



In brief: Malawi under President Joyce Banda

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Author: Jon Lunn

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President [Joyce Banda](#) came to office in precarious circumstances on 7 April 2012. As Vice-President, she fell out with the increasingly authoritarian former President [Bingu wa Mutharika](#) in 2010 and was expelled from the then ruling party, the Democratic Progressive Party (DPP) for refusing to endorse Mutharika's brother, Peter, as the party's presidential candidate for the 2014 elections. She formed her own party, the People's Party (PP), in response and successfully fought off efforts to force her to stand down as Vice-President. She has claimed that the Bingu ordered an assassination attempt against her. When Bingu died suddenly on 5 April 2012, his supporters tried to [install Peter Mutharika](#) as the new President in defiance of the Constitution. With the help of the army, which refused to support this 'coup' attempt, she was able to resist this move.

Banda established an 'inclusive government' involving a number of political parties on taking office. A substantial number of DPP parliamentarians have since sought to jump ship to the PP, which could have given her a working majority, but under Section 65 of the Constitution defectors are required to seek a new mandate through a by-election if they do so, causing many to hesitate or even in some cases defect back. Nevertheless, some have defected permanently. But the outcome has been that Banda's government has not enjoyed a secure parliamentary majority. She has been able to win support for a series of measures, but it has been on an *ad hoc* basis. One pledge she has not been able to fulfil yet is overturning Malawi's [prohibition of homosexual acts](#). DPP criticisms of defectors to the PP from within its ranks and the failure to hold by-elections are undermined somewhat by the fact that between 2005 and 2009 it also largely ignored Section 65 following defections to it by MPs from another party, the United Democratic Front.

The President's party, the PP, is reportedly weak and factionalised. Banda appears to have [fallen out](#) with her own Vice-President, Khumbo Kachali. Supporters of Banda are said to have claimed that Kachali wants to be president and is disloyal. Kachali has been playing a key role in persuading DPP parliamentarians to defect to the PP. There has increased speculation about Banda's prospects in the 2014 elections, with some analysts arguing that her rift with Kachali, who has support in northern Malawi, leaves her in a weakened position.

When Banda took office she brought to an end a donor aid "strike", which had begun in mid 2011 when Mutharika was in office. In July of that year, the UK Government had [announced](#) that it would be suspending general budget support as a result of concerns over "economic management and governance", leading to a near breakdown in relations. Bingu bequeathed

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Banda a country whose economy was in a poor state. One of the first acts of Banda's government was to implement a 40% devaluation of the country's currency, the Kwacha, which the IMF and other donors had argued was seriously overvalued. In June 2012, the IMF granted Malawi a three-year \$157m loan package. Austerity measures have followed. The currency's devaluation now stands at over 100%. While these measures have made her popular with donors, on whom Malawi has traditionally depended for more than 40% of its budget, there are growing signs of public discontent. There have been floods and rural food shortages over the last year, although Banda's government has continued Bingu's flagship programme of providing subsidies to small farmers. Inflation is currently the highest in southern Africa. Street protests resumed in January. Civil servants are now on strike for a 67% pay rise and today airport workers joined them on the picket line.

In January 2013, the World Bank unveiled a [new country assistance strategy](#) for 2013-16. President Banda will hope to be reaping the benefits of economic recovery by the time of the 2014 elections. However, this is not guaranteed. Last year, she said that she was ready to [sacrifice her political career to bring about economic reform](#). Most donors, who want Malawi to 'stay the course', will be hoping it does not come to that.

The UK International Development Committee published a report on [The Development Situation in Malawi](#) in July 2012, recommending the reinstatement of general budget support, subject to the continuing progress of economic reforms in Malawi. The [UK Government's response](#) was published in October 2012; it stated that the steps taken by the Malawian Government had brought that reinstatement closer but that further reform was still needed. On 30 November 2012, DFID [announced](#) £20m in short-term [emergency budget support](#) (originally announced as covering this financial year, but described as running to the end of June 2013 in [the DFID projects database](#)). It is to be used to stabilise the economy and protect services for the poor. One priority will be addressing the acute shortage of drugs in Malawi's health sector.

Banda also announced on taking office that she would take a pay cut and [sell or lease the country's presidential jet](#), bought by Bingu in 2009. Its purchase had led the UK Government to [cut £3 million from its £22 million general budget support](#) back in 2009. Her failure quickly to dispose of the jet led to growing criticism. However, recent reports indicate that a Malawian cabinet committee has now decided to sell the jet and is in the process of [inviting investors to make bids](#).

Finally, Malawi's relationship with its northern neighbour, Tanzania, has been complicated since mid 2012 by the former's decision to prospect for [oil and gas in Lake Malawi](#) – which Tanzania calls Lake Nyasa. The decision has revived an old dispute between the two countries over their mutual border in the Lake. Both were prepared to accept independent mediation but initially envisaged different bodies playing this role, with Malawi favouring the International Court of Justice (ICJ) and Tanzania the Southern African Development Community (SADC) or the African Union. In December 2012, the two countries agreed to ask the Forum for former SADC heads of state, chaired by Joaquim Chissano of Mozambique, to [mediate](#). They also agreed to take the dispute to the ICJ if the Forum proves unable to come up with a mutually acceptable solution.

Further reading: Jimmy Kainja, "[Joyce Banda – between saving the economy and winning elections](#)", *African Arguments*, 15 February 2013; "Banda takes on her deputy", *Africa Confidential*, 15 February 2013; "The honeymoon's over", *Africa Confidential*, 22 June 2012; Library Standard Note SN04806, [Malawi: A political and economic profile](#) (July 2008); DFID [Malawi country page](#)