



THE 2019 ANNUAL ECONOMICS ASSOCIATION OF MALAWI (ECAMA) CONFERENCE COMMUNIQUE

NKOPOLA LODGE, MANGOCHI, MALAWI
7TH – 8TH NOVEMBER, 2019

Theme: Population Growth – Challenges and Opportunities for Economic Development in Malawi

1. INTRODUCTION

The 2019 Economics Association of Malawi (ECAMA) Annual Economic Conference (AEC) was held on 7th and 8th November 2019 at Sunbird Nkopola Lodge in Mangochi under the theme: **Population Growth – Challenges and Opportunities for Economic Development in Malawi**. The conference was presided over by the Governor of the Reserve Bank of Malawi, Dalitso Kabambe (PhD). This year's conference attracted about 150 economists and other key stakeholders from the United Nations Population Fund (UNFPA), World Bank, International Monetary Fund (IMF), the Reserve Bank of Malawi (RBM), Ministry of Finance, Economic Planning and Development and other government ministries and departments, private sector, academia, civil society, international non-governmental organizations (NGOs) and the media.

This year's theme recognized the need for a more balanced approach to development, which goes beyond just focusing on economic development objectives and instead placed emphasis on also equally important socio-economic policy objectives. For instance, population issues are intrinsically and inseparably linked to fostering economic development and therefore have to assume a central role in economic development and poverty reduction strategies. Population dynamics constitute pressing development implications in themselves as they have a bearing on poverty reduction, food security, environmental sustainability and climate change adaptation and mitigation, among others.

The 2018 Malawi Population and Housing Census established that the total population in Malawi is at 17.6 million which is almost 4 times the size of the population in 1966 and 1.3 times of the 2008 census. Essentially, the total population has increased by 35 percent between 2008 and 2018 representing an intercensal growth rate of 2.9 percent per annum. With this growth rate, the population is expected to double to around 35 million by 2042. Most importantly, the demographic trends of the population – especially the rapidly growing youth population – may well become the dominant force that will shape the development of Malawi and dominate the national policy agenda. Therefore, this year's conference brought to the forefront the challenges and opportunities of the rapid growth of the young population in Malawi. Thus, the conference provided a platform to examine Malawi's changing population and demographics upon our economic development.

In line with this year's theme, the following sub-themes and topics steered the agenda for the conference:

- 1) Population Growth and Provision of Basic Services (Health and Education)**
- 2) Population Growth, Poverty and Growing Inequality in Malawi**
- 3) Harnessing Malawi's Demographic Dividend for Economic Transformation**
- 4) Creating Employment**
- 5) Population Growth, Spatial Planning and Resilience Building**

2. SUMMARY OF THE DELIBERATIONS

Members noted that the country's economy has registered a notable level of macroeconomic stability over the past 24 months. The country's economic performance has been largely characterized by declining inflation, relatively lower interest rates, marked decline in non-performing loans, stable exchange rate; and increasing gross official reserves. Members, however noted that the future of inclusive and sustainable economic development in Malawi depends to a large degree on the structure and profile of Malawi's population. Due to rapidly declining death rates and slowly declining fertility rates as well as improved infant mortality rates, Malawi's population size quadrupled in the last 50 years and Malawi's population is projected to surpass 30 million by 2042, despite recent fertility declines.

Most importantly, members noted that one consequence of Malawi's recent demographic trend is an increasingly notable youth bulge with more than 40 percent of the population below the age of 1. This young population provides a momentum for continued population growth in Malawi, despite declining fertility. Further, members noted that while the youth bulge offers a potential

demographic dividend there are also many challenges associated with the youth bulge in reaping this dividend. A youthful population often translates in high dependency burden at household and national level which is a bottleneck to the country's development. Members noted that high unemployment, a mismatch of jobs and skill levels, lack of adequate and right skills among the youths, are among the factors that have made it difficult for Malawi to reap the demographic dividend. In addition, members noted that whether this large group of young people becomes healthy and productive members of Malawi will depend on how well the government, private sector and civil society organizations invest in social, economic, and political institutions that meet their needs. Finally, members also noted that population growth has exerted pressure on natural resource and environmental sustainability in Malawi, thereby threatening Malawi's continued economic development and the well-being of the population.

3. CONFERENCE KEY OBSERVATIONS AND RESOLUTIONS

- I. Members noted the following key challenges arising from the rapid population growth and the relative changes in demographics:
 - There is tremendous burden on Malawi's provision of basic services such as health, education, clean water, housing and electricity. It was established during the conference that currently the health infrastructure in Malawi is not sufficient to enable universal access to healthcare. Therefore, at the current fertility rate of 4.2 children per woman, more spending is needed on essential services. In addition, the quality of these services is at risk of being compromised because of the increased demand that is there for the services.
 - As the population has grown so has poverty and inequality as the gap between the rich and the poor has grown. Population growth affects inequality through dependency ratios. On the other hand, the rapid growth rate explains the low GDP per capita in Malawi with implications of many Malawians remaining in the poverty trap.
 - Rapid population growth exerts pressure on the ability of Malawi's labor market to absorb so many entrants into the labour market. Currently, 88 percent of working age group works in the agriculture sector. It is more noticeable that the population in Malawi is characterized by a youth bulge and this presents a challenge for the government and all relevant stakeholders to prepare these young people for meaningful participation in the Malawi's economic activities.
 - Urbanization and migration continue to be on the rise, thereby contributing to increasing informal settlements, urban poverty,

environmental degradation and vulnerability to disasters and climate change induced shocks; due to poor city planning.

- II. Members on the other hand recognized that Malawi can take advantage of its youthful population to reap the benefits of demographic dividend. This dividend arises when the population of those in the working age are more than those who are dependent and can expand a country's productive potential and output. Members noted that this can create a window of opportunity for economic growth in Malawi fueled by a young and relatively large labor force.
- III. In view of the implications of rapid population growth for economic development in Malawi, members made the following recommendations that can help enlarge people's choices and opportunities and ultimately aim at making a big difference in Malawi's development.
 - a) Curbing population growth. While the youth population provides an incredible potential for the country to reap the benefits of demographic dividend, this potential will only be realized if the country takes serious steps towards slowing down the growth rate of its population and population structure becomes more conducive.
 - b) Increasing access to basic quality education by making education compulsory and making secondary education free, as well as improving quality of education in public schools. Also increasing access to tertiary training and skills development. Members also agreed that education is critical in addressing various forms of inequalities in any society.
 - c) Strengthening capacity to integrate population dynamics in the national sustainable development agenda. Stabilization of population is a necessary step towards a more sustainable development trajectory. In this regard, policies that help women implement their reproductive decisions will have an impact on fertility and therefore on population growth. At an average fertility rate of 4.2 children per woman, the government as well as all relevant stakeholders must re-strategize their family planning messaging to sensitize communities on the need to plan their family size.
 - d) Target investments in adolescents and the youth initiatives. The government needs to design and implement supportive policies that give the young people opportunities to reach their full potential and provide the information, including comprehensive sexuality education, and services that young people need to protect their

sexual and reproductive health and make informed decisions. In addition, civil society organizations must represent young people and amplify their voices and viewpoints so that they are heard and considered by decision-makers. More importantly, investment in adolescents and the youth must make an effort not to leave out young girls and women. Fewer women than men benefit from advanced education and fewer are able to escape poverty. Eliminating child marriage, enabling adolescent girls to delay pregnancy and ending discrimination against pregnant girls can help ensure that girls complete their education.

- e) Increase access to sexual and reproductive health care and empower women by providing universal access to contraceptives and healthcare. This empowers women to decide the timing, spacing and number of their children as well as giving them a chance to better balance their reproductive and productive objectives, pursue higher education and combine child-bearing with employment. Usually the empowerment of women is undermined by social and cultural stereotypes. However, decisive policies are needed that support the empowerment of women on the broadest possible basis, and that help women balance both their productive and reproductive objectives.
- f) Promote labour-intensive manufacturing, labour market flexibility, entrepreneurship growth and infrastructural development to create more jobs. Meanwhile, there is need for economic reforms such as diversifying the economy of Malawi from agriculture. The global industrial trend is using less manual labour and therefore Malawi requires a revolutionary industrial vision.
- g) Increase access to digital services and technology for young people. Overall infrastructure for social and economic development remains poor. This calls for improvements in communication infrastructure (road, transport, railway, aviation, tel-com, internet).
- h) Urbanization is an inevitable process and can be a powerful driver of economic and social development. Urbanization with proper planning can mean better opportunities for governments to provide services at lower cost per capita and allows for economies of scale in the development of vital infrastructure including housing, water, sanitation and transport. Therefore, the government has to promote urbanization policies that support spatial planning and investment, reflecting population profile, geo-characteristics and socio-economic settings for urban growth.

- i) Climate change has a major impact on the agricultural development and on food security. Growing populations will have to cope with increased exposure to climate hazards. Hence, integrating population dynamics into Malawi's climate change responses will help to identify and support the most vulnerable, while at the same time helping Malawi shift from reactive to anticipatory adaptation. In addition, there is need to invest in programs that create good stewardship of natural resources among the youth.
- j) Strengthening the rule of law, good governance and accountability also remain critical in harnessing demographic dividends. Resolving these challenges and all others posed by population increase over the coming years will also largely depend on how Malawi puts emphasis on rule of law, good governance and accountability.

4. CONCLUSION

Overall, the conference participants observed that management of rapid population growth and investments in the youth coupled with policies that support job creation will be key in harnessing the Malawi's demographic dividend. Going forward, ECAMA endeavors to follow through with all relevant stakeholders to ensure that the aforementioned resolutions are implemented in the foreseeable future. A fuller report capturing the presentations and deliberations will also be produced in due course.

Signed



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