

# **The Republic of Malawi**

## **AN INTEGRATED ICT-LED SOCIO-ECONOMIC DEVELOPMENT POLICY FOR MALAWI**

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**A Policy Statement for the Realization of the Aspirations of the Vision  
2020 through the Development, Deployment and Exploitation of ICTs  
within the Economy and Society**

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**June 2003**

## List of Acronyms

<b>ASAC</b>	AgriculturalSectorAdjustmentCredit
<b>ESAF</b>	EnhancedStructuralAdjustmentFacility
<b>FDI</b>	ForeignDirectInvestment
<b>GDP</b>	GrossDomesticProduct
<b>GIS</b>	GeographicInformationSystem
<b>HIV/AIDS</b>	HumanImmunoDeficiencyVirus/Acquired ImmunoDeficiencySyndrome
<b>HRD</b>	HumanResourceDevelopment
<b>ICT</b>	InformationandCommunicationsTechnology
<b>IMF</b>	InternationalMonetaryFund
<b>ITPAC</b>	IndustrialTradePolicyAdjustmentCredit
<b>MITA</b>	MalawiInformationTechnologyAgency
<b>NICI</b>	NationalInformationandCommunicationsInfrastr ructure
<b>NITC</b>	NationalInformationTechnologyCouncil
<b>PRSP</b>	PovertyReductionStrategyPaper
<b>R&amp;D</b>	ResearchandDevelopment
<b>S&amp;T</b>	ScienceandTechnology
<b>SADC</b>	SouthernAfricaDevelopmentCommunity
<b>SAP</b>	StructuralAdjustmentProgramme
<b>SME</b>	SmallandMediumEnterprise
<b>VICI</b>	VillageInformationandCommunicationsInfrastru cture

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# EXECUTIVE SUMMARY

## Preamble

The world economy is experiencing the impact of rapid globalization and the emerging information age -- which is bringing about a new global economic order -- based economies. Developing countries like Malawi are already facing numerous challenges to their developmental efforts as a result of this globalization process and the impact of the emerging new information age.

Malawi, a country grouped amongst the 10 least developed economies in the world is no doubt experiencing a number of socio-economic challenges characterized by: an economy with a high dependence on the agricultural sector, a narrow and weak industrial structures and base, and an under-developed services sector; low growth rates, coupled with balance of payment difficulties; poor physical, communications and social infrastructural development; and problems associated with heavy debt burdens and huge public and social expenditure budgets.

These problems are likely to be compounded by the new challenges posed by globalization and the information age.

Given these challenges, it is argued that the socio-economic development aspirations of the Vision 2020 -- aimed at promoting the social and economic development of Malawi -- will be difficult to attain without the deployment, exploitation and development of ICTs to support the process of accelerated socio-economic development of the country. For example, it will not be possible for Malawi in the new emerging economic order, to develop a vibrant, globally competitive industrial and services sector without using ICTs as an enabler, and facilitator of these sectors. A number of countries are putting in place ICT-enabled policies and strategies aimed at the deployment, utilization and development of ICTs to support the development of their economies including the industrial, services and the agricultural sectors. In today's competitive environment it is not possible for a country to remain competitive without using ICTs to support its developmental process.

There is no doubt that: the emerging information age characterized by ICTs and the extraordinary increase in the spread of knowledge has given birth to a new era: that of knowledge and information which is having an impact on socio-economic development efforts in a number of countries especially those in the developed world. These technologies are offering even less developed agricultural countries like Malawi the opportunity to transform their economies and societies by accelerating their socio-economic development process as part of ways of addressing the challenges of globalization and the socio-economic implications of the widening digital divide.

Malawi like countries in other regions of the world is equally placed to take advantage of these technologies to facilitate her socio-economic development process. This Policy Statement sets out Malawi's development agenda in the digital age. Based on the Policy Framework Document: *"An Integrated ICT-led Socio-economic Development Policy and Plan Development Framework for Malawi."* The Policy takes into account the aspirations and the provisions of key socio-economic development framework documents including the: the Vision 2020 and the Malawian Poverty Reduction Strategy Paper. Also taken into account are the provisions of the Communication Sector Policy Statement and the Malawian Science and Technology Policy Statement.

This Policy whose formulation was based on a nation-wide consultative process involving key stakeholders in the public sector, private sector and civil society reflects the nation's commitment to pursue an ICT-led socio-economic development agenda aimed at developing the Malawian information society and economy.

The details of the Policy are summarized below and it is envisaged that it will have an operational life of about twenty years or less. Periodic reviews of its key elements during its life-span to reflect technological changes and changes in developmental objectives and priorities is also envisaged.

### **The Key Developmental Challenges of the Policy**

The Malawi ICT-led Socio-Economic Development Policy Statement is designed to aid Malawi's development process by contributing to addressing the nation's key developmental challenges. --- These includes:

- The socio-economic development challenges arising from, Malawi's high population density and growth rate
- The poverty-related socio-economic and cultural developmental challenges characterized by: widespread poverty and low incomes; high illiteracy rates, low school enrolment rates, and poor quality of education
- The economic development challenges posed by an economy dominated by an under-performing agricultural sector, a weak and narrow industrial sector, an under-developed services sector, the small size of the domestic market; and the low productivity of labour
- The developmental challenge of Malawi's weak and inefficient economic infrastructure characterized by an unstable and unpredictable macroeconomic environment; and a weak and inappropriately utilized human capital development base to support economic activities
- The socio-economic development challenges attributable to the land-locked nature of Malawi which makes transport costs for imports and exports high; the poor physical telecommunication and communications infrastructure.
- The developmental challenges posed by the debt burden and Malawi's over-dependence on donor aid and the poor institutional capacity of the country.
- The lack of adequately trained human resources in key skill areas necessary for the nation's development; and the challenges associated with the inadequate technical and entrepreneurship skills within the economy
- The challenge posed by the lack of investment incentives and the low levels of both domestic and foreign direct investments in key sectors of the economy
- The developmental challenges posed by the country's poor, limited and under-developed infrastructure including those of telecommunications, communications, power, and transport infrastructure which are areas of fundamental importance to socio-economic development.

- The developmental challenges of the weak Research and Development (R&D) base of the country --- a situation characterized by an insignificant number of scientists and engineers involved in R&D types of research work

### **Summary of Malawi's Developmental Objectives and Priorities**

The Policy Statement is also set within the wider developmental objectives and priorities of Malawi as defined by the Vision 2020, the Poverty Reduction Strategy Paper (PRSP), the Science and Technology (S&T) Policy and other socio-economic development policy frameworks aimed at addressing the developmental challenges facing the country. The key ones are summarized as follows.

- To develop a fast-growing, competitive, innovative and knowledge-based economy and society
- To develop and improve Malawi's educational systems and strengthen science and technology (S&T) education at all levels
- To modernize and improve the productivity and the value-added services of the key sectors of the economy, namely agriculture, industry and services sector
- To promote sustainable human resource development and improve the quality of trained manpower utilization
- To promote development and application of S&T for economic growth and diversification, competitiveness and employment creation
- To promote the development of the nation's physical, economic and communications infrastructure capable of supporting the rapid socio-economic development of the country
- To establish and strengthen the nation's research and development (R&D) capacity and base
- To develop and raise national productivity capacity and improve competitiveness through the efficient application of technologies
- To build national capacity for integrating S&T into national development programmes and develop a capacity for R&D to support the nation's socio-economic development efforts

### **The Overall Goals of the Policy Statement**

Taking into account the developmental challenges facing Malawi and the stated developmental objectives and priorities defined in the socio-economic frameworks, and based on the premise that Malawi's development process can be accelerated through the development, deployment and exploitation of ICTs within the economy and society, the overall goals of the Policy Statement are:

- To address Malawi's developmental challenges and accelerate the nation's socio-economic development process to improve the socio-economic well-being of its people, through the development, deployment and exploitation of ICTs within the society and economy

- To implement within a given time-frame an ICT-led Socio-Economic Development Policy on which to base a number of rolling Action Plans set within the wider socio-economic development objectives, and priorities of the Vision 2020, and other socio-economic development frameworks of Malawi
- To engineer an ICT-led socio-economic development process with the potential to transform Malawi into a middle income, information-rich, knowledge-based and technology driven economy and society

### **The Specific Goals of the Policy**

- To facilitate the creation of the necessary enabling environment to support the deployment, utilization and exploitation of ICTs within the economy and society
- To promote the development of a globally competitive local ICT industry
- To support the development of the nation's human resource capacity
- To facilitate the deployment and exploitation of ICTs within the educational system to improve educational access and delivery.
- To aid the process of improving Malawi's scientific and industrial research capacity as well as its R&D capabilities to support economic development
- To promote and support the development of the nation's information and communications infrastructure as well as the physical infrastructure
- To facilitate the modernization of the civil and public service through the deployment and exploitation of ICTs to improve on the effectiveness and efficiency of its operations and service delivery
- To promote and facilitate the development and implementation of the necessary legal, institutional and regulatory framework and structures required for supporting the development, deployment and exploitation of ICTs in the country.
- To support and encourage the development and promotion of the necessary standards, good practices and guidelines to guide the deployment and exploitation of ICTs within the society and economy

## **The Priority Focus Areas of the Policy**

The Policy is strategically targeted at the development of the ICT sector and industry and on the use of ICTs as a broad-base enabler of developmental goals, with emphasis on the development, deployment and exploitation of ICTs to aid the development of all other sectors of the economy.

The priority areas of focus are:

- Human Resource Development
- Promoting ICTs in Education
- Promoting Electronic Government and Governance
- Facilitating the Development of the Private Sector
- Developing an Export-Oriented ICT Industry
- Modernization of Agriculture Sector
- Developing a Competitive Value-Added Services Sector
- Deployment and Spread of ICTs in the Community
- Developing the Information and Communication Infrastructure and the Physical Infrastructure
- Developing the Legal, Regulatory, and Institutional Framework to Facilitate ICT Development, Deployment and Exploitation in the Economy and Society
- Promoting Foreign and Local Direct Investment Drive in ICTs

## CHAPTER ONE

# ESTABLISHING THE SOCIAL AND ECONOMIC BASIS FOR THE ICT-LED SOCIO-ECONOMIC DEVELOPMENT POLICY

### Reviewing the Economy and its Performance

The economy of Malawi, one of the least developed economies in the world, has gone through a number of developmental stages over the last thirty years. For example, the economy was buoyant in the late 1960's until the mid 1970s registering positive real growth rates in the region of 6%. This was followed by a poor economic performance in the late 1970's resulting in a fall in GDP from 3.3% in 1979 to -0.4% in 1980, and -5.2% in 1981.

To address the economic downturn, the Government in the early 1980's embarked on the implementation of structural adjustment programmes (SAPs) and as part of this process, the World Bank and other donors financed three Structural Adjustment Loans between 1981 and 1990 namely: the Industrial Trade Policy Adjustment Credit (ITPAC); the Agricultural Sector Adjustment Credit (ASAC); and the International Monetary Fund (IMF) Enhanced Structural Adjustment Facility (ESAF).

Despite these efforts, growth in the economy continued to decline up to about 1987. The economy did improve from 1988, with the GDP registering a growth of 3.3% in 1988, 4.3% in 1989, 4.8% in 1990 and 7.8% in 1991. However, the period 1992-1994 saw a downturn in the economy, a period characterized by slow growth, high inflation, large balance of payments deficit and huge fiscal budget deficits. This was attributed to: lack of foreign exchange, unfavourable weather conditions, massive wage increases owing to industrial action, and large drought related expenditures.

Malawi's economic performance in the second half of the 1990's was mixed – The country registered a GDP growth of 9.6% in 1995, and 8.2% in 1996. Thereafter the growth of the economy slowed down dramatically culminating in a GDP growth of 1.7% by the year 2000. Furthermore the fruits of the limited growth that Malawian economy achieved up to the year 2000 were poorly distributed, and the growth itself was narrowly based on state owned agriculture, and large public and private sector conglomerates protected by pervasive barriers to entry. As a result, at the end of this period Malawi emerged with one of the worst sets of human welfare indicators in the World.

On the whole, although the Malawian economy performed relatively better in the late 1960's and to some extent in the late 1980's, the economy during most part of the last thirty years has been underperforming in a number of sectors. In particular, years leading up to 2000 and beyond has been a period of poor economic performance in key sectors like agriculture, services and industrial sectors – the three main sectors of the Malawian economy.

- **On the Agricultural Sector**

The Malawian economy is agriculture-based and these conditions for good agricultural production and the major contributor to economic growth in Malawi, with the smallholder sub-sector and about 11% in the estimate one-third (about 36%) of GDP and serves as a key sector

is almost entirely reliant on favourable climatic conditions for economic growth. Agriculture has been the dominant sector, with an estimated 80% of the labour force employed in the agricultural sub-sector. The sector accounts for more than 30% of GDP and provides raw materials for the industrial sector.

This sector has for a number of years been plagued with its development. For example, the scarcity of land and other resources is a major constraint for large-scale agricultural development. The sector will have to increasingly rely on the development of intensive production and achieving maximum utilization of land.

With a number of problems that have been constraining its growth, the agricultural sector in Malawi. A such expansion in the agricultural sector will have to increasingly rely on the development of intensive production and achieving maximum utilization of land.

Past policies and strategies, have not succeeded in reasons for this lack of success can be attributed to: rapid population growth; limited access to land by farmers, (particularly smallholder farmers) the small size of the domestic market, relatively low prices of crops; and existence of restrictions on the types of crops grown by smallholder farmers. Other reasons include: limited credit to smallholder farmers; lack of sufficient and effective extension advice; and persistent droughts, pests and diseases. On the whole, the past performance of the agricultural sector has for many years been below its potential.

Some of the reasons for this lack of success can be attributed to: rapid population growth; limited access to land by farmers, (particularly smallholder farmers) the small size of the domestic market, relatively low prices of crops; and existence of restrictions on the types of crops grown by smallholder farmers. Other reasons include: limited credit to smallholder farmers; lack of sufficient and effective extension advice; and persistent droughts, pests and diseases. On the whole, the past performance of the agricultural sector has for many years been below its potential.

It is believed that with the right policies and incentives the agricultural sector has the potential to expand employment and income-earning opportunities for the majority of Malawians who depend on agriculture for their livelihoods. Improving and developing the agricultural sector; which is a key strategic focus of the Vision 2020 socio-economic development framework for Malawi, provides a basis for one of the key goals of the ICT-led development policy Statement -- that is to modernize operations and activities of the agricultural sector to improve the productivity of its key sub-sectors and the global competitiveness of the sector as a whole.

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- **The Services Sector**

The services sector is the fastest growing sector of the Malawian economy and currently accounts for close to 34% of GDP with the government services sub-sector contributing about 11% to GDP. The services sector on the whole is dominated by the distribution services sub-sector whose activities are concentrated in trading and distribution of mainly imported goods and services. The ICT services sub-sector although under-developed, has the potential to expand and increase its contribution to the economy provided the right policies and programmes are put in place to facilitate the development of this sub-sector.

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The development of the services sector has been identified as a priority area of the Vision 2020 and other key socio-economic development frameworks of the Government. The ICT-led socio-economic development Policy also identifies the services sector as an engine for accelerating the development of the Malawian economy.

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- **The Industrial Sector**

The industrial sector of the Malawian economy, is concentrated in agro-industries and highly dependent on agricultural inputs. The sector contributes only 12% to GDP and accounts for only 11% to paid employment, which is low by regional standards. On the whole there is very limited industrial diversification in Malawi and production is confined to food processing including tea and other beverages, tobacco, textiles and garments, pharmaceuticals, paints, and cooking oils.

The non agro-based industries sub-sector rely heavily on imported raw materials and intermediates and the manufacturing processes are simple and do not have significant value added component. Plant and machinery and ancillary equipment in use in most of the industrial set-ups in the country are of old and obsolete technologies and production is focused mainly on the domestic market with very little export-oriented production.

Despite past Government policies aimed at promoting the development of the industrial sector of the economy, the sector which is domestic market-oriented suffers from: the low purchasing power of Malawians; the lack of backward and forward linkages between industries, limited foreign competition, increased effective protection tariffs imposed for revenue purposes, the absence of a capital goods sector and inadequate government support. The industrial sector's performance despite the government undertaking major reforms, has been below expectations

### **Concluding**

On the whole, the Malawian economy is characterized by: (i) a high dependence and under-performing agricultural sector; (ii) a narrow and weak industrial base; and (iii) an under-developed services sector which has the potential to expand and increase its contribution to the economy. The modernization of the agriculture sector to improve on its productivity and competitiveness, the development of the industrial sector into a technology-led sector with a dominant ICT industry and the development and expansion of the services sector into a globally competitive high valued-added sector with a vibrant ICT services sub-sector are some of the key goals of the ICT-led development Policy for Malawi

## CHAPTER TWO

### ACKNOWLEDGING AND TAKING INTO THE DEVELOPMENTAL CHALLENGES FACING MALAWI

The Government acknowledges that if the ICT-led socio-economic development Policy is to make a desirable and substantial impact on addressing Malawi's social and economic challenges and contribute to the nation's developmental process, it must be related to the wider social and economic development agenda of the country.

The Government further recognizes that the Policy must form an integral part of the nation's overall vision for social and economic development and it must also take into account the developmental challenges facing the country within the context of Malawi's socio-economic performance measured in terms of its key social and economic indicators --- with specific reference to the fact that:

- Malawi, is a land-locked country, with a considerable distance from the nearest seaports, a situation which makes transport costs for imports and exports high and translates into high cost of inputs, products and services within the economy -- factors which are having a negative impact on the country's development
- The majority of Malawi's population (about 86%) are living in rural areas and with about 14% urban population, Malawi is regarded as one of the least urbanized countries in Africa.
- The country's population is relatively young with a high proportion (about 50%) under the age of 15. -- This relatively youthfulness of the population has major implications for social expenditure in the areas of education and health services provision
- Malawi's population growth rate estimated at 3.2% is high by regional standards. This relatively high rate of population growth could retard Malawi's development if steps are not taken to address it.
- Malawi's health indicators are amongst the worst in the world: life expectancy at birth is 44 years, infant mortality and under-five mortality rates are estimated at 133 and 234 per 1000 live births respectively. These poor indicators are no doubt limiting socio-economic development in Malawi.
- Malawi's health delivery system is under-developed while the HIV/AIDS pandemic is putting an additional strain on the health system and on the nation's health-related budget and expenditure
- Close to 42.1% of the population is below the poverty line of less than one US dollar a day and the proportion of the population in absolute poverty is estimated at 62%.
- Malawi has a high illiteracy rate --- with about 34% of those aged above 5 years without any educational attainment. Only 0.3% of the population above the age of 5 years had attended secondary school and above.

- Close to 88% of Malawians aged 5 years and above do not have any academic qualifications; only 2% of the population either have a University degree or Diploma. And of the Malawians attending formal education; about 90% are attending primary school, 9.6% attending secondary school and only 0.1% attending university.
- The majority (about 78%) of the working population are in subsistence farming. And of those aged 10 years and above, 83% are in agriculture, while only around 0.2% are in administrative management and technical jobs.

It is acknowledged that Malawi's poor performance measured in terms of these key social and economic indicators has the potential to negatively impact on the nation's future socio-economic development process and efforts and in particular will have some implications for the nation's ability and capability to develop its information economy and society. Some of these implications include:

*The socio-economic implications of the land-locked nature of Malawi* : The long distances from the nearest seaports which in effect translates into high transportation cost for imports and exports, do restricts Malawi's socio-economic development options in a number of areas. For example, it will not be possible for Malawi to develop a viable heavy industrial sector due to the high cost of inputs of production. In view of this, the development of a light industrial sector and more importantly these services sector are by implication the viable options open to Malawi to explore if it is to make any meaningful process in accelerating its socio-economic development process and transform its subsistence agricultural dominated and industrially-weak economy into an information and knowledge-based economy and society.

*The social expenditure and developmental implications of the population indicators*: The relatively high population growth of Malawi does have a number of social and developmental implications. In addition to the fact that about 42.1% of the population is below the poverty line with about 62% of the Malawian population living in absolute poverty, lot of strain is put on Government expenditure. This contributes to the diversion of resources away from economic development activities to meet the social budgetary expenditure obligations of the Government.

*The implications of a youthful population* : The youthfulness of the Malawian population does have both negative and positive socio-economic development implications. For example, the youthfulness of the population has high education and social budget implications--- which in most cases could translate into high budget deficit and high government borrowing requirements that may lead to a number of negative socio-economic development implications. On the other hand, the youthfulness of the Malawian population can be translated into an asset by putting in place appropriate policies and programmes to facilitate the development of an educated and skilled population to serve as a basis for the development of Malawi's information and knowledge-based society and economy.

*The socio-economic development implications of other key indicators* : Other indicators relating to education and literacy, economic activity and other social indicators also do have a number of possible negative and positive socio-economic development implications, with specific reference to their possible impact on the process of developing the Malawian information and knowledge-based economy. Most of the key indicators relating to education and literacy are all pointing in the negative direction as per their possible implications on the nation's socio-economic development process and hence of the nation's capability to develop its information and knowledge economy and society.

## **Crystallizing the Key Developmental Challenges Facing Malawi**

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Based on the evidence of the nation's poor demographic, occupational, social including education and health as well as the economic and poverty-related indicators and the socio-economic development implications of these indicators, the developmental challenges facing Malawi can be summarized at two levels: the Broad Developmental Challenges and the Sector-based Developmental Challenges

### **The Broad Developmental Challenges**

The key ones are:

- The socio-economic development challenges arising from Malawi's high population density and growth rate that over-stretches the distribution of the already limited resources and unequal distribution of resources, particularly land.
- Poverty-related socio-economic and cultural challenges characterized by: widespread poverty and low incomes; high literacy rate of close to 61%, low school enrolment rates, poor quality of education, low incomes, early marriages and preference for big families; low education levels, poor health, worsened by the HIV/AIDS pandemic, and high level of malnutrition.
- The social and economic development challenges of low investments at all levels of education; irrelevant education curriculum, which emphasizes on education for job seekers; low levels of education, particularly amongst women; inadequate institutional capacity and resources in the educational sector; and lack of access to higher education for the vast majority of Malawians
- The economic development challenges posed by an economy dominated by an under-performing agricultural sector which is predominately subsistence agriculture-base; a weak and narrow industrial sector characterized by a weak and narrow production base and fragmented production structures dominated by industries with poor growth prospects, a situation that has resulted into substantial de-industrialization of the economy and an under-developed services sector dominated by distributive trade mainly in imported products with little or no local contents.
- The developmental challenge of Malawi's weak and inefficient economic infrastructure characterized by an unstable and unpredictable macroeconomic environment; and weak and inappropriately utilized human capital development base to support economic activities
- The socio-economic development challenges attributable to the land-lockedness of Malawi which makes transport costs for imports and exports high, the poor physical (transport, energy and water), telecommunication and communications infrastructure.
- The economic developmental challenges of the small size of the domestic market; low productivity of labour in key sectors due to poor work ethics and poor production technology; prevalence of relatively unskilled and uneducated working population; the over-dependence of rain-fed agriculture and tobacco as the main export crop and foreign exchange earner.
- The developmental challenges posed by the, debt burden, and over-dependence on donor aid as well as the poor institutional capacity of Malawi.

- The lack of adequately trained human resources in key skill areas of the different sectors of the economy and inadequate technical and entrepreneurship skills and spirit which together poses a major obstacle to rapid socio-economic development efforts. Malawi's human resource development indicators trail below most countries in the region and this has been identified as a key socio-economic development constraint facing Malawi.
- The challenge posed by the lack of investment incentives and the low levels of both domestic and foreign direct investments in key sectors of the economy
- The developmental challenges posed by the poor, limited and under-developed infrastructure including those of telecommunications, communications, power, and transport infrastructure which are the areas of fundamental importance to socio-economic development.
- The developmental challenges of the weak R&D base of Malawi characterized by insignificant number of scientists and engineers involved in R&D types of research work; the extremely low R&D work in the nation's universities and research institutions and the lack of investment by industry in R&D and scientific research work.

### **The Sector-based Developmental Challenges**

The developmental challenges facing Malawi can also be seen in terms of each of the key sectors of the economy. Some of these sector-related developmental challenges can be summarized as follows:

#### ***Industrial Sector Development Challenges***

- A small domestic market with very ineffective demand
- Low productivity of labour due to poor work ethics and poor production technology
- Prevalence of relatively unskilled and uneducated population
- Poor transport infrastructure which makes transport costly and unreliable
- Poor linkages between large industries and SMEs
- Concentration by SMEs in a few types of industries
- Inadequate technical skills and entrepreneurship skills
- Lack of adequately trained human resources in key areas of the industrial sector
- Lack of investment incentives to promote both domestic and foreign direct investment to aid the development of the industrial sector
- Low productivity and low incomes of Malawians, which makes savings difficult
- Tax system which discourages local manufacturing
- Fragmented production structures
- Lack of access to credit to finance production as well as exports
- Narrow and weak production base

#### ***Agricultural Sector Development Challenges***

- High levels of poverty and illiteracy and the poor health status of the population especially the agriculture production community
- High population densities, land degradation and deforestation
- Overdependence on tobacco as the main export crop
- Reliance on rain-fed agriculture and underdeveloped livestock production

- Women who are key players in agricultural production and family care have had limited control over production resources and income at the household level
- Low productivity levels, especially in the agricultural sector
- Unequal distribution of resources, particularly land
- Poor infrastructure and high external transport costs
- Poor marketing information systems
- High cost of agricultural inputs

### *Services Sector Development Challenges*

- High transport costs, especially in international transportation
- Government excessive expenditure on non-productive activities
- Inadequate resources (human, financial, material and technological)
- Existence of limited capacity to train personnel for all levels and sections
- Over-dependence on donor aid
- Excessive direct and indirect taxes and a Tax system which discourages competitive local production and services provision
- Narrow and underdeveloped financial infrastructure
- Lack of entrepreneurial spirit in indigenous Malawians
- High cost structures inherent in the economy
- Lack of access to credit to finance production as well as exports
- Lack of market information.
- Limited capacity to train personnel for all levels
- Brain-drain due to low remuneration
- Low incomes and an undiversified economic base

### *The Educational Sector Development Challenges*

- High illiteracy rate that makes it difficult to implement some programmes as people neither understand nor appreciate them
- Inappropriate educational system that emphasizes academic study
- Low investment at all levels of education
- High percentage of untrained teachers leading to poor quality education
- High incidence of child labour which affects retention and quality of learning
- Under-staffed schools and teacher training colleges
- Low teacher motivation due to limited incentives, often leading to high staff turnover
- Irrelevant education curriculum, which emphasizes secondary education for job seekers
- Low levels of education, particularly among women
- Inadequate institutional capacity

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## **The Socio-Economic Development Objectives of Malawi**

The Government recognizing the developmental challenges facing Malawi has formulated a number of socio-economic development frameworks to guide the nation's development process. Key among these are the Vision 2020, the Poverty Reduction Paper and the Science Technology Policy Statement among others. The key developmental objectives and

challenges identified as a part of these socio-

economic development policy frameworks aimed at addressing the developmental challenges facing Malawi are:

- To develop a fast-growing, competitive, innovative and knowledge-based economy and society
- To achieve macro-economic stability and growth and ambitious and challenging targets in education, health, economic infrastructure for social and economic progress
- To develop and improve Malawi's educational systems and strengthen S&T education at all levels
- To promote sustainable human resource development and improve the quality of trained manpower utilization
- To modernize and improve the productivity and the value-added of the key sectors of the economy, namely agriculture, industry and services sector
- To achieve a higher standard of living with a skilled, creative and well remunerated workforce in modern high-value added and innovative businesses
- To improve entrepreneurial skills and develop indigenous businesses and attract high quality inward investment
- To develop a knowledge-based economy to ensure better health and education; higher skills; commitment to research and development (R&D) and innovation
- To promote the development of the nation's physical, economic and communications infrastructure capable of supporting rapid socio-economic development of the country
- To establish and strengthen national capacity to research, evaluate, select, acquire, adapt, develop, generate, apply, and disseminate technologies
- To develop and raise national productivity capacity and improve competitiveness through the efficient application of technologies
- To promote and develop traditional, endogenous, new and innovative technologies
- To build national capacity for integrating S&T into national development programmes and develop a capacity for R&D to support socio-economic development
- To promote the development of Malawi's information-based society
- To promote the development and application of S&T for economic growth and diversification, competitiveness and employment creation

## **The Basis for the ICT-led Socio-economic Development Policy**

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The ICT-led socio-economic development policy is consistent with the wider socio-economic development priorities of Malawi. The basis of the Policy Statement is to address Malawi's developmental challenges within the context of achieving the overall developmental objectives of the nation as defined in the socio-economic development policy frameworks of the country.

The ultimate goal is to accelerate Malawi's development process with the potential to transform Malawi into a middle income, information-rich, knowledge-based and technology driven economy and society by pursuing an ICT-led development policy and strategies within the context of achieving the wider aspirations of the Vision 2020--defined in terms of the Shared Vision for Malawi.

## CHAPTER THREE

### THE SHARED VISION AND BROAD POLICY GOALS

The Malawian ICT-led socio-economic development process is guided by the shared Vision for Malawi-- which defines the aspirations of the Vision 2020. To set this vision within the context of facilitating Malawi's development in the information age, the details of the Policy Statement are based on an ICT-led socio-economic development vision and its corresponding missions and broad strategies.

#### The Shared Vision for Malawi

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##### The Vision 2020

*By the year 2020, Malawi as a God-fearing nation, will be secure, democratically mature, environmentally sustainable, self-reliant with equal opportunities for and active participation by all, having social services, vibrant cultural and religious values and a technologically-driven middle income economy*

##### The Common Mission

To attain a balanced, broad-based and sustainable development through economic growth, development, efficient utilization of the human capital, development of economic infrastructure, observance of good governance and the protection of the environment and natural resources.

##### ICT-led Socio-Economic Development Vision

*To contribute to the attainment of the aspirations of the Vision 2020 by improving the quality of life of the people of Malawi by enriching their social, economic and cultural well-being through the modernization of the economy and society using information and communication technologies as an engine for: accelerated sustainable development and economic growth; social and cultural development; national prosperity; and global competitiveness.*

Attaining the ICT-led development vision will contribute to the attainment of the aspirations of the Vision 2020.

##### Missions for Attaining the ICT-led Socio-Economic Development Vision

###### Main Mission

To by the Year 2020 transform the Malawian economy into a predominantly information and knowledge-based middle income economy by modernizing its key sectors using information and communication technologies.

### *Sub-Missions*

- To develop a highly competitive ICT-driven value-added services sector with the potential to develop into a business-hub of the sub-region.
- To develop a knowledge-based, technology-driven modern industrial sector with a core export-led and competitive ICT industry
- To develop a modernized, commercially viable and globally competitive agricultural sector
- To spread the deployment, exploitation and utilization of ICTs within the Malawian society and economy

## **The Broad Strategies for Achieving Stated Missions**

### *Strategy A:*

To transform Malawi into an ICT literate nation

### *Strategy B:*

To promote and encourage the deployment and utilization of ICTs within the economy and society.

### *Strategy C:*

To modernize and improve the efficiency of the Civil and Public Services

### *Strategy D:*

To improve the information and communications infrastructure and the physical infrastructure of Malawi

### *Strategy E:*

To transform the Malawian educational system using ICTs with the aim to: improving accessibility to educational resources and facilities; and improving the quality of education and the relevance of the educational systems and its output to development needs of Malawi

### *Strategy F:*

To improve the human resource development capacity of Malawi to meet the changing demands of the economy.

### *Strategy G:*

To develop the legal, institutional and regulatory framework and structures required for supporting the deployment and utilization of ICTs within the economy and society.

## Broad Socio-Economic Development Policy Options and Goals

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### Pursuing a Broad-Based Multi-Sectorial ICT-driven Development Goal

Recognizing the key aspirations of the Vision 2020 is to pursue a sustainable economic development programme supported by a programme to develop the nation's economic infrastructure, improve food security and nutrition through the development of the agriculture sector as well as pursue a science and technology-led development targeted at the development of the industrial and services sector, the Government is committed to a multi-sectorial ICT-led socio-economic development programme targeted at the development of the agricultural, services and the industrial sectors.

This multi-sectorial ICT-driven development goal is in line with the stated missions for attaining the aspirations of the ICT-led socio-economic development vision. This goal is defined in terms of its key elements as follows:

#### Modernization of the Agriculture Sector

**Acknowledging that** the agriculture sector is currently a major contributor to economic growth in Malawi, with an estimated 80% of the labour force employed in the smallholder sub-sector and about 11% in the estate sub-sector. That the sector accounts for more than one-third of GDP and contributes over 90% of export earnings and is a reliable source of raw materials for the industrial sector.

**Taking into account** the fact that: the agriculture sector is the bedrock of the Malawian economy and the main source of employment, especially rural employment; and that it is also by far the main source of income for the majority of the 85% of the population residing in rural areas---and employs nearly half of those in formal employment and directly supports an estimated 85% of the population.

**Bearing in mind that** although the contribution of the agriculture sector towards the provision of rural employment and its role as a major source of foreign exchange do impact substantially on economic growth, it is however recognized that the agricultural sector despite its central role within the Malawian economy cannot in itself be an engine for accelerated development and growth of the economy.

**Recognizing that** the development of the agriculture sector especially large-scale agricultural development is constrained by land scarcity partly caused by population growth. And bearing in mind that: this problem means that expansion in the agriculture sector will have to increasingly rely on the development of intensive production and achieving maximum utilization of land.

The Government as part of its vision for the future is committed to modernizing the agricultural sector to enable it play its role in the economy. And as part of this commitment, the Government shall put in place policy measures and mechanisms to aid the process of the development and the modernization of the key sub-sectors of agriculture namely: subsistence farming--- for food security and employment generation for the rural population cash crop sector--- for foreign exchange and rural employment; livestock and fisheries sector-- for food security and employment and the forestry sector--- for employment creation and foreign exchange generation.

- ***Agricultural Sector Development Goal***

The Government is therefore committed to pursuing an agriculture sector development policy with the goal to: modernize the agricultural sector to improve its efficiency and productivity to ensure food security, generate rural employment and contribute to economic growth and improve the foreign exchange generation capacity of the sector.

This agriculture sector development goal meets the aspirations of the Vision 2020 as they relate to the development of the agriculture sector and also meet the key objectives of the Malawian Poverty Reduction Strategy Paper (PRSP), the Science and Technology (S&T) Policy and other socio-economic development frameworks of Malawi.

Specifically the agricultural sector development goal is in line with a number of critical strategic issues identified for the realization of the aspirations of the Vision 2020 including those relating to: improving and developing the agricultural sector; and making Malawi an export-led economy. Also the goal meets the aspirations of a number of the objectives of the PRSP including: to promote rural development, to facilitate the distribution of free inputs to capital-constrained poor farmers; and to implement public works programme for land-constrained and urban poor.

## **Developing a vibrant Value-Added Services Sector**

**Taking into account** the fact that the land-locked nature of Malawi; means costly distance from the nearest seaport and that with the inability of the agricultural sector to become the engine for accelerated development in Malawi, the development of the services sector of the economy into a competitive high value-added sector of the economy is a priority area for the Government.

**Recognizing that** the Vision 2020 and other national development policy frameworks identifies the services sector as the sector that should be developed to serve as an engine for accelerated development and growth of the entire economy and that emphasis should be put on developing the services sector to provide ranges of value added and financial services to businesses in the domestic market in the region and beyond.

Further recognizing the crucial role that the development of the services sector can play in accelerating the country's development process, the Government shall put in place policy measures, instruments and directives targeted at promoting the development of all the key sub-sectors of the services sector including the ICT services sub-sector.

- ***Services Sector Development Goal***

The Government is therefore committed to pursuing a services sector development policy with the goal to: develop a competitive high value-added services sector, to generate employment and serve as an engine for accelerated development and economic growth with the potential to develop into a business-hub for the domestic economy and the sub-region.

The services sector development goal meets the aspirations of a number of the key services sector development strategies of the Vision 2020, including those relating to: enhancing the development of the financial services sector; developing tourism; and developing business and entrepreneurial culture. Also the goals meet a number of the objectives of the PRSP including those relating to the need to (i) strengthen and broaden the industrial base and encourage the development of micro, small and medium

scale enterprises and (ii) to undertake investment in rural infrastructure which could directly or indirectly contribute to the development of the services sector.

### **Developing a Modern and Competitive Local Industry**

**Taking into account** the fact that the Vision 2020 pointed to sustain a stable growth and development as one of the key strategic goals with the development of manufacturing/industrial sector as one of the sub-goals.

**Bearing in mind that** given Malawi's current level of development, the lack of human and other key resources, the considerable distance from the sea, with corresponding high transport cost, it is neither realistic nor possible to pursue a policy option targeted at the development of heavy industries.

**Recognizing that** a viable industrial sector policy option for Malawi should involve the development of the light and the cottage industries and the development of the local ICT industry as a key sector for economic growth generation.

The Government shall pursue an industrial development policy aimed at the development of the light, cottage and the ICT production sector.

### **Industrial Sector Development Goal**

The Government is therefore committed to the development of a viable ICT production and development industry, a vibrant cottage industry and a mass-consumer products light industry capable of generating economic growth and employment and producing goods for the domestic market and for export into the sub-regions and beyond.

This industrial sector development goal meets a number of the aspirations and objectives of the country's Vision 2020, the Malawian PRSP and the Science and Technology Policy of the Government. Some of these include the objective to pursue an industrial-based economy development policy; developing the manufacturing sector and pursuing science and technology-led development policy.

### **Pursuing an ICT Development and Exploitation Policy**

Taking into account the:

- orientation of the nation's vision for the future,
- country's current low level of ICT development, deployment and exploitation,
- thrust of the Government's socio-economic development policies and plans;
- weak industrial base of the economy,
- weak human resource capacity of the country, and
- lack of financial and technological resources.

Malawi shall pursue an ICT-led development policy whose main thrust will have elements of both ICT exploitation and production, with emphasis on the exploitation of ICT to support the activities of various sectors of the economy for a number of years and then switching the emphasis to the production, development and delivery of ICT products and services.

In this respect Malawi shall pursue both ICT Exploitation and Production Policy involving the exploitation of ICT to support the delivery of government services and the activities of various sectors

of the economy as well as the production, development and delivery of ICT products and services---industry for Malawi. .e.

This policy provision shall be implemented over the time-frame of the Vision 2020 through the implementation of four rolling Plans with the 1st, 2nd and 3rd rolling Plans laying emphasis on the exploitation of ICTs to support the activities of various sectors of the economy and the 4th Plan laying emphasis on the production, development and delivery of ICT products and services . ng

## CHAPTER FOUR

# DEVELOPING THE MALAWIAN INFORMATION ECONOMY AND SOCIETY: THE POLICY GOALS AND STRATEGIES

### Preamble

Recognizing that the ultimate objective of the Malawian ICT-led socio-economic development policy is to facilitate the transformation of the economy and society from that dominated by subsistence agriculture to that which is predominantly information and knowledge-based, the Government shall as part of this Policy put in place necessary policy measures and mechanism towards the realization of the following goals:

- Developing the Malawian economy into a high income economy dominated by trading in ICT products and services
- Transforming the Malawian economy into that characterized by a large commercial services sector with a reasonably large and vibrant ICT services sub-sector and industry
- Developing a technology-based knowledge-driven industrial sector
- Developing a modern, efficient and competitive agricultural sector
- Transforming the economy into that in which the majority of the working population are involved in information and communications related activities with a reasonable large proportion of the population having access to information and communication technology products and services.
- Transforming the Malawian economy into that in which the provision and delivery of goods and services by its key sectors are to a large extent facilitated by information and communications technologies.
- Ensuring that the provision and delivery of services by Government and its administrative machinery are to a large extent facilitated by information and communication technologies.
- Developing an economy based on an advanced and reliable information and communications infrastructure and
- Modernizing the Malawian educational system through the widespread deployment and exploitation of ICTs to facilitate the delivery of educational services at all levels of the educational system and Transforming Malawi into an ICT literate society with a high proportion of computer literates

***Developing the Malawian economy into a high income economy dominated by trading in ICT products and services***

**Recognizing that** the development of the Malawian economy into a high income economy dominated by trading in ICT products and services is key to the development of the Malawian information society and economy.

**Acknowledging that** the development of the services sector especially the ICT services sector will contribute to achieving the goal of developing the Malawian economy into a high income economy dominated by trading in ICT products and services,

The Government is committed to implementing specific policy measures and instruments to facilitate the rapid development of the services sector as a whole and the ICT services sector and industry in particular as well as other key sectors of the economy that would support the rapid development of the Malawian economy into a high income economy.

To achieve this policy goal, the following strategies will be pursued:

- Promoting the deployment and utilization of ICTs within the economy and society.
- Developing the services sector especially the ICT services sub-sector
- Promoting the development of the local ICT industry
- Developing the private sector as a whole and the formal private sector in particular
- Promoting the development and implementation of a globally competitive e-commerce and e-government initiatives
- Promoting domestic and foreign direct investment drive in ICTs
- Developing the human resource base and the R&D capacity of the economy
- Providing the necessary legal, institutional and regulatory framework and structures for supporting the deployment and utilization of ICTs within the economy and society

***Transforming the Malawian economy into that characterized by a large commercial services sector with a reasonably large and vibrant ICT services sub-sector and industry***

**Recognizing that** the commercial services sector of the Malawian economy is currently under-development and acknowledging the growth potentials of this sector in general and in particular the ICT services sub-sector are high.

**Considering that** an economy with a large commercial services sector with a reasonably large and vibrant ICT services sub-sector and industry can substantially contribute to the transformation of the Malawian economy and increase the prospects for developing the Malawian information economy and society

**Recognizing that** it will be possible to put in place and implement specific policy instruments, initiatives, programmes and packages targeted at facilitating the rapid development of the services sector as well as the ICT services sub-sector and industry --- a process that could lead to the transformation of the economy into that characterized by a large commercial and ICT services sector and industry

The Government as part of the goal to develop the Malawian information and knowledge society and economy, is committed to taking the necessary policy measures to facilitate the development of a large commercial services sector and vibrant ICT services sub-sector and industry.

The strategies to be pursued to achieve these policy goals are:

- Developing the commercial services sub-sector including: wholesale and retail trade services, travel and transport services, educational services, tourism services, hospitality services
- Promoting the development of the banking and financial services sub-sector
- Developing the ICT services sub-sector including telecommunication services, communication services, Internet services, computer services
- Promoting the development of and the use of international standards, and best practices to guide the production and the provision of services within the economy
- Improving the human resource base and the quality of trained manpower utilization within the economy

### *Developing a technology-based knowledge-driven industrial sector*

**Recognizing that** the industrial sector of the Malawian economy is under-developed and characterized by the use of obsolete production methods and processes and that production in this sector is focused mainly on the domestic market with very little export-oriented production.

**Considering that** the majority of Malawi's industries are in activities that have poor growth prospects. And that firms spend very little on R&D and as such that they are less likely to innovate and compete internationally

**Bearing in mind that** as a result of the landlocked nature of Malawi and the considerable distance from the sea, a situation that results in high transport cost, it is neither realistic nor possible for Malawi to pursue a policy option targeted at the development of heavy industries.

**Recognizing that** in the emerging technology and knowledge-driven new economic order the most efficient and competitive industrialized economies are those that are moving away from traditional industrial processes and methods of production to the deployment of knowledge-driven or knowledge-programmed processes and methods within their industrial, production and delivery set-ups and systems.

**Acknowledging that** the subsistence agricultural based and industrially weak economy of Malawi although lack the necessary resources and know-how to develop and deploy cutting-edge knowledge-driven industrial processes and methods, it will still be possible for Malawi to mobilize and train the necessary human resource capacity to facilitate the process of developing and supporting a technology-based knowledge-driven industrial sector.

**Recognizing that** Malawi, despite its poor industrial performance has a substantially good record of industrial relations. And also that the country's strong past record of educational attainment, can be built on to facilitate development of a knowledge-based industry and economy.

Taking into account the fact that Malawi's youthful population, can be a source for a pool of young people who can adapt to better and faster technological changes and skills needs of industry and commerce

Malawi as part of the process of developing its information society and economy shall put in place and implement appropriate policy measures and programmes to facilitate the modernization of its industries and the development of the necessary skilled human resources as well as the mobilization of the required financial and technological resources for facilitating and supporting the development of the technology-based knowledge-driven industrial sector.

The strategies to be pursued to achieve the stated policy goal are:

- Facilitating and supporting the development of the requisite pool of highly skilled human resources; knowledge workers and expertise
- Developing and improving the nation's R&D capacity and resources
- Strengthening national capacity to research, evaluate, select, acquire, adapt, develop, generate, apply, and disseminate technologies
- Developing national productivity capacity and improving competitiveness through the efficient application of technologies
- Improving the information and communications infrastructure and the physical infrastructure of Malawi.
- Maximization of productivity within the public and private sector through the application of technologies
- Promoting Foreign Direct Investment (FDI) specifically targeting attracting investments that have knowledge and expertise transfer components
- Building the capacity of the nation's technological universities, polytechnics and industrial research institutions
- Enacting the necessary legislations and laws targeted at promoting and supporting the development of a vibrant and modern industrial sector
- Facilitating the development of SMEs especially those involved in technology and knowledge related production activities like software development, computer equipment assembly and manufacturing, bio-technology, computer and communications services providers etc.
- Strengthening Science and Technology education in the schools

### *Developing a modern, efficient and competitive agricultural sector*

**Bearing in mind that** Malawi in her pursuit to develop her economy and society into an information and knowledge based economy and society, cannot abandon the agricultural sector which much currently dependson.

**Considering that** despite the under-developed nature of the Malawian economy, it will be possible for the country to transform its subsistence agricultural dominated economy into that with a modern efficient and competitive agricultural sector with the right policies backed by the mobilization of the necessary financial and technological resources. And that full industrialization is not a prerequisite for the modernization of the agricultural sector.

The Government is committed to putting in place and implementing policy initiatives, and mechanisms aimed at modernizing the agriculture sector and transforming it into a globally competitive sector in terms of its main cash crops.

The key strategies to be pursued towards the realization of this policy goal are:

- Promoting the development of a knowledge based technology-driven agro-business industry
- Improving the mechanization of the agriculture production process as well as improving irrigation capacity and the use of fertilizers to improve productivity and yield per hectare.
- Facilitating the deployment and exploitation of ICTs to support the activities of the agriculture sector including, the production, processing, marketing and distribution of agriculture products and services
- Promoting the commercialization of the key sub-sectors of the agricultural sector and industry to improve their competitiveness.
- Promoting and supporting agricultural research and cutting-edge agriculture-based R&D
- Developing the nation's physical infrastructure, targeting key agriculture producing regions and rural areas
- Improve the information and communications infrastructure of Malawi.

*Transforming the economy into that in which the majority of the working population are involved in information and communications related activities with a reasonable large proportion of the population having access to information and communication technology products and services.*

**Acknowledging that** the predominantly agriculture based Malawian economy currently has just a small proportion of the working population involved in information and communications related activities

**Recognizing that** a key characteristic of an information and knowledge based economy is that the majority of the working population are either directly or indirectly involved in information and communications related activities.

**Taking into account** the fact that, the development of sectors like the services sector and ICT industry can substantially contribute to increasing the number of the working population involved in information and communications related activities.

**Acknowledging that** with the appropriate policy initiatives and measures and the mobilization and deployment of the necessary financial and technological resources it will be possible to transform the under-developed economy of Malawi into a predominantly information and knowledge based economy characterized by a reasonable proportion of the population having access to information and communication technology products and services.

The Government as part of this policy shall:

- Put in place policy measures, initiatives and the necessary legal, regulatory and institutional framework for facilitating the development and the provision of ICT services to improve and spread access in the community.
- Implement specific sectoral development programmes, packages and instruments targeted at the development of rapid growth sectors that could lead to the expansion of these sectors which will in turn contribute to the rapid development and growth of the economy to facilitate increased access to ICT products and services by a large section of the population.
- Implement policy measures and initiatives aimed at bridging the in-country digital divide and address the rural/urban digital divide as part of the overall process of bridging the information and developmental gap which now exist between Malawi and other advanced nations
- Take the necessary policy measures to facilitate the development of the services and ICT-based sectors of the economy to facilitate the widespread deployment, exploitation and utilization of ICTs in other sectors of the economy which will in turn impact on the number of the working population that are directly or indirectly involved in information and communications related activities.

The strategies that will be pursued to achieve this policy goal are:

- Promoting the development of the services sector targeting in particular the development of the ICT services sub-sector and industry
- Promoting the widespread deployment and exploitation of ICTs within the economy and society
- Promoting basic literacy and ICT literacy in the population at large
- Promoting universal services and access to information and communication technologies services and systems
- Transforming Malawi into an ICT literate nation
- Facilitating the spread of access to information and communications products and services to the under-served sections of the community especially those in rural areas

- Promotion of universal services and access to information and communication technologies and systems and to basic and value added communications services
- Promoting and creating an investor friendly telecommunications environment including targeting the liberalization of the ICT sector to encourage both domestic and foreign investment in the ICT sector
- Promoting the implementation of national and community-based ICT applications; including multipurpose community telecenter projects; teleeducation and SchoolNet projects; and telemedicine projects initiatives. The implementation of some of these community-based ICT projects will form part of a *village information and communications infrastructure* (VICI) initiative, reflecting the implementation of NICI programmes at the rural level.

***Transforming the Malawian economy into that in which the provision and delivery of goods and services of its key sectors are to a large extent facilitated by information and communications technologies.***

It is recognized that despite Malawi's current level of under-development it will be possible through the promotion of the deployment and the exploitation of ICTs in key sectors of the economy and society to facilitate the delivery of goods and services in the economy using these technologies. This can be achieved through specific policy initiatives backed by special programmes, and incentive packages to encourage public and private sector organization and business to invest in ICTs to support their operations.

It is acknowledged that a booming economy led for example by the services sector including the ICT services sub-sector as well as the broader ICT industry will also facilitate the spread of ICTs in businesses and organizations as they take advantage of the favourable economic climate to modernize their operation through the deployment and exploitation of ICT products and services

The Government is therefore committed to pursuing a number of policy initiatives directed at the widespread deployment and exploitation of ICTs to facilitate the provision and delivery of goods and services within the economy and the society.

Strategies that will be pursued in achieving this policy goal are:

- Facilitating the deployment and exploitation of ICTs within public and private sector institutions and organizations
- Promotion of international standards and best practices in the use of ICTs to aid the development, provision and delivery of goods and services by key sectors of the economy
- Promotion of policy initiatives aimed at creating opportunities for Malawians to use ICTs and address issues relating to how businesses, institutions and the public and private sector will be facilitated to use the technology to bring about change in the economy.
- Promoting the use of ICTs to support the provision of value-added services within the economy
- Facilitating Malawi's access to global electronic commerce systems.

- Creating the necessary enabling regulatory framework to facilitate the development, provision and delivery of ICT products, services and systems within the economy and society.

**Ensuring that the provision and delivery of services by government and its administrative machinery are to a large extent facilitated by information and communication technologies.**

**Recognizing** the key role that the civil and public services can play in Malawi's socio-economic development process.

**Acknowledging that** there is a need to improve on the operations and activities of the civil and public services through institutional renewal and organizational reforms.

**Recognizing** the crucial role that ICTs can play in improving the efficiency of the operations of the civil and public services and contributes substantially to improving their services delivery to the public.

**Acknowledging that** for the deployment and exploitation of ICTs in the civil and public services organization to make an impact on organizational operations and services delivery necessary changes in their organizational structures, procedures and processes will be required.

**Recognizing** the need to implement ICT systems that will facilitate the delivery of business and government services to the rural areas where the vast majority of Malawian resides

**Recognizing that** some of the key factors contributing to the lack of motivation of workers in the civil and public services and to the poor quality of services to the public is the low level of remuneration and the lack of incentives within the services

The Government is committed to implementing specific policy measures aimed at reforming and modernizing the operations of the civil and public services to improve on its efficiency and services delivery and as part of this policy will put in place the necessary programme and initiatives to facilitate the computerization of the entire operations of the Government Ministries and public sector organizations.

The Government as part of this policy commitment will be taking the necessary programmatic steps to put in place the requisite institutional and legal arrangements and provisions and as well as facilitate the mobilization of the necessary financial and technological resources required for transforming the civil and public services into modern and efficient services capable of supporting the development of the Malawian information economy and society.

Strategies that will be pursued in achieving this policy goal are:

- Improving the productivity, efficiency, effectiveness and services delivery of the public and civil services through institutional and organizational reforms and renewals
- Modernizing the civil and public services through the deployment and exploitation of ICTs to support its operations and activities
- Promoting the implementation of e-government initiatives including: government to government (G2G), government to business (G2B) and government to citizens (G2C) types of e-government initiatives

- Promoting the use of ICTs to facilitate the decentralization of Government services and operations and support the delivery of business and government services to the rural areas
- Improving the basic computer skills of civil and public servants through in-service training and skill update programmes in ICTs
- Developing and enforcing of standards and best practices to guide the delivery of services to the public by civil and public sector organizations
- Promoting specific programmes to motivate and adequately remunerate civil and public servants

***Developing an economy based on an advanced and reliable information and communications infrastructure***

**Recognizing that** in today's technological age, sustainable development without a reliable information and communications infrastructure is not possible. And that the widespread deployment and usage of these infrastructures is a necessary precondition for sustained economic growth.

**Taking into account** the fact that the development of Malawi's communication infrastructure will be essential for speeding up the process of the deployment and exploitation of ICTs within the society and economy.

**Bearing in mind that** Malawi's telecommunications and communications infrastructure is currently under-developed and limited in coverage. And that there is a need to put in place policy initiatives aimed at developing the communications infrastructure to improve universal access and services.

The Government is fully committed to implementing policy instruments and measures aimed at creating the necessary legal, regulatory and institutional enabling environment to facilitate the development of the telecommunications infrastructure to improve the coverage of the network and its services.

The Government as part of this policy commitment will take the necessary measures to create a stable competitive environment to facilitate the mobilization of the necessary financial and technological resources by the local and foreign private sector to build, rehabilitate and expand the information and communications infrastructure of the country to support the development of the economy towards information and knowledge-based economy

Strategies that will be pursued in achieving this policy goal are:

- Promoting and facilitating a stable and competitive investment climate to attract both domestic and foreign direct investment
- Promoting and facilitating the development of the private sector to generate enough demand for advanced and reliable information and communication services
- Developing the necessary legal, institutional and regulatory framework and structures required for supporting the development of the communication infrastructure
- Developing the required human resources and expertise to support the development, operations and management of key aspects of the national information and communications infrastructure

- Promoting the development of a globally competitive local ICT industry
- Developing the necessary highly skilled ICT human resources required for supporting the development and maintenance of an advanced information and communications infrastructure and systems

**Modernizing the Malawian educational system through the widespread deployment and exploitation of ICTs to facilitate the delivery of educational services at all levels of the educational system and Transforming Malawi into an ICT literate society with a high proportion of computer literates**

**Recognizing that** Malawi's high illiteracy rate is an impediment to the nation's socio-economic development process.

**Taking into account** the fact that the level of computer literacy in the population at large is low by regional standards. And that most schools in Malawi are yet to introduce basic computer literacy into their curriculum

**Considering that** the deployment and exploitation of ICTs to facilitate learning and educational delivery is essential at all levels of the educational system

**Acknowledging that** Malawi school system need to embrace ICTs and make sure that the teaching and learning experience in the schools are ICT enabled and facilitated that there is an urgent need to introduce computers into the schools system

**Recognizing** the need to invest in education as a key priority area. And acknowledging that Malawian can achieve the goal of becoming a fully literate society by putting in place appropriate educational policies, human resource development policies and programmes and mobilizing the necessary financial and other resources to implement them.

The Government is committed to taking all the necessary policy measures to facilitate the development of the educational sector and facilitate the process of introducing computers to all level of the education system as a key step toward the realization of the policy objective to develop Malawi into a literate society with a high proportion of computer literates.

Strategies that will be pursued in achieving this policy goal are:

- Improving basic literacy through both formal and informal educational avenues
- Modernizing the educational system using ICTs to improve and expand access to educational, training and research resources and facilities
- Improving the quality of education and training at all levels and the relevance of the educational systems and its output to development needs of Malawi
- Facilitating the deployment, utilization and exploitation of ICTs within the educational system to support teaching and learning from primary schools upwards

## CHAPTER FIVE

# BROAD POLICY COMMITMENTS TO THE REALIZATION OF THE ICT-LED DEVELOPMENT VISION

Malawi in addition to the commitments to pursue a broad-based multi-sectorial ICT-driven development goals and policy goal aimed at developing the Malawian information economy and society as tangible efforts to address the developmental challenges facing Malawi is also committed to pursuing the following policy initiatives that in addition to contributing to achieving these policy goals will lead to the realization of the aspirations of the ICT-led Socio-economic development Vision.

### **Policy commitment to creating and facilitating an enabling environment for the development of the Malawian information society and economy**

The Malawi Government recognizes that it has a key role to play in facilitating the development of the Malawian information society and economy. The Government is therefore committed to ensuring a favourable enabling political and socio-economic environment for facilitating the process of establishing the country's information society and economy.

As part of this commitment the Government shall put in place the necessary policy directives and mechanisms for providing and facilitating the necessary enabling political, economic, regulatory, legal and institutional environment to support the process of moving Malawi from a predominantly agricultural economy to an information-rich knowledge-based society and economy.

The Government apart from putting in place mechanisms for providing and facilitating the necessary enabling environment shall also address policy issues directed at implementing special tax packages, instruments, and incentive programmes to promote the development of the information society and economy of Malawi.

The Government shall take the necessary policy and programmatic initiatives that will include implementing the necessary budgetary packages and investment incentive programmes to promote the deployment, exploitation and development of ICTs in the economy and society to facilitate and accelerate the process of moving the economy towards an information and knowledge-based economy.

### **Policy commitment to promoting human resource development and the development of the nation's R&D capacity and capability to support the development of the country's information society and economy**

#### **Context**

The Government acknowledges that the extent to which Malawi will be able to benefit from the advances and the opportunities of the emerging information age will depend on how the nation is capable of developing and harnessing its human resources to initiate, support and maintain the nation's socio-economic development towards an information and knowledge economy.

Also it is recognized that there is a need to invest in and promote research and development (R&D) efforts and initiatives in research institutions and organizations, and universities to enhance the country's capacity to produce and develop ICT products and services to enable Malawi gain competitive advantage in an increasingly globally competitive environment.

### **Policy Statement**

The Government is committed to putting in place specific policy measures, and instruments to aid the process of the development of the nation's human resource capacity and its R&D capabilities to meet the changing needs and demands of the economy. Specific policy initiatives will be targeted at facilitating the development and implementation of a comprehensive human resource development programme to address the critical human resource requirements of the ICT sector and other key sectors of the economy.

As part of this commitment the Government shall put in place special policy initiatives and programme to develop Malawi's R&D capacity and capabilities with the potential to conduct and engage in advanced and cutting-edge R&D work required for supporting the development of a globally competitive information, knowledge-base and high-tech export industry and services sector.

Also to be targeted for special attention are initiatives to promote basic and cutting-edge agriculture-based research and related R&D work to improve agricultural yield of main crops and produce; improve on agricultural processes and productivity and to support the development of marketable value-added agricultural products capable of competing on the domestic, regional and the global market.

Specific policy initiatives, measures and mechanisms will be targeted at:

- putting in place special ICT promotion packages and incentives to encourage private and public sector organizations to invest in the development of human resources to meet their needs
- implementing national level human resource development (HRD) initiatives targeting ICT skills and other professional and technical skills
- mobilizing and deploying the necessary financial and technological resources to facilitate the implementation of HRD programmes and initiatives
- promoting and supporting R&D in the nation's research institutes, universities and colleges
- encouraging and facilitating local industries to invest in R&D and industrial research efforts
- developing the necessary standards, best practices and guidelines to guide human resource development in all key sectors of the economy
- providing the necessary institutional support for facilitating HRD on a national basis
- promoting ICT and professional skill development and upgradation within the civil and public service
- improving the management, policy formulation, planning, execution and monitoring skills within the civil and public service

- promoting linkages and collaborations between industry and the research establishments and institutions to advance R&D and to facilitate exploitation of research findings and output in industry and commerce
- supporting professional level skill development in targeted lead sectors of the economy --- the services and the ICT sectors
- improving the ICT human resource development capacity of the universities and colleges
- facilitating the development of a national computer curricula for primary, secondary, teacher training and technical Schools
- promoting basic computer training in all secondary school, teacher training and technical schools
- promoting the use of ICTs to facilitate professional level human resource development in areas like science, technology, and business
- providing grants to selected public and private sector organizations and businesses to participate in national HRD programmes
- encouraging the private sector to take on the unemployed youth as part of national skill development programme

## **Policy commitment to promoting the development of a vibrant Export-orientated local ICT industry**

### **Context**

As a key policy goal for developing the Malawian information society and economy, the development of the local ICT industry to facilitate the production, development and delivery of ICT products and services has been identified as a strategic focus area of the Policy.

A number of ICT production initiatives that shall be undertaken as part of developing the local ICT industry include: the assembling of computers for the local market and possibly for export, the development of a local industry for the repair and maintenance of ICT equipment; the development of software development capacity targeting the domestic and export market and the provision of ICT services that could facilitate the development of a vibrant ICT industry and services to support other sectors of the economy.

Some of the ICT services that the Policy shall promote to support the development of the local ICT production and services provision industry are: telecommunications services and Internet services; ICT training and education services; Web-hosting and publishing services; content development services; video production and recording services; computing services; professional ICT-based secretarial and business services; video conferencing services; TV production services; desktop publishing services; information provision services; market research services; ICT-based and electronic banking and financial services; computer design services, e-commerce and e-trade services among others.

## Policy Statement

The Government is on the whole committed to putting in place policy measures and mechanism to facilitate the rapid development of the local ICT industry as part of the broad policy goal to develop the information and knowledge-based society and economy of Malawi.

Specific policy initiatives and measures shall be targeted at:

- promoting initiatives aimed at attracting foreign capital, investment and joint ventures to support the rapid development of the local ICT industry and services sector
- promoting and facilitating domestic and foreign private sector investment in ICT Infrastructure development
- encouraging local banks to provide loans to SMEs involved in the ICT service sector and industry
- promoting electronic commerce and electronic trade initiatives within the private sector
- facilitating the setting up of Software Development and Technology Parks to promote the development of software targeting the domestic and the export market
- supporting computer hardware assembly facility initiatives with private sector involvement

## Policy commitment to support the development of the private sector and to facilitate its role in the development of the information economy

### Context

It is acknowledged that the private sector operating within the right enabling environment provided by government can be a key partner in the development of the information society and economy and in this respect assist in the process of transforming the economy into an information and knowledge-based economy. For example, the private sector operating in a facilitated and enabled economic environment can play a key role in the development of the physical ICT infrastructure, the necessary human resources, and in the development of ICT services and products, on sector of the economy.

The private sector it is acknowledged can also play a key role in the mobilization of both domestic and external financial resources and other technological resources to aid the process of developing and exploiting the opportunities of the information economy. This sector can also support R&D initiatives and in the implementation of national ICT programmes, initiatives and projects.

### The Policy Statement

The Government is committed to promoting the involvement of the private sector in developing the Malawian information economy. And apart from facilitating the private sector through the creation of the necessary enabling environment and putting in place the necessary policy programmes, and incentive packages, the Government shall as part of the policy address the issues relating to the creation of a stable economic and investment climate that will facilitate the mobilization of the necessary resources by both

domestic and foreign private sector organizations to aid the process of developing and exploiting the opportunities of the information economy.

### **Policy commitment to promoting an investment climate for the mobilization of domestic and foreign direct investment (FDI), financial and technological resources**

It is acknowledged that for Malawi to develop in the emerging information and technological ages, the need to embrace ICTs and that the development of the nation's information society and economy will require substantial investments in terms of financial, technological and other resources including human resources. The Government is committed to putting in place the necessary policy measures, directives and mechanisms that will facilitate the mobilization of the necessary financial and technological resources through both domestic and foreign direct investment.

As part of this policy commitment, special policy initiatives will be devoted to promoting FDI in the area of ICTs including, financial and capital investment in the local communication sector; joint venture arrangements in developing the local ICT sector; technology transfer capital investment initiatives and investments with R&D component as well as human resource development components in the area of ICT skills and other information economy related skills to aid the socio-economic development process of Malawi.

Specific policy initiatives and measures shall be targeted at:

- mobilizing private sector funding to support ICT initiatives
- promoting and facilitating domestic and foreign private sector investment in ICT Infrastructure development
- facilitating the mobilization of private sector funding for human resource development (HRD) capacity building in key sectors of the economy
- promoting and encouraging FDI with R&D, knowledge transfer and joint partnership components
- implementing budgetary and tax incentive programmes and packages aimed specifically at encouraging private sector organizations to invest in human resource development in areas like ICT skills

## **Policy commitment to Addressing National Security and Law Enforcement Issues of the Digital Age**

The digital age has brought with it a number of security issues and concerns, which Governments worldwide are taking steps to address. It is acknowledged that the deployment, exploitation and utilization of ICTs within the public sector, the private sector and other sections of the society, raises a number of information and consumer protection and security issues including those of national security and law enforcement.

The Governments shall put in place policy measures and mechanisms to address national security and law and order issues relating to the deployment, exploitation and the utilization of ICTs within the economy and society. As part of this commitment, policy directives shall be put in place to address security issues relating to privacy, data and consumer protection as well as those relating to the security of computer networks and information systems and their information and data contents. Specific attention will be given to addressing national security issues relating to protection of government computer networks and information systems against various types of attacks on their availability, authenticity, integrity and confidentiality.

Policy mechanisms, and measures shall also be put in place aimed at the protection of the Malawian public from undesirable impacts of the digital age and economy in general and in particular those relating to the Internet including the spread of pornography, materials, cyber-crimes and digital frauds. Also targeted are national security and law and order implications of the Internet as well as issues relating to aspects of the Internet that can potentially damage or corrupt Malawi's cultural heritage, national image and national identity.

## **Policy commitment to creating the necessary enabling legal and regulatory framework and standards, best practices and guidelines for facilitating the development, deployment, exploitation and the delivery of ICT products, services and systems**

It is acknowledged that the development and the exploitation of ICTs in the economy and society as well as the development of the information and knowledge economy will need to be supported and facilitated by the necessary legal regulatory and institutional framework and provisions.

It is also recognized that in the light of rapid developments in the communications industry, characterized by technological advances and evolutions; the convergence of information and communication technologies, systems and services and the resultant changes in user demand, choices and preferences, there is a need for Malawi to periodically review the operations, provisions and the directives making up the nation's legal and regulatory framework designed for supporting and facilitating the development of its information and communications industry and sector.

The Government is therefore committed to the process of creating and periodically reviewing and revising the necessary enabling legal and regulatory framework to support and facilitate universal services and access to basic and value added telecommunications services; the creation of the necessary and conducive conditions for an investor friendly telecommunications environment; support the development of the local communications industry towards competitiveness; to support liberalization of the sector and encourage private investment in the ICT sector.

Also as part of the process of providing an enabling legal and legislative environment for supporting the development of the Malawian information economy, the Government is committed to facilitating the

process of the enactment of the necessary cyber laws and legislative provisions to govern and regulate cyber-related activities within their respective countries. Legislation to promote and facilitate electronic commerce and other Internet-related activities in the country shall be enacted in addition to facilitating the enactment of laws relating to: intellectual property rights; data protection and security, freedom of access to information; computer and cybercrime and other cyber-laws, necessary for facilitating their country's participation in the information age and economy.

The Government is also committed to promoting and supporting the development of standards, best practices and guidelines to guide the deployment, exploitation and development of ICTs within the economy and society.

Specific policy measures, directives and provisions that shall be put in place to:

- promote universal service and access to information and communication technologies services and systems within the society and economy
- promote and facilitate the modernization, rehabilitation and the expansion of the national information and communications infrastructure and services and improving and quality of service (QoS)
- facilitate the development and implementation of a technology-neutral legal and regulatory framework, whose provisions and directives will be open, transparent and responsive to rapid changes in the global communications industry and allows for the introduction of new services within a dynamic competitive environment that takes into account the issues and the implications of convergence between communications, telecommunications, broadcasting and information technologies, service and platforms
- promote the development and implementation and where appropriate the enforcement of various standards, best practices and guidelines to among other things guide: (i) the implementation of ICTs and the procurement of ICT resources within the civil and public service (ii) the importation of ICT products and services (iii) the provision of ICT training services by private computer training centers and the certification of ICT professional skills in Malawi (iv) the activities of companies and organization operating within the ICT production sector and (v) to provide guidelines and standards to protect the public from the negative impacts of the Internet.

### **Policy Commitment to Putting in place an Enabling Institutional Framework for Supporting Policy and Plan Development, Implementation and Coordination**

The need for putting in place suitable institutional arrangements and structures to support the policy and plan development and implementation process has been recognized. The Malawi ICT policy and plan development and implementation process shall therefore involve the setting up of relevant coordinating and facilitating structures and institutional arrangements.

The Government shall make provisions for putting in place the various institutional structures and bodies for facilitating the co-ordination of the ICT policy and plan development and implementation efforts in Malawi. Specifically, the Government is committed to setting up the proposed National Information Technology Council (NITC) and Malawi Information Technology Agency (MITA).

The NITC shall be a high powered national body to be chaired by the President with the mission to provide national leadership for the Malawian ICT for Development process. The membership of the

NITC shall be made up of the Vice President, the Sp  
Ministers and distinguished representatives from  
Labour Organizations.

eaker of Parliament, a number of senior Cabinet  
the Private Sector, Academia, Civil Society, and

The Body shall be responsible for advising the Gove  
and implementation of national ICT policies, strate  
transforming Malawi into an information-rich, knowl  
also be responsible for establishment of appropriat  
Working Groups.

rnment on all matters relating to the development  
gies and plans to accelerate the process of  
edge-based society and economy. This body shall  
e various national ICT Structures, Bodies and

The Malawi Information Technology Agency (MITA) sha  
national agency to act as the national ICT implemen  
supervision of the NITC and act as its secretariat.  
Economic Council coordinate on behalf of the NITC,  
and development and the implementation of national

ll be set up as a statutory and autonomous  
tation and coordination body under the direct  
MITA shall in collaboration with the National  
activities and initiatives aimed at the formulation  
ICT policies, strategies and plans.

### **Policy commitment to promoting access to information and communication technologies and systems and facilitating the implementation of national ICT applications**

Malawi's entry into the information age will demand  
the society. To reach out to, and benefit, the majo  
and e-commerce, special efforts shall be made to ex  
including rural and underserved disadvantaged commu

rapid extension of access to ICTs to all sections  
of  
rity of the population in for instance health, educ  
ation  
tends services and access to all sections of the soc  
iety

Also it is recognized that for ICTs to assist in th  
the economy and society, it will not be enough to p  
packages, policy instruments, and incentive program  
number of national ICT applications across all sect  
executed as projects or programmes shall be targete  
ICT initiatives in sectors like: health, and educat

e developmental process and make its impact felt wi  
thin  
ut in place a number of special ICT promotion  
mes. Equally important is the need to implement a  
ors. Some of these applications, which could be  
dat the implementation of socially-relevant nation  
al

As part of its policy to provide access to the tec  
Government shall put in place policy initiatives an  
information and services and in addition facilitate  
up the deployment and utilization of ICTs within th  
include: multipurpose community telecenter project  
government and governance initiatives, telemedicine  
The implementation of these community-based project  
*village information and communications infrastructure* (VICI) initiative reflecting the implementation of  
initiatives at the community-level --- the village.

hnology, its services, resources and applications, the  
d directive to promote community access to ICTs,  
the implementation of nation-wide initiatives to speed  
e community. Special initiatives that shall be targ  
eted  
s; teleeducation and SchoolNet projects; electronic  
projects; and e-commerce projects among others.  
NICI programmes and

As part of this policy commitment to extend access  
initiatives will be put in place targeting the prov  
sections of the Malawi society, including the under  
challenged.

to ICTs to all sections of the community, special  
ision of access to the disadvantaged communities an  
d  
served communities and the physically and mentally

Some of the indicative policy initiatives that will  
be targeted for implementation are:

- implementing computers in schools programme and schoolnet initiatives

- supporting electronic government and governance initiatives
- facilitating the implementation of national Geographic Information System (GIS) applications to support the operations and service delivery of key organizations and institutions within the civil and public service as well as the private sector
- promoting tele-education initiatives targeted at Higher Institutions of Learning
- supporting multipurpose community telecenter initiative to facilitate the spread the use of ICT in the community
- implementing specific innovation and technological solutions and applications aimed at improving access to ICTs and associated services for the physically and mentally challenged and disadvantaged
- implementing telemedicine initiatives to broaden support Malawi's health delivery system
- promoting initiatives aimed at the strengthening of Malawi's democratic institutions and good governance through ICTs
- supporting rural development initiatives through deployment and utilization of ICTs
- implementing national database and management information system (MIS) programme for setting up databases systems and information systems to support the administrative activities and information dissemination functions of Government Ministries and Public Sector Organizations (PSOs)

### **Policy commitment to involving key stakeholders in the Malawian ICT Process and taking into account gender sensitivity issues in the deployment and exploitation of ICTs within the society and economy**

Beyond actions on policies and strategies for developing the national information society and economy, there is a fundamental need for mobilizing key national stakeholders and where necessary the public target to be part of and contribute to the national ICT process..

The Government believes that it cannot go it alone in carrying out this national exercise; other stakeholders need to be part of the process to build consensus and encourage national mobilization and participation. Apart from the private sector, other key national groupings and stakeholders, including the media, NGOs, labour unions, academia and other sectors within the civil society, shall be encouraged to contribute to the Malawian ICT-led socio-economic development process.

As part of this commitment, special efforts will be made to take into account gender sensitivity in all aspects relating to the Malawian ICT-led socio-economic development process. In particular, policy instruments shall be put in place to ensure the participation of women in the formulation of ICT policies at all levels and to ensure that information and communication policies at all levels are engendered, and geared toward meeting specific developmental needs of women.

## CHAPTER SIX

### ACKNOWLEDGING AND TAKING INTO ACCOUNT THE PROVISIONS OF RELATED ICT POLICY FRAMEWORKS

The Malawian ICT-led socio-economic development Policy Statement which is set within the wider socio-economic development objectives and aspirations of the nation took into account the provisions and the details of a number of crucial socio-economic development policy frameworks including: Vision 2020; the Malawian Poverty Reduction Strategy Paper (PRSP), the Science and Technology (S&T) Policy and other socio-economic development frameworks of Malawi.

The Policy Statement acknowledges and addresses a number of the key developmental challenges, objectives and goals of these policy frameworks in defining the main elements and provisions of the policy. The key elements of a number of these frameworks are identified as follows:

#### Taking into Account the Provisions of the Science and Technology Policy

As part of the Science and Technology Policy, designed to attain sustainable socio-economic development through the development and application of science and technology; the Government is committed to implementing the following key S&T policy objectives:

- To establish and strengthen national capacity to research, evaluate, select, acquire, adapt, develop, generate, apply, and disseminate technologies
- To develop and raise national productivity capacity and improve competitiveness through the efficient application of technologies
- Promote and develop traditional, endogenous, new and innovative technologies; and
- Create knowledge and S&T awareness, improve and develop the scientific and technological culture of Malawians

Some of the specific policy objectives are to:

- To build national capacity for integrating S&T into national development programmes
- To promote the role of ICTs for the development of an information-based society
- To promote the development and application of S&T for economic growth and diversification, competitiveness and employment creation
- To strengthen S&T education at all levels
- To promote sustainable human development through the sound management of the environment
- To enhance multidisciplinary R&D programmes through the establishment and strengthening of the multidisciplinary research-oriented institutions and programs

The guiding principles identified to guide Malawi in developing its full scientific and technological potential to facilitate its socio-economic development process are:

- Assurance of political commitment on S&T

- Integration of S&T in national development planning
- Maximization of productivity through the application of S&T
- Application of S&T to promote international competitiveness
- Creation of conducive policy environment for the advancement of S&T
- Investment in and development and retention of S&T human resources
- Application of S&T to promote sustainable socio-economic development
- Promotion of S&T culture among the civil services

### **Taking into Account the Provisions of the Communications Sector Policy Statement**

The Government is committed to implementing the key provisions of the Communications Sector Policy Statement aimed at the development of the country's communications sector covering broadcasting, telecommunications and postal services. Specifically, the following policy objectives will be implemented:

- To increase the tele-density of Malawi to achieve universal access and services....
- To ensure that the quality of services within the communications sector meets acceptable international standards
- To liberalize the market in respect of the provision of telecommunication and Internet services
- To reduce the price of telecommunications services in real terms
- To ensure extension of modern telecommunications services to other rural areas and
- To allow private sector participation in the provision of telecommunications services
- To re-orient the sector into a viable and sustainable venture
- To create a viable and efficient postal services
- To ensure that a full range of broadcasting services are made available to the people

### **Taking into Account the Provisions of the SADC Declaration on Information and Communications Technologies**

The Government of Malawi as a signatory to the SADC Declaration on the use of ICT to facilitate socio-economic development is committed to implementing the following priority areas for action:

- The creation of the necessary regulatory environment and provision of ICT related incentive packages (tax and tariff reduction, etc) to facilitate the development, deployment and the exploitation of ICTs within the society and economy
- The provision of ICT related incentive packages to facilitate the development
- The development of the ICT infrastructure
- Facilitate community participation and governance in ICT development
- Support ICT in business development and
- Develop Human resource capacity to support ICT development