UNITING FOR PEACEFUL RESISTANCE AGAINST POOR ECONOMIC AND

DEMOCRATIC GOVERNANCE

"A Better Malawi Is Possible"

CONCERNS AND DEMANDS FROM THE CIVIL SOCIETY ORGANISATIONS AND CONCERNED MALAWIANS

Presented National wide today 20th July, 2011

POOR ECONOMIC AND DEMOCRATIC GOVERNANCE IN MALAWI

CONCERNS AND DEMANDS

In legitimate exercise of the rights and freedoms enshrined in the Constitution of
the Republic of Malawi, We, Members of Civil Society have joined hands with Workers, Faith Communities and Concerned Citizens from all walks of life, to hold peaceful country-wide mass demonstrations today, the 20th July 2011 upholding the theme: "Uniting for Peaceful Resistance Against Poor Economic and Democratic Governance – “A Better Malawi Is Possible". These demonstrations are part of a series of nation-wide mass actions that will continue to respond to such crises until feasible solutions have been found and implemented.

Malawi is currently facing a series of catastrophes on multiple fronts due to economic mismanagement and democratic derogation by the incumbent leadership and administration. The current leadership and administration continue to disregard caution and advice regarding the crises, choosing to engage in empty political rhetoric without providing any actionable solutions or alternatives. Any dissenting or alternative views result in adversarial clamp downs, a practice that is unacceptable within the current democratic dispensation that we all fought hard for and are prepared to defend at all costs.

The challenges currently facing Malawi are too numerous to mention, however the following issues may suffice to demonstrate the cause of our discomfort;

**Acute Foreign Exchange Shortages**

Malawi has experienced acute shortage of foreign exchange for over 2 years, with no end in sight. Indeed, there is cause to believe that the current shortages are the worst in all our 47 year history since the attainment of independence.

Significant numbers of people scramble in queues for forex that may be available at any foreign exchange point, in a pathetic display of fruitless desperation.

The acute shortages have had many consequences such as:

- scarcity of products and services due to difficulties in importation of essential products;
- Malawians who utilise foreign currency have searched in vain:
  - to pay expenses when travelling abroad,
  - when purchasing products which are not produced locally,
  - to send school fees for dependants studying abroad,
  - to pay for examination fees to foreign education providers;
when accessing treatment for vital medical facilities;

Numerous reasons, such as poor tobacco sales (which used to provide 74% of our forex inflow has dwindled by over 70%), have been forwarded to explain the shortage of forex in Malawi, but these show a clear divide between advice from economic experts and rhetorical defences from the current leadership and its administration and, in so doing, merely serve to increase confusion and uncertainty.

However, one fact remains indisputable and that is: the forex crisis continues to escalate and the current administration has failed to demonstrate the ability to reverse the situation any time soon.

**Acute Fuel Shortage: Malawi is now labelled as a 'fuel queue nation'**

This year has seen the most acute fuel shortages in Malawi in 47 years of independence. A common scene that greets the eyes at every filling station is extremely long queues of cars, with people waiting for hours or even, days to get access to a few litres of fuel.

The acute and incessant fuel shortages have caused shrinkages in transportation which limit people travelling. Service providers are unable to transport products around the country, leading to shortage of products and services. Stocks in supermarket and grocery shelves are gradually dwindling. Critical services such as health services have not been spared and workers face a daily struggle in commuting between workplace and home. Freight hauliers have been severely constricted and are facing disaster looming closer by the day. All these are visible signs of economic regression which, if not checked immediately, could result in a total breakdown.

Reasons provided by the current administration regarding the causes to the fuel shortage have been unsatisfactory and at times embarrassingly derisive. There has been a clear divide and at times contradiction in reasons provided by the Petroleum Importers Limited, the Ministry responsible and the Leadership. However most people will agree that the current leadership and its administration has not demonstrated to the nation the ability to reverse the dismal situation any time soon and the resultant sense of uncertainty merely serves to intensify the sense of doom and gloom afflicting the nation.

**Electricity Shortages**

Never has Malawi suffered more from acute electricity shortages in all its 47 years of independence than within the past 2 years despite the fact that, after all these
years, only 6% of the population had access to electricity. The recent announcement by ESCOM that power cuts will be implemented for 8 hours every day for the rest of the year have only increased the sense of despair amongst the people who cannot lead normal daily lives without fear of blackouts. Industries are hard hit with insufficient power to enable optimal production of vital products which may even substitute imports. Work-flow is constantly interrupted by equipment switching off intermittently. Huge costs are incurred in repairing equipment that have been damaged by power fluctuations and the cost of installing massive generators in an effort to keep going. Indeed, a classic example is the failure of ESCOM to guarantee supply of adequate power to Paladin for processing uranium at Kayelekera thereby necessitating installation of massive diesel generators, which need 3000 litres per day to ensure production – this meant that ESCOM lost out on potential extra business of millions of Kwacha every month due to its own inefficiency and incapacity to be innovative.

It is apparent to most that the current leadership and administration has not demonstrated to the nation that they can reverse the situation any time soon in spite of the need for tangible solutions. There should be a clear time frame as to when the problem will be over. As it remains, the energy drain remains a pain without any solution in sight.

**Lack of Economic Prudence**

The current leadership and administration has continued to excessively and irresponsibly squander public funds without consultation and with cavalier disregard for current economic hardships afflicting the populace created by the mismanagement.

The list of anomalies lengthy, but some major issues include the following:-

- In 2010, the President secretly authorised the purchase of a private jet costing US$13 million - equivalent to half the budgetary support that Malawi’s major donor contributed. The purchase went on regardless of condemnation from different stakeholders within Malawi and beyond. The amount spent was equivalent to annual salaries of approximately 5,000 nurses or approximately 11,555 primary school teachers. The infamous Presidential Jet remains a sore point since it appears to have no place in an impoverished country like Malawi which must cater to other priorities such as combating poverty and illiteracy before succumbing to consumerist luxuries.
• Since the first Cabinet of 29 Ministers in 2004, the size of the current Cabinet has grown to 41, leading to a monthly wage bill of over MK15,000,000.00, which would fund monthly salaries of 428 nurses or 1,000 primary school teachers. It is important to note that this Cabinet of 41 also includes Deputy Ministers who, in most cases, have been awarded the position as a reward for political favours and not on merit. Thus these Deputy Ministerial positions could easily be vacated without any loss in efficacy;

• At the beginning of 2011, the President secretly awarded a contract to his wife, the First Lady, Callista Mutharika, leading to a payment in arrears, of MK6,400 400 for the period before the contract was signed, and subsequent salary of MK1,300,000 per month – ostensibly for doing charity work. The contract coincidentally expires at the expiry of term of office of President in 2014 and was pushed through despite condemnation from various sectors of society. The First Lady's salary is equivalent to monthly salaries for 30 nurses or 93 primary school teachers.

• The contract for the construction and management of the (in) famous Nsanje Inland Port was awarded in a non transparent and dubious manner to Mota Engil, a foreign construction company who appears to enjoy presidential favour. The same company is rumoured to have built a palace at Ndata Farm (the Presidents personal estate) and has now won a concession for oil and gas drilling in the Lake.

Regardless of the above manifestations of economic imprudence, Government shamelessly offered lame justifications to exonerate themselves whilst indulging personal avarice without due regard for public responsibility.

Corruption and Abuse of Power

There are strong suspicions that this leadership and administration is condoning corruption and abuse of power by a 'favoured few'.

Recently, the Malawi Housing Corporation sold houses to selected staff, Cabinet Ministers, and DPP officials at grossly reduced prices, leading to a net loss of over MK100 million. The leadership and administration remain quiet and the Anti Corruption Bureau appears unable to investigate further thereby giving rise to fears of officialdom turning a blind eye to such misdemeanours.

During his 2 terms of office, the current President appears to have amassed significant wealth that does not tally with his salary of approximately MK 2,000,000
per month. Within 3 years of being power in 2007, Mutharika purchased land in Thyolo at an alleged price of MK 70 million. He then proceeded to develop part of the land at an exorbitant cost which requires clear explanation to allay suspicion.

Massive corruption appears to be the order of the day. Malawians witness a few individuals in Government who have amassed massive wealth at public expense. These individuals build expensive houses, owning fleets of cars and indulge openly in displays of fabulous opulence that seems to have accrued without a visible source. The Government may be aware of this but no visible steps are being taken to stop such malpractices or to recover wealth gleaned in such dishonest manner.

**Disrespect of the Rule of Law**

The current leadership and administration has tended to exhibit deliberate disregard of the Constitution and the rule of law.

Amid public condemnation, the current leadership and administration abused its majority in Parliament to pass an amendment to Section 46 of the Penal Code allowing the Minister for Information to ban publications 'deemed to be contrary to the public interest'. This law has taken Malawi backwards in terms of guaranteeing media freedoms contained under chapter VI of the Constitution.

Again, amid widespread public condemnation, the current leadership and administration has abused its majority in Parliament to pass the Civil Procedure (Suits By Or Against The Government or Public Officers) (Amendment) Bill, 2010 otherwise popularly known as the infamous 'Injunctions Bill', which denies supplicants the right to instant relief when their rights are under threat by any Government agency or Officer. The President recently assented to the bill notwithstanding massive public outcry, condemnation, a revolt amongst Democratic Progressive Party (DDP) MPs in Parliament and a court injunction against the assent of the bill.

Apart from the bills cited above, the Government passed the Police Act which empowers the Police to search any house without a search warrant, the Pensions Bill, the Local Courts Bill (previously known as the infamous Traditional Courts), a Constitutional amendment on timing and methodology of Local Government Elections, and the Protected Names, Flags and Emblems bill which changed the national flag at huge cost whilst dismissing widespread protest as drunken ravings.

**Local Government Elections**
It goes without saying that the current leadership and administration is simply not interested in conducting Local Government elections.

Since election into power, there have been deliberate efforts to avoid or interrupt the holding of local Government elections in Malawi. Recently the Electoral Commission was closed (with a questionable abuse of power) on allegations of massive fraud involving huge sums of money. The Government consequently reopened the Commission without any official explanation on the outcome of their initial investigations. The administration is now attempting to amend the law to allow for local Government elections to be held after the expiry of their term of office thereby giving rise to profound suspicion that something is being covered up.

In addition, new appointments will soon be made to the Commission and these are already raising alarm signals due to the candidates being considered and the opacity of the process. The neutrality and very integrity of the Commission may be compromised irrevocably in the public eye if the matter is not handled with extreme transparency.

In any case, it is quite obvious that the current administration will not hold local Government elections these 2 terms of office, despite any constitutional requirements to the contrary.

The University of Malawi Crisis

The current leadership and administration has failed to resolve the current stalemate between the University Council and its 2 constituent colleges (Chancellor College and Polytechnic) despite all the effort and posturing.

For over 100 days, the leadership and its administration has remained adamant in refusing to recognise legitimate demands by the academic staff unions from the 2 constituent colleges, leading to an unnecessary standoff. This has cost students valuable learning time and disrupted the general academic calendar.

This can easily be described as the worst crisis in the history of the University of Malawi, but it has evolved as such largely due to the intransigence and truculence of the Establishment which takes its lead from the Head of State in adopting inflexible stances that militate against all effort at conciliation.

Political Intolerance and Violence

The current leadership and administration appears of late to be leaning towards tactics that promote violence and intolerance against critics and those with
differing views:

- During the 2 terms of office, the President has deliberately demonised his Vice Presidents, thereby deliberately weakening their offices which are enshrined in the Constitution. The failure to work with Vice Presidents has seriously disrupted the role of the Office of the Vice President in the performance of governmental duties;

- In recent times, the President has deliberately crippled the office of the Vice President based on personal grudges and differing views. This year, the budget of the Office of the Vice President was significantly reduced to a pittance. The President continues to castigate the Vice President in public rallies, calling her names whilst she continues to hold her peace.

This issue appears to emanate from the thorny question of succession – i.e. who will take the office if the President is incapacitated? The Constitution gives that role to the Vice President and this apparently is the root of the problem because the President wishes to choose his own successor and is unable to do so whilst the Vice President is in place.

- This year, the President instructed the ruling DPP party youth cadres to 'protect him' as a response to widespread criticism on his governance style. The instruction was followed by the DPP leaders publicly stating that they will use 'all possible means' to protect their leader. Since that instruction, some Civil Society leaders who have previously spoken on various issues have been attacked or received threats, leading to general fear and terror. Experts have cautioned that such public remarks by leaders have potential to lead to violence or conflict thereby creating a 'culture of fear' that is becoming more visible by the day.

- There are many indications that the current leadership does not accept any criticism or dissenting views. Those who have dissenting views, within the ruling party or generally, are destined to face violence or adversity in one way or another. This has led to fear among institutional heads or ruling party officials which prevents them from offering alternative views that may run contrary to the Party line.

- Following a leaked cable in which the British High Commissioner confidentially described challenges facing Malawi for the Foreign Office in London, the President took the unprecedented step of deporting the British Envoy from Malawi back to the UK. This contributed to the deportation of the Malawi envoy from the UK and subsequent withdrawal of the British
contribution to the Malawi budget (30%). This serves a vivid testimony of the sheer arrogance of our leadership who can throw out a relationship that has nurtured and supported Malawi for nearly 50 years at the drop of a hat – regardless of the cost to the Nation in general and the poorest sectors of society in particular.

- When civil society were organising a 'bicycle march' demonstration regarding fuel crises facing the country, the current leadership and administration threatened to prevent the planned demonstration. To obstruct Malawi citizens from exercising their rights to demonstrate, the leadership attempted to introduce prohibitive monetary deposits as a requirement prior to holding mass demonstrations. During the current mass demonstration, there are already reports of the leadership threatening to disrupt the mass action by mobilising rabble rousers to disturb the march.

**Demands and Recommendations**

In summary, we conclude that the current leadership and administration has failed to convince us that the issues raised will be resolved or reversed anytime soon. As such, we would only be convinced otherwise when concrete and actionable solutions with short term time frames and deadlines are proposed.

In light of the raised selected issues, we demand the Government to take the following steps:

- Sell the Presidential jet and minimise all foreign trips by the Head of State;
- Ban all importation of luxury cars (M/benz, Limousines, and Luxurious 4x4s). Any new cars for the President, Ministers or State Officials must reflect our impoverished state and should thus not be as ostentatious as in the past;
- All foreign trips by Ministers and State officials must be severely curtailed forthwith;
- Superfluous costs such as the new 'eavesdropping' machine being installed at a cost of US$6 million at MACRA merely to assuage creeping paranoia in an unconstitutional manner must be discontinued and reversed forthwith;
- Zimbabwe must immediately repay the US$20 million that has long been outstanding for food supplied by Malawi. The payment can be made in cash or in fuel;
- Scrutinise all fertiliser imports for the previous year to track the fairness of the pricing – all those who have inflated their costings must be brought to
book and penalised for the full amount of overpricing as well as harsh penalties for committing the crime.

- Scrutinise all fuel imports for overpricing practices and bring the perpetrators to book. All forex gained through such malpractices must be returned to Malawi immediately;
- Massive fuel importers such as Paladin (usage: 3,000 litres diesel per day) must use their own forex reserves to bring in their fuel and should not drain Malawi's scarce reserves;
- Allow independent importation of fuel by any entrepreneur who has the means – this will break the stranglehold monopoly of PIL and open the market for free competition;
- Paladin's exports of 'yellow cake' must be checked to ensure that a fair market price is being charged and the proceeds are being brought back to Malawi without any transfer pricing;
- Gemstone exports must be monitored closely by trained experts to ensure that fair values are being declared. Malawi may have been short changed for decades in this area due to lack of capacity and negligence;
- It may be necessary, in the short term, to listen to the IMF and devalue our currency in order to gain their approval which would then open the doors for other Donors to come in and pump much needed forex into our flagging economy. The inflationary aspects of this can be countered by other anti inflationary measures.
- It is essential to immediately mend fences with our long term development partners, the British Government by apologising for the diplomatic faux pas and making amends. Their contribution to our economy is too significant to shrug off with cavalier disdain – especially when it means that the poorest sections of society will be worst afflicted by the suspension of British aid.
- The bloated Cabinet must be trimmed to 14 members and their allowances of fuel and air time adjusted to reasonable levels with immediate effect;

**Time frame**

We hereby propose that:

1. Within reasonable time adopt measures and actions so that there is availability of and access to forex.
2. Within reasonable time adopt special measures to avail adequate forex to
Petroleum Importers Limited and other suppliers so that they are able to import fuel without interruption.

3. Within reasonable time the ESCOM board and top management should be replaced with independent experts who, within 3 months, must demonstrate that the acute electricity shortages have begun to reverse.

In addition, form a consultative forum which solicits input from all stakeholders who may have valuable information, ideas and new concepts with which to tackle the issues of capacity and cost of power generation;

4. Within reasonable time the Anti corruption Bureau should commence an investigation of all people implicated in the recent Malawi Housing house sale scandal.

5. The Anti Corruption Bureau should start investigating ALL Cabinet Ministers and public servants on the unexplained wealth that some seem to have accumulated whilst holding office. The Penal Code calls upon all citizens to explain the source of their wealth, All moneys stolen should be returned.

6. Within 1 month; The President should fully declare his assets, explaining sources of funds to acquire and develop Ndata farm.

7. The First Lady's contract should be nullified and all earnings refunded back to Government.

8. The Law Commission should set up a special law commission to revisit the Penal Code and the Injunctions Bill, which should lead to submission of recommendations within reasonable time.

9. The President should demonstrate good faith towards the Office of the Vice President, starting by returning her official motorcade.

10. The Government should commit to hold Local Government Elections and not in 2014 as announced.

11. The University Council should immediately reinstate the four lecturers dismissed during the academic freedom stalemate, and issue a statement committing that no spies will be allowed in lecture rooms.

12. Issue a circular nullifying the instruction to require a deposit of MK 2,000,000 for mass demonstrations.

13. Immediately stop unfair usage of MBCTV public broadcaster and television to castigate and threaten those with dissenting views.

14. Immediately stop of disregarding of court orders by the Executive arm
15. Immediately provide drugs in all hospitals and clinics as lack of drugs is frustrating health/care workers and patients.


17. Immediately address incentives of Nurses as of 300 have not been paid their allowances for 3 years now.

18. To consider living wage as opposed to minimum wage and living wage raised to MK25, 000 a month.

19. We demand decent jobs and conditions for all workers

20. We demand social protection system for the good of welfare of Malawians

Failure to meet any of these demands will further support our stand that the current leadership and administration cannot govern this country in an equitable and democratic manner and that our fear of regressing into an autocratic kleptocracy is valid. We hope to be proven wrong and pray for a transformation that will set the ship of Malawi onto its rightful course for the benefit and wellbeing of all Malawians.

A Better Malawi is Possible!!

Viva Democracy Viva!!!

VIVA STRUGGLE AGAINST OPPRESSION AND DICTATORSHIP!

20th July 2011