Chapter I:
The Historical Background of Civil Service Reform

The implementation of civil service reform between 1994 and 2002 must be examined in its historical context. For a long time Malawi was perceived as a beacon of stability in an otherwise tumultuous region of Africa. Dr. Hastings Kamuzu Banda[1] ruled the country almost single-handedly from independence in 1964 till 1993, when a referendum ended the one-party rule of the Malawi Congress Party (MCP). The end of Banda's rule is closely connected to economic decline, which began in the late 1970s. Three consecutive generations of Structural Adjustment Programmes failed to restore economic growth. On the contrary, economic decline worsened in the late 1980s. In the early 1990s, Banda's regime disintegrated quite quickly and 1994 the first free elections since 1961 were held. Banda and the MCP lost the elections and a new government under Bakili Muluzi took office. Democratisation did not bring welfare, however. Since 1994 the political system has become highly fragmented, and the economic crisis has deepened. In this chapter I will sketch the country's political history from independence, the relationship between economic development and Structural Adjustment and the history of the civil service since 1964.

In July 1964, the British protectorate of Nyasaland became independent under the leadership of Prime Minister Kamuzu Banda. The British High Commissioner gave a description of the country at the time of independence:

> Politically the country was under the firm paternally despotic control of Dr. Banda. Politics here had gained a certain monolithic appearance that suggested security and permanence. There was no real opposition. The Malawi Congress Party seemed popular and deeply rooted… Stability, moderation, realism and firm leadership seemed to be Malawi's distinguishing characteristics. The… Government of Dr. Banda… seemed to promise stability, anti-communism, realism and moderation in foreign policy, and slow but sensible progress in its internal political development. (in Baker 2001:88)

[1] In the following referred to as Kamuzu Banda or Banda.

Had the British High Commissioner visited Malawi thirty years later he would not have recognized the country's political landscape. The president's grip was weak and other strongmen constantly challenged his authority. The political arena was fragmented and politicians changed allegiance like chameleons change colour. Fissures were growing along ethnic, regional and religious lines. The political situation was volatile and the population had lost trust in the government. The president supported the flamboyant Colonel Khaddafi, in exchange for oil. The economy was in shambles and the country was in the grip of a severe economic crisis. Things became even worse in 2001 and 2002 when large parts of the country were affected by a famine that has been compared by many to the Great Nyasaland Famine of 1949.

1. Banda's Rule and the "New Malawi"

After Malawi's independence in 1964, Kamuzu Banda established a harsh autocratic regime under his personal leadership. In the 1980s his iron grip on the country loosened and in the early 1990s civil unrest and donor pressure eventually led to multi-party elections in 1994. Banda's MCP party was defeated in these elections by the United Democratic Front (UDF) and the Alliance for Democracy (AFORD), while a new government under Bakili Muluzi (UDF) took office. The population's support for Muluzi has been waning due to growing disenchantment but he won the last parliamentary and presidential elections in 1999.

a) Independence and Banda's Rule

The dramatic changes of the 1990s are remarkable when one considers that for thirty years there was little need to adjust the high commissioner's description of Malawi's state of political affairs. Banda had already eliminated all potential competitors for power in 1964 during the "Cabinet Crisis", when he ousted the majority of the cabinet ministers and forced them into exile. He also tightened his grip on the MCP, the only legal party, and other state institutions, defending his position until 1994.[2] In 1971 Banda declared himself President for Life and oppression of suspected opponents grew. Those

[2] On the Cabinet Crisis see Baker (2001). See also Rotberg (1972), Vail/White (1991), Short (1974: 179-230).

Northerners who had benefited from earlier missionary education during colonial rule were especially targeted by Banda's constant efforts to suppress any potential threat to his rule. At the time of independence most white-collar jobs in government and the private sector were held by Northerners. Banda perceived this situation as a distortion of the ethnic representation, so he promoted the Chewa of the Central Region, his home region, and gave them better access to education and government jobs (Vail/White 1991, Rotberg 1972, Kaspin 1995, Chirwa 1998).

During the mid-1970s the oppression against so-called "confusionist" and "separatist" elements increased, and thousands of people were imprisoned without trial, many from the North. The MCP and the youth paramilitary organization Malawi Young Pioneers (MYP) established an efficient net of control even in the rural areas. In 1977 the political climate improved somewhat, but Banda and his inner circle maintained a strict grip on power, the MCP, and the economy through a centralised system of patronage focused on Banda. In this sense, Malawi is different from other countries in sub-Saharan Africa. In Malawi political patronage remained restricted to Banda and his inner circle consisting of top party cadres and senior civil servants. Banda always succeeded in preventing the development of patronage networks that operated independently from him. He had already done so in 1964 when he ousted the other ambitious members of his cabinet, and he continued to strike hard and fast at anyone who had the ambition to create his own patronage network. This is markedly different from other African countries where a more polycentric political patronage structure emerged at all levels of the state hierarchy soon after independence (Bayart 1993, Chabal/Daloz 1999, Médard 2002: 385).

Under the heavy oppression of one-party rule everybody was afraid of detention or worse and had the feeling that the walls had eyes and ears, no one dared to talk politics in public, no one dared to attract attention, guaranteeing that the illusion of unity, obedience, diligence and loyalty – the four corner stones of the nation according to Kamuzu Banda - could be maintained. The poet, Jack Mapanje, alluded to the survival strategies of the people as chameleon-like behaviour, always changing colours for fear of being detained or worse (Mapanje 1981, 2002).

b) The Winds of Change

The "monolithic appearance" of Malawi began to show its first cracks in the late 1980s. Banda was getting old and was not able to maintain absolute control in the same manner, and the country began slipping into economic crisis. The cracks eventually broke open in the early 1990s. The end of the Cold War resulted in a more critical stance by Western donors towards Banda's despotic regime. This loss of international legitimacy coincided with a loss of domestic legitimacy. Domestically the undercurrent of discontent that had been building up since the late 1980s finally surfaced. In March 1992 the Catholic Bishops of Malawi issued a Lenten letter, which was read in Catholic Churches throughout Malawi. This letter was highly critical of Banda's regime, declaring him responsible for poverty and oppression. This triggered wider protests against Banda and one party rule. Students and vendors demonstrated in Zomba and Blantyre and the workers at the Whitehead textile factory in Blantyre went on strike. Soon they were joined by other workers and civil servants in Blantyre and Lilongwe who went on strike to demand better working conditions and political change. When the bilateral donors stopped development aid due to concerns about human rights and democracy, the pressure on Banda's aid-dependant regime intensified. It is noteworthy, however, that the World Bank and the IMF did not stop their development aid due to the purely "economic" character of their activities although they became soon the most vocal proponents of Good Governance.

The pressure on Kamuzu Banda and the MCP became so strong that he agreed to hold a referendum about the introduction of multi-party democracy. The referendum was held in June 1993, and the majority of the population voted in favour of multi-party democracy. The country seemed to change over night, critical newspapers mushroomed, people discussed politics more freely, and an elated feeling about imminent change spread in the population. At last, things seemed to change for the better. The General Elections in May 1994 were a clear rejection of Banda and the MCP. The UDF became the strongest party in parliament and its leader Bakili Muluzi was elected president. Malawians had very high expectations during the election campaign which were nourished by the promises of the UDF and Muluzi, secretary of the MCP till 1983. Muluzi's credo was change, *zasintha*, and in the beginning things did indeed change.

Political prisoners were released, a constitution with a bill of rights was introduced, the army disbanded the MYP, primary education became free of charge and the government launched the Poverty Alleviation Programme. After the elections the donors resumed their assistance and even expanded their activities.

1994 proved to be a crucial year, and generally people with whom I spoke during my fieldwork made a sharp distinction between the time prior to 1994 under Banda's oppressive rule and after 1994, the year of general elections. Since the introduction of multi-party democracy most people have become disillusioned. The new government raised expectations by promising to reduce poverty but these hopes were soon shattered as poverty became even worse. Democracy waned and proved to have taken less firm of a hold than was first assumed. In the first years, Muluzi and the UDF were open and promoted themselves as democrats. Gradually, this has changed. The president has surrounded himself with a clique of staunch supporters who attack critical and dissenting voices in parliament and the cabinet. Muluzi depends on these supporters and has to give them access to benefits in order to retain their loyalty. The new political system has been characterized by chameleon-like politicians selling their vote to the highest bidder (Dzimbiri 1998, Englund 2002b).

Despite the growing disenchantment of the population, Muluzi won the elections in 1999 - albeit by a very narrow margin.[3] Already in the running up to these elections the climate had already become more oppressive. People who were suspected of holding critical views and journalists who published critical reports were harassed by the Young Democrats[4] and the police. The security forces resorted to brutal force to quell demonstrations. In May 2000, police dispersed a peaceful demonstration in favour of debt cancellation with tear-gas and warning shots. During this demonstration I was arrested as a suspected "ring-leader" and charged with "an act likely to promote industrial unrest". After a short trial of only three days I was acquitted. Many Malawians were less lucky than me. In December 2002 a student was shot by the police during demonstrations in Zomba. In 2000 people close to the president began a campaign to amend the constitution to allow Muluzi to stand for a third term, something which is unconstitutional at present.

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[3] On the elections of 1999 see Ott/Phiri/Patel (2000).
[4] The youth organisation of the UDF.

This was met by critique from many quarters and especially the Christian Churches opposed this campaign vehemently. In a move to silence critique, the government has banned all demonstrations on the issue and has tried to intimidate opposition Members of Parliament (MP) and has even tried to buy their votes. The amendment bill was narrowly defeated in parliament in 2002. The president accepted his defeat and nominated his successor, Bingu wa Mutharika, the minister for economic affairs and a former World Bank economist. Bingu wa Mutharika won the elections in May 2004 by a narrow margin and heads a coalition government.

Generally, people seem to have lost faith in the capacity of the new leaders to improve the miserable situation. For example the local elections, a hallmark of the decentralisation programme, had a turnout of seventeen percent of the eligible voters. Instead of doing something for the country, politicians are perceived to be selfish and corrupt. It appears that the Malawian population has become thoroughly disenchanted as a result of the fragile freedoms acquired in 1994 failing to result in better living conditions. Even worse, the economic reforms have contributed to more insecurity, social inequality and poverty. A sentimental feeling for the security under Banda's rule whose, ghost is still lingering, has replaced faith in democracy and a better future.

2. The Results of Two Decades of Structural Adjustment

Because of the expansion of the tobacco estate sector promoted by Kamuzu Banda the Malawi economy grew substantially after independence. However, in the 1970s economic performance deteriorated because of the oil and debt crisis. Structural Adjustment was introduced in the 1980s to counter economic decline. Economic recovery has remained elusive, however, and the economic crisis became more severe in the late 1990s. In 2002 the situation worsened when large parts of the country were affected by severe food-shortages, which resulted in several hundred hunger-related deaths. Malawian government officials and NGOs blamed the famine on the sale of the Strategic Grain Reserve (SGR), which was done following the advice of the IMF and the reduction of the World Bank-funded Starter Pack programme.

a) The Years of Economic Growth

At independence in 1964 there was moderate optimism concerning Malawi's economic future, which was heralded as a new dawn, *kwacha*. Indeed, in the beginning, there was hope for a better future. Malawi seemed to be set for economic development under Banda's firm leadership when the country gained independence. Development was badly needed. The territory, established as a British protectorate under the name of Nyasaland in 1891 during the scramble for Africa, used to be one of the poorest and least developed possessions of the Empire. In colonial circles Nyasaland was referred to as the Cinderella of Africa, a quiet colonial backwater serving as a labour reservoir for the more industrialised neighbouring regions of Rhodesia and South Africa, while also supporting a small number of European planters who produced mainly tobacco and tea for exports that were hampered by high transport costs because of the long routes through Mozambique to the coast (Kydd/Christiansen 1982:355-358, McCracken 1983, Pryor 1990, Vail 1975, 1977).

Soon after independence Kamuzu Banda succeeded in gaining control over the economy through the Press Corporation, a private company, which he owned. Press enjoyed a near monopoly in industry, financing and trade. In the early 1970s Banda appropriated and distributed a large number of tobacco estates, giving them to his followers in the MCP. Fully acknowledging Malawi's unfavourable starting position, he chose a somewhat unorthodox development strategy. Instead of pursuing industrialisation as other African countries had done, his policy concentrated on the expansion of the agricultural production of cash crops, mainly tobacco and tea. The agricultural sector can be divided between large-scale commercial agriculture on estates and peasants producing mainly for subsistence and, to a lesser extent, for commercial purposes. Banda's policy squarely favoured the expansion of the estate sector at the expense of the smallholder sector. Kydd and Christiansen (1982) have argued that the development of the estate sector was financed by imposing heavy taxes on peasants through the state-owned Agricultural Development Marketing Corporation, ADMARC, a strategy used by the Native Tobacco Board during the colonial period (McCracken 1983). Despite the detrimental long-term effects for the equitable distribution of wealth and the improvement of living standards identified by Kydd and Christiansen (1982), this development strategy seemed to succeed during the first years after independence. Malawi was held up as an example of economic development and enjoyed impressive growth rates between 1970 and 1979. The estate sector, which produced tobacco and tea for export was mainly responsible for this economic growth (Harrigan 1991:207-208, Harrigan 1997, World Bank 1981).

b) Economic Crisis and Structural Adjustment

Economic growth came under pressure in the late 1970s. In the wake of the oil price hikes and reduced prices for tobacco and tea, the main cash crops, the terms of trade deteriorated dramatically in the late 1970s. As a result the interest rates on external debts exploded. The negative effects of these shocks were compounded by a severe drought in 1979-1980 and the closure of the railway connection to the sea due to the civil war in Mozambique. The government's budget deficit increased due to the high level of government expenditure. The parastatal sector and Press Corporation faced severe financial difficulties thus increasing the pressure on the government on which they depended for loans (Van Donge 2002, Harrigan 1991:11-212).

Responding to the crisis, the government entered into a stand-by agreement with the International Monetary Fund (IMF) in 1979. In 1981 the government went one step further and accepted its first Structural Adjustment Loan (SAL) from the World Bank followed by the second SAL in 1982, and the third in 1985 (Harrigan 1991:217-223). By accepting these loans Malawi entered a vicious circle of increasingly detailed policy measures prescribed to restore growth and ensure debt servicing. Of course, development aid had been a feature of Malawi's budget since independence, even during colonial times, but with Structural Adjustment a new dimension of economic reform was reached in terms of scope, objectives, donor involvement in national policy-making, and the amount of loans provided.

Malawi was one of the first countries to receive Structural Adjustment support and the government implemented three consecutive SALs during the 1980s. However, the Structural Adjustment reforms that came with these loans did not succeed in restoring economic growth. On the contrary, the economic crisis deepened during the 1980s, as it did in most other African countries (World Bank 1989, 1994a). The adverse effects of the economic crisis were being felt more and more by the population during the late 1970s and the 1980s. By 1982 the Gross Domestic Product (GDP) per capita was 12 per cent lower than in 1979. In the mid 1980s economic decline intensified even further. People were affected mainly by higher prices for the staple food maize, losses in real income, the removal of subsidies for fertiliser, the closure of depots of ADMARC and higher consumer prices (Kaluwa et al. 1992:49-57).

The 1990s did not bring the recovery that was predicted by the World Bank (1989, 1994a). Despite continuing structural adjustment the economic situation got much worse (Ngalande Banda et al. 1998). The economic crisis was certainly an important factor contributing to the emerging popular opposition to the dictatorial regime of Banda and the MCP in the early 1990s. According to government figures, annual inflation ran at 22.8 percent in 1993 and rose to 34.7 percent in 1994 (GoM 1995a:5-8). The opposition parties promised poverty reduction and better public services in the campaign for the elections in 1994. Difficulties were compounded by severe droughts that hit Malawi in 1990-1991 and 1993-1994. Consequently, expectations were high when the new democratically elected government of Bakili Muluzi came to power in 1994. Together with the donors, led by the World Bank and the IMF, the new government embarked on a Poverty Alleviation Programme in August 1994 (GoM 1995b). After a suspension of development aid between 1992 and 1994 by most bilateral donors that had withdrawn support for Banda's regime, aid was resumed[5]. However, the new government did not really succeed in reducing poverty. Following the depreciation of the currency, inflation rose to an estimated 42 percent in 1995 and between 50 percent and 70 percent in 1996. Actual losses in income and savings were even more sudden and dramatic; for example, the monthly inflation rate in April 1995 (inflation rate for a specific month compared to the same month in the previous year) was 79.1 percent (Ngalande Banda et al. 1998:78-79).

Since 1995 the government has been implementing the World Bank's and IMF's visions of a deregulated economy, open market, less active involvement of the state in the economy, privatisation of state-owned enterprises and the reform of the state institutions (World Bank 1994a, 2000b). The hope for economic recovery, improved living

[5] With the notable exception of the World Bank.

standards, and poverty reduction has yet to be realized. Since 1997 annual inflation has remained continuously high between 20 and 30 percent. In October 1998 the currency was again depreciated and lost 80 percent of its value against the US Dollar. In 1999 the IMF phased out Structural Adjustment lending and initiated the Poverty Reduction and Growth Facility. Malawi was also included in the Highly Indebted Poor Country (HIPC) initiative for debt relief. In co-operation with the World Bank and the IMF, the government drew up a Poverty Reduction Strategy Paper (PRSP) and, in August 2000, the Poverty Reduction Programme was initiated, aiming at further market deregulation, liberalization, privatisation, governance, and reduction of the budgetary deficit.

c) Economic Liberalisation and the Famine of 2002 and 2003

It would go beyond the scope of this study to undertake a detailed inquiry into the causes of the 2002-2003 famine. Nevertheless, the famine is important for the purposes of this study, as it constitutes the most recent chapter in the history of economic liberalisation and influence of donor agencies. So far, no exhaustive explanation has been offered but the available data suggests an unfortunate mix of trigger factors such as the drought and the sale of the Strategic Grain Reserve (SGR), combined with underlying causes such as population pressure and deteriorating soil fertility that created the conditions that produced the famine (Devereux 2002). My chronology of events leading up to the famine highlights the main factors and underlying causes for the famine as they relate to the situation of civil servants.

During Banda’s reign the government commonly intervened in the food market and built up a strategic food reserve to guarantee food security. This interventionist policy was strongly criticised by World Bank and IMF who demanded market liberalisation (Harrigan 1991, 1997). While Banda was able to exploit the West’s fear of communism to his advantage and resist the pressure of donor agencies, the new government under Muluzi proved to be more susceptible to donor agencies’ advice. In response to donor pressures the state-owned marketing board ADMARC scaled down its operations in many rural areas to be more cost-efficient. ADMARC had also been responsible for the management of the SGR but in 1999 the National Food Reserve

Agency (NFRA) was established to manage the food reserve independently, on a cost-recovery basis.

Following two good harvests in 1998-1999 and 1999-2000 the NFRA bought maize with loans from commercial and government banks. In 2000 the SGR was almost stocked to the full storage capacity of 180,000 metric tonnes. To purchase the maize, NFRA borrowed MK 600 million at an interest rate of 56 percent per annum and by June 2000 they had a debt of MK 1 billion. This raised donor concerns, so the World Bank and IMF advised the government to reduce the emergency reserve to between 30,000 and 60,000 metric tonnes and to export the excess stocks to service the debt. Furthermore, the grain reserves needed to be renewed as the maize had already been stored for two years (IMF 2002). Hence, in accordance with these recommendations, NFRA started to sell maize at the end of 2000. Instead of selling only the excess stocks, however, NFRA sold the whole stock, and by the first half of 2001, the SGR was virtually empty. World Bank and IMF had advised them to export the maize in order to avoid a distortion of the domestic market and to earn badly needed foreign currency. NFRA did not heed this advice and sold a large part of the reserve to domestic traders who hoarded maize in anticipation of rising prices that would come at the end of the year when most households would have depleted their stocks. Only a small portion of the reserve was sold to Kenya and Mozambique.

In February and March 2001 floods hit many parts of the country, especially in the Central and Southern Regions. According to estimates, as a consequence, maize production was reduced by 32 percent. The authorities expected sufficient maize production, however, along with ample production of other crops such as tubers and rice. Based on estimates and satellite images provided by the Ministry of Agriculture and the Famine Early Warning System (FEWS NET), ADMARC and NFRA did not replenish their grain stocks. According to preliminary studies the floods were not the only factor responsible for the agricultural production shortfall: it appears that the reduction of the so-called Starter-Pack programme, [6] higher interest rates for input loans, and rising

[6] The Starter Pack programme distributed free seeds and fertilizer to 2.8 million smallholder households to stimulate agricultural production under the Malawi Social Action Fund (MASAF), a programme financed by the World Bank. In 2000 the Starter-Pack programme was replaced by the Targeted Input Programme (TIP), which distributed seeds and fertilizer to 1.5 million households.

fertilizer prices further compounded the problem (Devereux 2002).

The decision to sell the maize and not to replenish the SGR because of predicted food surplus proved to be fatal when agricultural production (maize, roots and tubers) levels were much lower than expected. Because of the shortfall, prices shot up in the second half of 2001, making it impossible for many people to purchase maize to replenish their depleted stocks. In some areas the consumer price for maize went up by 400 percent. After the price-hike the traders who had horded maize started to sell but many people could not afford the exorbitant prices. By February 2002 the food shortages had turned into a full-blown famine in many parts of the country, especially in the central region and the south. The government and donor agencies reacted very slowly. At the end of February President Muluzi finally declared a state of disaster. The government was not the only party reacting slowly to the crisis, as donor agencies seemed to be more concerned with the sale of the SGR than with providing immediate necessary support (Devereux 2002).

The government began importing 150,000 metric tonnes. But, due to logistical problems and delays the maize arrived in March 2002, too late to be distributed in time to all affected areas. Only slowly the situation improved with the arrival of food aid from donors and with the purchase of maize in South Africa. Prices remained high, however, and people were not able purchase the necessary inputs for the 2002-2003 season. According to affected people and analysts, the famine of 2002 was worse than the Great Nyasaland Famine in 1949.[7] According to the World Food Programme (WFP), more than 3 million people were threatened by starvation in 2002. It is estimated that at least 300-500, and probably 1000-3000, people died as a direct result of the famine (not counting people who died from cholera or HIV/AIDS as a result of weakness caused by malnutrition) (Devereux 2002:18).

Following national and international critique, the government started an investigation into the sale of the grain reserve. Allegedly, a large part of the strategic reserve was sold to leading politicians of both the ruling UDF party and the opposition; several cabinet ministers and high-ranking government functionaries made a big profit when they sold their hoarded stocks at the height of the crisis at exorbitant prices. Even

[7] On the Great Nyasaland Famine of 1949 see Vaughan (1987).

worse, according to some allegations the money they were supposed to have paid could not been accounted for. In February 2003 two senior officials of the NRFA were arrested on charges of corruption, and investigations had been opened against Friday Jumbe, Minister of Finance and former Director of ADMARC, who financed the construction of a luxury hotel in Blantyre with profits from the sale of the emergency reserve, according to the gossip in the streets of Blantyre.[8]

3. The Civil Service – From Localization to Good Governance

Chanock observes that law constitutes one of the most persistent and influential legacies left by British colonialism (Chanock 1985). The same can be said about the civil service in Malawi. Its structure has remained one of the most lasting colonial legacies and it remained largely unaltered despite localization after independence.[9] Under Banda's rule the civil service was highly politicised, and people spoke of a "culture of fear". The "culture of fear" came to an end with democratisation, and now civil servants do not hesitate to criticise the government or to go on strike.

a) From Localization to the "Culture of Fear"

After independence Malawi retained the structure of the British colonial civil service. Characterising the colonial civil service was the strict division between European expatriate officers and Africans. Until the late 1950s, few Africans served in the colonial service. Under the Localisation or Africanization programme of the last years before independence the numbers of Africans increased, and by 1963, most junior staff were Africans, though expatriates remained in senior posts. Even after independence Localisation was implemented very slowly in comparison with other African states, and many expatriates held high positions in the civil service of Malawi until the early 1980s (Baker 1972). It is said that Kamuzu Banda preferred expatriates to Malawians because of their superior know-how and their position outside Malawian society.

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[8] At the time of writing in late 2002 the prospects for regaining food security remained bleak although the situation had eased considerably due to massive food aid from donors and emergency loans from World Bank and IMF (although the IMF blocked US $ 45 million regular loan payment because of overspending and "governance concerns" in 2002).

[9] Localization is the *termus technicus* used by the British to denote the transition from a civil service run by expatriate officers to a civil service run by Africans. Sometimes the term Africanization was also used.

According to European and African informants who had served in the Nyasaland colonial service, the first years of independence were characterised by high morale and motivation and “there was great pride in the service”. This did not imply harmonious relations between the races, however. The African informants who had served in the colonial civil service remembered also the racist and authoritarian attitude of their white superiors. Soon after independence in 1964, the shadow of a different type of oppression and politicisation fell on the civil service. Under colonial rule people from the northern region, who had better access to superior missionary education, constituted the majority of African employees in the civil service. Banda was suspicious of the Northerners and wanted to assert Chewa-identity – his own ethnic group - as the national identity. In the wake of the “Cabinet Crisis” many civil servants, mainly from the north, were imprisoned, dismissed or went into exile. The climate of oppression and political influence intensified in the following years and reached a climax during the mid 1970s, when thousands of officers, many of who were from the north, were arrested and dismissed.[10]

Until the end of his rule, Banda and the MCP exercised strict control over the civil service. The civil service became highly politicised, and even suspected opposition against the regime could provoke dismissal or detention. Banda’s distrust in the civil service can be traced back to the first days of his rule. In 1963 Civil servants in Zomba protesting against the reduction of remunerations as proposed by the Skinner-Commission and Banda’s reluctant Africanization of the senior positions in the civil service went on strike (Baker 2001:133, 185-186, 190). Banda never forgot this open resistance and took every opportunity to criticise civil servants’ greed and lax attitude. In order to prevent any resistance within the civil service against his rule Banda established a tight system of control and oppression. Civil servants spoke of a “culture of fear” when referring to the civil service under Banda’s rule - a time when any real or perceived dissent or disloyalty could result in dismissal and detention without trial.

[10] On creation of tribalism and assertion of Chewa as national identity in general, see the seminal article by Vail and White (1991).

b) The Civil Service since Democratisation

Since 1994 the new government has been implementing far-reaching reform programmes under the guidance of World Bank and IMF including civil service reform. Consistent with the Bank's and the Fund's recent focus on promoting Good Governance, this reform is aimed at improving efficiency and transparency. Measures taken under the Institutional Development Project include a civil service census to eliminate ghost workers, public expenditure reviews, institutional reviews, privatisation, the introduction of meritocracy, and a retrenchment exercise.

Efforts to increase efficiency have concentrated on removing crucial parts of public administration and policy from the civil service. Development policy, for example, is mainly implemented by the Malawi Social Action Fund (MASAF), a parastatal whose employees work on a contract basis. Democratic reforms are formulated and supervised by the Law Commission and the Human Rights Commission, which also work under contracts similar to the private sector. The same applies to the Anti-Corruption Bureau (ACB). This is possible because several of these bodies, e.g. Human Rights Commission and ACB, are largely funded by donors who have a keen interest in the implementation of these policies, and because they have a the relatively small number of staff compared to the large ministries. Also, professionals in other ministries are increasingly employed on a contract basis. In February 2000, the departments of Customs and Excise and Income Tax were dissolved and the Malawi Revenue Authority (MRA) was established. This new agency operates on a cost-recovery basis outside the civil service structure and under its own conditions of service.

Malawi's civil servants have become more assertive and vocal in voicing their concerns and demands. There were major strikes in 1992, October 1994, January 1996, April through May 1997 and in 2001. Some of these strikes, such as in 1992 and 1994, were supported by a large majority of the civil servants, while strikes in specific ministries and for specific professional groups have become very common, thereby regularly disrupting the operation of ministries and departments. Labour unrest, especially among junior officers, started in May 1992 and culminated in the strike of October 1994. The strikers complained about insufficient salaries and demanded salary increases. The strikes also had political undertones. In 1992 civil servants went on strike shortly after the workers at the Whitehead textile factory in Blantyre went on strike. There were also protests by students and street vendors in Blantyre and Zomba. The main demand, however, was substantial revision of salaries, which were insufficient in the eyes of the discontented civil servants.

In response to the strikes in 1992 and 1994, the recently elected Bakili Muluzi established a commission to consider civil servants' complaints and to suggest a better salary structure. The commission, headed by Judge Chatsika, delivered its report in March 1995. The main recommendations concerned hefty salary increases: The commission proposed to raise the salaries of the lowest grades in the Industrial Class by 236 percent, of the middle grades by 120 percent and of the top functionaries in the Superscale by 263 percent. The commission recognized that the implementation of this proposal would result in a 100 percent increase of the wage bill and, with remarkable indifference to the demands of the World Bank and the IMF, stated that "the Commission is convinced that the increased wage bill is far outweighed by the impact the increase would have on the morale of the civil service" (GoM 1995c).

Not surprisingly, considering the pressure from the World Bank and the IMF, president Muluzi was unable to implement the proposals of the Chatsika Commission right away and instead promised to increase the salaries by 25 percent (Manda 2000:87). In April 1997, civil servants, who demanded salary increases and the implementation of the recommendations of the Chatsika Commission, went on strike again. This time the strike was mainly led by professionals in hospitals and the civil aviation department. However, the 1997 strike was not successful and faltered after two weeks, failing to realize its objectives due to a lack of support and internal quarrels between the trade unions (van Donge 1998). Instead of implementing the Chatsika report, the government began increasing all salaries by 25 percent each year to counter inflation and appease unruly civil servants.

During Banda's rule, any form of independent organisation of employees was forbidden, the Teacher Union of Malawi (TUM) was the only officially recognised trade union of government employees. During the 1994 strike, civil servants were only informally organised. In subsequent years several trade unions formed including the Civil Servants Trade Union (CSTU), the Customs Workers Union (CWU) and the Local

Government Workers Union (LGWU). The CSTU led the negotiations with the government during the 1997 strike but was unable to realise most demands (van Donge 1998). At the time of writing the trade unions had a very low grade of organisation and no membership administration. For example, it was said that the CSTU had not more than 800 members. They suffered from factionalism and internal power-struggles and failed to play a decisive role in labour relations.[11]

It is difficult to assess the level to which politicisation has occurred in the civil service since 1994. Compared to the days of one-party rule, civil servants seem to enjoy considerably more freedom and leeway. The frequent strikes and open criticism of the government bear testimony to these new freedoms. Prior to 1994 it would have been unthinkable to go on strike, form a trade union, or write letters to the editor complaining about mismanagement or corruption. Yet, there has been a certain degree of political influence on the civil service since 1994. The highest positions in the civil service (S4/P4 and above) are appointed by the president are, therefore, "political". Furthermore, there have been indications that the higher positions in the ministerial headquarters in Lilongwe and the appointment of District Commissioners, the central government's representatives in the districts, are often associated with support for the ruling UDF party.

In 1999 and 2000 civil servants were in a somewhat ambiguous situation: On the one hand, they did not have to fear for their lives anymore and enjoyed considerable freedom, on the other hand, the economic situation was very unstable, levels of crime had risen sharply, and restructuring threatened job security. Civil servants often expressed sentimentality for the good old days when the civil service was still respected, salaries had not been eroded by inflation and crime was relatively unknown. In spite of the oppressive character of Kamuzu Banda's regime, civil servants generally associated the past with respect and a sense of material security that had been replaced by a sense of insecurity and anxiety about the future.

[11] In March 2000 four trade unions, including the CSTU, broke away from the umbrella-organisation Malawi Congress of Trade Unions (MCTU) and formed the Congress of Malawi Trade Unions (COMATU). In the background were differences between the CSTU president Banda and the MCTU president Antonio. An internal power-struggle between Banda and the majority of the members who resented Banda's decision eventually erupted, and the CSTU rejoined the MCTU again end of April 2000 (*Daily Times*, 28.4.2000).