



Republic of Malawi



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A well-educated and highly-skilled labour force is critical for harnessing the demographic dividend in Malawi

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Introduction

A well-educated and highly-skilled labour force is essential to propel Malawi to harness the *demographic dividend* (DD) and transform into the technologically-driven middle-income country envisioned in Vision 2020.¹ Central to the Vision 2020's goal of transforming Malawi into a prosperous middle-income country are investments in human capital development to improve the education and skills level of its people. Despite laudable efforts to improve human capital development, majority of Malawians still do not progress beyond primary school, and there is a marked gap between the skills level of workers and labour market needs.

The demographic dividend is the economic benefit that arises from a significant increase in the ratio of working-age adults relative to young dependents that results from rapid decline in fertility and mortality. To earn a significant demographic dividend, investments that help accelerate fertility decline and change in age structure should be accompanied by simultaneous strategic investments in education and skills development, public health, economic reforms that enhance job creation and improved governance.

This policy brief highlights key policy and programme opportunities for enhancing education and skills development in Malawi. The brief is derived from a study that found that Malawi would earn a massive DD and its per capita GDP would increase from USD 397 in 2014 to USD 9,351 by 2054 if the country prioritises integrated investments to fast-track fertility decline, enhance human capital development and job creation, and ensure efficiency and accountability in use of public resources and service delivery.²

- A well-educated and highly-skilled labour force is essential to propel Malawi to harness the *demographic dividend* (DD) and transform into a globally competitive, technologically-driven middle-income country.
- To maximise the productive potential of its youthful population, Malawi should:
 - Improve the early education programme to ensure all children have a strong learning and development foundation.
 - Adopt a paradigm shift from universal primary education to universal secondary education, while expanding opportunities for higher education and skills development including through the technical education, vocational and entrepreneurship training (TEVET) pathway.
 - Improve education quality at all levels with special emphasis on governance to ensure that available resources in the education sector are effectively and efficiently utilised to develop the quality manpower to ignite transformative socio-economic development.



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Education and skills challenges facing Malawi's youthful population

Education, training and skills development are cornerstones for a globally competitive and productive workforce. Studies show that to maximise the productive potential of citizens, countries must invest in skills and education at all levels – from basic to tertiary. Effective skills development requires a holistic approach³ which comprises: a) *Continuous and seamless pathways of learning from Early Childhood Education (ECE)*; b) *Development of core skills* (e.g. literacy, numeracy, communication skills, teamwork and problem-solving skills); c) *Development of higher level skills* (professional, technical and human resource skills); d) *Portability of core skills* to enable workers to apply knowledge and experience to new occupations or industries in a global dynamic economy; and e) *Employability* for wage work or self-employment.

The education sector in Malawi is faced with four critical challenges, namely, **access, quality, equity** and **mobility**.

Poor access to pre-primary, secondary and tertiary education

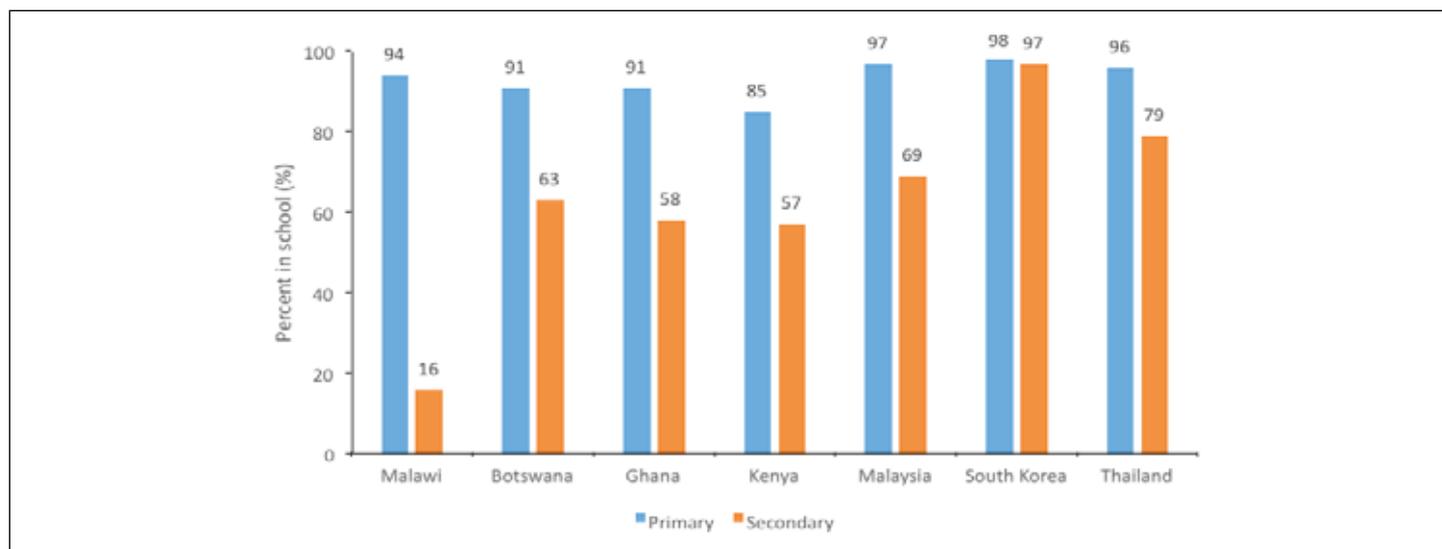
Although the Free Primary Education (FPE) policy has led to relatively high enrolment rates at primary school level,

primary school completion is quite low and so is participation at pre-primary, secondary and tertiary levels.

Early Childhood Education between the 3rd and 5th year of life is a critical foundational platform for cognitive development and future learning and skills building.⁴ However, the pre-primary sector has been neglected as evidenced by lack of a strong policy framework and limited investments in infrastructure and personnel. Consequently, enrolment at this level is markedly low and only 39 percent of children between the age of 3 and 5 years attended any form of organised childhood education programme in 2014.⁵

On the other hand, following the FPE policy instituted in 1994, primary school participation rates in Malawi have improved, reaching a high primary net enrolment rate (NER) of 94 percent in 2014.⁶ This is comparable to middle-income and advanced economies in East Asia such as Malaysia, Thailand and South Korea where the adjusted primary NER stand at 97 percent, 96 percent and 98 percent, respectively.⁷ However, school participation falls off rapidly at the secondary school level due to inadequate infrastructural investment to support the rapidly increasing numbers of students who complete primary school. With NER of 16 percent, Malawi lags far behind middle-income countries in Africa and East Asia (Figure 1).

Figure 1: School enrolment rates in Malawi compared to select East Asian countries



Source: Malawi MDG Endline Survey 2014; UNESCO Institute of Statistics, 2015

School completion is worryingly low as evidenced by high levels of drop-out and repetition of classes. In 2014, there were 896,110 repeaters and 186,285 drop-outs at primary school level, while there were 16,744 repeaters and 17,608 drop-outs at secondary school level. Furthermore, the primary school completion rate was only 52 percent and less than 4 out of 10 (36 percent) pupils who reached the final grade in primary school transitioned to secondary school.

The situation gets even worse at tertiary level, with only about 8 percent of Malawians who should be enrolled attending such institutions. Evidence shows that tertiary education, including technical colleges, provides a greater impact on economic growth than basic levels of education attainment.^{8,9} Thus, Malawi should urgently transform its education system to improve enrolment, completion, and progression to

secondary school, technical colleges, and universities to enhance its chances of harnessing the DD.

The Technical Education, Vocational and Entrepreneurship Training (TEVET) institutions provide a critical avenue for skills development for both in-school and out of school youth. The Government of Malawi through the TEVET Authority, is investing in ensuring that youth have an opportunity to develop skills to improve their employability and entrepreneurial skills. According to the World Bank (2010), the total enrolment rate in the formal TEVET institutions is 35 students per 100,000 inhabitants, which is relatively low compared to other countries in the Southern African Development Community (SADC) region. For Botswana, this rate is 1,228 students per 100,000 inhabitants. Although the total enrolment in the TEVET system is not known, the publicly financed

programmes provided in technical colleges only cater for a small fraction of the entire training demand in Malawi. The public system only provides for an annual intake capacity of around 700 apprentices against some 10,000 applicants. Major bottlenecks include inadequate boarding places and instructors, and limited availability of apprenticeship places provided by the industry.¹⁰ Recently, the community colleges concept was launched to help absorb the numerous out-of-school youth who lack relevant productive skills. Eventually, the colleges are expected to be opened in all the country's 28 districts. In the 2014-2015 financial year, the TEVET Authority established 15 new Community Skills Development Centres, but these still fall way below meeting the demand for TEVET training.¹¹ The TEVET system thus needs to be revamped through a reformed curriculum that is attractive to the youth and sustainable funding to make it universally accessible across the country.

Poor quality of education and skills mismatch

Malawi's entire education pipeline is characterised by poor quality. For instance, the FPE programme has to date not been matched by requisite investments to deal with the immense pressure brought about by the high levels of enrolment, undermining the quality of education. While countries such as Malaysia and South Korea had a primary pupil teacher ratio in 2014 of 12 and 19 respectively, the equivalent ratio in Malawi was 78. Similarly at secondary and tertiary levels, the quality is compromised by the low levels of investment in teaching infrastructure, materials, and teachers.

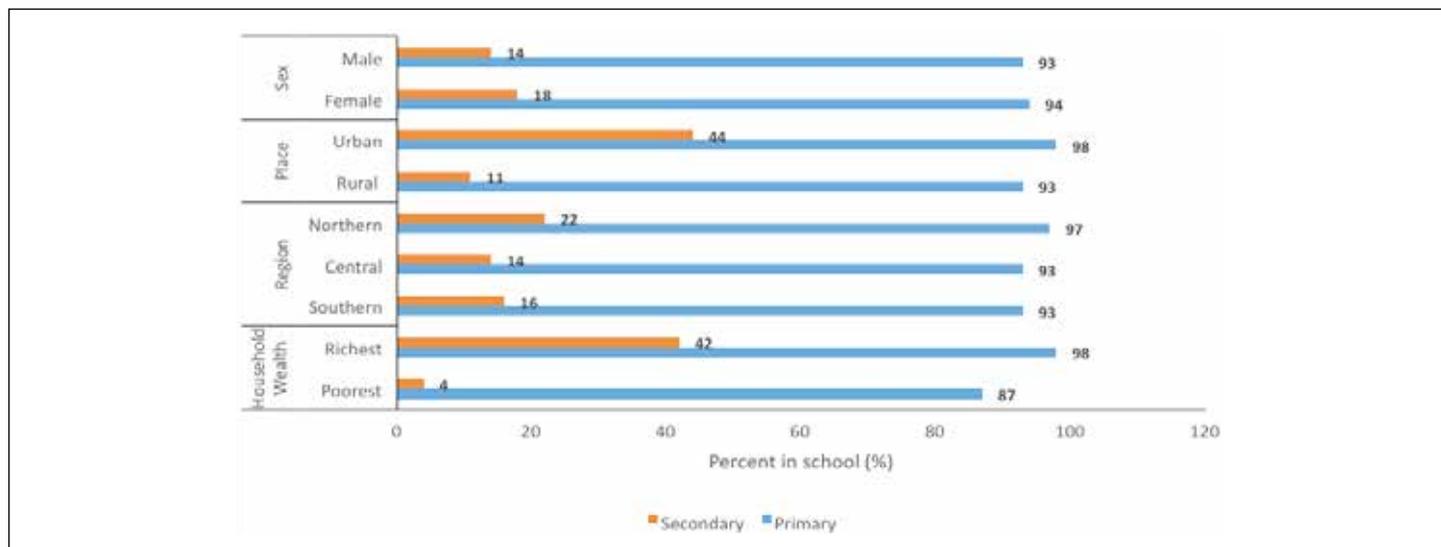
As a result a skills mismatch relative to labour market needs is pervasive. It is estimated that about 1.7 percent of young Malawians are over-educated for the work they do, while 81.8 percent are under-educated.¹² The under-education of workers can have a negative impact on the productivity of the worker and thus on the output of the enterprise and the whole economy.

Inequities in education

Education attainment in Malawi is characterised by striking inequities based on gender, place of residence and household wealth (Figure 2). In general, women in Malawi have attained lower education levels than men. Estimates from the 2010/11 Integrated Household Survey (IHS) III show that adult women have completed 3.6 years of education on average compared to 4.3 years for their male counterparts, while far fewer adult women are literate (60 percent) compared to adult men (77 percent). However it is encouraging to note that there is less inequality among the younger generation since primary NER in 2014 was 94 percent for females and 93 percent for males; and those for secondary school were 18 percent and 14 percent, respectively.

Place of residence is also a marker of inequality in education attainment. In 2014, children of secondary school age residing in urban places in Malawi were four times more likely to be enrolled in secondary school or higher compared to their rural counterparts (44 percent to 11 percent).

Figure 2: Inequities in Net Attendance Ratios (Adjusted) in Malawi by various characteristics, 2014



Source: Malawi MDG End line Survey, 2014

By income, the MES 2014 indicated that among children of primary school going age, 98 percent from the richest households attended primary school or higher compared to 87 percent from the poorest households. The gap between the two was very stark for secondary or higher education. About 42 percent of those from the richest households attended secondary school or higher compared to just 4 percent from poorest households. This trend means that education is unlikely to have a strong effect on social mobility since attainment is in favour of those children who come from already relatively well-off households.

Slow progress in education mobility

A result of entrenched socio-economic inequality is low education attainment mobility. Evidence from Malawi's 3rd Integrated Household Survey shows that just over a quarter of Malawians are more educated than their parents. Most have attained the same level of education as their parents with 61 percent attaining the same level as their fathers and 63 percent attaining the same level as their mothers. About 13 percent are less educated than their fathers and 3 percent less educated than their mothers.¹³

Key policy recommendations for Malawi to improve education and enhance skills development to harness the demographic dividend

In order to unleash the full potential of its youthful population, accelerate economic growth, and augment the DD that Malawi can earn, the country should prioritise human capital development by embarking on massive strategic reforms to improve enrolment and quality of its entire education and skills development pipeline. Some of the key policy options to be considered are:

1. Renew commitment to the 2009 National Policy on Early Childhood Development by ensuring universal pre-primary education to provide the basis for children's aptitude for learning.
2. Enhance school infrastructure, materials and training of teachers to improve the number of schools and quality of education and progression from primary to secondary school and to tertiary institutions. A paradigm shift towards universal secondary education should be a key element of the country's education reform agenda.
3. Reform the formal education curriculum and teaching methods to improve skills in reading, numeracy and problem solving; incorporate technological-aided learning; and embed employability and entrepreneurship skills. This should include revitalisation and scale up of technical model primary schools.
4. Improve governance of schools through decentralisation to enhance ownership and oversight of management of education by parents and communities.
5. Enhance public-private partnerships to improve access to high quality education for all regardless of gender, income levels, geographical location.
6. Increase the number of facilities, outreach and quality of technical education, vocational and entrepreneurship training (TEVET) institutions to enhance entrepreneurship skills and the productivity of youth who choose or are not able to proceed to tertiary education.
7. Accelerate scale-up of the Community Technical Colleges' Programme by forging stronger ties with the private sector in its design and implementation and by extending it to develop skills of youth in agricultural production and value-addition activities.

Acknowledgements

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