

Malawi Labour Force Survey 2013

Key Findings Report

National Statistical Office
Zomba, Malawi

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1.1 Introduction

In Malawi the first comprehensive stand-alone labour force survey was done in 1983. However, the survey results were not published. Consequently, labour market statistics have largely come from censuses and household based surveys including Employment and Earnings Surveys, Informal Sector Surveys, Household and Income Surveys, Agricultural Sample Surveys and Business Economic Surveys. However, these data sources have not provided adequate information on the labour market situation.

In order to satisfy the demand for detailed labour market statistics, the NSO together with Ministry of Labour and Ministry of Industry and Trade conducted a stand-alone labour force sample survey in 2013.

1.2 Objectives of the survey

The main objective of the 2013 Malawi Labour Force Survey (MLFS) was to generate reliable information on employment and unemployment situation and other labour force characteristics of the population aged 15-64 years

The specific objectives of the survey were:

- To estimate the size of the labour force, 15-64 years by demographic characteristics
- To estimate the number of employed persons by occupation, industry and employment status
- To estimate the population which is not working together with their demographic characteristics
- To estimate youth unemployment.

The results of the survey provide statistics that serve a wide variety of purposes. Some of these purposes are:

- To monitor the economic situation,
- To formulate and implement policies for decent work, employment creation and poverty reduction, income support as well as other social programmes.
- To provide indicators for monitoring the country's progress towards achieving both MGDS II and MDGs goals.

Summary of Findings

The 2013 MLFS was a nationally representative survey covering a total of 11,000 households consisting of 4,260 households from urban areas and 6,740 households from rural areas. A total of 29, 978 men and women aged 10 years and over were interviewed to establish their labour force status. The sample size was large enough to provide estimates of employment and unemployment at the national and regional levels for rural and urban areas.

Data collection was done by 17 mobile teams. Each team comprised 1 supervisor, 4 research assistants and 1 driver under the close supervision of staff from the National Statistical Office headquarters. Fieldwork took place from December 2012 to March 2013.

Labour force

The 2013 MLFS data indicate that 7 million people within the age group 15-64 were in the labour force. Of this total, 3.3 million were males and 3.7 million were females. By subpopulation groups, the results show that out of the total labour force 87 percent was resident in the rural areas, 64 percent had no education and nearly half (48 percent) was under 30 years. The labour force participation rates for both males and females were quite high. The rates ranged from 70 percent in the age group 15-19 to 97 percent in age groups 30-34 and 40-44.

Employment

A total of 5.5 million people were employed, representing an employment rate of 80 percent. Males have a higher employment rate than females at 86 percent and 74 percent respectively. There are little differences in employment rates among employed persons with secondary education or less. The 2013 MLFS data indicate that the main occupations were skilled agricultural, forestry and fishery (45 percent), elementary occupations (22 percent) and service and sales workers (19 percent). Only 4 percent of employed persons were in managerial, professional technicians and associated professional occupations. A majority of employed persons were absorbed in agriculture, forestry and fishing (64 percent) and wholesale, retail and repair of motor vehicles (16 percent).

Status in employment

The bulk of employed persons work as own account workers who constitute 54 percent of all persons in employment. Own account workers combined with contributing family workers are considered as precarious workers and they constitute 61 percent of all persons in employment. Nearly 3 in every 10 employed persons worked as employees. The proportion of precarious workers is higher among females than males, is higher in rural areas than urban areas and persons with more education are less likely to work as precarious workers.

Self employment

When growth in paid employment in an economy does not match the increase in the labour force, self employment becomes an alternative to a majority of job seekers as a source of livelihood. Self employment comprises own account workers and employers. Overall, 55 percent of persons in employment are self employed. The prevalence rate of self employment is higher among females than males, higher in rural areas than urban areas and higher among persons with less education than among persons with more education.

Informal employment

The 2013 MLFS data indicate that employed persons in Malawi are predominantly engaged in informal employment. Overall, 89 percent of working persons are in informal employment setups. Women are more likely to be employed in informal employment than males. There are marked differences in involvement in informal employment between rural and urban areas. In rural areas, the percentage of employed persons in informal employment is 91 percent compared to 69 percent in urban areas. Men and women in urban areas are less likely to be engaged in informal employment than their counterparts in the rural areas.

Share of women in wage employment

Gender disparities exist in wage employment in non-agriculture sector. Women constitute 30 percent of total wage employment in non-agriculture in Malawi. The percentage share of

women in wage employment in non-agriculture in rural areas is higher than in the urban areas. The 2013 MLFS indicate that the female and male shares of employment in senior and middle management are very low at 0.32 percent for males and 0.07 percent for female. The proportions of females and males in senior and middle management positions are higher in urban areas than in rural areas. Representation of males and females in high status occupation is positively related to one's level of education.

Trade union and employees' association membership

Membership to unions and employees association among workers is low in Malawi. Only 2 percent and 1 percent of persons in employment are members of trade unions and employees associations respectively. Employed persons whose occupations are managers, professionals and clerical support staff have disproportionately high percentages of membership to employees association and trade union compared to workers in other occupations. Among employed persons who were non members of trade unions and employees association, the most prevalent reason for not joining trade unions or employees associations are lack of knowledge on the existence of the trade union or employee association (52 percent) and not aware of any union to join in my work place (22 percent).

Unemployment and underemployment

The 2013 MLFS indicates that unemployment rate among all economically active population Malawi, based on the ILO broad definition, is at 21 percent. The unemployment rate is higher among females, at 26 percent, than among males at 14 percent. In urban areas, the unemployment rate is 28 percent and the corresponding rate is 19 percent in rural areas. There are little differences in unemployment rates by level of education except for those with tertiary education. Among the youth age 15-34, unemployment rate is at 23 percent using the broad ILO definition. Unemployment rate is slightly higher among the youth age 15-24 years. When the strict ILO definition is used, unemployment rate is only 7 percent among all economically active population in Malawi. Low unemployment rates also obtained for the youth age 15-24 and those age 15-34.

The 2013 MLFS show that 27 percent of the employed population in Malawi is underemployed. Females are more likely to be underemployed than males. Underemployment is most prevalent in rural areas compared to urban areas.

Earnings

Earnings in Malawi are skewed. The average monthly mean and the median gross incomes are 41,643 and 13,600 Malawi Kwacha. People with high education have high earnings compared to those with less education. On average, males have higher earnings than females and people in urban areas have higher earnings than their counterparts in rural areas.

The 2013 MLFS also indicate that 61 percent of paid employees have earnings which are equal to less than two third of the median earnings. Proportion of women receiving low pay rates is higher than males. Workers in rural areas are more likely to receive earning less than two third of the median earning than their counterparts in urban areas. The low pay rate in rural areas is 64 percent compared to a low pay rate of 43 percent in urban areas.

Hours of work

The average usual working hours is 40 hours per week, which is less than the statutory usual working hours per week of 48 hours. The mean actual number of hours of work is 35 hours per week. There are disparities in the actual hours of work by respondents' background characteristics.

The survey results show that 17 percent of all employed persons had excess hours of work. Males are more likely than females to have worked excess hours. Employed persons with secondary education or higher are more likely to have excess hours of work than their counterparts with primary education or less.

LABOUR FORCE SURVEY 2013 INDICATORS

Survey implementation			
Sample frame	2008 Malawi Population and Housing Census	Questionnaires	Household Individual person (age 10 and over)
- Updated	September 2012		
Interviewer training	December 2012	Fieldwork	Dec 2012 – March 2013
Survey sample			
Households		Household population	46,196
- Sampled	11,000	- Eligible persons (age 10 years and over)	30,759
- Occupied	11,000	- Interviewed	29,978
- Interviewed	10,818	- Response rate (Per cent)	97.5
- Response rate (Per cent)	98.3		

Demographic indicators			
Average household size	4.3	Percentage of population living in	
Percentage of population:		- Urban areas	12.8
- Age 0 – 9 years	32.3	- Rural areas	86.2
- Age 10 -14 years	15.0	- Northern Region	13.2
- Age 15 – 64 years	49.3	- Central Region	42.3
- Age 65+ years	3.5	- Southern Region	44.5
Total Population	15.4	Population density	163
Intercensal annual growth rate (2013)	3.1		
Sex ratio	95		

Population characteristics					
No.	Indicator	Description	Value (Million)		
			Total	Male	Female
1	Total Population	Number of persons enumerated (million)	15.4	7.5	7.9
2	Working population	Number of persons age 15 – 64 years	7.8	3.6	4.2
3	Employed persons	Number of persons age 15 – 64 years who, during the reference period categories: paid employment or self-employment or were temporarily absent from a job in which they had a formal attachment	5.5	2.8	2.7
4	Unemployed persons	Number of persons age 15 – 64 years who, during the reference period were “without” work, “ and “currently available to work” – relaxed definition used in the report	1.4	0.5	0.9
5	Inactive persons	Number of persons who, during the reference period, were neither employed or unemployed	0.8	0.3	0.5
6	Labour force	Number of person age 15 – 65 who are currently employed and unemployed	7.0	3.3	3.7

Employment situations

No.	Indicator	Description	Value		
			Total	Male	Female
7	Labour force participation rates	The labour force participation is the percentage of person age 15 – 64 years who are economically active to the total population	89.4	90.9	88.1
8	Employment to population ratio MDG 1.B	Percentage of population age 15 – 64 years who are currently employed to the total working population	71.2	77.9	65.4
9	Employment rate	Percentage of the of the population (labour force) age 15 – 65 years who, during the reference period of one week were employed to the total working population	79.6	85.7	74.3
10	Employment by occupation - (a) Managers - (b) Professional - (c) Technical and associated professional - (d) Clerical and support - (e) Service and sales workers - (f) Skilled agricultural, forestry and fishery workers - (g) Craft and related trades workers - (h) Plant and machine operators, and assemblers	Percentage of employed person age 15 – 64 years by type of work they normally do.	0.6 3.2 0.3 1.1 19.1 44.9 4.2 5.2	1.0 3.9 0.4 1.2 19.0 39.0 7.3 6.3	0.2 2.4 0.1 0.9 19.1 50.9 1.0 4.1
11	Employment by sector - (a) Agriculture - (b) Wholesale and retail trade - (c) Manufacturing - (d) Construction - (e) Education - (f) Health - (g) Transport and storage	Percentage of employed person age 15 – 64 years working in the specified sector of the economy	64.1 16.2 4.1 2.6 2.2 1.4 2.0	58.5 15.1 4.5 4.2 2.8 1.6 3.8	69.9 17.4 3.6 1.0 1.6 1.1 0.2
12	Employed persons by status in employment - (a) Paid employees - (b) Employers - (c) Own-account workers - (d) Contributing family workers	Percentage of employed persons who were categorised into four: employee, employer, own-account worker and contributing family worker. This classification provides information on the type of employment the economically active are engaged in.	38.0 1.1 53.6 7.2	43.8 1.5 48.7 6.0	32.1 0.8 58.7 8.4
13	Self-employment rate	Percentage of employed population age 15 – 64 years who during the reference period of one week were either employers or own-account workers in the total employment	54.7	50.2	59.5
14	Precarious employment	Percentage of the employed persons age group 15-64 years who, during the reference period of one week were working as contributing family workers or own-account workers out of the total employment	60.1	53.6	66.9

Employment situations					
	Indicator	Description	Value		
			Total	Male	Female
15	Informal employment	Percentage of employed population age 15 – 64 years that, during the reference period of one week were classified informally. They held jobs where the relationship between the employer and employee was not subject to national labour economy, income taxation or any social protection or employment benefits: workers in informal employment include: own account workers and employers employed in their own enterprises; members of informal producers' cooperatives; and contributing family workers irrespective of whether they work for formal or informal enterprises.	88.7	83.8	93.6
16	Formal employment	Percentage of employed persons age 15 -64 years who, during the reference period of one week were in formal employment where employer was subject to national labour legislation, to income taxation or to any social protection or employment benefit	11.3	16.2	6.4
17	Female share of employment in senior and middle management	Female proportion of employed persons age 15 – 64 years who, during the reference period of one week were employed in ISCO-88 groups 11 and 12, refers all women working as legislators, senior officials and corporate managers to all workers in the same group			0.07
18	Share of women in wage employment in non-agricultural sector	The proportion of women age 15 – 65 years who, during the reference period of one week were in wage employment in non-agricultural			28.9
19	Own-account workers and contributing family workers in total employment	Percentage of the employed population age 15 – 64 years who, during the reference period of one week were own-account workers or contributing family workers in the total employment	61.9	56.2	67.9
20	Trade union and employees association membership	Proportion of persons age 15 – 64 years who, during the reference period of one week were trade union members (as dues-paying membership) to the total workforce	5.5	6.8	3.6
	Reasons for not belonging to trade unions	Percentage of Persons age 15 – 64 who during the reference period of one week were in employment and indicated they were not members of trade unions or employees associations by their reason			
	- Have a negative view of Trade Unions		1.7	2.2	1.0
	- Not aware of any unions to join in my work place		22.3	23.3	20.9
	- Don't know trade union		51.9	47.7	57.5
	- It is discouraged by my employer		1.1	1.4	0.7
	- Not sure what a union can do to help me		1.7	2.0	1.4
	- Never been approached to join		5.8	7.3	3.9
	- Never considered joining		4.3	5.0	3.3
	- Do not have time		1.3	1.7	0.9
	- Not interested in public affairs		1.7	2.2	1.1
	- Too expensive	1.8	1.6	2.0	
	- Other	6.3	5.7	7.2	
21	Occupation safety - Ever injured	Proportion of persons age 15 – 64 years who, have ever been injured. Occupation injuries are any personal injury resulting from an occupation	10.9		

accident

Unemployment and underemployment

No.	Indicator	Description	Value		
			Total	Male	Female
22	Unemployment (Broad definition)	Percentage of the labour force age 15 – 64 years which was unemployed (without work and available to work) during the reference period of four weeks	20.4	14.3	25.7
	Unemployed person by residence (broad definition)	Percentage of the labour force age 15 – 64 years which was unemployed (without work and available to work) during the reference period of four weeks by residence	28.2	17.6	39.2
	- Urban		19.2	13.8	23.9
	- Rural				
	- Northern Region		13.0	7.9	18.0
	- Central Region		15.7	10.5	20.2
	- Southern Region	27.0	19.9	33.3	
23	Unemployment (Strict definition)	Percentage of the labour force age 15 – 64 years which was unemployed (without work, available to work and seeking work) during the reference period of four weeks	6.6	5.3	7.9
24	Unemployed person by residence (strict definition)	Percentage of the labour force age 15 – 64 years which was unemployed (without work and available to work) during the reference period of four weeks by residence	11.5	8.2	15.6
	- Urban		6.0	4.9	7.0
	- Rural				
	- Northern Region		4.4	3.2	5.7
	- Central Region		5.3	4.2	6.5
	- Southern Region	8.7	7.2	10.4	
25	Unemployed persons by education level	Percentage of people age 15 – 64 years who, during the reference period of four weeks were unemployed by their education background (broad definition)	20.1	14.6	24.2
	- (a) No education		21.3	13.4	29.9
	- (b) Primary education		21.5	16.0	30.6
	- (c) Secondary education		13.3	12.0	16.2
	- (d) Tertiary education				
26	Time related underemployment	Percentage of employed persons age 15 – 64 years who, during the reference period worked less than 48 hours threshold and were willing and available to work additional hours than those worked in all their jobs in the total employment	26.8	26.1	27.6
27	Inactivity	Percentage of population age 15 – 64 years who, during the reference period of one four weeks were not working and not available for work to the total working population	10.3	8.3	11.9

Youth unemployment situations					
No.	Indicator	Description	Value		
			Total	Male	Female
28	Youth Unemployment rate (broad definition)	Youth unemployment rate is the percentage of youth in age group 15 – 24 years and 15 – 34 years who, during the reference period of one week were unemployed (without work and available to work)	27.5	23.8	30.6
	- (a) Youth age 15 - 24 years - (b) Youth age 15 – 34 years		23.0	16.9	28.3
29	Youth Unemployment rate (strict definition)	Youth unemployment rate is the percentage of youth in age group 15 – 24 years and 15 – 34 years who, during the reference period of one week were unemployed (without work, available to work and seeking work)	8.6	8.0	9.2
	- (a) Youth age 15 - 24 years - (b) Youth age 15 – 34 years		7.9	6.2	9.5
30	Youth not in education and not in Employment or training (NEET)	Percentage of youth in age group 15 – 24 years and 15 – 34 years who, during the reference period of one week were not in education and not in employment or training	21.7	20.1	23.0
	- (a) Youth age 15 – 24 years - (b) Youth age 15 – 34 years		16.5	13.8	18.8
31	Youth in vulnerable employment	Percentage of the youth in age group 15-24 years and 15-34 years who, during the reference period of one week were working as contributing family workers and own-account workers in total youth employment	12.3	11.1	13.2
	- (a) Youth age 15 – 24 years - (b) Youth age 15 – 34 years		25.8	24.9	26.6
32	Youth underemployment (time related) rate	Percentage of youth in age group 15 – 24 years and 15 – 34 years who, were employed but they were willing to work more hours than they were currently working in their present jobs.	5.5	5.6	5.5
	- (a) Youth age 15 – 24 years - (b) Youth age 15 – 34 years		12.2	12.7	11.7

Hours of work, earnings and wages					
No.	Indicator	Description	Value		
			Total	Male	Female
33	Average number of usual hours of work	The Malawi Employment Act provides for a 48 working hours per week. Hours usually worked was the typical value of hours actually worked in a job during the reference period of one week over a long observation period	39.7	43.8	35.6
34	Average number of actual hours of work	The Malawi Employment Act provides for a 48 working hours per week. Hours actually worked was the time spent in a job for the performance of activities that contribute to the production of goods and / or services during the reference period of one week	35.1	38.9	31.2
35	Excessive hours worked (more than 48 hours per week, usual hours)	People in excess hours of work are workers that usually work beyond the government regulated 48 hours of work per week in all jobs	17.0	22.9	11.9
36	Average monthly gross income	Wages received against actual hours worked to receive those wages was used to calculate mean wage per hour which was extrapolated to monthly gross.	13,600	16,000	10,500
	- (a) Median - (b) Mean		41,600	50,300	30,500
37	Average monthly gross profit	Income received against actual hours worked for self-employed persons was used to calculate mean and median gross income per hour which was extrapolated to monthly gross.	6,000	7,500	5,000
	- (a) Median - (b) Mean		96,300	159,400	34,000
38	Low pay rate	Percentage of paid employees whose hourly earnings at all jobs equal less than two-thirds of their median earning. Earnings were defined as income (received either in cash or in kind) from paid employment for participating in economic activities in the strictly employment related capacity.	61.0	56.1	65.9