions of the DPMT. They are responsible for supporting the Principal Secretaries in the ministries in handling all matters pertaining to the manpower planning, recruitment, deployment, compensation and discipline of staff in the ministries to which they have been posted by the DPMT. This study did not attempt a comprehensive review of either the capacity or performance of the personnel units in the ministries. However, there is ample evidence that in most ministries the performance of the units is well below desired levels.

6.5 The weaknesses in these personnel administration units is particularly exemplified by the muddle surrounding the management of industrial class employees. Although this function is fully delegated by the DPMT to the ministries, the ministries’ personnel units do not maintain complete records of these employees. Nor do they appear to exercise any effective control on the recruitment of such employees.

6.6 **The Public Service Commission (PSC)**: The rationale in the Constitutional provision for the establishment of the PSC is that as an institution that is autonomous of central government control, the PSC could be relied on to ensure that: (i) recruitment and promotion of civil servants were based strictly on merit; and (ii) fair play and justice were observed in discipline civil servants.

6.7 In practice, however, it appears that the PSC has a rather narrow mandate, and it is institutionally subordinate to the OPC in that: (i) the PSC carries out its mandate within the framework of the Malawi Public Service Regulations (MPSR) which are defined, promulgated and revised by the SPC-OPC; and (ii) at present, the PSC exercises its mandate on a relatively small number of civil servants, i.e. those in salary/job grades EO/TO to SSTP5 (see Table 3). The appointment of top civil servants (in job grades S4/P4 to S1/P1) is made by the OPC. And the appointment of junior civil servants has been delegated to Ministerial Appointments and Disciplinary Committees (for job grades CO/TA to SCO/STA) and to controlling officers and/or heads of department.

6.8 The current effective mandate of the PSC is not consistent with the newly evolving political and constitutional order in Malawi. Under the single party authoritarian political order, there was no loud demand for transparency in the merit-based appointment and promotion of civil servants. Indeed, demonstration of loyalty to the regime was generally the priority criterion for ascendency to the top echelons of the civil service. Given the fact that effective functioning and sustenance of a multi-party political system depends, to a great extent, on the introduction of a transparent merit-based system of appointments, promotions and discipline in all ranks of the civil service, there is therefore a strong case for restoring the effective mandate of the PSC.

6.9 **The Ministry of Finance**: According to the Government financial regulations as well as the MPSR, no Government department is permitted to recruit or promote a civil servant before confirming the availability of funds from the MOF. Even the DPMT is required to seek clearance of the MOF before it creates new established posts. Furthermore, adjustments of pay and benefits for civil servants have to be developed in full consultation with the MOF. Moreover, the MOF, through the Accountant General and its Data Processing Department (DPD), controls the entry of employees into the central computerized payroll. Therefore, the
MOF can exercise significant control on the decisions of the other Government departments in the employment and pay of civil servants.

6.10 However, the exercise of the mandate of the MOF to regulate civil service employment and pay is significantly constrained by: (i) absence of a reliable data and information system to facilitate the analysis of the budgetary implications of the decisions by DMPT and the line ministries; (ii) the absence of a clear (legally backed) mandate to exercise control on employment and salary levels, and (iii) weak mechanisms for coordinating decisions in MOF with those by DPMT/OPC PSC, and the line ministries. Even within the MOF itself, coordination between the DPD and the office of Accountant General is generally perceived to be weak.

6.11 On the whole, the legal and institutional framework for personnel management are weak. As noted by the 1985 civil service review commission, the Malawi Constitution, as it relates to the Public Service, is primarily concerned with powers to appoint and remove from the office. Furthermore, the MPSR is essentially concerned with the routine administration of the civil service; training, schemes of service, staff inspection, manpower planning, statistics, manpower utilization, welfare and careers guidance. The fragmented institutional arrangement for managing the personnel function has also proved ineffective to remedy these weaknesses. Consequently, the Herbecq Commission recommended that the government should promulgate a Public Service Act which would clearly define the roles and mandates of the various institutions (OPC, DPMT, MOF and line ministries) in managing the personnel management function.

6.12 In Summary, the current legal and institutional framework is not conducive to the effective management of the personnel function in three respects:

- **Ambiguities in the statutory framework:** In 1985, the Civil Service Review Commission recommended the promulgation of a Public Service Act with a view to clearly delineate and define the mandate of the various institutions responsible for personnel management. This recommendation remained dormant until it was restated as a major recommendation of the organizational audit of the DPMT in 1993. The issue is being addressed under ID II;

- **Weak institutional coordination:** The overall institutional framework for personnel management is rational and potentially effective. However, the weakness of formal coordinating mechanisms, especially between the DPMT, MOF, PSC and line ministries, has undermined effective management and control of such crucial functions as recruitment and salary adjustments;

- **Weak capacity in DPMT:** The recent organizational audit of the DPMT revealed how significantly its weak internal capacity constraints the

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43 GOM/Herbecq ibid, p58

44 GOM/Herbecq (ibid)
Department in executing its responsibility for personnel management. DPMT’s problems include, among others, lack of adequate number of trained and experienced professional staff and inappropriate and weak structures for planning, staff development and monitoring and evaluation of performance.

C. UNDERDEVELOPMENT OF THE PERSONNEL MANAGEMENT SYSTEM

6.13 The more pervasive problem that hinders the performance of the personnel management function in the Malawi Civil Service is the general underdevelopment of the management system. This is reflected in respect of such critical issues as:

- manpower planning and training;
- recruitment;
- deployment and utilization;
- staff development;
- promotions and career progression;
- personnel data.

6.14 Manpower Planning and Training: Manpower planning for the civil service is the exclusive responsibility of the DPMT. If DPMT was effectively carrying out this function, the outcome would be planned and rationalized growth and deployment of the civil service staff. However, this is not the case, as elaborated in Chapter 3 above, there is no reliable data base to support effective manpower planning.

6.15 With regard to training, the implementation of the existing training policy is defective in many areas, including inadequate attention to training needs analysis, inadequate budgetary provision for training and failure to link training to performance improvement. It is recommended that henceforth all ministries and departments should be required to conduct training needs analysis before proposing training programmes for approval. It is also recommended that distinct votes for training should be provided in the annual budget for ministries and departments. And to ensure effective linkage of training to performance improvement, success in skill enhancing training programmes should be formally recognized as a major factor in the determination of promotions.

6.16 Recruitment: Recruitment into the top job/salary grades S4/P4 to S1/P1 is by appointment by the State President. For recruitment’s the job/salary grades EO/TO to S5/P5 recruitment’s is done by the Civil Service Commission. In respect of the grades below EO/TO the Civil Service Commission has delegated its authority under the Malawi Public Services Regulations to respective Ministerial appointments and disciplinary Committees.

6.17 In theory, the system and process of recruitment below the S4/P4 grades are fairly transparent and controlled. However, the system does not operate as smoothly and effectively as would be expected because of poor flow of information and ineffective coordination between the PSC, DPMT, MOF and the line ministries. Also, red-tape has often bogged-down the system; resulting in excessive vacancies in established positions\textsuperscript{46}. In other cases, ministries have taken advantage of the system by engaging staff on temporary terms to fill established posts for many years.

6.18 **Deployment and Utilization of Manpower:** The DPMT has the responsibility of ensuring effective deployment and optimal utilization of available manpower. In this regard, the Management Services Division (MSD) of DPMT is expected to periodically carry out reviews of the staffing levels and deployment of staff in all Government departments. However, MSD’s performance of this function is significantly hampered by (i) weak internal capacity, in terms of shortage of the specialist skills necessary for credible, authoritative and comprehensive review of organizations, systems, methods and staffing in ministries and departments; (ii) lack of sufficient statutory or political authority to support implementation of recommendations, and (iii) the absence of readily accessible reliable personnel information which is necessary for efficient and effective conduct of staff inspections.

6.19 **Staff Development Promotions and Career Progression:** The system of staff development, promotions and career progression in the Malawi Civil Service is seriously lacking in transparency because: (i) schemes of service and career paths have never been designed and promulgated except for the DPD, and (ii) the staff appraisal system on which promotions are based is neither open nor independently scrutinized. The development of schemes of services covering all established posts and the implementation of an effective system of staff appraisal and merit-based promotion and compensation are crucial to the realization of a rational and fair system of staff development.

6.20 **Personnel Data:** Lack of control over civil service establishment is, to a great extent, a result of the unreliable personnel data available at both the level of the central organs (MOF, DPMT) and at the level of the line ministries. The prevailing situation characterized by huge differences in the personnel data reflected in budget estimates, those in the payroll and those on DPMT’s files constitutes a major hindrance to effective management of the personnel function. The civil service census to be conducted under ID II is expected to provide reliable benchmark personnel data.

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\textsuperscript{46} Malawi Institute of Management (MIM): “A Study to Identify Options for Reducing the Vacancy Rates in the Malawi Civil Service” (unpublished report commissioned by the UNDP), March 1991.
CHAPTER 7

POLICY OBJECTIVES AND IMPLEMENTATION OPTIONS

PREAMBLE

7.1 The overlap between the conduct of the Pay and Employment Study and the preparation of Malawi's Second Institutional Development Project (ID II) made it possible for PAES's findings and conclusions to be taken into account in the determination of the actions to be carried out under ID II regarding civil service pay and employment issues. (An Interim Report on the PAES issued in June 1993 was available for use during the pre-appraisal of ID II in June/July 1993 and the main findings and conclusions of the PAES were shared with the appraisal mission of ID II in October 1993). Thus, the evidence provided in PAES regarding the prevailing confusion over the size of the civil service influenced the decision to include the conduct of a civil service census under ID II. In the following discussion of policy objectives and implementation options for Government on pay and employment, references are made to other relevant actions that would be implemented under ID II.

A. POLICY OBJECTIVES

7.2 In the context of the analysis of the issues in the previous chapters, it is suggested that the primary policy objectives that GOM could seek to achieve in respect of pay and employment are to:

- control the civil service wage bill to reduce the burden on the budget;
- rationalize the pay structure and enhance pay with a view to increasing government's ability to attract and retain qualified professional staff; and
- improve morale, performance and productivity to ensure better service delivery.

7.3 In the pursuit of each of these objectives, the Government can choose from the range of implementation options summarized in Table 7.1 below and elaborated upon in the remaining part of the Chapter.
### Table 7.1: SUMMARY OF PRIMARY POLICY OBJECTIVES AND IMPLEMENTATION OPTIONS

<table>
<thead>
<tr>
<th>PRIMARY POLICY OBJECTIVES</th>
<th>POLICY IMPLEMENTATION OPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. CONTROL OF THE CIVIL SERVICE WAGE BILL</strong></td>
<td>1. Re-establish a firm link of establishment control to the budget process;</td>
</tr>
<tr>
<td></td>
<td>2. Control the size of the civil service;</td>
</tr>
<tr>
<td><strong>B. RATIONALIZE THE PAY STRUCTURE AND ENHANCE PAY</strong></td>
<td>3. Establish Committee to undertake annual review of salaries</td>
</tr>
<tr>
<td></td>
<td>4. Monetize benefits before decision on salary enhancement</td>
</tr>
<tr>
<td></td>
<td>5. Peg public sector pay adjustments to labor market conditions</td>
</tr>
<tr>
<td></td>
<td>6. Constitute Tax and Customs Administration into an &quot;enclave&quot; Revenue Authority</td>
</tr>
<tr>
<td></td>
<td>7. Introduce performance-related pay, first on a pilot basis and progressively extend coverage</td>
</tr>
<tr>
<td></td>
<td>8. Reduce size of career civil service</td>
</tr>
<tr>
<td><strong>C. IMPROVE MORALE, PERFORMANCE AND PRODUCTIVITY</strong></td>
<td>9. Increase budget allocation for O &amp; M expenditures</td>
</tr>
<tr>
<td></td>
<td>10. Improve the personnel management function</td>
</tr>
<tr>
<td></td>
<td>11. Implement merit-based recruitment and promotion</td>
</tr>
</tbody>
</table>

### B. IMPLEMENTATION OPTIONS

**Firmly Link Establishment Control to the Budget Process**

7.4 Historically it was designed that budgetary control by the MOF would strongly reinforce establishment control by DPMT, thereby ensuring that growth of the civil service wage bill was consistent with fiscal capacity. Over the years, however, as discussed in Chapter 3, coordination between the DPMT and the MOF has become very weak.

7.5 The key steps in the initiative to re-establish budgetary control on the growth of the civil service wage bill should include:

- establishing the current actual size and composition of the civil service:
   As explained in Chapter 3, the DPMT has endeavored to establish the current actual size and composition of the civil service without success. And there
are no systems and controls in place that can be relied on to eventually confirm the position. The Civil Service Census to be financed under ID II is expected to assist Government solve this problem. The baseline personnel data generated by the census would have to be continuously up-dated and maintained under firm control. The personnel management information system to be created under ID II (and linked to the payroll data) is the key to ensuring success.

- developing departmental manpower plans and targets: The DPMT and MOF should, with technical support of the EP&D, jointly initiate the development of manpower plans and targets for each Government department. These manpower plans and targets will provide a rational framework for annual negotiations on staff establishment between DPMT and the ministries and departments, on the one hand, and between DPMT and the MOF on the other. These plans should be developed in the context of (i) long term macro-economic and sectoral development and restructuring goals and strategies, (ii) forecast budgetary resource envelopes for sectors and departments, and (iii) the goal to achieve a realistic balance between personnel emoluments and non-wage (O&M) expenditures for each department. Moreover, the manpower plans and targets would be improved and revised in the processes of implementing other measures to control the size of the civil service, as elaborated below.

- abolish the industrial class: In FY93/94, the Ministry of Finance imposed a 50 percent budget cut on personnel expenditures for non-established posts because of a severe budgetary constraint. On the basis of the evidence provided in this study, it would be tidier to simply abolish the industrial class (IC) whose staff constitutes the vast majority of the non-established employees in Government. At present, the exact number of IC employees is unknown (the census is expected to clarify this). The estimate in Chapter 3 is 50,624, roughly 35 percent of total positions. They are employed on tasks that could, for the most part, be undertaken outside the civil service, especially in the Ministry of Works: building, construction and maintenance. Existing IC employees would fall into one of the following categories:

  (a) those engaged on tasks that should normally be part of civil service work should be assimilated as civil servants after appropriate screening.

  (b) those engaged in tasks that can be contracted out or transferred to the private sector should be removed from the civil service after payment of appropriate disengagement compensation. (This is the bulk of IC employees). A proof that abolishing the industrial class is feasible is provided by the experience in the Water Sector (See Box 7.1)

- abolish all the existing vacancies in the establishment: As earlier noted, if all the existing vacancies were to be filled, the result would be a hefty 17.6 percent increase in the total number of civil servants. This zero-base approach should be accompanied by control measures for vetting (i) the creation and
approval of new vacancies by both DPMT and the Treasury, and (ii) the recruitment into newly created vacancies. In some countries, such as Tanzania and Kenya, to ensure the effectiveness of these controls, approvals for new recruitment can only be obtained at the level of the Head of the Civil Service.

Box 7.1: ABOLISHING THE INDUSTRIAL CLASS - WATER SECTOR EXAMPLE

In the course of preparations for the National Water Development Project, the Government of Malawi has developed and adopted a comprehensive statement of water sector policy entitled "National Water Resources Management Policy and Strategies". A feature of this framework is a commitment on the part of the government to a customer-led approach to the delivery of services, regionalization and commercialization of urban water supply and water-borne sanitation services. In an important step towards this objective, and the achievement of improved efficiency and sustainability, and the enhanced support that water infrastructure can then provide for economic and social development and the alleviation of poverty, Cabinet recently decided to create three Regional Water Boards to undertake the provision of water services to all urban areas other than Lilongwe and Blantyre. The supporting studies which preceded this decision presented preliminary staffing and financial plans for the three Regional Water Boards, building on the successful experience of the Lilongwe and Blantyre Water Boards. These two organizations went through a process of commercialization over the last few years, demonstrating the substantial savings and increased efficiency that this process can make possible partly through contracting out, on a competitive basis, tasks that were previously allocated to industrial-class employees.

In 1993, the number of industrial-class employees of the Water Department amounted to 1559. The supporting studies undertaken by the Government's consultants concluded that even without a comprehensive examination of what could be contracted out or done in other ways, the Regional Water Boards, if they undertook all urban and rural water services other than within Lilongwe and Blantyre, would require a maximum of 209 industrial class employees. It can safely be concluded that, in the case of the Water Sector, abolishing the industrial class is feasible, and if managed appropriately, could lead to substantial savings in the medium and long term.

* Improve coordination between the DPMT and the MOF: Formal mechanisms for coordinating DPMT and the MOF need to be re-established. As a minimum (i) the DPMT and MOF should have a joint technical committee to determine forward pay adjustment targets and establishment (manpower) and personnel expenditure ceilings, and (ii) the DPMT should take part in the budget negotiations between MOF and ministries.

Controlling the Size of the Civil Service

7.6 The wide gap between the Government's target of 2 percent annual growth rate of the numbers of Civil Servants and the actual annual growth rate of 14 percent of established positions between 1989/90 and 1992/93 shows that the target has become unrealistic. The fact that the Government exempts the ministries of health, education and agriculture from the freeze in recruitment has contributed to the very high annual growth rate recorded. It would be necessary for Government to clarify what specific posts and grades in the "protected" ministries are exempt from the hiring freeze. Furthermore, after the release of the civil
service census results, the Government could consider implementing the following complementary actions:

- **Any ghost workers** found at the end of the census exercise should be eliminated.
- In the event that the census results reveal cases of overstaffing and/or redundancies, Government should not hesitate to **retract** the necessary number of staff with due regard to the payment of entitlements (gratuity, pension), decent severance compensation and the provision of safety nets.

7.7 Further, a more systematic programme for improving the management and control of the size and composition of the civil service should be initiated. The major elements of such a programme should comprise: (a) rationalization of the role, functions and organization of Government; (b) rationalization of staffing; (c) strengthening personnel control systems. The functional review already undertaken in the Ministry of Agriculture should be extended to all the ministries beginning with those that employ the largest number of staff: Education, Works, Health. In every case, the functional review should be followed by the rationalization of staffing and the installation of effective personnel control system. In the case of the Ministry of Works, attention would have to be paid to the suggestion made in Chapter 2 regarding functions currently being performed by the ministry that could be performed either on contract basis or transferred to the private sector. It would also be desirable for Government to encourage more private sector participation in the provision of education and health, thereby reducing the pressure for continued expansion of staff in these two areas. With regard to the rationalization of staffing, it would be necessary to determine the cost-effective levels and mix of personnel, and thereby assist the manpower planning and budget processes. It is also important that historical staffing patterns are appraised. Such appraisal should seek to establish some rational staffing norms which would form the basis for either recruitment or retrenchment of staff.

7.8 Furthermore, the computerization of the DPMT personnel information system and the development of a single integrated (networked) central personnel information system for use by DPMT and MOF (Budget) and DPD to be implemented under ID II should be expeditiously completed. The personnel data generated by the census would constitute the baseline data for these personnel information networks. The challenge would be to continuously up-date the data to ensure effective management of Civil Service personnel.

**Enhance Pay and Rationalize the Pay Structure**

7.9 The enhancement of civil service pay and the rationalization of the pay structure should be complementary measures, to be carried out simultaneously. The logic here is that measures aimed at rationalizing the pay structure directly impinge on the relative as well as the absolute pay level for each grade. There are two major aspects in the rationalization of the pay structure:

- **Restructuring the salary/job grading system** in terms of (i) eliminating such obvious anomalies as in the case of lower job grades being on higher salary levels; and (ii) designing a simple and unified salary job grading structure to apply to all cadres in the civil service on the basis of schemes of service for each cadre. Such a simple and unified structure will facilitate job evaluation and regrading to ensure fair remuneration for the different occupation groups;
reversing the drift to non-transparent and inequitable remuneration options (i.e. allowances and non-monetary benefits). As argued in Chapter 4, Malawi has shown signs of drifting towards greater reliance on allowances for selectively enhancing the remuneration of civil servants. While some of the allowances (e.g. responsibility allowances, overtime allowances, etc) constitute incentives for improved performance, most of the others tend to distort the pay structure because they are inherently non-transparent and inequitable. It is, therefore, recommended that, in the context of a comprehensive pay reform initiative, the non-performance based allowances and non-monetary benefits should be monetized and incorporated into a transparent and largely consolidated pay structure. The allowances that constitute incentives for improved performance could be kept distinct from salaries but they should also be made transparent. As is the case in the private sector, superscale officers at the Principal Secretary level and above could continue to enjoy a limited number of benefits and allowances that are not incorporated in their salaries: telephone, transportation and institutional housing (for a handful).

7.10 According to the recommendation in the 1989 Public Expenditure Review, it would be desirable to raise civil service salaries to the levels prevailing in FY 1986/87. Table 7.2 below shows the estimated required (percentage) increase in the current salaries to restore their 1986/87 values for each grade in the civil service establishment. As shown in the table, while some salary grades (generally the industrial class, lower primary teachers, police constables, nurses, etc) are already at the 1986/87 salary levels and better, others, especially at the higher salary grades would need quite high increases to restore the 1986/87 values. And if the Government were to seek to raise salaries at the managerial and professional levels to achieve some degree of comparison with the levels of pay in the private, parastatal and donor sectors, much higher increases would be required.

7.11 The point regarding comparison of civil service pay with pay levels in the other sectors of the economy should be extended to the broad issue of linking public sector pay adjustments to labor market conditions. The public sector salary adjustments in 1992 and 1993 were effected without due regard for the impact on the country's labour market. Consequently, as explained in Chapter 4, the high increases in the salaries of civil servants seriously destabilized the labour market, resulting in unprecedented industrial unrest. To avoid a repeat of this, it is recommended that future salary adjustments are pegged to labour market conditions. Accordingly it is recommended that:

(a) the annual review of civil service pay should be a joint undertaking of the DPMT, MOF, EP&D and Ministry of Labour. The review should always be preceded by a survey of trends in pay in the parastatal and private sectors; and

(b) the statutory minimum wage should be the minimum benchmark for the civil service pay.
7.12 Because of the obvious problem of generating adequate revenues to support the huge salary enhancement that would be required (savings from the reduction of staff strength are almost certain to amount to very little), the following alternative policy options are offered for Government's consideration:

- **Tax and Customs Administration should be constituted into an "enclave" Board or Authority outside the civil service.** The officials of the Authority would cease to be career civil service servants and their terms and conditions of service would be set in relation to targets of revenue collection to be determined annually. A key element would be individual and team bonuses to serve as motivators. Ghana, Uganda and Zambia are currently experimenting with this approach. (See Box 7.2) This option was discussed informally with a few Tax Administration officials in Blantyre in 1993 and the initial response was positive.

- Some positions at the senior managerial and professional levels could be designated as contract positions. The decision to proceed in this manner would be informed by Government's own priorities. The contract appointees would cease to be career civil servants but would receive performance-related pay that would be significantly higher than what career officials receive. Details regarding this special arrangement would be transparent.

- Some activities that are currently managed as part of the career civil service could, without any loss to the invaluable role of a career civil service system in a plural political system, be contracted out or privatized. This would mean that a significant number of officials would be removed from the career civil service (e.g., cleaners, plumbers, gardeners, printers, etc). Their conditions of service would be regulated by the prevailing situation in the labor market.

- The much smaller career civil service that would remain would benefit from the salary enhancement that would be implemented under ID II. Although the salary increases would not be as huge as those for staff who choose options (a), (b), or (c), the fact of security of tenure for all officials and participation in the exercise of state power by the senior management and professional staff would have to be emphasized as additional motivators.
Box 7.2. ENCLAVE APPROACH FOR TAX AND CUSTOMS ADMINISTRATION

An important thrust of the governance approach to civil service reform that was recently adopted by the Africa Region of the World Bank is to hive off as an "enclave" some specific functions of government such that constraints to improved performance can be tackled successfully within a given time frame and with good prospects of sustainability. This enclave approach has been applied to tax and customs administration in Ghana and Uganda with considerable success. Zambia followed suit in April 1994, and other countries, including the Gambia, are poised to launch similar schemes. In all three countries, the enclave approach was to be the answer to the parlous state of tax and customs administration. This was partly the upshot of pervasive corruption and moonlighting, and partly the legacy of a civil service riddled by poor management and dysfunctional institutions and demoralized by low pay. Prior to the adoption of the new approach, tax revenue collection in Ghana had fallen to about 4.5% of GDP. In Uganda, the Revenue/GDP ratio was down to a paltry 5%. Revenue mobilization needed to be stepped up and fast to reduce the budget deficit and salvage important on-going development programs.

Ghana pioneered the application of the enclave approach in 1985 with the creation of its National Revenue Secretariat, which is independent of the civil service and has its own conditions of service and pay policies. The NRS also has a free hand regarding recruitment and dismissal and its management policies and organizational structures. Significant measures calculated to sustain a performance-biased work culture were taken. The revenue services were henceforth to work to fixed targets. The basic salary levels of all staff were raised to be on a par with levels in the private and banking sectors. Additionally, staff get a 15% bonus contingent on achieving agreed yearly targets. Moreover, to cap its funding from the national budget, the NRS is allowed to meet its operational expenses by taking a slice of all revenues collected. Other measures included getting rid of weak performers from the inherited institution, recruiting pivotal professional staff, instituting tough sanctions for tax evasion and fraud and enforcing them rigorously, launching staff training programs, and formulating new operational procedures and producing accompanying manuals.

The autonomous Uganda Revenue Authority was established in 1991 and a former head of the Ghana NRS was employed to head it. In Uganda, the entire previous workforce was absorbed. It was decided that those found to be poor performers would be removed later on. This proved extremely difficult, owing chiefly to political interference. Consequently, corruption, though much reduced, continues to be a problem. The personnel question was also a vexed one for the Uganda NRS, hence its marked reliance, especially in the initial stages on ODA assistance. Setting up the revenue service also entailed some costs in terms of new equipment and vehicles.

The enclave approach appears to be on a success path. In Ghana, between 1985 and 1988, tax and customs revenues increased from 6.6% to 12.3% of GDP. In Uganda, from a 5% Revenue/GDP ratio in 1987-88, it had crept up to 7% by 1991. In 1993, it hovered around 9%. However, much scope remains for improvement as estimates are that only about half of the total customs revenue due is being collected. The successes and problems encountered under the enclave approach underscore the importance of political commitment, improved incentives, and operating procedures that set a high premium on performance.
Improve Morale, Performance and Productivity

7.13 Some of the recommendations proposed for pay enhancement, notably the introduction of performance-related pay and down-sizing of the career civil service, would also contribute to the goal of achieving improved morale, performance and productivity. Another reform measure that could promote improved performance is increased budgetary allocation for operations and maintenance (O&M) expenditures. As pointed out in Chapter 2, the wage bill is gradually crowding out "other goods and services" (i.e. fuel, consumable, maintenance, transport costs etc) from the GOM budget, and thereby increasingly rendering many civil servants under-employed. Therefore, to ensure acceptable standards of performance and productivity by civil servants, and safeguard the quality of Government services, it is necessary for GOM to increase budget allocations for O&M expenditures. Such targeting for O&M expenditure allocations can be facilitated by reference to:

- the historical levels at which these expenditures have been budgeted relative to the expenditures on personal emoluments;
- such international indicators as (i) minimum per capita spending on primary education (from UNESCO and/or the World Bank), primary health care (from the WHO and/or the World Bank), (ii) standard coefficients developed by development agencies that can be used to estimate the recurrent (O&M) expenditure requirements in relation to capital investment.

However, the diversity of government activities constitutes a powerful argument against the use of a single norm for defining the balance between operations and maintenance expenditure on the one hand and personnel expenditures on the other. Therefore, it would be necessary to tackle the problem on a ministry by ministry basis in order to ensure optimal allocation of budgetary resources.

7.14 Finally, the new Public Service Act provides for strict adherence to merit-based recruitment and promotions in the civil service. This provision of the Act should be given wide publicity within the civil service and in all advertisements for recruitment. The new commitment to merit-based recruitment should henceforth affect selections and appointments to posts graded S4/P4 and above, hitherto filled as political patronage posts. Exceptions should be very small in number (possibly limited to S2/P2 levels and above) and the terms and conditions of appointment should be transparent. Furthermore, an emphasis on merit-based promotions should mean the abandonment of the existing preference for promotion based on seniority. The open performance appraisal system to be implemented under ID II would help to bring about this change. It is expected that strict adherence to merit-based recruitment and promotion in the civil service will enhance efficiency and productivity as demonstrated in the experience of the high performing economies of South-East Asia.
Table 7.2: ESTIMATED REQUIRED INCREASE IN CURRENT SALARIES TO RESTORE 1986/87 VALUES

<table>
<thead>
<tr>
<th>SALARY GRADES</th>
<th>REPRESENTATIVE/GENERIC JOB TITLES</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>S1/P1</td>
<td>SPC, Chief Specialists, etc</td>
<td>59.8%</td>
</tr>
<tr>
<td>S2B/P2B</td>
<td>Deputy SPC</td>
<td>58.6%</td>
</tr>
<tr>
<td>S2A/P2A</td>
<td>Attorney General</td>
<td>57.6%</td>
</tr>
<tr>
<td>S2/P2</td>
<td>Principal Secretaries</td>
<td>56.7%</td>
</tr>
<tr>
<td>S3/P3</td>
<td>Senior DPSs, Ambassadors</td>
<td>43.1%</td>
</tr>
<tr>
<td>S4/P4</td>
<td>Deputy Principal Secretaries(DPSs)</td>
<td>38.2%</td>
</tr>
<tr>
<td>S5/P5</td>
<td>Under Secretaries, Chief Officers, etc</td>
<td>46.5%</td>
</tr>
<tr>
<td>S6/P6</td>
<td>Senior Assistant Secretaries</td>
<td>45.1%</td>
</tr>
<tr>
<td>S7/P7</td>
<td>Principal Officers</td>
<td>47.9%</td>
</tr>
<tr>
<td>S8/P8</td>
<td>Senior Officers</td>
<td>52.9%</td>
</tr>
<tr>
<td>A1/AOA/PDA</td>
<td>Professional/Administrative Officers</td>
<td>60.4%</td>
</tr>
<tr>
<td>A2/AOB/POB</td>
<td>Professional/Administrative Officers</td>
<td>57.0%</td>
</tr>
<tr>
<td>A3/AOC/POC</td>
<td>Professional/Administrative Officers</td>
<td>53.6%</td>
</tr>
<tr>
<td>B1/CEO/CTO</td>
<td>Chief Executive/Technical Officer</td>
<td>54.9%</td>
</tr>
<tr>
<td>B2/STO/SEO</td>
<td>Senior Executive/Technical Officer</td>
<td>47.7%</td>
</tr>
<tr>
<td>B3/TO/EO</td>
<td>Executive/Technical Officer</td>
<td>24.2%</td>
</tr>
<tr>
<td>D1</td>
<td>Personal Secretary Grade I</td>
<td>54.9%</td>
</tr>
<tr>
<td>D2</td>
<td>Personal Secretary Grade II</td>
<td>47.7%</td>
</tr>
<tr>
<td>D3</td>
<td>Shorthand Typist</td>
<td>24.0%</td>
</tr>
<tr>
<td>D4</td>
<td>Shorthand Typist II</td>
<td>29.7%</td>
</tr>
<tr>
<td>D5</td>
<td>Senior Copy Typist</td>
<td>7.1%</td>
</tr>
<tr>
<td>D6</td>
<td>Copy Typist I</td>
<td>30.8%</td>
</tr>
<tr>
<td>D7</td>
<td>Copy Typist II</td>
<td>15.8%</td>
</tr>
<tr>
<td>D8</td>
<td>Copy Typist III</td>
<td>5.6%</td>
</tr>
<tr>
<td>C1/DPI/SCO/STA</td>
<td>Senior Clerical/Technical Assistants</td>
<td>32.1%</td>
</tr>
<tr>
<td>AF</td>
<td>Assistant Foreman</td>
<td>-100.0%</td>
</tr>
<tr>
<td>SC I</td>
<td>Messenger</td>
<td>13.7%</td>
</tr>
<tr>
<td>SC II</td>
<td>Messenger</td>
<td>5.4%</td>
</tr>
<tr>
<td>SC III</td>
<td>Messenger</td>
<td>-2.0%</td>
</tr>
<tr>
<td>SC IV</td>
<td>Messenger</td>
<td>-20.3%</td>
</tr>
<tr>
<td>CW G1/CW1</td>
<td>Industrial Class</td>
<td>-10.8%</td>
</tr>
<tr>
<td>CW G2/CW2</td>
<td>Industrial Class</td>
<td>-9.5%</td>
</tr>
<tr>
<td>CW G3/CW3</td>
<td>Industrial Class</td>
<td>-8.8%</td>
</tr>
<tr>
<td>PS1</td>
<td>Senior Police Superintendent</td>
<td>61.2%</td>
</tr>
<tr>
<td>PS2</td>
<td>Police Superintendent</td>
<td>56.3%</td>
</tr>
<tr>
<td>PS3</td>
<td>Assistant Superintendent</td>
<td>51.6%</td>
</tr>
<tr>
<td>PS4</td>
<td>Inspector</td>
<td>23.0%</td>
</tr>
<tr>
<td>PS5</td>
<td>Sub-Inspector of Police</td>
<td>0.4%</td>
</tr>
<tr>
<td>PS6</td>
<td>First Sergeant</td>
<td>-7.2%</td>
</tr>
<tr>
<td>PS7</td>
<td>Second Sergeant</td>
<td>-6.5%</td>
</tr>
<tr>
<td>PS8</td>
<td>Constable</td>
<td>-13.0%</td>
</tr>
<tr>
<td>N1</td>
<td>Principal Matron</td>
<td>176.1%</td>
</tr>
<tr>
<td>N2</td>
<td>Senior Nurse Tutor</td>
<td>69.7%</td>
</tr>
<tr>
<td>N3</td>
<td>Nurse Tutors</td>
<td>47.8%</td>
</tr>
<tr>
<td>N4</td>
<td>Senior Nursing Sister</td>
<td>32.9%</td>
</tr>
<tr>
<td>N5</td>
<td>Nursing Sister</td>
<td>53.0%</td>
</tr>
<tr>
<td>N6</td>
<td>Staff Nurse</td>
<td>24.2%</td>
</tr>
<tr>
<td>N7</td>
<td>Senior Enrolled Nurse</td>
<td>25.0%</td>
</tr>
<tr>
<td>N8/N9</td>
<td>Enrolled Nurse</td>
<td>-1.9%</td>
</tr>
<tr>
<td>ET1</td>
<td>Secondary School Teacher</td>
<td>56.0%</td>
</tr>
<tr>
<td>ET2</td>
<td>Secondary School Teacher</td>
<td>46.0%</td>
</tr>
<tr>
<td>ET3</td>
<td>Secondary School Teacher</td>
<td>31.7%</td>
</tr>
<tr>
<td>T1</td>
<td>Primary School Teacher</td>
<td>24.2%</td>
</tr>
<tr>
<td>T2</td>
<td>Primary School Teacher</td>
<td>23.1%</td>
</tr>
<tr>
<td>T3</td>
<td>Primary School Teacher</td>
<td>-3.6%</td>
</tr>
<tr>
<td>T4</td>
<td>Primary School Teacher</td>
<td>-22.5%</td>
</tr>
<tr>
<td>T5</td>
<td>Primary School Teacher</td>
<td>-25.4%</td>
</tr>
</tbody>
</table>

Source: Appendix Table 4.2
POSTSCRIPT

(DRAFT BRIEF FOR GOVERNMENT ON "MALAWI - CIVIL SERVICE PAY AND EMPLOYMENT STUDY")

INTRODUCTION

1. The Pay and Employment Study (PAES) was conducted between February and November 1993 by a World Bank-led team comprising Ladipo Adamolekun, Principal Public Sector Management Specialist (Team Leader); Noel Kulemeka, Economist, World Bank Resident Mission, Malawi; Kithinji Kiragu, Consultant, KK Management Consulting Associates; and Harold Kuchande, Management Development Consultant at the Malawi Institute of Management. The study team consulted extensively with government officials in the following ministries and departments: Ministry of Finance, Department of Human Resources Management and Development, Ministry of Economic Planning and Development and Ministry of Labor.

2. Towards the end of September 1994, the World Bank dispatched copies of the "Green Cover" of the PAES report to the Government of Malawi (GOM) and suggested that the findings, conclusions and recommendations of the report could be discussed at a Workshop on Friday, October 21. The half-day Workshop was held as scheduled and it was attended by twenty-three (23) participants including four Principal Secretaries, a few heads of departments and senior- and middle-level officials from a cross-section of ministries and departments. Representatives of MIM and the World Bank were also present at the Workshop. (The list of participants is provided as Attachment I).

3. At the end of the discussions of the PAES report, the participants unanimously agreed that the report’s primary policy objectives and implementation options, as amended and endorsed at the Workshop, should be brought to the attention of policy makers in Cabinet. Four primary policy objectives in respect of civil service pay and employment were adopted: (i) control of civil service wage bill; (ii) rationalization of pay structure and enhancement of pay; (iii) improvement of morale, performance and productivity; and (iv) improvement of industrial relations. A number of specific policy implementation options were identified for each policy objective. (See Summary in Table 1 on the next page)

PRIMARY POLICY OBJECTIVES AND IMPLEMENTATION OPTIONS

4. The following are some of the main implementation options to be considered for adoption and implementation for each of the four primary policy objectives in civil service pay and employment. (Details of the full range of options are contained in the PAES report)
Table 1: Summary of Primary Policy Objectives and Implementation Options

<table>
<thead>
<tr>
<th>Primary Policy Objectives</th>
<th>Policy Implementation Options</th>
</tr>
</thead>
</table>
| A. Control the Civil Service Wage Bill | 1. Re-establish a firm link of establishment control to the budget process  
2. Increase government revenue by constituting tax and customs administration into an "enclave" revenue authority.  
3. Control the size of the civil service through, among others, reducing the size of the civil service after analyzing civil service census results. |
| B. Rationalize the pay structure and enhance pay | 4. Establish Committee to undertake regular review of salaries, based on job evaluation results and prevailing market rates and conditions  
5. Monetize benefits before decisions on salary enhancement  
6. Peg public sector pay adjustments to labor market conditions |
| C. Improve morale, performance and productivity | 7. Increase budget allocation for O&M expenditure  
8. Improve the personnel management function  
9. Introduce performance-related pay, first on a pilot basis and progressively extend coverage.  
10. Implement merit-based recruitment and promotion.  
11. Increase training budget for ministries and departments |
| D. Improve industrial relations in the civil service | 12. Review existing legislation on industrial relations in the civil service  
13. Provide operational guidelines for the establishment and functioning of civil service trade unions  
14. Establish collective bargaining and grievance handling systems and procedures  
15. Promote education programmes on industrial relations for civil servants. |
Control of the Civil Service Wage Bill

5. To effectively control the civil service wage bill, two broad sets of actions are required: re-establishment of budgetary control on the growth of the civil service wage bill and controlling the size of the civil service.

(i) Link Establishment Control to the Budget Process

- **Abolish the industrial class**: On the basis of the evidence provided in the PAES, it is recommended that the industrial class whose staff constitutes the vast majority of non-established employees in Government should be abolished. At present, the exact number of IC employees is unknown (the forthcoming civil service census is expected to clarify this). The current estimate of 50,624 is roughly 35 percent of total positions. They are employed on tasks that could, for the most part, be undertaken outside the civil service, especially in the Ministry of Works: building, construction and maintenance. Existing IC employees would fall into one of the following categories:
  
  (a) those engaged on tasks that should normally be part of civil service work should be assimilated as civil servants after appropriate screening.
  
  (b) those engaged in tasks that can be contracted out or transferred to the private sector should be removed from the civil service after payment of appropriate disengagement compensation. (This is the bulk of IC employees). A proof that abolishing the industrial class is feasible is provided by the experience in the Water Sector in 1993.

- **Abolish all existing vacancies in the establishment**: If all the existing vacancies were to be filled, the result would be a huge 17.6 percent increase in the total number of civil servants. Abolishing all the existing vacancies would mean a zero-based approach. This is to be accompanied by control measures for vetting (i) the creation and approval of new vacancies by both DHRMD and the Treasury, and (ii) the recruitment into newly created vacancies. It is also recommended that approvals for new recruitment should only be obtained at the level of the Secretary to the President and Cabinet as is currently the case in some SSA countries such as Kenya and Tanzania.

- **Establish a National Revenue Authority as an "enclave"**: Hiving off tax and customs administration from the civil service and constituting it into an autonomous "enclave" could significantly enhance revenue collection as is already the case in Ghana and Uganda. Zambia established a similar enclave authority in 1994 and both Tanzania and Kenya have passed legislation establishing similar authorities. As part of the preparation to establish the NRA, a study visit could be organized to three of the SSA countries with the relevant experience early in 1995. Preparation of appropriate legislation and other start-up activities could be completed before the end of 1995 and the NRA launched at the beginning of the 1996/97 financial year.
(ii) Control the Size of the Civil Service

- Remove any ghost workers and undertake functional reviews with a view to re-structuring and streamlining ministries and departments after the conduct of the civil service census.

- Implement recommendations on the rationalization of the diplomatic service as contained in the 1994 report of the Management Services Division of DHRMD.

- To reduce the burden of the wage bill on the budget that will result from the recent recruitment of about 19,000 new teachers, Government could: (i) return former missionary primary and secondary schools to them and encourage religious organizations to be active in the sector; (ii) promote private sector involvement in the establishment and running of primary and secondary schools; and (iii) redeploy some teaching staff from administrative positions back to the classrooms.

- Scrutinize the parastatal sector with a view to privatizing or liquidating treasury funds as appropriate and review the use of government subsidies to pay salaries in local governments and in loss making commercial enterprises.

Rationalize the Pay Structure and Enhance Pay

- Following the recent agreement with striking civil servants, GOM agreed to establish a salary review committee. It is recommended that at least two credible civil service union leaders be invited to serve on the committee. The committee’s work would be a first step toward the salary review, linked to job evaluation, to be undertaken under ID II.

- Restructure the salary/job grading system in terms of (i) eliminating such obvious anomalies as in the case of lower job grades being on higher salary levels; and (ii) designing a simple and unified salary job grading structure to apply to all cadres in the civil service on the basis of schemes of service for each cadre. Such a simple and unified structure will facilitate job evaluation and regrading to ensure fair remuneration for the different occupational groups.

- Reverse the drift to non-transparent and inequitable remuneration options (i.e. allowances and non-monetary benefits). In the context of a comprehensive pay reform initiative, the non-performance based allowances and non-monetary benefits should be monetized and incorporated into a transparent and largely consolidated pay structure. The allowances that constitute incentives for improved performance could be kept distinct from salaries but they should also be made transparent.

- Because salary enhancement would be a gradual process, Government could base appointments to some priority senior managerial and professional positions on contract. The contract appointees would cease to be career civil servants but
would receive performance-related pay that would be significantly higher than what career officials receive. Details regarding the contract positions need to be transparent.

**Improve Morale, Performance and Productivity**

- It is recommended that provisions relating to merit-based recruitment and promotion in the Public Service Act be highlighted in the proposed Handbook for Civil Servants to be based on the Act. These provision also need to be systematically reflected in all advertisements for civil service position.

- Increase budgetary allocation for operations and maintenance expenditures by ensuring better balance between these expenditures and those on personal emoluments. It is recommended that this problem be tackled on a ministry by ministry basis to ensure optimal allocation of budgetary resources.

- Increase the training budget for ministries and departments and allow greater autonomy for the accounting officers heading them to determine the utilization of their respective allocations.

**Improve Industrial Relations in the Civil Service**

- The serious disruption caused by civil service strikes in 1993 and 1994 calls for urgent Government attention. Therefore, improving industrial relations ought to receive immediate attention.

- The review of existing legislation on industrial relations in the civil service, the preparation of operational guidelines for the establishment and functioning of civil service trade unions and the development and delivery of workers education programmes could be financed under the HRMD component of ID II. A joint Labor/HRMD study visit to selected Eastern and Southern Africa countries (possibly Botswana and Kenya) to obtain information on "best practice" in this area could be useful. The study tour as well as the review legislation could be financed under the HRMD component of ID II.
# List of Participants at PAES Workshop held on 21 October 1994

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government of Malawi Officials</strong></td>
<td></td>
</tr>
<tr>
<td>1. B.F. Banda</td>
<td>Chief Personnel Officer, DHRMD</td>
</tr>
<tr>
<td>2. V.C. Banda</td>
<td>Audit Officer, National Audit Office</td>
</tr>
<tr>
<td>3. A.P. Bwanausi</td>
<td>Chief Personnel Officer, Works and Supplies</td>
</tr>
<tr>
<td>4. Y.D. Chimombo</td>
<td>Commissioner, Inland Revenue Department</td>
</tr>
<tr>
<td>5. Mr. D.E. Chunga</td>
<td>Personnel Officer, DHRMD</td>
</tr>
<tr>
<td>6. Mr. R. Dzanjalimodzzi</td>
<td>Principal Secretary, Water Resources Department</td>
</tr>
<tr>
<td>7. P. V. Kachimera</td>
<td>Deputy Secretary, DHRMD</td>
</tr>
<tr>
<td>8. R.T.E. Kamanga</td>
<td>Deputy Secretary, HRMD</td>
</tr>
<tr>
<td>9. R.A. Kampanje</td>
<td>Deputy Accountant General</td>
</tr>
<tr>
<td>10. A.M. Mkoko</td>
<td>Deputy Secretary, DHRMD</td>
</tr>
<tr>
<td>11. M.S.D. Magalasi</td>
<td>Principal Secretary, HRMD</td>
</tr>
<tr>
<td>12. T.H.T. Masikini</td>
<td>Controller, Data Processing Department, Blantyre</td>
</tr>
<tr>
<td>13. G.H. Mandiwa</td>
<td>Chief Personnel Officer, Agriculture &amp; Livestock</td>
</tr>
<tr>
<td></td>
<td>Development</td>
</tr>
<tr>
<td>14. B.B. Mawindo</td>
<td>Project Manager, Second Institutional Development Project</td>
</tr>
<tr>
<td>15. C.P. Msosa</td>
<td>Principal Management Services Officer, DHRMD</td>
</tr>
<tr>
<td>16. A.H. Mvula</td>
<td>Principal Management Services Officer, DHRMD</td>
</tr>
<tr>
<td>17. R.P. Mwadiwa</td>
<td>Deputy Secretary, Treasury</td>
</tr>
<tr>
<td>18. Mr. M. Kamphambe Nkoma</td>
<td>Principal Secretary (Administration) OPC</td>
</tr>
<tr>
<td>19. G.G.Y. Ngomezulu</td>
<td>Principal Secretary, Labor &amp; Manpower Development</td>
</tr>
<tr>
<td><strong>Malawi Institute of Management Staff</strong></td>
<td></td>
</tr>
<tr>
<td>20. Dr. B.F. Kandoole</td>
<td>Principal, MIM</td>
</tr>
<tr>
<td>21. H. Kuchande</td>
<td>Senior Management Development, Consultant, MIM</td>
</tr>
<tr>
<td><strong>World Bank Staff</strong></td>
<td></td>
</tr>
<tr>
<td>22. L. Adamolekun</td>
<td>Principal PSM Specialist, World Bank, Washington, D.C.</td>
</tr>
<tr>
<td>23. N. Kulemeka</td>
<td>Economist, World Bank, Lilongwe</td>
</tr>
</tbody>
</table>
# Appendix Table 1.1

**AVERAGE NUMBER OF PAID EMPLOYEES, BY SECTOR, 1985 - 1987**

<table>
<thead>
<tr>
<th></th>
<th>Average Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>401476</td>
</tr>
<tr>
<td><strong>Private</strong></td>
<td>319384</td>
</tr>
<tr>
<td><strong>Government</strong></td>
<td>82092</td>
</tr>
</tbody>
</table>


### Appendix Table 1.2

**AVERAGE EARNINGS PER EMPLOYEE BY SECTOR, 1985 – 1989**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td>773</td>
<td>847</td>
<td>968</td>
<td>1046</td>
<td>1198</td>
</tr>
<tr>
<td>Private</td>
<td></td>
<td>728</td>
<td>809</td>
<td>937</td>
<td>1021</td>
<td>1174</td>
</tr>
<tr>
<td>Government</td>
<td></td>
<td>942</td>
<td>997</td>
<td>1073</td>
<td>1145</td>
<td>1294</td>
</tr>
</tbody>
</table>

### Appendix Table 2.1

**SALARIES AND WAGES ON TREASURY FUNDS**

<table>
<thead>
<tr>
<th>Treasury Fund Categories</th>
<th>1988/89 Actual (K'000s)</th>
<th>1989/90 Actual (K'000s)</th>
<th>1990/91 Actual (K'000s)</th>
<th>1991/92 Revised (K'000s)</th>
<th>1992/93 Estimates (K'000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercially Oriented</td>
<td>14,707</td>
<td>18,197</td>
<td>20,320</td>
<td>23,052</td>
<td>25,285</td>
</tr>
<tr>
<td>Development Oriented</td>
<td>330</td>
<td>438</td>
<td>511</td>
<td>750</td>
<td>588</td>
</tr>
<tr>
<td>Agricultural Credit</td>
<td>32</td>
<td>53</td>
<td>65</td>
<td>223</td>
<td>988</td>
</tr>
<tr>
<td>TOTAL</td>
<td>15,069</td>
<td>18,688</td>
<td>20,896</td>
<td>24,025</td>
<td>26,861</td>
</tr>
</tbody>
</table>

Source: Malawi Govt/MOF Budget and Performance Report on Treasury Funds, 1992/93
## Appendix Table 2.2

**SALARIES AND WAGES AS PERCENTAGE OF GOVERNMENT SUBVENTIONS FOR A SELECT NUMBER OF STATUTORY BODIES, 1992/93**

<table>
<thead>
<tr>
<th>Parastatal Body</th>
<th>Total Subvention (K'000s)</th>
<th>Total Wage Bill Amount (K'000s)</th>
<th>As % of Subvention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malawi Broadcasting Corporation</td>
<td>4,744</td>
<td>3,506</td>
<td>74%</td>
</tr>
<tr>
<td>Chichewa Board</td>
<td>312</td>
<td>189</td>
<td>61%</td>
</tr>
<tr>
<td>Malawi National Examinations Board</td>
<td>7,535</td>
<td>1,498</td>
<td>20%</td>
</tr>
<tr>
<td>National Herbarium</td>
<td>943</td>
<td>317</td>
<td>34%</td>
</tr>
<tr>
<td>Malawi Export Promotion Council</td>
<td>1,468</td>
<td>677</td>
<td>46%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>15,002</strong></td>
<td><strong>6,187</strong></td>
<td><strong>41%</strong></td>
</tr>
</tbody>
</table>

Note: The five parastatal bodies taken in this case were those for which data was readily available.

Source: Malawi Government/Department of Statutory Boards (DSB).
## Appendix Table 2.3
### STATUTORY BODIES - SUBVENTIONS FOR 5 YEARS

<table>
<thead>
<tr>
<th>Parastatal Bodies</th>
<th>1988/89 (K 000s)</th>
<th>1989/90 (K 000s)</th>
<th>1990/91 (K 000s)</th>
<th>1991/92 (K 000s)</th>
<th>1992/93 (K 000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>M.B.C.</td>
<td>2,693</td>
<td>3,305</td>
<td>4,388</td>
<td>4,651</td>
<td>4,744</td>
</tr>
<tr>
<td>MANEB</td>
<td>3,764</td>
<td>4,559</td>
<td>5,748</td>
<td>7,035</td>
<td>7,535</td>
</tr>
<tr>
<td>MEPC</td>
<td>1,067</td>
<td>1,149</td>
<td>1,243</td>
<td>1,368</td>
<td>1,468</td>
</tr>
<tr>
<td>N.L.S.</td>
<td>726</td>
<td>922</td>
<td>995</td>
<td>1,095</td>
<td>1,160</td>
</tr>
<tr>
<td>M.C.A.</td>
<td>686</td>
<td>880</td>
<td>950</td>
<td>1,045</td>
<td>1,150</td>
</tr>
<tr>
<td>N.H.B.G.</td>
<td>550</td>
<td>533</td>
<td>650</td>
<td>696</td>
<td>943</td>
</tr>
<tr>
<td>MACOHA</td>
<td>106</td>
<td>283</td>
<td>349</td>
<td>473</td>
<td>640</td>
</tr>
<tr>
<td>K.V.R.T.C/LL</td>
<td>145</td>
<td>191</td>
<td>255</td>
<td>471</td>
<td>596</td>
</tr>
<tr>
<td>MIDCOR</td>
<td>750</td>
<td>2,500</td>
<td>600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M.B.S.</td>
<td>571</td>
<td>699</td>
<td>500</td>
<td>665</td>
<td>815</td>
</tr>
<tr>
<td>M.A.B.</td>
<td>291</td>
<td>337</td>
<td>364</td>
<td>390</td>
<td>425</td>
</tr>
<tr>
<td>CHICEWA BOARD</td>
<td>150</td>
<td>202</td>
<td>219</td>
<td>232</td>
<td>312</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>11,499</td>
<td>15,560</td>
<td>16,261</td>
<td>18,121</td>
<td>19,788</td>
</tr>
</tbody>
</table>
APPENDIX TABLE 2.4

GOVERNMENT EXPENDITURE ON WAGES AND SALARIES AS PERCENTAGE OF TOTAL EXPENDITURE AND LENDING MINUS REPAYMENTS. MALAWI COMPARED TO SELECT SSA COUNTRIES, 1980 – 1989

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Malawi</td>
<td>180</td>
<td>184</td>
<td>188</td>
<td>185</td>
<td>180</td>
<td>170</td>
<td>155</td>
<td>150</td>
<td>157</td>
<td>173</td>
</tr>
<tr>
<td>Sus-Sahara Africa</td>
<td>420</td>
<td>438</td>
<td>425</td>
<td>387</td>
<td>350</td>
<td>329</td>
<td>339</td>
<td>349</td>
<td>360</td>
<td>364</td>
</tr>
<tr>
<td>(excluding Nigeria)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zambia</td>
<td>22.4</td>
<td>32.9</td>
<td>29.6</td>
<td>31.4</td>
<td>30.7</td>
<td>25.6</td>
<td>22.3</td>
<td>25.8</td>
<td>22.2</td>
<td>n.a.</td>
</tr>
<tr>
<td>Tanzania</td>
<td>18.6</td>
<td>21.1</td>
<td>20.4</td>
<td>22.9</td>
<td>22.3</td>
<td>25.6</td>
<td>24.8</td>
<td>19.2</td>
<td>18.2</td>
<td>n.a.</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>30.7</td>
<td>30.0</td>
<td>25.7</td>
<td>26.1</td>
<td>24.4</td>
<td>24.2</td>
<td>25.3</td>
<td>26.4</td>
<td>32.8</td>
<td>32.0</td>
</tr>
<tr>
<td>Kenya</td>
<td>25.3</td>
<td>27.2</td>
<td>27.6</td>
<td>31.1</td>
<td>31.7</td>
<td>29.7</td>
<td>33.7</td>
<td>31.5</td>
<td>32.0</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Source: UNDP/The World Bank, African development Indicators, 1992
## Appendix Table 2.4 (a)
PERSONAL EXPENDITURE ON REVENUE ACCOUNT FOR 1991/92

<table>
<thead>
<tr>
<th>Head/Vote</th>
<th>Ministry/Department</th>
<th>Personal Emoluments</th>
<th>As % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>001</td>
<td>The President</td>
<td>270,000.00</td>
<td>0.11%</td>
</tr>
<tr>
<td>002</td>
<td>Miscellaneous Statutory</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>003</td>
<td>Pensions and Gratuities</td>
<td>1,866,172.00</td>
<td>0.74%</td>
</tr>
<tr>
<td>004</td>
<td>Public Debt Charges</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>005</td>
<td>State Residences</td>
<td>3,093,504.00</td>
<td>1.22%</td>
</tr>
<tr>
<td>006</td>
<td>Audit</td>
<td>756,714.00</td>
<td>0.30%</td>
</tr>
<tr>
<td>007</td>
<td>Judicial</td>
<td>1,154,029.00</td>
<td>0.45%</td>
</tr>
<tr>
<td>008</td>
<td>National Assembly</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>009</td>
<td>Office of the President and Cabinet</td>
<td>1,831,580.00</td>
<td>0.72%</td>
</tr>
<tr>
<td>010</td>
<td>Defence</td>
<td>22,137,360.00</td>
<td>8.73%</td>
</tr>
<tr>
<td>011</td>
<td>Economic Planning</td>
<td>461,181.00</td>
<td>0.18%</td>
</tr>
<tr>
<td>012</td>
<td>District Administration</td>
<td>4,288,606.00</td>
<td>1.69%</td>
</tr>
<tr>
<td>013</td>
<td>Lands and Valuation</td>
<td>1,230,748.00</td>
<td>0.49%</td>
</tr>
<tr>
<td>014</td>
<td>National Statistical Office</td>
<td>826,066.00</td>
<td>0.33%</td>
</tr>
<tr>
<td>015</td>
<td>Police</td>
<td>13,572,035.00</td>
<td>5.35%</td>
</tr>
<tr>
<td>016</td>
<td>Printing &amp; Stationary</td>
<td>707,397.00</td>
<td>0.28%</td>
</tr>
<tr>
<td>017</td>
<td>Prisons</td>
<td>2,131,511.00</td>
<td>0.84%</td>
</tr>
<tr>
<td>018</td>
<td>Survey</td>
<td>957,348.00</td>
<td>0.38%</td>
</tr>
<tr>
<td>019</td>
<td>Agriculture</td>
<td>27,446,316.00</td>
<td>10.82%</td>
</tr>
<tr>
<td>020</td>
<td>Energy and Mining</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>021</td>
<td>Fisheries</td>
<td>1,297,688.00</td>
<td>0.51%</td>
</tr>
<tr>
<td>022</td>
<td>Forestry</td>
<td>13,180,383.00</td>
<td>5.20%</td>
</tr>
<tr>
<td>023</td>
<td>Geological Survey</td>
<td>608,515.00</td>
<td>0.24%</td>
</tr>
<tr>
<td>024</td>
<td>Education</td>
<td>70,180,494.00</td>
<td>27.67%</td>
</tr>
<tr>
<td>025</td>
<td>External Affairs</td>
<td>15,894,855.00</td>
<td>6.27%</td>
</tr>
<tr>
<td>026</td>
<td>Finance</td>
<td>1,589,241.00</td>
<td>0.63%</td>
</tr>
<tr>
<td>027</td>
<td>Customs and Excise</td>
<td>1,606,782.00</td>
<td>0.63%</td>
</tr>
<tr>
<td>028</td>
<td>Income Tax</td>
<td>712,943.00</td>
<td>0.28%</td>
</tr>
<tr>
<td>029</td>
<td>Office Equipment</td>
<td>167,183.00</td>
<td>0.07%</td>
</tr>
<tr>
<td>030</td>
<td>Health</td>
<td>18,918,799.00</td>
<td>7.46%</td>
</tr>
<tr>
<td>031</td>
<td>Women and Children Affairs and Community Services</td>
<td>2,933,969.00</td>
<td>1.16%</td>
</tr>
<tr>
<td>032</td>
<td>Information and Tourism</td>
<td>858,041.00</td>
<td>0.34%</td>
</tr>
<tr>
<td>033</td>
<td>Tourism</td>
<td>858,041.00</td>
<td>0.34%</td>
</tr>
<tr>
<td>034</td>
<td>Justice</td>
<td>3,677,301.00</td>
<td>1.45%</td>
</tr>
<tr>
<td>035</td>
<td>Registrar General</td>
<td>197,130.00</td>
<td>0.08%</td>
</tr>
<tr>
<td>036</td>
<td>Labour</td>
<td>1,188,578.00</td>
<td>0.47%</td>
</tr>
<tr>
<td>037</td>
<td>Local Government</td>
<td>1,449,325.00</td>
<td>0.57%</td>
</tr>
<tr>
<td>038</td>
<td>Trade and Industry</td>
<td>858,327.00</td>
<td>0.34%</td>
</tr>
<tr>
<td>039</td>
<td>Transport and Communication</td>
<td>3,221,036.00</td>
<td>1.27%</td>
</tr>
<tr>
<td>040</td>
<td>Posts and Telecommunication</td>
<td>9,875,292.00</td>
<td>3.89%</td>
</tr>
<tr>
<td>041</td>
<td>Works</td>
<td>15,478,524.00</td>
<td>6.10%</td>
</tr>
<tr>
<td>042</td>
<td>National Parks And Wildlife</td>
<td>1,276,391.00</td>
<td>0.50%</td>
</tr>
<tr>
<td>043</td>
<td>Youth &amp; Malawi Young Pioneers</td>
<td>729,298.00</td>
<td>0.29%</td>
</tr>
<tr>
<td>044</td>
<td>Personnel Mgt. &amp; Training</td>
<td>1,532,220.00</td>
<td>0.60%</td>
</tr>
<tr>
<td>045</td>
<td>Housing and Physical Planning</td>
<td>932,922.00</td>
<td>0.37%</td>
</tr>
<tr>
<td>046</td>
<td>Forestry and Natural Resources</td>
<td>536,576.00</td>
<td>0.21%</td>
</tr>
<tr>
<td>047</td>
<td>Accountant General</td>
<td>1,431,806.00</td>
<td>0.56%</td>
</tr>
<tr>
<td>048</td>
<td>Data Processing</td>
<td>571,588.00</td>
<td>0.23%</td>
</tr>
<tr>
<td>049</td>
<td>Subventions to Statutory Organisations</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>253,635,774.00</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
Appendix Table 2.4 (b):
Personal Emoluments Expenditure on Development Account for 1991/92

<table>
<thead>
<tr>
<th>HEAD/VOTE</th>
<th>MINISTRY/DEPARTMENT</th>
<th>PERSONAL EMOLUMENTS Actual Expenditure</th>
<th>As % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>State Residence</td>
<td>98,918.00</td>
<td>0.28%</td>
</tr>
<tr>
<td>203</td>
<td>Judiciary</td>
<td>276,028.00</td>
<td>0.79%</td>
</tr>
<tr>
<td>205</td>
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<tr>
<td>207</td>
<td>Economic Planning and Development</td>
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<tr>
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<tr>
<td>214</td>
<td>Survey</td>
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<td>Education and Culture</td>
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<td>233</td>
<td>Labour</td>
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<td>234</td>
<td>Local Government</td>
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<tr>
<td>238</td>
<td>Works</td>
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<tr>
<td>239</td>
<td>National Parks and Wildlife</td>
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<td>241</td>
<td>Personnel Management and Training</td>
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<td></td>
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<tr>
<td>242</td>
<td>Housing and Physical Planning</td>
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<td>243</td>
<td>Forestry and Natural Resources</td>
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<td>244</td>
<td>Accountant General</td>
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<tr>
<td>245</td>
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## Appendix Table 2.4 (c)

**Total personal Emoluments Expenditure for 1991/92.**

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<th>Head/ Vote</th>
<th>Ministry/Department</th>
<th>Personnel Emoluments Actual Expenditure</th>
<th>As % of Total</th>
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<td>Miscellaneous Statutory Expenditure</td>
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<td>303</td>
<td>Pensions and Gratuities</td>
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<td>304</td>
<td>Public Debt Charges</td>
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<td></td>
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<td>State Residences</td>
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<td>Audit</td>
<td>756714</td>
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<td>307</td>
<td>Judicial</td>
<td>1154029</td>
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<td>National Assembly</td>
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<td>Defence</td>
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<td>461181</td>
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<td>District Administration</td>
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<td>Lands and Valuation</td>
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<td>0.52%</td>
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<td>National Statistical Office</td>
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<td>Survey</td>
<td>957348</td>
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<tr>
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<td>Agriculture</td>
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<td>Energy and Mining</td>
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<td>321</td>
<td>Fisheries</td>
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<td>Forestry</td>
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<td>Geological Survey</td>
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<td>Education</td>
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<td>325</td>
<td>External Affairs</td>
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<td>Finance</td>
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<td>Customs and Excise</td>
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<td>Income Tax</td>
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<td>329</td>
<td>Office Equipment</td>
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<td>Health</td>
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<td>Information and Tourism</td>
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<tr>
<td>333</td>
<td>Tourism</td>
<td></td>
<td></td>
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<tr>
<td>334</td>
<td>Justice</td>
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<td>1.29%</td>
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<td>335</td>
<td>Registrar General</td>
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<td>336</td>
<td>Labour</td>
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<td>Local Government</td>
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<td>Trade and Industry</td>
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<td>Posts and Telecommunication</td>
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<td>Works</td>
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<td>National Parks And Wildlife</td>
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<td>Youth &amp; Malawi Young Pioneers</td>
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<td>Forestry and Natural Ressources</td>
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<td>Data Processing</td>
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<tr>
<td>349</td>
<td>Subventions to Statutory Organisations</td>
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<td>TOTAL</td>
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APPENDIX TABLE 2.5


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<th>(a) amounts in K '000s</th>
<th>1990/91 actual</th>
<th>1991/92 actual</th>
<th>1992/93 revised</th>
<th>1993/94 estimate</th>
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<td>Established Staff - Salaries</td>
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<td>343509</td>
<td>317365</td>
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<td>12728</td>
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<td>sub-total</td>
<td>185852</td>
<td>145588</td>
<td>364920</td>
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<td>Non-established staff - salaries</td>
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<td>88409</td>
<td>79316</td>
<td>79981</td>
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<td>Village Headmen’s Remuneration</td>
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<td>305</td>
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<td>Technical Assistance Personnel</td>
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<td>5446</td>
<td>9496</td>
<td>18</td>
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<td>Student and Uniform Allowances</td>
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<td>721</td>
<td>980</td>
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<td>481052</td>
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<td>Pensions and gratuities</td>
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<td>55590</td>
<td>34515</td>
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<td>536642</td>
<td>477301</td>
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<td>sub-total</td>
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<td>16.8%</td>
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<td>Village Headmen’s Remuneration</td>
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<td>0.1%</td>
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<td>Technical Assistance Personnel</td>
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<td>Student and Uniform Allowances</td>
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<td>100.0%</td>
<td>100.0%</td>
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APPENDIX TABLE 2.6
GOVERNMENT EXPENDITURE ON SALARIES AND WAGES COMPARED WITH GDP
AND TOTAL GOVERNMENT CONSUMPTION, 1982 – 1993

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<th>YEAR</th>
<th>SALARIES AND WAGES</th>
<th>GDP</th>
<th>AT MARKE GOVERNMENT</th>
<th>PRICES</th>
<th>CONSUMPTION</th>
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<td>99.00</td>
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<td>111.70</td>
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<td>127.30</td>
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<td>149.50</td>
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<td>1986</td>
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<td>1987</td>
<td>231.70</td>
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<td>247.60</td>
<td>3505.3</td>
<td>570.9</td>
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<td>339.80</td>
<td>5078.8</td>
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<td>346.90</td>
<td>5574.1</td>
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<td>237.86</td>
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<td>332.66</td>
<td>9165.1</td>
<td>878.62</td>
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Sources: (1) GOM: Monthly statistical bulletin, December 1992
for figures up to 1990

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<th>YEAR</th>
<th>SALARIES AND WAGES AS % GDP</th>
<th>SALARIES AND WAGES AS % GOVT AT MARKET PRICES</th>
<th>CONSUMPTION</th>
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<td>1985</td>
<td>7.75%</td>
<td>43.28%</td>
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<td>1993</td>
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### APPENDIX TABLE 2.7

**EFFECTS OF RECENT 1991/92–1993/94 SALARY INCREASES ON THE WAGE BILL BUDGET**

(amounts in K'000s)

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</tr>
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<td>ORIGINAL ESTIMATES</td>
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<td>36,227</td>
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<td>11,350</td>
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<tr>
<td>Housing allowance</td>
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<tr>
<td>Other</td>
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<td>19,186</td>
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<td>299,487</td>
<td>293,144</td>
<td>285,501</td>
</tr>
</tbody>
</table>

**NOTE:** Revised estimates for 1993/94 are derived from authors' computations.

**SOURCE:** GOM Estimates of Expenditure on the Recurrent Account for the FYs 1992/93 and 1993/94
**APPENDIX TABLE 2.8**

**EXPENDITURES ON SALARIES AND WAGES COMPARED TO THOSE ON GOODS AND SERVICES**

<table>
<thead>
<tr>
<th></th>
<th>Salaries and wages</th>
<th>Goods and services</th>
<th>Goods and Services as a % of emoluments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981/82 Actual</td>
<td>57.67</td>
<td>93.68</td>
<td>162.44%</td>
</tr>
<tr>
<td>1982/83 Actual</td>
<td>67.99</td>
<td>102.8</td>
<td>151.20%</td>
</tr>
<tr>
<td>1983/84 Actual</td>
<td>76.66</td>
<td>107.15</td>
<td>139.77%</td>
</tr>
<tr>
<td>1984/85 Actual</td>
<td>85.43</td>
<td>129.06</td>
<td>151.07%</td>
</tr>
<tr>
<td>1985/86 Actual</td>
<td>104.62</td>
<td>155.1</td>
<td>148.25%</td>
</tr>
<tr>
<td>1986/87 Actual</td>
<td>131.97</td>
<td>207.93</td>
<td>157.56%</td>
</tr>
<tr>
<td>1987/88 Actual</td>
<td>163.14</td>
<td>202.63</td>
<td>124.21%</td>
</tr>
<tr>
<td>1988/89 Actual</td>
<td>161.20</td>
<td>311.50</td>
<td>193.24%</td>
</tr>
<tr>
<td>1989/90 Actual</td>
<td>223.58</td>
<td>380.50</td>
<td>170.19%</td>
</tr>
<tr>
<td>1990/91 Actual</td>
<td>237.86</td>
<td>475.20</td>
<td>199.78%</td>
</tr>
<tr>
<td>1991/92 Actual</td>
<td>257.62</td>
<td>530.38</td>
<td>205.88%</td>
</tr>
<tr>
<td>1992/93 Revised</td>
<td>482.31</td>
<td>635.90</td>
<td>131.84%</td>
</tr>
<tr>
<td>1993/94 Estimate</td>
<td>574.63</td>
<td>520.76</td>
<td>90.63%</td>
</tr>
</tbody>
</table>

**Memo Items**

Goods and services as % of Emoluments


(ii) Authors – for estimates of adjustments to budget figures for FYs 1992/93 and 1993/94.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUB-SAHARAN AFRICA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXCLUDING NIGERIA</strong></td>
<td>19.7</td>
<td>19.4</td>
<td>20.4</td>
<td>17.5</td>
<td>18.0</td>
<td>18.0</td>
<td>20.2</td>
<td>19.4</td>
<td>20.4</td>
<td>17.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>KENYA</strong></td>
<td>27.2</td>
<td>23.0</td>
<td>23.4</td>
<td>25.0</td>
<td>23.1</td>
<td>19.6</td>
<td>20.3</td>
<td>19.4</td>
<td>19.4</td>
<td>21.0</td>
<td>23.6</td>
<td>9.7</td>
<td></td>
</tr>
<tr>
<td><strong>TANZANIA</strong></td>
<td>33.2</td>
<td>33.7</td>
<td>35.0</td>
<td>30.8</td>
<td>32.7</td>
<td>31.6</td>
<td>39.3</td>
<td>34.7</td>
<td>28.5</td>
<td>29.7</td>
<td>32.8</td>
<td>34.2</td>
<td></td>
</tr>
<tr>
<td><strong>ZAMBIA</strong></td>
<td>23.2</td>
<td>33.2</td>
<td>2.1</td>
<td>7.0</td>
<td>17.5</td>
<td>12.4</td>
<td>16.8</td>
<td>12.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ZIMBABWE</strong></td>
<td>24.6</td>
<td>18.8</td>
<td>15.9</td>
<td>17.1</td>
<td>16.7</td>
<td>15.7</td>
<td>15.7</td>
<td>17.2</td>
<td>16.4</td>
<td>17.1</td>
<td>17.8</td>
<td>21.6</td>
<td>16.0</td>
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<tr>
<td><strong>MALAWI</strong></td>
<td>19.5</td>
<td>33.9</td>
<td>28.2</td>
<td>31.9</td>
<td>26.7</td>
<td>23.7</td>
<td>26.1</td>
<td>30.0</td>
<td></td>
<td></td>
<td>28.8</td>
<td>27.3</td>
<td>28.0</td>
</tr>
</tbody>
</table>

**SOURCE:** UNDP/THE WORLD BANK, AFRICA DEVELOPMENT INDICATORS 1992
# Appendix Table 3.1

## THE MALAWI CIVIL SERVICE ESTABLISHMENT: CURRENT STRUCTURE

**BY MINISTRY AND DEPARTMENT, MARCH, 1993**

<table>
<thead>
<tr>
<th>MINISTRY/DEPARTMENT</th>
<th>ESTABLISHED POSTS</th>
<th>FILLED POSTS</th>
<th>VACANT AS % OF TOTAL</th>
<th>VACANCIES AS % OF TOTAL</th>
<th>NON-EST. POSTS</th>
<th>INDUSTRIAL CLASS POSTS</th>
<th>TOTAL POSTS</th>
<th>TOTAL NO. OF FILLED POSTS</th>
<th>FILLED POSTS AS % OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>005 State Residence</td>
<td>110</td>
<td>67</td>
<td>43</td>
<td>39.00%</td>
<td>0</td>
<td>1,407</td>
<td>1,517</td>
<td>1,474</td>
<td>97.00%</td>
</tr>
<tr>
<td>006 National Audit Office</td>
<td>222</td>
<td>135</td>
<td>87</td>
<td>39.00%</td>
<td>1</td>
<td>21</td>
<td>244</td>
<td>157</td>
<td>64.00%</td>
</tr>
<tr>
<td>007 Judicial Department</td>
<td>327</td>
<td>299</td>
<td>28</td>
<td>9.00%</td>
<td>0</td>
<td>75</td>
<td>402</td>
<td>374</td>
<td>93.00%</td>
</tr>
<tr>
<td>008 National Assembly</td>
<td>37</td>
<td>33</td>
<td>4</td>
<td>11.00%</td>
<td>0</td>
<td>12</td>
<td>49</td>
<td>45</td>
<td>92.00%</td>
</tr>
<tr>
<td>009 Office of the President and Cabinet</td>
<td>382</td>
<td>335</td>
<td>47</td>
<td>12.00%</td>
<td>1</td>
<td>127</td>
<td>510</td>
<td>463</td>
<td>91.00%</td>
</tr>
<tr>
<td>010 Defence*</td>
<td>2,769</td>
<td>2,769</td>
<td>0</td>
<td>0.00%</td>
<td>0</td>
<td>2,769</td>
<td>2,769</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>011 Economic Planning and Development</td>
<td>97</td>
<td>87</td>
<td>10</td>
<td>10.00%</td>
<td>0</td>
<td>6</td>
<td>103</td>
<td>93</td>
<td>90.00%</td>
</tr>
<tr>
<td>012 District Administration</td>
<td>658</td>
<td>658</td>
<td>0</td>
<td>0.00%</td>
<td>0</td>
<td>20</td>
<td>678</td>
<td>678</td>
<td>100.00%</td>
</tr>
<tr>
<td>013 Lands and Valuation Department</td>
<td>369</td>
<td>347</td>
<td>22</td>
<td>6.00%</td>
<td>0</td>
<td>122</td>
<td>491</td>
<td>469</td>
<td>96.00%</td>
</tr>
<tr>
<td>014 National Statistics Office</td>
<td>342</td>
<td>337</td>
<td>5</td>
<td>1.00%</td>
<td>0</td>
<td>581</td>
<td>923</td>
<td>918</td>
<td>99.00%</td>
</tr>
<tr>
<td>015 Police (includes immigration)*</td>
<td>6,200</td>
<td>6,178</td>
<td>22</td>
<td>0.02%</td>
<td>0</td>
<td>6,200</td>
<td>6,178</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>016 Printing and Stationary</td>
<td>240</td>
<td>239</td>
<td>1</td>
<td>0.00%</td>
<td>0</td>
<td>70</td>
<td>310</td>
<td>309</td>
<td>100.00%</td>
</tr>
<tr>
<td>017 Prisons</td>
<td>1,123</td>
<td>1,127</td>
<td>11</td>
<td>1.00%</td>
<td>0</td>
<td>21</td>
<td>1,144</td>
<td>1,133</td>
<td>99.00%</td>
</tr>
<tr>
<td>018 Surveys Department</td>
<td>207</td>
<td>151</td>
<td>56</td>
<td>27.00%</td>
<td>0</td>
<td>290</td>
<td>497</td>
<td>441</td>
<td>89.00%</td>
</tr>
<tr>
<td>019 Ministry of Agriculture</td>
<td>7,882</td>
<td>6,774</td>
<td>1,108</td>
<td>14.00%</td>
<td>2</td>
<td>8,390</td>
<td>15,166</td>
<td>93.00%</td>
<td></td>
</tr>
<tr>
<td>020 Ministry of Energy and Mining</td>
<td>89</td>
<td>42</td>
<td>47</td>
<td>53.00%</td>
<td>0</td>
<td>5</td>
<td>94</td>
<td>47</td>
<td>50.00%</td>
</tr>
<tr>
<td>021 Fisheries Department</td>
<td>465</td>
<td>418</td>
<td>47</td>
<td>10.00%</td>
<td>0</td>
<td>436</td>
<td>901</td>
<td>854</td>
<td>95.00%</td>
</tr>
<tr>
<td>022 Forestry Department</td>
<td>1,728</td>
<td>1,597</td>
<td>131</td>
<td>8.00%</td>
<td>0</td>
<td>13,356</td>
<td>15,084</td>
<td>14,953</td>
<td>99.00%</td>
</tr>
<tr>
<td>023 Geological Surveys</td>
<td>149</td>
<td>146</td>
<td>33</td>
<td>22.00%</td>
<td>0</td>
<td>189</td>
<td>329</td>
<td>296</td>
<td>90.00%</td>
</tr>
<tr>
<td>024 Ministry of State</td>
<td>40</td>
<td>23</td>
<td>17</td>
<td>43.00%</td>
<td>0</td>
<td>6</td>
<td>46</td>
<td>29</td>
<td>63.00%</td>
</tr>
<tr>
<td>025 Ministry of Education and Culture</td>
<td>46,368</td>
<td>36,451</td>
<td>9,917</td>
<td>21.00%</td>
<td>1,641</td>
<td>1,140</td>
<td>48,565</td>
<td>39,232</td>
<td>80.00%</td>
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<tr>
<td>026 Ministry of external Affairs</td>
<td>235</td>
<td>208</td>
<td>27</td>
<td>11.00%</td>
<td>2</td>
<td>31</td>
<td>268</td>
<td>241</td>
<td>90.00%</td>
</tr>
<tr>
<td>027 Ministry of Finance (1)</td>
<td>113</td>
<td>94</td>
<td>19</td>
<td>17.00%</td>
<td>18</td>
<td>12</td>
<td>148</td>
<td>129</td>
<td>87.00%</td>
</tr>
<tr>
<td>028 Central Government Stores (2)</td>
<td>302</td>
<td>230</td>
<td>72</td>
<td>24.00%</td>
<td>81</td>
<td>284</td>
<td>667</td>
<td>595</td>
<td>88.00%</td>
</tr>
<tr>
<td>029 Customs and Excise Department</td>
<td>555</td>
<td>497</td>
<td>58</td>
<td>10.00%</td>
<td>0</td>
<td>555</td>
<td>497</td>
<td>90.00%</td>
<td></td>
</tr>
<tr>
<td>030 Income Tax Department</td>
<td>247</td>
<td>157</td>
<td>90</td>
<td>36.00%</td>
<td>20</td>
<td>33</td>
<td>300</td>
<td>210</td>
<td>70.00%</td>
</tr>
<tr>
<td>031 Office Equipment Department</td>
<td>57</td>
<td>56</td>
<td>1</td>
<td>2.00%</td>
<td>0</td>
<td>9</td>
<td>66</td>
<td>65</td>
<td>98.00%</td>
</tr>
<tr>
<td>032 Ministry of Health</td>
<td>6,418</td>
<td>4,790</td>
<td>1,628</td>
<td>28.00%</td>
<td>74</td>
<td>2,250</td>
<td>8,739</td>
<td>7,114</td>
<td>81.00%</td>
</tr>
<tr>
<td>033 Ministry of Women’s and children’s</td>
<td>1,148</td>
<td>975</td>
<td>173</td>
<td>15.00%</td>
<td>0</td>
<td>279</td>
<td>1,427</td>
<td>1,254</td>
<td>88.00%</td>
</tr>
</tbody>
</table>
## THE MALAWI CIVIL SERVICE ESTABLISHMENT: CURRENT STRUCTURE
### BY MINISTRY AND DEPARTMENT, MARCH, 1993

<table>
<thead>
<tr>
<th>MINISTRY/DEPARTMENT</th>
<th>OFFICIAL POSTS</th>
<th>FILLED POSTS</th>
<th>VACANT POSTS</th>
<th>VACANCIES AS A % OF TOTAL POSTS</th>
<th>INDUSTRIAL POSTS</th>
<th>NON-EST POSTS</th>
<th>TOTAL POSTS</th>
<th>TOTAL NO. OF FILLED POSTS</th>
<th>FILLED POSTS AS A % OF TOTAL POSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>034 Ministry of Information and Tourism</td>
<td>394</td>
<td>312</td>
<td>82</td>
<td>21.00%</td>
<td>0</td>
<td>131</td>
<td>525</td>
<td>443</td>
<td>84.00%</td>
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<td>035 Ministry of Justice</td>
<td>1,634</td>
<td>1,471</td>
<td>163</td>
<td>10.00%</td>
<td>0</td>
<td>685</td>
<td>2,319</td>
<td>2,156</td>
<td>93.00%</td>
</tr>
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<td>036 Registrar General’s Department</td>
<td>49</td>
<td>44</td>
<td>5</td>
<td>10.00%</td>
<td>0</td>
<td>8</td>
<td>57</td>
<td>52</td>
<td>91.00%</td>
</tr>
<tr>
<td>037 Ministry of Labour</td>
<td>337</td>
<td>299</td>
<td>38</td>
<td>11.00%</td>
<td>3</td>
<td>31</td>
<td>371</td>
<td>333</td>
<td>90.00%</td>
</tr>
<tr>
<td>038 Ministry of Local Government</td>
<td>347</td>
<td>217</td>
<td>130</td>
<td>37.00%</td>
<td>4</td>
<td>73</td>
<td>242</td>
<td>294</td>
<td>89.00%</td>
</tr>
<tr>
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<td>205</td>
<td>179</td>
<td>26</td>
<td>13.00%</td>
<td>0</td>
<td>36</td>
<td>241</td>
<td>215</td>
<td>89.00%</td>
</tr>
<tr>
<td>040 Ministry of Transport and Communications</td>
<td>1,048</td>
<td>916</td>
<td>38</td>
<td>3.00%</td>
<td>70</td>
<td>1,891</td>
<td>5,963</td>
<td>5,261</td>
<td>98.00%</td>
</tr>
<tr>
<td>041 Department of Posts and Telecommunications</td>
<td>4,002</td>
<td>3,300</td>
<td>702</td>
<td>18.00%</td>
<td>1,891</td>
<td>5,963</td>
<td>5,261</td>
<td>98.00%</td>
<td></td>
</tr>
<tr>
<td>042 Ministry of Works</td>
<td>2,749</td>
<td>1,717</td>
<td>1,032</td>
<td>38.00%</td>
<td>0</td>
<td>15,357</td>
<td>18,106</td>
<td>17,074</td>
<td>94.00%</td>
</tr>
<tr>
<td>043 Department of National Parks and Wildlife</td>
<td>428</td>
<td>357</td>
<td>71</td>
<td>17.00%</td>
<td>0</td>
<td>280</td>
<td>708</td>
<td>637</td>
<td>90.00%</td>
</tr>
<tr>
<td>044 Department of Youth and Malawi Pioneers</td>
<td>228</td>
<td>193</td>
<td>35</td>
<td>15.00%</td>
<td>0</td>
<td>1,715</td>
<td>1,943</td>
<td>1,908</td>
<td>98.00%</td>
</tr>
<tr>
<td>045 Department of Personnel, Management and Training</td>
<td>418</td>
<td>383</td>
<td>35</td>
<td>8.00%</td>
<td>10</td>
<td>152</td>
<td>580</td>
<td>545</td>
<td>94.00%</td>
</tr>
<tr>
<td>includes pool of trainees of 150</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>046 Department of Housing and Physical Planning</td>
<td>418</td>
<td>416</td>
<td>2</td>
<td>0.00%</td>
<td>0</td>
<td>315</td>
<td>733</td>
<td>731</td>
<td>100.00%</td>
</tr>
<tr>
<td>047 Ministry of Forestry and Natural Resources HQ</td>
<td>130</td>
<td>105</td>
<td>25</td>
<td>19.00%</td>
<td>4</td>
<td>15</td>
<td>149</td>
<td>124</td>
<td>83.00%</td>
</tr>
<tr>
<td>048 Accountant General’s Department</td>
<td>413</td>
<td>372</td>
<td>41</td>
<td>10.00%</td>
<td>0</td>
<td>28</td>
<td>441</td>
<td>400</td>
<td>91.00%</td>
</tr>
<tr>
<td>049 Data Processing Department</td>
<td>143</td>
<td>107</td>
<td>36</td>
<td>25.00%</td>
<td>0</td>
<td>40</td>
<td>183</td>
<td>147</td>
<td>80.00%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>91,819</td>
<td>75,663</td>
<td>16,160</td>
<td>18.00%</td>
<td>1,931</td>
<td>50,624</td>
<td>143,790</td>
<td>128,218</td>
<td>89.00%</td>
</tr>
</tbody>
</table>

*Source: DPTM, Personnel Officers from various Ministries and Departments*

*Note: All establishment data has been verified by Personnel Officers Except for:
- District Administration
- Ministry of Health
- Department of Housing and Physical Planning
- Defence
- Police
- Prisons

*Data for non-established Industrial class employees not available*
### Number and Distribution of Established Positions

#### in the Civil Service by Salary Grade, April, 1993

<table>
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### Appendix Table 3.2

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|--------------------------|-------|----|----|----|----|----|----|----|----|--------|-----|----|----|----|----|----|----|----|----|-----|----|----|----|----|----|-----|-----|-----|---------|
| Continued balance from page 1 | | 3 | 3 | 8 | 8 | 8 | 5 | 75 | 175 | 25 | 733 | 242 | 154 | 148 | 95 | 13 | 19 | 113 | 377 | 36 | 284 | 304 | 1155 | 2740 | 21008 |
| 021 Fisheries Department | | 0 | 0 | 0 | 1 | 1 | 1 | 6 | 29 | 0 | 17 | 0 | 51 | 2 | 33 | 0 | 1 | 215 | 0 | 17 | 0 | 10 | 10 | 73 | 0 | 468 |
| 022 Forestry Department | | 0 | 0 | 0 | 1 | 4 | 8 | 9 | 17 | 67 | 0 | 35 | 1 | 138 | 3 | 67 | 0 | 2 | 485 | 1 | 45 | 24 | 76 | 60 | 144 | 0 | 1728 |
| 023 Geological Surveys | | 0 | 0 | 0 | 1 | 1 | 3 | 4 | 25 | 0 | 5 | 0 | 17 | 1 | 37 | 0 | 1 | 36 | 0 | 1 | 20 | 0 | 1 | 0 | 0 | 0 | 0 | 41 |
| 024 Ministry of State | | 0 | 0 | 0 | 1 | 3 | 0 | 3 | 1 | 7 | 0 | 0 | 1 | 2 | 4 | 2 | 0 | 1 | 8 | 0 | 5 | 0 | 1 | 1 | 2 | 0 | 41 |
| 025 Ministry of Education and Culture | 0 | 0 | 0 | 0 | 1 | 6 | 13 | 49 | 103 | 304 | 1744 | 0 | 1048 | 2 | 1013 | 16 | 61 | 1 | 426 | 18 | 2 | 178 | 6 | 15 | 14 | 633 | 0 | 40356 |
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| 027 Ministry of Finance (I) | | 0 | 0 | 1 | 2 | 4 | 5 | 1 | 19 | 17 | 36 | 2 | 12 | 3 | 47 | 4 | 34 | 1 | 159 | 15 | 17 | 2 | 6 | 3 | 29 | 0 | 415 |
| 028 Customs and Excise Department | | 0 | 0 | 1 | 1 | 2 | 4 | 7 | 9 | 32 | 0 | 42 | 1 | 103 | 6 | 32 | 1 | 1 | 231 | 2 | 9 | 3 | 17 | 15 | 30 | 6 | 555 |
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| 030 Office Equipment Department | | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 0 | 0 | 7 | 0 | 0 | 0 | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 57 |
| 031 Ministry of Health | | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 2 | 0 | 3 | 0 | 7 | 0 | 10 | 0 | 0 | 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 57 |
| 032 Ministry of Women's and children's Affairs and Community Services | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 033 Ministry of Information and Tourism | | 0 | 0 | 0 | 0 | 3 | 6 | 0 | 6 | 22 | 300 | 1 | 360 | 7 | 827 | 23 | 51 | 5 | 2162 | 7 | 58 | 148 | 47 | 1033 | 325 | 0 | 6437 |
| 034 Ministry of Justice | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 035 Registrar General's Department | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 036 Ministry of Labour | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 037 Ministry of Local Government | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 038 Ministry of Trade and Industry | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 039 Ministry of Transport and Communications | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal | | 3 | 60 | 35 | 108 | 210 | 125 | 494 | 890 | 3317 | 45 | 2218 | 53 | 13466 | 218 | 2519 | 25 | 43 | 4247 | 96 | 875 | 294 | 992 | 2158 | 3455 | 2746 | 76856 |
### Appendix Table 3.2

**NUMBER AND DISTRIBUTION OF ESTABLISHED POSITIONS IN THE CIVIL SERVICE BY SALARY GRADE, APRIL, 1993**

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**APPENDIX TABLE 4.1**

**CIVIL SERVICE SALARY STRUCTURE IN SELECT YEARS, 1982-1992**
### Appendix Table 4.1

CIVIL SERVICE SALARY STRUCTURE IN SELECT YEARS, 1982-1992

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## APPENDIX TABLE 4.1

### CIVIL SERVICE SALARY STRUCTURE IN SELECT YEARS, 1982-1992

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**SOURCE:** GN/O/DPMT various circulars
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**MEDIAN ANNUAL BASIC SALARY ON SCALE**

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### MEDIAN ANNUAL BASIC SALARY ON SCALE

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SOURCE: GOM/DPMT, various circulars
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### Subordinate Staff

| SC I          | Messenger                           | 290                             | 71484                               | 2108                             | 73592                           | 162                                  | 21997                           | 1113                                  | 23110                           |
| SC II         | Messenger                           | 891                             | 184417                              | 5656                             | 190142                          | 634                                  | 69257                           | 3619                                  | 72876                           |
| SC III        | Messenger                           | 2153                            | 376077                              | 18694                            | 394771                          | 1835                                 | 162730                          | 8691                                  | 171420                          |
| SC IV         | Messenger                           | 3897                            | 572530                              | 34162                            | 606692                          | 3701                                 | 256509                          | 15278                                 | 271786                          |
| **SUB-TOTAL** |                                  | 7231                            | 1264578                             | 660620                           | 1265197                         | 6332                                 | 510492                          | 28700                                 | 339192                          |

### Tradesmen

| E1            | Tradesman                           | 46                              | 13752                               | 8309                             | 22061                           | 37                                  | 6101                            | 1403                                  | 7505                           |
| E2            | Tradesman                           | 24                              | 5086                               | 2372                             | 7458                            | 23                                  | 2815                            | 1227                                  | 4042                           |
| E3            | Tradesman                           | 36                              | 6999                               | 4235                             | 10334                           | 38                                  | 2841                            | 1251                                  | 5091                           |
| EL            | Learner Tradesman                   | 91                              | 14559                              | 6430                             | 20988                           | 99                                  | 8956                            | 3522                                  | 12479                          |
| **SUB-TOTAL** |                                  | 1971                            | 39446                              | 21346                            | 60642                           | 197                                 | 21713                           | 7404                                  | 29117                          |

### Industrial Class

| CW G1/CW1     | n.a.                                | 35                              | 7055                               | 821                              | 7876                            | 18                                  | 2457                            | 94                                   | 2551                           |
| CW G2/CW2     | n.a.                                | 21                              | 3598                               | 470                              | 4068                            | 17                                  | 1664                            | 328                                  | 1991                           |
| CW G3/CW3     | n.a.                                | 206                             | 26465                              | 6401                             | 32926                           | 211                                 | 15106                           | 2077                                  | 17182                          |
| **SUB-TOTAL** |                                  | 262                             | 37118                              | 7753                             | 44871                           | 246                                 | 19226                           | 2498                                  | 21725                          |

### Senior Police Officers

| PS1           | Senior Police Superintendent        | 49                              | 52339                              | 220                              | 52559                           | 31                                  | 21644                           | 13                                   | 21657                          |
| PS2           | Police Superintendent              | 71                              | 64137                              | 2265                             | 66402                           | 59                                  | 32158                           | 284                                  | 32442                          |
| PS3           | Assistant Superintendent           | 104                             | 67973                              | 4077                             | 72050                           | 115                                 | 46801                           | 1303                                 | 48104                          |
| PS4           | Inspector                          | 150                             | 80749                              | 186                              | 80735                           | 159                                 | 50209                           | 1706                                 | 51735                          |
| **SUB-TOTAL** |                                  | 374                             | 264998                             | 6748                              | 271746                          | 364                                 | 150632                          | 3306                                 | 153938                         |

### Police Constabulary

| PS5           | Sub-Inpector of Police             | 230                             | 94896                              | 884                               | 95780                           | 238                                 | 59447                           | 1827                                 | 61274                          |
| PS6           | First Sergeant                     | 350                             | 131961                             | 1210                             | 133171                          | 319                                 | 71472                           | 829                                  | 72300                          |
| PS7           | Second Sergeant                    | 635                             | 200726                             | 2457                             | 201831                          | 690                                 | 133434                          | 3214                                 | 136648                         |
| PS8           | Constable                          | 3893                            | 964011                             | 15363                            | 980266                          | 3773                                | 524775                          | 13009                                | 537784                         |
| **SUB-TOTAL** |                                  | 5018                            | 137246                            | 19914                             | 1412400                         | 5020                                | 789127                          | 18878                                | 808005                         |
| **ALL POLICE TOTAL** |                  | 5392                            | 1657484                            | 26662                            | 1684146                         | 5284                                | 939759                          | 22184                                | 961943                         |

### Senior Nurses

| N1            | Principal Matron                   | 1                               | 1645                               | 623                               | 2268                            | 1                                  | 914                             | 914                                  | 914                            |
| N2            | Senior Nurse Tutor                 | 5                               | 5857                               | 2313                              | 8170                            | 4                                  | 2804                            | 2804                                  | 2804                            |
### APPENDIX TABLE 4.3

**COMPUTER PAYROLL SUMMARY, JAN 1992 AND 1993**

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**SOURCE:** GDM/DPTM, various circulars.
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**Comparable jobs between the Civil Service and the Private/Parastatal/Donor sector.**

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<tr>
<td>Chief Engineer</td>
<td>Chief Engineer, Plant Engineer, Chief civil/Mechanical/Electrical Engineer</td>
</tr>
<tr>
<td>Engineer</td>
<td>Engineer, Civil/mechanical/Electrical Engineer</td>
</tr>
<tr>
<td>Principal Economist</td>
<td>Economist, Economic Consultant/Advisor</td>
</tr>
<tr>
<td><strong>Health:</strong></td>
<td></td>
</tr>
<tr>
<td>Medical Officer</td>
<td>Medical doctor</td>
</tr>
<tr>
<td><strong>Agriculture:</strong></td>
<td></td>
</tr>
<tr>
<td>Agricultural Officer</td>
<td>Agricultural Officer, Agricultural Research officer, Agronomist.</td>
</tr>
<tr>
<td>Chief Agricultural Officer</td>
<td>Chief Agricultural Research Officer, Agricultural Manager, Agricultural Research Officer</td>
</tr>
<tr>
<td><strong>Administrative Support:</strong></td>
<td></td>
</tr>
<tr>
<td>Personal Secretary</td>
<td>Secretary, Personal Secretary</td>
</tr>
<tr>
<td>Clerical Officer</td>
<td>Filing Clerk, Clerk.</td>
</tr>
<tr>
<td><strong>Support Staff:</strong></td>
<td></td>
</tr>
<tr>
<td>Messenger</td>
<td>Messenger</td>
</tr>
</tbody>
</table>

Source: *Wages, Salaries and Fringe Benefits Study, Republic of Malawi, by Price Waterouse.*
**Appendix Table 5.2**

*Comparison of Salary Scales Widths for Various Employers*
(Percent difference of highest to lowest salary level for various jobs)

<table>
<thead>
<tr>
<th>Job Category</th>
<th>Percentage Difference Between Highest and Lowest Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>47%</td>
</tr>
<tr>
<td>2</td>
<td>147%</td>
</tr>
<tr>
<td>3</td>
<td>50%</td>
</tr>
<tr>
<td>4</td>
<td>31%</td>
</tr>
<tr>
<td>5</td>
<td>18%</td>
</tr>
<tr>
<td>6</td>
<td>11%</td>
</tr>
<tr>
<td>7</td>
<td>10%</td>
</tr>
<tr>
<td>NO-A</td>
<td>8%</td>
</tr>
<tr>
<td>NO-B</td>
<td>10%</td>
</tr>
<tr>
<td>NO-C</td>
<td>13%</td>
</tr>
<tr>
<td>NO-D</td>
<td>58%</td>
</tr>
</tbody>
</table>

*Source: Civil Service Pay Structure for 1993; Manufacturing Sector Remuneration Package Survey March 1993; Local Staff Salary Guide lines for UNDP and World Bank.*
### Appendix Table 5.3

**Comparative Minimum Wage Levels**

<table>
<thead>
<tr>
<th>Country</th>
<th>Annual Earnings at Minimum wage in US Dollars at Official Exchange Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>737</td>
</tr>
<tr>
<td>Tanzania</td>
<td>703</td>
</tr>
<tr>
<td>Zambia</td>
<td>1264</td>
</tr>
<tr>
<td>Malawi</td>
<td>180</td>
</tr>
</tbody>
</table>
Comparison of Pay Levels for select Job Positions in a Few Representative Donor Organizations in Malawi

<table>
<thead>
<tr>
<th>Job Category</th>
<th>Monthly Net Salary (MK)</th>
<th>Average Monthly Pay (MK)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Organization A</td>
<td>Organization B</td>
</tr>
<tr>
<td></td>
<td>Minimum</td>
<td>Minimum</td>
</tr>
<tr>
<td>MANAGEMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Sr Commercial Officer/Sr Programme Officer</td>
<td>12,691</td>
<td>11,766</td>
</tr>
<tr>
<td>2. Sr. Finance Asst./Asst. Account</td>
<td>10,522</td>
<td>3,480</td>
</tr>
<tr>
<td>3. Finance Officer</td>
<td>10,522</td>
<td>7,812</td>
</tr>
<tr>
<td>4. Accounts Assistants/Sr. Finance Assistant</td>
<td>3,727</td>
<td>2,219</td>
</tr>
<tr>
<td>5. Admin. Officer</td>
<td>10,522</td>
<td>n.a.</td>
</tr>
<tr>
<td>6. Asst. Admin. Officer</td>
<td>8,717</td>
<td>n.a.</td>
</tr>
<tr>
<td>7. Sr. Admin. Officer</td>
<td>3,727</td>
<td>n.a.</td>
</tr>
<tr>
<td>8. Admin. Assistant</td>
<td>2,790</td>
<td>n.a.</td>
</tr>
<tr>
<td>SUPPORT STAFF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Finance Clerks</td>
<td>2,101</td>
<td>n.a.</td>
</tr>
<tr>
<td>11. Secretary</td>
<td>1,595</td>
<td>n.a.</td>
</tr>
<tr>
<td>12. Drivers</td>
<td>950</td>
<td>1,252</td>
</tr>
<tr>
<td>13. Messengers</td>
<td>749</td>
<td>641</td>
</tr>
</tbody>
</table>

Note: The salaries are inclusive of quantifiable allowances and fringe benefits.

Source: Authors' survey of salaries of Representative Donors Organizations with Offices in Malawi.
### Appendix Table 5.5

**Salary Ranges for Select Jobs in the Manufacturing Sector**

<table>
<thead>
<tr>
<th>Position</th>
<th>Annual salary</th>
<th>% Difference Between Highest &amp; Lowest Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lowes t</td>
<td>Highest</td>
</tr>
<tr>
<td>Factory supervisor</td>
<td>4730</td>
<td>24598</td>
</tr>
<tr>
<td>Engineering Foreman</td>
<td>3360</td>
<td>30000</td>
</tr>
<tr>
<td>section supervisor</td>
<td>3244</td>
<td>23541</td>
</tr>
<tr>
<td>Quality controller</td>
<td>3226</td>
<td>21600</td>
</tr>
<tr>
<td>Factory recorders/prod. clerks.</td>
<td>2760</td>
<td>8043</td>
</tr>
<tr>
<td>Dispatch clerk</td>
<td>2090</td>
<td>10800</td>
</tr>
<tr>
<td>W/shop mechanics</td>
<td>1668</td>
<td>12319</td>
</tr>
<tr>
<td>Welders</td>
<td>1668</td>
<td>14400</td>
</tr>
<tr>
<td>Fitters</td>
<td>1668</td>
<td>18009</td>
</tr>
<tr>
<td>Plumbers</td>
<td>1668</td>
<td>10800</td>
</tr>
<tr>
<td>Machine operators</td>
<td>1596</td>
<td>7464</td>
</tr>
<tr>
<td>Labourers</td>
<td>1404</td>
<td>5900</td>
</tr>
</tbody>
</table>

### Appendix Table 5.6

**Comparison of Pay Levels for a Select Number of Employers in the Private Sector, Sept. 1992**

<table>
<thead>
<tr>
<th>Job Category</th>
<th>Monthly Basic Salary (MK)</th>
<th>% Difference Between Highest &amp; Lowest Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Max</td>
<td>Average</td>
</tr>
<tr>
<td>Top Management:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Level</td>
<td>19500</td>
<td>14916</td>
</tr>
<tr>
<td>Finance:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Level</td>
<td>10000</td>
<td>7125</td>
</tr>
<tr>
<td>Middle Level</td>
<td>6000</td>
<td>3489</td>
</tr>
<tr>
<td>Personnel:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Level</td>
<td>7088</td>
<td>3877</td>
</tr>
<tr>
<td>Professional/Technical:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Level</td>
<td>6668</td>
<td>4219</td>
</tr>
<tr>
<td>Middle Level</td>
<td>4044</td>
<td>2982</td>
</tr>
<tr>
<td>Support Staff:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Level</td>
<td>950</td>
<td>668</td>
</tr>
</tbody>
</table>

LIST OF REFERENCES


_____________. *Malawi, Public Service Regulations*, Lilongwe


