Constituting Agricultural and Food Policy in Malawi: The Role of the State and International Donors in the Farm Input Subsidy Program (FISP)

Peter Rock Nkhoma
University of South Florida, rock1@mail.usf.edu

Follow this and additional works at: http://scholarcommons.usf.edu/etd
Part of the Agriculture Commons, and the Geography Commons
Constituting Agricultural and Food Policy in Malawi: The Role of the State and International Donors in the Farm Input Subsidy Program (FISP)

by

Peter R. Nkhoma

A doctoral dissertation submitted in partial fulfillment of the requirements for the Degree of
Doctor of Philosophy in Geography and Environmental Science and Policy
School of Geosciences
College of Arts and Sciences
University of South Florida

Co-major Professor: Pratyusha Basu, Ph.D.
Co-major Professor: Martin Bosman, Ph.D.
K. Alsharif, Ph.D.
D.A. Himmelgreen, Ph.D.
S. Reader, Ph.D.
N.Y. Romero-Daza, Ph.D.

Date of Approval:
September 9, 2016

Keywords: modernization, subsidies, policy making, food security, context, finance

Copyright © 2016, Peter R. Nkhoma
DEDICATION

To my dad Duncan Isaac Nkhoma & my loving mom Tandulenji Rovimbi Kacheche Nkhoma.

To Khozgani, Joel Josiah, Jadon Chanok Amiel, & Gabriella Sarah.

To the Lakudzalas

To all my dear sisters and brothers
ACKNOWLEDGMENTS

I would like acknowledge Pastor Francis Oladimeji and his family for all the love and support rendered. My gratitude also goes to the members of Liberty Christian Connections at Ilford, London.

I would also like to thank all the expert respondents who took part in this study. I will always be indebted to you.

I am especially indebted to my co-major advisors Drs. P. Basu and M.M. Bosman; the dissertation committee members Drs. K. Alsharif, D.A. Himmelgreen, S. Reader, and N.Y. Romero-Daza of the University of South Florida for their constructive advice and support.

I also wish to thank Drs. F. Akiwumi and J. Downs for their advice and help.

I am also grateful to Professor Conteh-Morgan who took on the responsibility of being the external examiner.

I would also like to acknowledge the School of Geosciences at the University of South Florida for giving me the opportunity to carry out my research.

I am also thankful to the sponsors of the Tharp Fellowship for assistance towards research costs.

Lastly, to every person who was involved with this dissertation in one way or another, and to all victims of hunger.
# TABLE OF CONTENTS

List of Tables ............................................................................................................................................... iv

List of Figures .............................................................................................................................................. v

Acronyms .................................................................................................................................................... vi

Abstract ...................................................................................................................................................... viii

Chapter One: Introduction to the Study ....................................................................................................... 1
  Background and Rationale ...................................................................................................................... 1
  Research Aim and Objectives ............................................................................................................. 4
  Research Questions ............................................................................................................................ 5
  Theoretical Frameworks .................................................................................................................... 6
  U.S. and Modernization as Development Practice ........................................................................ 7
  Modernization as Development Philosophy ..................................................................................... 8
  Discourses of Development .............................................................................................................. 11
  Neoliberalism ................................................................................................................................... 14
  Dependency Theory as Critique of Modernization Practice ........................................................... 15
  Political Economy of Agricultural Policies ..................................................................................... 17
  Methodology .................................................................................................................................... 24
  Significance and the Contribution of this Research ....................................................................... 26

Outlines of the Chapters ......................................................................................................................... 28
  Chapter Two: Research Methods ................................................................................................. 28
  Chapter Three: Agricultural Policies in Malawi, Subsidies and FISP ............................................ 29
  Chapter Four: What is the Role of the Government in Shaping FISP? ......................................... 29
  Chapter Five: Policy Processes in FISP ...................................................................................... 29
  Chapter Six: The Role of Politics, Empires, and Donors in FISP .................................................. 30
  Chapter Seven: Conclusions and Recommendations ................................................................... 30

Chapter Two: Research Methods: Interviews and Data Analysis .............................................................. 32
  Introduction ..................................................................................................................................... 32
  Research Philosophy and Approach ............................................................................................... 33
  Justification of the Qualitative Approach ....................................................................................... 35
  Data Collection Methods ................................................................................................................ 37
  Expert Survey Using a Semi-Structured Questionnaire ................................................................. 38
  Study Area: Lilongwe, Zomba, and Blantyre .................................................................................. 39
  Data Analysis .................................................................................................................................. 43
  Conclusion ....................................................................................................................................... 46

Chapter Three: How Have Historical Agricultural and Food Security Policies Been Formulated ............. 48
  A Brief Review of Colonial Policy .................................................................................................... 49
  Independence Era Policies ............................................................................................................... 53
Chapter Six: How has Evidence and Finance Interacted with other Policy Drivers in FISP? .................. 159

Conclusion  .................................................................................................................................. 157
The Administration of Subsidies in the Post-Independence Period ................................................. 54
Structural Adjustment Programs (SAPs) .......................................................................................... 56
Major Policies since the 1990s through the 2000s and Agriculture in National Development ....... 59
The National Agricultural Policy (NAP) and New Alliance for Food Security and Nutrition ....... 62
New Alliance for Food Security and Nutrition ............................................................................... 65
Policy Explanations in Malawi, 1980 through the 1990s ................................................................. 67
The Maize and Input Subsidies Focus of Agricultural Policies ....................................................... 72
Contextualizing the Discussion: Diversification, Technology Transfer and the Organic Alternative ................................................................................................................. 76
Conclusion .................................................................................................................................. 80

Chapter Four: Agricultural Subsidies in Malawi, FISP Objectives, and the Future of FISP .......... 82
The Starter Pack Program ............................................................................................................... 83
The Targeted Input Program .......................................................................................................... 85
The Farm Input Subsidy Program .................................................................................................... 87
Program Design and Implementation ............................................................................................... 94
What is the Objective of FISP? ....................................................................................................... 96
The Future of FISP – Whereto Now? .......................................................................................... 107
Conclusion .................................................................................................................................. 114

Chapter Five: Policy Processes in the FISP – What Role Have the State and International Donors Played in Shaping the Program? ................................................................. 116
Opposition to Farm Input Subsidy Program .................................................................................. 116
Policy Processes in FISP .................................................................................................................. 126
What has been the Specific Role Played by the Executive? .......................................................... 130
Redesigning FISP – Reforms to its Design and Implementation .................................................. 142
The Objective(s) of FISP .................................................................................................................. 142
Changes to Targeting ...................................................................................................................... 147
Level of FISP Subsidy ..................................................................................................................... 149
Graduation from FISP ...................................................................................................................... 150
Complementary Investments to FISP ............................................................................................ 153
Zoning and Crop Diversification under FISP .................................................................................. 154
Procurement Process for FISP ........................................................................................................ 155
Conclusion .................................................................................................................................. 157

Chapter Six: How has Evidence and Finance Interacted with other Policy Drivers in FISP? .......... 159
Introduction .................................................................................................................................. 159
Recent Spate of Large-Scale Agricultural Input Subsidy Programs .............................................. 161
The Debates Surrounding FISP ....................................................................................................... 162
Evidence on National Production of Maize and Economy-Wide Impacts ...................................... 166
National Maize Production Statistics since FISP 2005 ................................................................. 167
Economy-wide Impacts of FISP ....................................................................................................... 170
Qualifying Evidence and Pragmatism ............................................................................................. 171
The Role of Finance in FISP Policy ................................................................................................. 184
Conclusion .................................................................................................................................. 190

Chapter Seven: Conclusion ............................................................................................................. 191
How Have Historical Agricultural and Food Security Places Been Formulated? ....................... 193
What Is the Current Configuration and Future of the Farm Inputs Subsidy Program? How is This Linked to Current Debates over Its Impacts or Outcomes? ...................................... 195
What Role has Evidence and Finance Played in Policy Making in FISP? .................................. 197
LIST OF TABLES

Table 2.1 Interview Respondents ............................................................................................................ 43

Table 4.1 Agricultural Subsidy and Food Programs since the 1970s .......................................................... 84
LIST OF FIGURES

Figure 2.1 Administrative Regions of Malawi ................................................................. 40
Figure 3.1 Agriculture and Nutrition Policy Landscape in Malawi............................... 68
Figure 3.2 Crop Production Trends 2000-2014 ............................................................... 77
Figure 3.3 Grain Production and Calorie Requirements ............................................... 78
Figure 5.1 National Agricultural Policy Consultation Outcomes ................................ 122
Figure 5.2 Changes to Food Security Policy and FISP ............................................... 157
Figure 6.1 Planned and Actual FISP Expenditures 2005/06-2013/14 ......................... 165
Figure 6.2 Maize Production, Import, and Export Trends 2000-2013 ....................... 172
ACRONYMS

ADMARC – Agricultural Development and Marketing Corporation
AfDB – African Development Bank
AISP – Agricultural Input Subsidy Program
ASWAp – Agriculture Sector Wide Approach
CAADP – Comprehensive African Agriculture Development Program
CBR – Cost Benefit Ratio
CISANET – Civil Society Agriculture Network
COMESA – Common Market for Eastern and Southern Africa
CSOs – Civil society organizations
DAS – Development and Assistance Strategy
DfID – Department for International Development
DPP – Democratic Progressive Party
DRIP – Drought Recovery Inputs Program
ETIP – Extended Targeted Input Program
EU – European Union
FAO – Food Agricultural Organization
FILP – Farm Loan Input Program
FISP – Farm Input Subsidy Program
FNSP – Food and Nutrition Security Policy
FSAP – Food Security Action Plan
FSRP – Fertilizer Subsidy Removal Program
FUM – Farmers Union of Malawi
GDP – Gross Domestic Product
GoM – Government of Malawi
IFPRI – International Food Policy Research Institute
IMF – International Monetary Fund
IPA – Innovations for Poverty Action
IRB – Institutional Review Board
MARDEF – Malawi Rural Development Fund
MCCCI – Malawi Confederation of Chambers of Commerce and Industry
MDTF – Multi-Donor Trust Fund
MEJN – Malawi Economic Justice Network
MK – Malawi Kwacha
MoAFS – Ministry of Agriculture and Food Security
MoAIWD – Ministry of Agriculture, Irrigation and Water Development
MoF – Ministry of Finance
MTS – Metric Tons
NAP – National Agricultural Policy
NASFAM – National Association of Smallholder Farmers
NEPAD – New Partnership for Africa’s Development
NES – National Export Strategy
NNPSP – National Nutrition Policy and Strategic Plan
NSO – National Statistical Office
ABSTRACT

Numerous studies have been undertaken on the political economy of agricultural policies in developing countries. These studies have explained agricultural policies in terms of urban bias, economic reforms, and domestic politics. Recently, the emphasis has been on explanations that reference the existence of a rational-legal and patronage element within the African state. Such explanations tend to underplay the extent to which agricultural policies are devised in a context of power asymmetries between the state and international donors or financial institutions. In the Malawian context specifically, limited attention has been paid to the possibility that policies are a negotiated outcome of interactions informed by competing objectives at the state-donor interface. Accordingly, the proposed study will attempt to fill this existing gap in the literature.

Malawi is currently at the center of policy debates regarding the state’s capacity to launch a uniquely African Green Revolution within a marketized and capitalist configuration. Such debates mark the continued underinvestment in agriculture on the African continent. The Malawi case, therefore, provides a unique opportunity to explore the extent to which state level efforts are either confounded or enabled by donors and international financial institutions. The specific successes and failures of the Malawi case speak to the question of how other countries in Sub-Saharan Africa might successfully address food production and food security issues.

This dissertation will explore the overarching question of the role of the state and international donors in shaping agricultural and food security policies using Malawi’s farm input subsidy program as a case study. The main research methods to explore this question are qualitative, including interviews with various development stakeholders (government ministries, international development agencies, researchers from policy research and academic institutions, and civil society organizations) associated
with agriculture and food policy making, and textual analysis of publications associated with them. The research specifically targets key experts in the area of agriculture and food security.

The findings indicate that policies have been greatly influenced by the competing ideologies of the state and donors, with each recognizing the problem but differing on the approach and modalities for solving food insecurity in Malawi. To this extent, there has been considerable inconsistency in policies with obvious negative outcomes. More recently, there has been an aligning of policy positions towards the use of social welfare programs and commercialization in addressing food insecurity. This alignment relates to policy positions on both the FISP and the configuration of the wider agricultural sector as a whole, as manifest in the National Agricultural Policy, for example. The role of domestic politics vs. donors in policy processes has been in flux due to changes in the political and economic environment and configuration at specific junctures.

The study also finds that evidence has been important in informing policy making, more importantly, finance has had significant impact in attenuating the influence of domestic politics, so that the recently proposed and implemented reforms to FISP, although connected to considerable sociopolitical pressure from various quarters, have been largely precipitated by a serious fiscal crisis on the part of the government. To this extent, the state has assumed a pragmatic approach to policy making i.e., one that is cognizant of the limitations imposed by both finance and Malawi’s very harsh, challenging, and complex context.
CHAPTER ONE

INTRODUCTION TO THE STUDY

Background and Rationale

Before delving into a discussion of the study’s background and rationale it is important to provide a working definition of food security as applies to the Malawi context. Food security in Malawi is mainly defined in terms of availability of (i.e., national self-sufficiency in maize production) and access to maize (FAO, 2015; Sahley et al., 2005). The oft cited definition is one that was popularized by Smale (1995) chimanga ndi moyo which translates as maize is life. These definitions illustrate the primacy of maize in Malawi’s food security – for more specifics see FAO (2015).

In the 2005 Food and Nutrition Security Policy (FNSP) the concept of food security is primarily decomposed as: (a) all Malawians at all times having both physical and economic access to enough nutritious food required to lead a healthy and active life. Related attributes include (b) the ways in which food is produced and distributed should be environmentally friendly and sustainable; (c) both the production and consumption of food are governed by social values that are just and equitable as well as moral and ethical; (d) the ability to acquire food is ensured; (e) the food is nutritionally adequate and personally and culturally acceptable; (f) the food is obtained in a manner that upholds human dignity.

The 2008 Food Security Action Plan (FSAP) defines it as access by all people at all times to the food needed for a healthy and active life. This definition captures the key elements of food availability, access, utilization, and stability. Stability in the Malawi context is particularly important as regards the erosive effects of climatic disasters and HIV/AIDS, for example. The FSAP repeats the food security definition employed in the 2005 FNSP. Other policy documents, for example, the 2009 National Nutrition
Policy and Strategic Plan (NNPSP) and 2016 National Agricultural Policy, do not explicitly define food security per se although they capture all the key food security and nutrition elements contained in the foregoing policies.

Therefore, the working definition adopted in this study is the one that is commonly referenced in the literature i.e., *maize is food security*. Notwithstanding the standard scientific conceptualization of food and nutrition security, for example, as adopted by the 1996 World Food Summit. The study recognizes the limitations imposed by a complex context when trying to comprehend food security in Malawi.

The food security question in Malawi has been extensively studied, particularly with regard to policies that seek to improve the productivity of the main staple crop, maize. However, most studies have focused on the outcomes or impacts of agricultural and food security policies with fewer studies on how national and international development agencies contribute to policy making. This study, therefore, seeks to examine how agricultural and food policies are devised and implemented through interactions between the state and international development agencies. The case study is the Farm Inputs Subsidy Program (FISP), which was first implemented in 2005. FISP has been linked to increases in maize production in Malawi. However, it has also been decried as inefficient and expensive (see Chirwa and Dorward, 2013). This has led to calls by key stakeholders in the agricultural sector, including international donors, for reforms to its design and modalities of implementation, and possibly to exit from the program altogether. The fact that the FISP has become a terrain of disagreement where contradictory positions have been taken both by policy-makers and existing studies regarding its outcomes makes it a useful case for more intensive analysis. This dissertation, by drawing on the perspectives of policy makers, seeks to provide insights into the contested process of policy-making; how these contestations shape institutional positions on FISP; and how these processes are likely to shape the future trajectory of domestic food policies.

Malawi provides a unique case study in that it has been cited as an exemplar state in relation to the launching of an African ‘Green Revolution’ (for example, Chinsinga, 2012b; Chirwa and Dorward, 2013). Yet, food insecurity (chronic and episodic in nature – specifically, household food insecurity)
continues to be a major issue in Malawi and related policies targeted at the problem such as the FISP continue to engender ‘conflict’ between the state and international donors (for example, Chingsinga, 2012b). Malawi, thus, becomes a useful case study for understanding how a newly developing postcolonial country seeks to build appropriate food production and distribution policies within a global capitalist configuration where access to agriculture and food has become increasingly marketized. The proposition in this dissertation research is to explore the possibility that food insecurity is constituted, reified, and reproduced by capital or finance via its subsumption of agriculture (for example, see Watts, 1981).

To be sure, the FISP has been highly researched; many such studies have been of a quantitative (mostly econometric) nature and have tended to focus on the impacts of the FISP (either analyzing direct or indirect/economy-wide benefits). Some of the studies on the FISP, include Denning et al. (2009); Douillet et al. (2012); Chirwa and Dorward (2013), perhaps the most comprehensive study to date; Pauw et al. (2014); and more recently, Arndt et al. (2015). The results of these analyses have been variable; this has important implications for policy making. One implication is that looking at how research evidence is treated could help to elucidate on current policy processes and how policy decisions are decided. This is particularly important because the underlying statistics are open to wide interpretation (for example, Jerven, 2014).

As far as this research is concerned, only one study by Jerven (2014) has attempted to look at the formative social and institutional interaction between politics and evidence in the Malawi context. That is, how agricultural statistics are socially constructed then deployed by the domestic political system to either influence or legitimate extant policy choices. In this configuration, domestic’s politics speak to agricultural statistics, but not the reverse. This makes the relationship between politics and agricultural statistics unidirectional. Evidence is thought to be subject to politics as a function of existing and continuing power asymmetries between the executive and technocrats which underscores the centralization of power. Thus, in the event that the relationship becomes bidirectional (both politics and
statistics speak to each other), the question then becomes: what factors have been instrumental in changing the dynamic or attenuating the influence of politics? This presents a new avenue for research on the evolving configuration of the political economy of agricultural and food security policies in Malawi.

Moreover, the number of qualitative studies that have attempted to analyze the political economy of agricultural and food security policies in Malawi is very limited. Although these studies have been instructive to the discussion on policy making in Malawi, they have tended to emphasize the primacy of domestic politics (see Chinsinga, 2008; Chinsinga 2011; Chinsinga and Poulton, 2014). This is in keeping with conventional explanations of how policies in young SSA democracies are derived. These explanations tend to reference the centralization of power as a key explanatory factor (for example, see van De Walle, 2001, 2003). However, in previous studies specific to Malawi, there has been limited focus on policy processes at the national government-international donor interface. Relatedly, what other variables might have become critical to the derivation of policies with the passing of time. It cannot be assumed that the political economy of agricultural processes is static.

Given that Malawi has been an exemplar state in the launching of a new spate of input subsidies in Africa and that there has supposedly been reciprocal learning among implementing nations, understanding what factors are critical in policy making and the relevance of the derived decisions for the future of the FISP speaks to the situation of other implementing nations in SSA that might be facing similar challenges

**Research Aim and Objectives**

The research aims to critically interrogate current explanations of the political economy of agricultural and food security policy making in Malawi. Prior explanations have emphasized the role of the state, more precisely, the executive. This will be achieved by analyzing past and current policies, while paying special attention to processes at the government-donor interface.
Based on a case study of Malawi’s farm inputs subsidy program (backgrounded by a review of past subsidy programs, such as the Starter Pack Program (SP) and the Targeted Inputs Program (TIP) and its variants), the study will critically interrogate specific policy preferences in order to comprehend their origins and motivations. In the process, it will draw on perspectives from national and international development agencies in Malawi to discover what factors have influenced policies and actions.

This study seeks to contribute knowledge about: (a) what role the state plays as regards the contradictory or complimentary objectives/pressures of marketization and social welfare provision, an issue that is especially pertinent to Africa in the context of 1980s structural adjustment and 1990s liberalization; (b) policy making processes at the state-donor interface; and (c) the role of agricultural statistics/evidence and finance in policy making. It also contributes to the discourse on subsidies by contextualizing the debates (from the views of divergent stakeholders) on the FISP. This will be achieved by critically interrogating the foundational basis of specific claims made by various parties in regards to the FISP. As far as this research project is concerned, there are no known studies that have taken this approach.

Research Questions

The overarching research question that this research addresses is: In what ways does Malawi’s Farm Input Subsidy Program reveal how agricultural and food security policies are made at the state-donor interface?

In order to answer the overarching question, this study answers the following sub-questions:

1. *How have historical agricultural and food security policies been formulated?*

   This question is addressed in Chapter Three, through a review of the extant literature. In this regard, the analysis looks at the policies of three time periods, namely, the colonial period, the immediate post-independence period, and economic liberalization period – including the democratic dispensation, starting from 1994 to the present. The focus is on general
macroeconomic policies and the nesting of agricultural policies within these, and how the FISP is situated within current policies.

2. *What is the current configuration and future of the farm inputs subsidy program? How is this linked to current debates over its impacts or outcomes?* This question is addressed in Chapters Four and Five. Chapter Four looks at the main subsidy programs since the 1980s, specifically, the SP and the FISP. The focus is placed on the key issues of FISP objectives and its future. Chapter Five discusses opposition to the FISP; policy processes in the FISP with reference made to the specific role played by various presidencies at least since the first democratic elections in 1994; how debates on the FISP have shaped the government’s policy position. In general, how government and donor policy positions have evolved over time. And lastly outlines reforms to the program.

3. *What role has evidence and finance played in policy making in FISP?* This question is addressed in Chapter Six through the analysis of primary textual data from the expert survey, ‘content’ analysis of media articles, document analysis of published government and non-governmental documents, and peer reviewed articles. The data are linked to and used to qualify debates on the outcomes of quantitative analyses on the FISP’s impacts, specifically, maize production statistics and indirect or economy-wide benefits. The focus here is on exploring how evidence interacts with other policy drivers such as politics or finance to shape agricultural and food security policies in Malawi.

**Theoretical Frameworks**

This section looks at what concepts, thus far, have been utilized to explain agricultural policies in developing countries. It also approaches the analysis of policy processes from the perspective of development as an externally imposed idea and assumes the position that modernization continues to be the guiding ideology among developing nations (for example, Jiafeng, 2009). In this sense, neoliberalization is merely the latest instrumental manifestation of modernization, or a contemporary
means for attaining development objectives vis-à-vis technical and economic advancement. This approach is particularly relevant in the sense that it allows a historiographical analysis to highlight the specific ways development has been imposed, its attendant failures and impacts, and how the present agricultural configuration is an historically contingent.

Additionally, this approach highlights how a narrow conceptualization of development (including a longstanding preoccupation with numbers) in very unique geographies can be frustrating to development efforts. Further, it also shows how this narrow conceptualization feeds into policy processes in the FISP. The research builds on existing knowledge on policy processes in Malawi and highlights other less studied/underemphasized aspects of policy formulation. Specifically, the interaction between politics, evidence, and finance as linked to donors as well as the role played key stakeholders such as civil society. Moreover, the approach adopted by this study demonstrates how these processes are linked to and influenced by particular notions of ‘development’. Ultimately, this research seeks to highlight the role of evidence and finance vis-à-vis domestic politics in the context of constantly evolving terms of engagement between donors and the government within the wider policy environment.

**U.S. and Modernization as Development Practice**

Modernization has its political genesis in U.S. President Harry Truman’s 1949 call to end poverty in the ‘Third World’ which necessitated a new way of thinking about and theorizing the situation of the world’s poor nations within a Cold War context (for example, Escobar, 1995; Litonjua, 2012). Later, in 1961, President J.F. Kennedy reiterated the call to help the poor: ‘to those peoples in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves. If a free society cannot help the many who are poor, it cannot save the few who are rich’.

Generally, modernization theory is thought to have ‘concretized’ in the USA during the 1960s (for example, Brohman, 1995a; Escobar, 1995; Harvey, 1990; Inglehart and Baker, 2000; Jiafeng, 2009; Peet and Hartwick, 2009). However, it should not historically be seen as exclusively American, since
modernization engaged not just the United States but the whole of the northern hemisphere (for example, Engerman and Unger, 2009; Escobar, 1995). Others suggest that the chronological focus of modernization should be extended outside the 1950s/60s in order to interrogate the colonial period (for example, Engerman and Unger, 2009; Matunhu, 2011; Valenzuela and Valenzuela, 1978; Wallerstein, 2005).

In the main, however, modernization theory is still widely equated with or attributed to the postulations of Walter Whitman Rostow, a United States economist and political theorist (for example, Engerman and Unger, 2009; Peet and Hartwick, 2009). He proposed in his book, *The Stages of Economic Growth: A Non-Communist Manifesto* (1960), that economic modernization occurs in five basic historical stages: traditional society, preconditions for take-off, take-off, drive to maturity, and high mass consumption. In this view, societies become progressively scientific along the continuum of economic growth. Rostow proposed that traditional societies are mostly agrarian, ‘unscientific,’ ‘spiritual in their relations with the physical world, and have hierarchical social structures that afforded little scope for social mobility (Peet and Hartwick, 2009). He asserted economic growth among traditional societies would be exogenously influenced (intrusions from abroad) and in that sense, economic growth could be exported. Thus, the diffusion of modern values and institutions from the early modernizers induced cultural and institutional transformation in late modernizing societies (Valenzuela and Valenzuela, 1978).

**Modernization as Development Philosophy**

Modernization theory is concerned with how ‘traditional’ societies evolve into advanced ones. It seeks to understand what factors/processes impede societies from advancing and the conditions and mechanisms of social transition from the traditional to the modern. It seeks to comprehend processes of social change in agrarian societies and how to engineer them (for example, Engerman and Unger, 2009; Jiafeng, 2009; Peet and Hartwick, 2009). Industrialization is a central element of modernization which is contingent on a transformation of the structure of social labor. Modernization is thought to be linear, irreversible, and deterministic (for example, Inglehart and Baker, 2000; Valenzuela and Valenzuela, 1978). Moreover, modernization theory stresses that traditional traits among ‘primitive’ societies are
antithetical to the enterprise of economic growth; and requires the adoption of such traits as are found in advanced societies, e.g., rationality, efficiency, and a predilection toward liberty and the assimilation of technologically and morally ‘superior’ Western ways (for example, Inglehart and Baker, 2000; Peet and Hartwick, 2009).

The specific theoretical assumptions of modernization draw upon dominant theoretical perspectives in the 1950s and 1960s, which grew out of classical evolutionary, diffusion, and structural-functionalist theories. The earliest progenitors of this strand of thought include Auguste Comte (1798-1857) who conceived of societies as social organisms influenced by deliberation (i.e., human consciousness), and Herbert Spencer (1820-1903) who equated societies to living organisms and employed biological principles of natural systems to explicate the anatomy and psychology of social life (Peet and Hartwick, 2009). Equating the development of social systems with the evolution of biological systems (the very principles of organismic evolution) introduces natural determinism, thus naturalizing development disparities between nations and classes.

According to Portes (1976), nineteenth-century scholarly efforts to apprehend processes of industrialism culminated in various theories of development as social evolution. Peet and Hartwick (2009) examine how naturalism and rationalism have shaped mainstream development. Naturalism is the idea that natural environments create societies and people, and also influence how they develop, while rationalism is based on human capacity to control the world through thought, logic, and calculation. The amalgamation of the two perspectives yielded structural functionalism, a powerful theory of societal structure and development which became a leading paradigm in the post-World War II period (for example, Peet and Hartwick, 2009; Portes, 1976).

Within structural functionalist approaches, societies are viewed as integrated wholes composed of functionally compatible institutions and roles which progress from one increasingly complex and efficient social system to another. Culture is given significance in modernization since cultural values are thought to influence the entrepreneurial behavior that undergirds capitalist accumulation. Overall, structural
functionalism posits that: (a) society is a system of institutions that fulfills naturalistic functions in which each component contributes positively to the continued operation of the whole i.e., the whole is a constituent of its parts; and (b) societies have to maintain internal discipline and social order in the struggle for existence (Peet and Hartwick, 2009).

Contributions to modernization theory as regards cultural influences came from Max Weber’s work, The Protestant Ethic and the Spirit of Capitalism. In a nutshell, Weber proposed a correlation between ascetic Protestantism and being capitalist. Transcendent thinking enabled Protestants to think in terms of natural, physical, and real material causation. Thus, they could become scientific rather than remaining religiously mystical (Peet and Hartwick, 2009). Additionally, Weber made reference to the economic activities of various Protestant ‘sects’ whose ethics and ideas he deemed instrumental to the genesis and evolution of capitalism (relating to asceticism/frugality and the proper use of money, i.e., investment for profit, secular vocation, efficiency, and individualism). Success in one’s calling in this life was a signifier of one’s eternal salvation according to the doctrine of predestination. Thus, the pursuit of wealth was in this sense a means to a goal. Weber postulated that it was this spirit that led to the emergence of capitalism, which was then emulated by the secular masses.

Structural functionalism also drew from the ideas of Emile Durkheim who disputed the idea that the division of labor is central to the evolution of society. According to him, self-interest, individualism, and differences arising from these cannot by chance coalesce or unite so perfectly to create a coherent whole. Thus, traditional societies were held together by social factors and not individual actions. He proposed that factors other than the division of labor (such as a community of beliefs and sentiments) were responsible for the cohesion of certain societies. Differentiation could not have brought up a coherently functioning organic whole, as such it was, in his view, a secondary process to pre-existing societies. In other words, what binds societies together is not utilitarianism, but non-rational and non-utilitarian factors such as kinship or shared affinity to land/home. In essence, we find affiliation not in the interdependence afforded by the division of labor but rather in so-called irrational factors.
Structural functionalism has been critiqued for a number of reasons, including: (a) its class commitment to rich elites, thus the undue significance accorded to the need for the elites of societies to participate in the process of change and the maintenance of social control; (b) its focus on system equilibrium, making it unsuitable as a theory of social dynamics and development; and (c) its view of societies as competing for the control of space and resources, hence competing for survival. This is an idea that can be used internally to impose social order and externally to legitimate expansion and the control of other societies (Peet and Hartwick, 2009).

Modernization can thus be seen as a derivative of structural functionalism. Structural functionalism informed much of the sociological thinking about social structures and economic development from the 1950s through the 1970s and passed on a conception of development cast in terms of modernization which emphasized broad social and cultural differences between modern and traditional societies. Thus, understanding the differences between societies became the basis of development policies (Peet and Hartwick, 2009). In this sense, development was and still is an imposed idea, which privileges certain forms of thinking and of doing things over others, privileging Western ‘rational’ thought above all other forms of thinking (Escobar, 1995; Jiafeng, 2009; Litonjua, 2012; Peet and Hartwick, 2009).

Discourses of Development

Modernization engendered a new discourse of development, with discourse here defined as ‘the process through which social reality comes into being’ via ‘the articulation of knowledge and power’ (Escobar, 1995: 39). The organizing premise for such a discourse ‘was the belief in the role of modernization as the only force capable of destroying archaic superstitions and relations, at whatever social, cultural, and political cost’ (ibid. p. 39). According to Escobar (ibid.), development discourse has created an extremely efficient apparatus for producing knowledge about, and the exercise of power over, the Third World. As such, development has relied on the modern Western knowledge system, the dominance of which has ‘dictated the marginalization and disqualification of non-Western knowledge systems’ (ibid. p. 13).
According to Escobar (1995), the disqualification of ‘other’ knowledges and their misrepresentations were accepted as truths. At the international and local level, the professionalization of development gave experts the power to construct regimes of truth and norms about peoples in the Third World. These discourses were then promulgated and circulated by institutions within networks of power. Engerman and Unger (2009) suggest that institutions have and do play a critical role in shaping both the theories and practices of modernization.

Global institutions do this through their central role in international development programs. Escobar (ibid.) suggests that the fact that these myths have come to assume the status of truth is a signifier of the West’s domination of the Third World. Thus, after 1945, the designation of two-thirds of the world as poor and in need of accelerated economic growth created a new discourse, one in which poverty became an organizing concept and the object of a new problematization that produced ‘a space in which poor countries are known, specified, and intervened upon’ (ibid. p. 24, 45). Thus, poverty called for social action, and it needed to be medicalized. Escobar (ibid.) asserts that development discourses result in concrete practices of thinking and acting through which the Third World is produced. Thus, the practice of development, or rather how the Third World is treated, depends on changing theoretical perspectives in core centers where knowledge is produced (for example, Peet and Hartwick, 2009). Matunhu (2011) observes that the form and strategies for Africa’s development have always been changing in light of changes in technological and ideological views within the ‘West.’

Besides being critiqued for engendering a skewed discourse of development, a related problem concerns the exclusion of geography in development discourses. Blanket and grand theorizations of development cannot fully comprehend the ‘particular’ and fail to account for spatial variations, which confound policies instituted under a universal framework of market freedoms and private property and cause these policies to flounder (for example, Brohman, 1995b; Harvey, 2009; Springer, 2010; Stiglitz, 2002). Harvey (2009) asserts that the claims of neoliberalism are treated as transhistorical, transcultural, and valid, independent of any rootedness in facts of geography, ecology, and anthropology. In other
words, neoliberalism sees the word as flat, in which complex phenomena are oversimplified or subsumed or dismissed as obstructive under the dominant neoliberal narrative.

In the words of Brohman (1995b), such grand theorizations are prone to problems of reductionist bias, whereby simplistic monocausal explanations are sought for complex development realities.

According to Engerman and Unger (2009), one of the reasons modernization failed is that it was imposed. The participation of locals in development theorization and practice is ignored, dismissed, or given a secondary role. Development ignores the very object of its practice, that is, the intended beneficiaries of its ‘treatments’ (Escobar, 1995). Harvey (2009) notes that the opposition to considering geography and anthropology as foundational derives from two major reasons: (a) it would undermine the capacity for selective opportunism and thereby remove the mask that so conveniently and effectively conceals and protects the particularities of the class or ethnic nationalist power hiding behind the noble universal principle; and (b) geographical and anthropological perspectives are disruptive to economic generalization. The introduction of spatiality into economic theory confounds or is disruptive of its foundational propositions.

A critical thread in all of this is how to reconcile the general and the particular. How can policies become relevant while negotiating contradictions introduced by the particular i.e., that which is attached to place? A new scholarship of modernizations seeks to contextualize the nation with its inherent social, economic, and political variegatedness and complexity (for example, Engerman and Unger, 2009). These complexities are otherwise often conveniently ignored or avoided as prescriptions for economic growth are derived from generalized hypotheses which are presumed to have universal applicability. Historical variations and spatial and temporal differences in sociocultural circumstances are dismissed or treated as ‘noise’ to be filtered out to increase the parsimony of development models (for example, Brohman, 1995b; Peet and Hartwick, 2009). The history of presently modern nations is taken as the source of universally useful conceptualizations of development (Valenzuela and Valenzuela, 1978).
Thus, modernization processes within the Third World are not situated in their variable histories/contexts. However, the configuration of the world system within which interrelations occur is temporally dependent and in flux; structural processes and conditions change with time. Contrary to Rostow, historical conditions cannot be recreated, thus countries at different stages of economic transition will be faced with different opportunities and constraints as defined or dictated by prevailing conditions at a specific period within the world-system (for example, Brohman, 1995b; Valenzuela and Valenzuela, 1978).

**Neoliberalism**

Critically, the promise that modernization held did not materialize; on the contrary, modernizing states in the Global South found themselves in great economic difficulties in the 1970s (for example, Brohman, 1995b; Escobar; Frank, 1966; Harvey, 1990 and 2005; Wallerstein, 2005). The resulting crises of the “decade of development” preceded and led to structural adjustment programs (SAPs). It is precisely the debt incurred to deal with the financial difficulties of the 1970s that subsequently necessitated SAPs in the 1980s. SAP loans were dispensed on the condition that borrowing governments would undertake economic restructuring (for example, Escobar, 2009; Harvey, 2005; Stiglitz, 2002; Wallerstein, 2005). Harvey (2005) argues that in the post-1973 oil crisis period, U.S. banks awash with petro dollars dispensed credit under the logic of neoliberalism. According to Springer (2010), the growing debt crisis opened a window of opportunity for neoliberalism as neocolonial relationships of aid dependency were fostered through the auspices of U.S. influenced multilateral agencies like the International Monetary Fund (IMF) and the World Bank (WB).

Neoliberalism is a complex and fluid concept. As Venugopal (2015: 166) states: ‘neoliberalism is now widely acknowledged in the literature as a controversial, incoherent and crisis-ridden term, even by many of its most influential deployers.’ For this study, its usage should be taken to mean market deregulation, privatization and welfare-state withdrawal (ibid.). Simply put, the pervasive expansion of ‘free’ market processes, and as a circumscribing ideology, therefore, as power.
Dependency Theory as Critique of Modernization Practice

A robust critique of both the discourse of modernization and its practice arose from dependency theorists during the 1950s and 1960s, particularly from Latin American scholars who sought to contextualize the economic stagnation of Latin American states in the post-war era (for example, Frank, 1966; Litonjua, 2012; Peet and Hartwick, 2009; Valenzuela and Valenzuela, 1978). This challenge sought to change the orientation and focus of theory and the terms of the relationship between developed and developing countries (Litonjua, 2012). Dependency theorists posited that development in the West had occurred through the underdevelopment of the non-European world via dependent extractive relationships organized around technology and capital through which resources and surpluses could be extracted and expatriated (for example, Frank, 1966; Peet and Hartwick, 2009; Rodney, 1972).

In The Wretched of the Earth, Franz Fanon (1961: 58), provides one of the most iconic statements regarding this extractive process when he wrote: ‘Latin America. China and Africa. From all these continents, under whose eyes Europe today raises up her tower of opulence, there has flowed out for centuries towards that same Europe diamonds and oil, silk and cotton, wood and exotic products. Europe is literally the creation of the third world. The wealth which smothers her is that which was stolen from the underdeveloped peoples.’ It is such processes of wealth extraction and redistribution that have reconfigured global geographies, establishing core-periphery relations in which the center essentially assumed a ‘parasitic relationship’ with the periphery, and shaped the economic, political, and cultural practices and institutions of the periphery (for example, Fanon 1961; Rodney 1972; Brohman, 1995b; Peet and Hartwick, 2009; Valenzuela and Valenzuela, 1978).

A central criticism launched by dependency theorists concerned the proposition that underdeveloped societies were dichotomous, i.e., had a dual structure with a modern and traditional sector as popularized by Lewis (1954). This, as mentioned above, Franz Fanon (1961), Andre Gunder Frank (1966) and Walter Rodney (1972) asserted that underdevelopment in the ‘periphery’ of the world system is generated by the same historical processes that lead to economic development in the ‘center.’ As such,
the dual economic geographical configuration is not a natural condition that is characteristic of certain societies. Rather, it is the result of capitalist advancement. Underdevelopment, therefore, is not a trait of traditionalism; rather, it is an attendant process and outcome of so-called economic development (for example, Fanon 1961; Frank, 1966; Peet and Hartwick, 2009). This conceptualization rejected the notion that the unit of analysis in studying underdevelopment is the national society. Rather, it is a country’s insertion into the worldwide economic system that accounts for its developmental trajectory (for example, Frank, 1966; Valenzuela and Valenzuela, 1978).

Fanon, Frank, and Rodney, among others, posited that underdevelopment is reproduced in the periphery through expropriation of raw materials, labor power, the transfer of capital, and the creation of comprador class alliances. Modernization creates opportunity structures not conducive to the collective gain of balanced development because such structures favor some over others. This leads to social cleavages and spatial differentiation through which the center is able to exercise control over the periphery. Thus, the periphery can only attain some degree of dependent growth. Contemporary critics of neoliberalism follow this line of argument, for example, Bond (2004, 2006) in relation to the historical and current attempts to integrate southern Africa into global finance, and Ferguson (2005) in terms of the selective territorialization of foreign investment and its identification with politically unstable spaces in Africa’s extractive industries, which skirts locals but is highly integrated with the head offices of MNCs in metropolitan and sub-imperial centers such as South Africa (Bond 2004).

Harvey (2009) explains how capital is employed to exercise power at various scales, for example, unfavorable terms of trade might be one-way capital expropriation might occur, and via which power is exerted over the labor of peasants in the periphery, both cheapening it and reducing its productivity relative to industry. Harvey (1990: 100-101) further asserts that the process of commodification provides a powerful tool by which capital exerts power and control over producers. He references Marx’s ‘fetishism of commodities’ to critique the manner in which money and market exchange ‘draws a veil over’ and ‘masks’ social relationships because it is through money that the consumer relates to the
producer. The social world of labor is disembodied; the producer is alienated from his or her own labor through money and market exchange. Monetary value is an ‘arbitrary fiction’ that comes to represent the ‘whole world of social labor, of production, and hard daily work’ (Harvey, 1990: 100-101). It is in this way that those with money exercise power and control over others, both near and far, as ‘all traces of exploitation are obliterated in the object ‘there are no finger marks of exploitation in the daily bread’ (ibid.). Thus, under conditions of capitalist modernization, producers become ‘opaque or impenetrable’ to the consumer (ibid.).

It would be safe to suggest that modernization has been the driving ideology of all development paradigms and that in all dominant development paradigms, social differentiation and spatial inequality has been a characteristic outcome. For example, Harvey (2005: 16), writing in regards to neoliberalism, observes ‘that redistributive effects and increasing social inequality have in fact been such a persistent feature of neoliberalization as to be regarded as structural to the whole project.’ Brohman (1995b) observes that inappropriate policies resulting from basic misunderstandings of Third World realities have exacted heavy social, economic, and psychological costs, particularly for the majority poor. This emanates from the failure to fully and properly comprehend the causes of poverty in developing countries (Peet and Hartwick, 2009).

**Political Economy of Agricultural Policies**

Studies on the political economy of development draw attention to bidirectional and competitive interactions between economics and politics. Of critical importance to Malawi’s policy processes are the competing objectives of the government and international agencies (Harrigan, 2003). In studies on Malawi, there is cursory reference to the necessity to reconcile contradictions in the political economy of agricultural policies as a precondition for solving Malawi’s hunger problem (ibid.). On a broader scale, the 2008 *World Development Report* (WDR) on ‘Agriculture for Development’ states that a better understanding of the political economy of agricultural policies in developing countries is necessary to address the *continuing policy neglect, and underinvestment or even misinvestment in this sector* (emphasis
added). Harrigan (2008), notes that the government of Malawi, donors, and non-governmental organizations all acknowledge that a large proportion of Malawi’s population remains chronically food insecure. So that food security continues to be a persistent preoccupation of all those involved in Malawi’s development efforts, and that until this issue is addressed, the broader process of development will be thwarted. She notes, however, that within both the donor and government communities, a spectrum of views exist as to how Malawi should best tackle the issue of chronic food insecurity. Harrigan (2003), discussed continuing and ‘fluid’ disagreements between the government of Malawi and donors on policy measures and concluded that resolving these issues is critical to fighting chronic food insecurity in Malawi.

It would seem straightforward that the answer to chronic food insecurity lies in raising agricultural productivity and there is consensus on this, but that is as far as it goes. There is no consensus on how to raise productivity, especially as regards subsidies for agricultural inputs. The lack of consensus perhaps lies in differential policy positions on the role that agriculture plays in development i.e., in terms of how the sector should be configured as relates to markets and what role the state should assume in this process. Thus, policies are formulated against a backdrop of divergent and conflicting conceptions of development pathways and what might be the best means for addressing poverty.

There are a diverse set of approaches to the study of the political economy of agricultural policy making in developing countries (Birner and Nethra, 2006; Birner and Resnick, 2010). Of note, Lipton (1977) and Bates (1981) explained policies in the post-independence era in terms of urban bias. Urban bias explanations fall within society centered or interest group approaches (for example, Becker, 1983), which emphasize the pressure that competing interest groups (urban vs. rural) can deploy to influence government policy. The argument is that each group’s influence is predicated on its ability to organize itself as an effective lobby (for example, Binswanger and Deininger, 1997; Birner and Nethra, 2006; Birner and Resnick, 2010).
Urban bias explanations focused on why post-independence African states pursued policies that neglected and discriminated against agriculture. In part, these policies were a vestige of the colonial legacy, but were also engendered by political concerns and modernization ideology of post-independent African states (for example, Bates, 1981; Hoeffler, 2011). Such marginal treatments of agriculture reflected economic growth theories that gave agriculture a secondary role within a dual economic structure (see, Lewis, 1964). Bates, in particular, sought to explain major features of agricultural policy in post-independence Africa. Most notably, the high level of taxation imposed upon the sector, preferential support to elite producers, as well as variations in observed policy across countries in terms of an urban consumer-peasant-industrial interests complex.

The literature on society centered or interest group approaches characterizes peasants as having the least political influence because of their limited capacity for collective action (for example, Binswanger and Deininger, 1997; Mogues, 2012). Factors that attenuate their capacity for collective action include their spatial dispersion, heterogeneity (in terms of socio-economic class, divergent interests, ideology, ethnicity, religion); remoteness from circles of influence; and poverty related factors such as illiteracy (for example, Birner and Nethra, 2006; Birner and Resnick, 2010; Binswanger and Deininger, 1997; Hoeffler, 2011; Mogues, 2012; Keefer and Khemani, 2005; Poulton, 2012).

Since then the nature and structure of African economic and political systems has changed considerably, so that explanations of agricultural policies have also referenced SAPs of the 1980s and political democratization. As Poulton (2012) notes, explanations must now account for three major and highly pertinent changes that have occurred in African economies and polities, namely, the implementation SAPs, the greater role played by donors in the policy making process, and the (re)introduction of competitive electoral politics.

SAPs of the 1980s sought to get rid of the aforementioned discriminatory policies and ‘distortions’, many of which have since been eliminated. Analyses of the impact of SAPs on agriculture indicate that macroeconomic reforms undertaken in the 1980s have largely eliminated distortions and
discrimination against agriculture (for example, Hoeffler, 2011; Poulton, 2012). In the 1990s, the adverse impacts and limitations of policies instituted under SAPs led to a broadening of agricultural policy analysis to include institutional economics (analyses of the institutions that govern markets). According to Hoeffler (ibid.), such analyses contributed fundamentally to a better understanding of market failures; shifting the focus, for example, from neo-liberal market-based approaches to evident market failures that needed “getting the institutions right,” rather than just “getting the prices right.”

Recent analyses of policies have focused on political processes. For example, some papers published under the Future Agricultures Consortium’s Political Economy of Agricultural Policy in Africa (PEAPA). Such analyses have tended to privilege the primacy of domestic politics in policy making (Poulton, 2012). The key assumption of such explanations is that political will to support smallholder-led agricultural growth through effective policy backed by adequate levels of investment can be explained to a large extent by the incentives faced by policy makers through the domestic political system. That is, an examination of how policy makers are selected can help elucidate the policy priorities that they will pursue once in office (for example, Chisinga, 2012b; Cooksey, 2012, Poulton, 2012). According to Evans and Stephens (1988), the role of the state apparatus must be considered alongside the interaction of social classes if the politics of development are to be explained fully.

To a great degree, these analyses reference constitutive elements of neopatrimonialism i.e., patronage, clientelism, and rent seeking (for example, Dawson and Kelsall, 2011). The concept of neopatrimonialism was popularized by van de Walle (2001, 2003). He emphasized the illiberal nature of new African democracies, their characteristic centralization of power around the presidency and pervasive clientelism. These characteristics are thought to structure the relationship between states and their citizenry and shape the incentives faced by individual politicians and, therefore, much of their behavior. According to Poulton (2012), neopatrimonialism offers a key insight into the structure of the African state in which a rational-legal element (bureaucratic influences) and a political (patronage) element exist in tension. Thus, policy outcomes derive from the presence of these two logics. The focus is on the extent to
which democratization within this configuration impacts policy processes, more specifically, the political will to support smallholder-led agricultural growth. There is a ‘two-way’ dynamic between the electorate and political agents; the former coalesce into interest groups which press for preferred policies while the latter seek to legitimate their political offices. Mogues (2012: 9, emphasis added) captures this element when writing in regards to public investment decision processes:

The political economy literature has long explicitly considered the influence of such actors in public investment decision making. In particular, it considers the clustering of individuals into groups to press for their preferred expenditures or other public policies, and the interface of these interest groups with political agents. The latter have as one of their objective functions the retention of their political offices, either by being re-elected in contested systems, or in nondemocratic systems in which elections do not take place or are not genuinely contested, by avoiding too much dissatisfaction, which may lead to being removed from office by non-electoral processes.

Theoretically, democratization should engender pro-poor agricultural policies since the majority electorate in African countries are the rural poor, whose votes politicians must compete for (for example, Poulton, 2012, 2014). According to Poulton (2012), there is an implicit assumption that politicians primarily exchange policies for votes in the argument that democratization may strengthen political incentives for policy support to smallholder agriculture in Africa. He surmises from PEAPA country case studies and other existing literature that policy is rarely the dominant approach to gathering votes. Rather, increasing competition engendered by democratization often leads to increasing clientelistic transfers. For many commentators, agriculture and agricultural input subsidies are well suited to this objective. Thus, that government expenditure outlays go towards tangible transfers and club goods (for example, subsidies) as opposed to investment in the infrastructural and institutional public goods that are needed to support smallholder-led growth (example, Hoeffler, 2011; Mogues, 2012; Poulton, 2012). This includes increased budgets going to agriculture and the commitment by African leaders to raise the national share
of budgets allocated to agriculture by 10%. The ‘assertion’ is that African political systems are still fundamentally clientelistic, and policies are still characterized by patronage.

However, in the light of scant or non-existent studies or factual evidence on actual voting preferences or evidence regarding the receipt of such transfers in a way that can influence voting, it borders on reductionism to strictly ascribe policies to clientelism, for example. What is the extent to which such practices influence policies and legitimate governments? It may be useful here to point to the complexity or futility of establishing causality for complex phenomenon in a very precise manner. The influence may not be as significant as is suggested. Relatedly, the population in receipt of transfers may not be ‘significant’ or large enough relative to the total population where ‘smart subsidies’ are concerned. According to Hoeffler (2011), many types of patronages do not even favor a large number of people. Indeed, Poulton (2012) suggests that macroeconomic dependence on agriculture and existential threats to regime survival (in the context of some countries) create some of the strongest incentives for pro-smallholder agricultural policy. The implicit suggestion is that politicians and policies are at the same time subject to and not subject to the electorate, which may suggest that perhaps politicians decide policies ‘free’ of the influence of the electorate?

Keefer and Khemani (2005) in particular explain these ‘distortions’ in terms of imperfections in political markets. According to Keefer and Khemani (ibid.), political market imperfections, including information asymmetries among voters about the performance of politicians, social fragmentation among voters manifested as identity-based voting, and lack of credibility of political promises to citizens, disrupt the translation of voter preferences into government policy. Political market imperfections are thought to undermine the role of elections in guaranteeing accountable and responsive governments. McKie and van de Walle (2010) assert that many characteristics of African political competition hinder the ability of citizens to effectively hold their leaders to account through elections. In a nutshell, political pressures to improve policies are weak, which might explain the lack of or inadequate pro-poor policies and minimal investment in pro-poor programs.
Specific to the FISP, Chinsinga (2012) by referencing domestic politics for example, has attempted to explain policy processes in the FISP using the concept of political settlements. In the least and as applied to the case of Malawi it may refer to: “political dealing among elites” or “as an agreement or understanding of some sort among elites and the masses” as circumscribed by the extant “political culture,” which is in part characterized by the persistence of “one party” politics that are built around ‘big men’ within a nominally democratic system (see Cammack, 2007, 2011). According to Chinsinga (2012: 10), ‘the main challenge for Malawi is that the one party political culture has persisted without major modifications’. It is this political culture that is thought to impact policy processes in the FISP. However, the use of political settlements as an analytic concept is somewhat problematic because its precise meaning is rather fluid or unclear (for example, see Laws, 2012). More recently, Chinsinga and Poulton (2014), have explained policy processes in FISP in terms of theories of rents which are about buying influence. The proposition is that the FISP was at specific junctures, in particular, during the reign of President Bingu Mutharika deployed as a tool for the centralized distribution of rents as dictated by transient political incentives. This is discussed in Chapter Five.

However, neopatrimonialism has been critiqued among other reasons for: (a) being prone to overgeneralizations predicated on anecdotal evidence; (b) its rootedness in modernization ideology (the emphasis on dual rational-legal and traditional patrimonial elements in the African state); and (c) its oversimplifications of the policy making process in that it elevates patronage above bureaucracy and the politics of resistance at various scales. Indeed, de Grassi (2008: 122) identifies areas for research to elucidate the concept, including understanding how neopatrimonialism is historically constituted and how important it is to consider relations with donor agencies, various local groupings, and NGOs. de Grassi concludes by stating that ‘analysts need to avoid a priori assumptions about the existence of neopatrimonialism and hasty invocations of the phenomenon to explain agricultural and rural development policy outcomes without thorough documentation of the precise forms, characters, origins, transformations, contestations, extent, and other important features of neopatrimonialism.’
In this regard, as outlined above, some studies have attempted to document the specific ways domestic politics have influenced agricultural policy processes in the FISP.

It is clear from the extant political economy literature that the FISP is seen as a highly political program whose design, implementation, and outcomes have been significantly shaped by domestic politics. Political influence is in regards to the analytics of the political system, that is, how its configuration (i.e., enormous powers vested in the executive coupled with a relatively weak citizenry) is well suited to significant political intrusions in policy processes i.e., instances of actual presidential imprint on the design and implementation modalities of the FISP (see Chinsinga, 2012). Chinsinga and Poulton (2014), for example, suggest that political considerations and/or corruption have attenuated the program’s efficiency through interference in its targeting mechanisms.

This research seeks to move away from the focus on neopatrimonial domestic politics to understanding the role of international power politics in shaping of agricultural and food policy making in Africa in the context of Malawi. This will enable a better understanding of the relationship between domestic and global pressures in the construction of agricultural policy. The specific case study is Malawi’s Farm Input Subsidy Program, which has been intensively studied in terms of its outcomes (evidence on impacts) in order to build broad generalizations about the value of subsidies. This dissertation seeks to utilize the subsidy program to understand competing and possibly contradictory pressures on policy making in Malawi.

Methodology

The research assumes a pragmatic approach and uses qualitative methods to explore policy-making processes. As previously stated, the FISP has been the subject of numerous studies, many of which have been quantitative in nature (econometric analyses), the outputs of which have informed current debates on the efficacy of the subsidy program. There is, however, a dearth of studies that have
used qualitative approaches to get deeper understandings of the construction of agricultural policies in Malawi.

To answer the research questions, this study follows two main methods within a qualitative research design: (a) interviews with expert informants from the government, international development agencies, civil society organizations (CSOs), and researchers from key policy research and academic institutions in Malawi. The study locations were Lilongwe the capital city of Malawi, the commercial city of Blantyre, and the university city of Zomba. All respondents were purposively sampled based on their affiliations to key institutional categories and their professional expertise; and (b) archival research involving document analysis of governmental and international development publications related to agriculture and food policies in Malawi.

The research is subject to the University of South Florida Institutional Review Board (IRB) protocol and approval. Ethical approval was obtained prior to the field survey in regards to the questions and methods used in the study, respondent informed consent, and non-disclosure. In general, participants were happy to be part of the study, in part due to the significance of the topic, as well as the interviewer’s demonstrable expertise on the subject matter (especially, those participants who were snowballed from the first interview).

In keeping with the protection of respondent identities, quotations have been completely scrubbed of any possible identifiers. The respondents come from a very close knit community, so that the disclosure of institutional affiliations would certainly compromise confidentiality. Therefore, in the interest of ethics and the researcher’s personal integrity in regards to the treatment of the data, quotations have been completely disembodied.

The study was conducted entirely in English, except where participants chose to dabble in the vernacular Chewa to emphasize certain points. The interviewer is fully fluent in the local language.
Significance and the Contribution of this Research

The research seeks to make a contribution to theory and the literature on the political economy of agricultural subsidies in developing countries through:

Firstly, refocusing attention on development as an imposed idea and how this has influenced policy processes (especially in the area of agriculture, as embedded in the national economic framework). In the main, current development approaches continue to ignore geography (i.e., local realities) which make them liable to repeat policy mistakes of the past; something that is regressive to development efforts.

Secondly, through the re-examination of existing and prevalent explanations of policy drivers the study challenges the ‘static’ nature of conventional explanations in that they pander to the logic of dominant narratives which continue to characterize the African state (undifferentiated) as inherently inefficient without a thorough analysis of the challenges being faced (notwithstanding legitimate concerns), which only serves to naturalize the imposition of external policy prescriptions. Thus, they fail to highlight how the practice of development contributes to negative outcomes in the agricultural sector. In this regard, reference is made to historical policy processes in the sector to show the origins of failure, and the specific role played by various stakeholders.

Thirdly, the study seeks to make an important contribution to the theorization of the political economy of agricultural policies in developing countries by highlighting less discussed and emerging policy drivers. There has been limited attention to the relevance of evidence in policy making in the Malawian case. Insofar as this study is concerned, only one study by Jerven (2014) has attempted to look at the role played by agricultural statistics in policy making. Further, the study by Jerven (ibid.) restricts itself to analyzing the interaction between politics and statistics and excludes economic evidence on the FISP’s impacts and how this has been deployed in policy making. The FISP has been the subject of
considerable academic analysis, the results of which do not always agree. As such, it is important to explore how policies are decided one way or another.

Fourthly, the study is significant in that it seeks to improve the understanding of how agricultural and food policies are devised at the state-donor interface in a context of vast power asymmetries. The study will contribute to understanding how poor nations negotiate the complex process of policy formulation – reconciling the competing objectives of welfare provision and free markets by providing insights into how Malawi has faced and dealt with the devising of pro-poor agricultural policies. Understanding the specifics of policy processes in the Malawian context, therefore, becomes critical, as successes and failures here speak to the question of how other countries in the Global South might address the issue of food insecurity.

Malawi presents an important site for analysis because it initiated the current spate of subsidy programs – the re-emergence of subsidies and associated debates (example, Chinsinga, 2012b). It is unique in regards to its geography (for example, its landlocked nature), very high population density, chronic food insecurity, high levels of vulnerability and poverty, its dependence on agriculture, and its dependence on donor aid etc.

The study also seeks to engender a less market-centered articulation of the hunger problem in the global south. Again, this is due to the relevance of Malawi’s experience for other SSA countries. Even though the nature of the study does not warrant unqualified generalization. The features and the structure of the policy making environment in SSA countries are in many respects similar vis-à-vis (a) neopatrimonial politics and political competition in which subsidies tailored at maize play a significant role (the centrality of maize in food security policy and the levels of resources allocated to its production in these nations is a contentious matter, particularly because of the historical disjuncture between the state and donors as regards what is the best path to food security (for example, Harrigan, 2003); (b) national dependency on foreign aid, which invariably introduces contradictions in policy priorities at the state-donor interface (evident in policy processes in Malawi, Tanzania, and Zambia, for example); (c) the
significant dependency of national economies on agriculture; (d) similarities in the social and economic structure of the agricultural sectors of these nations; and (e) more importantly, since SAPs of the 1980s the struggle among concerned states to reconcile marketization and social welfare objectives, so that presently policy debates continue to be dominated by state vs. market discourses; (for example, see Chapoto et al., 2015; Cooksey, 2012; Mason et al., 2013). In any case, agricultural subsidy programs in SSA are variants of the FISP, which means there is reciprocal learning between countries in how to best implement these programs (for example, GoM, 2015a).

Outlines of the Chapters

The dissertation first presents a discussion of how the research was carried out, i.e., the methodology. It then proceeds to introduce key theoretical concepts, mainly referencing the theory of modernization. Its genesis and evolution, and isolates its main propositions while highlighting those aspects that are pertinent to the current discussion as relates to development processes in Malawi during three distinct periods (colonial, immediate post-colonial, and economic liberalization). The research relates the process of development over these periods to happenings in the agricultural sector; how macroeconomic policies have shaped agricultural and food security policies and outcomes with reference to the peasantry. It then explores current agricultural policy processes within this construct by inserting the FISP into the discussion. The objective is to critically explore how the FISP reveals how policies are devised and implemented at the government-donor interface. More specifically, how donors enable or confound state-led efforts to address hunger in Malawi.

Chapter Two: Research Methods

This chapter provides a thorough discussion of the research design and methodology. This includes an overall discussion of the data collection methods and their instrumentation to address the three specific questions specified in the introduction. It discusses how respondents were chosen and why
and how they were contacted and interviewed; how the data were collected and analyzed. This includes interviews (the expert survey) and archival research (document analysis).

Chapter Three: Agricultural Policies in Malawi, Subsidies and FISP

This chapter chronicles development processes since colonial times through independence to the present. Highlighting specific development approaches (as inflected by changing development paradigms) and the nesting of agricultural and ‘food security’ policies and programs within these, their various impacts on peasants – in particular, the creation of significant class disparities among the populace. Specific focus is placed on subsidies, which have historically constituted the most important ‘pro-poor’ state intervention in the economy. Various subsidy programs are discussed, culminating in a detailed discussion of the current subsidy program, the FISP. The chapter highlights divergent government-donor policy positions on how to address food insecurity in Malawi, and the ways in which such conflicts have impacted efforts to combat hunger.

Chapter Four: What Is the Role of Government in Shaping FISP?

This chapter outlines the various agricultural input subsidies implemented by the government since the 1970s. It focuses on policy processes in the FISP by referencing its origins, design, and implementation with a view to exploring the role played by various actors. It then discusses some of the key themes from the survey (FISP objective and the future of the FISP). The chapter attempts to reconcile the views of respondents and juxtapose these with existing discourse.

Chapter Five: Policy Processes in FISP

This chapter builds on Chapter Four and focuses on key debates and policy processes in the FISP. It explores the role played by the state in shaping the program in the light of claims of Presidentialism. It does this this by looking at the individual influence and role of successive Malawian presidents since the first democratic elections in 1994. It then outlines reforms to the FISP. In general, the chapter ties in with other chapters to show how government and donor policy positions have evolved over time,
Chapter Six: The Role of politics, Empirics, and Donors in FISP

This chapter reviews evidence on the FISP relating to its impacts on food security and wider economic benefits. The chapter outlines the evidence, then discusses how experts spoke about (textual data), and view the evidence in relation to policy making. The textual data are linked to and used to qualify debates about the outcomes of quantitative analyses on the FISP’s impacts, more specifically, maize production statistics, and indirect or economy-wide benefits. Thus, it is about how evidence interacts with other policy drivers in policy-making processes.

The specific question that the chapter seeks to answers is: “If the evidence on the impacts of the input subsidy program is mixed and inconclusive, how are policy decisions made?” Debates on subsidies have primarily focused on program costs and returns to the same. Thus, the examination of how related evidence is deployed offers insights into the political economy of policy-making processes. The textual data from the expert survey is also qualified by content analysis from the media, document analysis of published government, and peer reviewed articles, as well as other sources of secondary data.

The chapter argues that while concerns about inefficiencies in the FISP might be legitimate, the specific context of Malawi necessitates a revision of how its impacts are evaluated. It argues that when contextualized, the existing evidence suggests that the FISP is viable. Moreover, the chapter argues that the FISP is likely to face the fate of prior subsidy programs due to fiscal pressures. In the main, the opposition to, and the referencing of so called questionable outcomes, masks an ideological disdain for subsidies in favor of market oriented/led solutions which is the modernizing agenda within Malawi’s agriculture.

Chapter Seven: Conclusions and Recommendations

The concluding chapter will detail the main findings of this study and relate these to the claims of significance and contribution to knowledge on the political economy of agricultural policies in Malawi. The chapter also looks at the policy implications of this work, in particular, how welfare provisioning and
marketization unfolded in the Malawi context, the challenges and constraints faced, and how they have been or are likely to be resolved. Moreover, how the findings might have a bearing on similar programs in SSA (especially in the light of the Comprehensive African Agriculture Development Program – CAADP). This chapter will also highlight specific areas for further enquiry, which were inductively identified during the research.
CHAPTER TWO

RESEARCH METHODS: INTERVIEWS AND DATA ANALYSIS

Introduction

The research assumes a pragmatic approach. Pragmatism as employed in this research does not imply: (a) practicability or what works, or (b) the use of mixed methods, notwithstanding its ambiguity (for example, Denzin, 2012; Morgan, 2014). The rationale for this approach, departing from conventional understandings of pragmatism, rests more on the question: “what difference would it make to conduct this research in this way rather than another.” This transcends the issue of “what works” i.e., its practical connotation in mixed methods research to account for the goals to be pursued and the means to achieve those goals (Morgan, 2014). This underlines pragmatism as a philosophy and not a methodology per se (Denzin, 2014).

The nature of the subject matter under consideration necessitates the use of both qualitative elements (for understanding the political economy of policy processes) and quantitative elements (various types of evidence on the FISP), and their interaction. More emphasis is purposely placed on the qualitative elements because agricultural policy processes fall within the realm of political economy, which is not easily amenable to ‘precise’ quantification. The proposition is to allow the two types of data to qualify each other in the process of elucidating what factors have been critical in influencing policy making. Thus, the goal is to speak to the current theorization of how agricultural and food security policies are derived.

The research employed multiple data collection methods, including expert survey interviews and document analysis. A total of 27 experts from various pertinent institutions were interviewed using an
extensive set of questions. The first section of this chapter explores and justifies the research philosophy adopted in this study. The second section engages in a discussion of the data collection methods.

**Research Philosophy and Approach**

The methods used in this research were primarily determined by the nature of the questions to be answered and what kinds of data were needed, or would be evaluated. Questions are the ‘first’ element in inquiry and precede the methods (for example, Johnson and Onwuegbuzie, 2004). As specified above, the research assumes a pragmatic approach and marries elements from both constructivist and positivist approaches, which emphasize subjective reality and singular truths, respectively.

Pragmatism originated in the U.S. around 1870 and was developed by philosophers ‘classical pragmatists’ such as Charles S. Peirce, William James, and John Dewey. Pragmatism posits that the contents of any proposition or hypothesis can be clarified by tracing their practical consequences\(^1\). That is, ‘it rests on the argument that the meaning of an event cannot be given in advance of experience’ (Denzin, 2012: 82). Over time, pragmatism has come to be synonymous with mixed methods research, this need not be the case. Although pragmatism has been commonly understood to mean mixed methods, in essence ‘pragmatism does not require a particular method or methods mix and does not exclude others’ (Feilzer, 2010: 13).

As an approach, pragmatism shifts away from bifurcated constructivist and positivist typologies by recognizing that qualitative methods do not necessarily have to be connected to constructivism or quantitative methods to positivism (Morgan, 2014). Rather, pragmatism recognizes the complementarity of both methods without undue emphasis placed on the contentious issues of truth and reality (Feilzer, 2010; Guest et al., 2012; Johnson and Onwuegbuzie, 2004; Morgan, 2014). It offers, therefore, an alternative worldview to those of positivism/post-positivism and constructivism and focuses on the

---

problem to be researched and the consequences of the research (Brewer & Hunter, 1989; and others, cited in Feilzer, 2010).

For some types of research, a strong focus on the specifications of particular paradigms can be disadvantageous. According to Morgan (2014), paradigms are social worlds through which research communities exert a powerful influence over the beliefs we consider to be “meaningful” and the actions we accept as “appropriate.” Effectively, this means that paradigms can circumscribe the process of the construction of knowledge. Thus, the proposition in this research is to allow for fluidity in the methodology, as is necessary, to be able to appropriate “what helps to best answer the question at hand” (for example, see Denzin, 2014; Guest et al., 2012). Thus, to not be “worked over” by the spaces in which the research takes place (for example, see Cheek, 2007).

This approach recognizes the social justice nature of the question being addressed given that policy processes often exclude the very people they are designed for (i.e., the poor, even though the policies may have important implications for their welfare). This necessitates an approach that is flexible enough yet systematic in the construction of knowledge (for example, see Braun and Clarke, 2006; Guest et al., 2012). That is, if the research can demonstrate that its conclusions are grounded in the process itself. According to Denzin (2012: 82), ‘the combination of multiple methodological practices, empirical materials, perspectives, and observations in a single study is best understood as a strategy that adds rigor, breadth, complexity, richness, and depth to any inquiry.’ Further, pragmatism ‘does not expect to find unvarying causal links or truths but aims to interrogate a particular question, theory, or phenomenon with the most appropriate research method’ (Feilzer, 2010: 13). In this sense, pragmatism affords researchers discretionary flexibility in the selection of the most appropriate procedures.

Pursuant to the above, the selection of the methods was (a) deductive through questions that were developed from the analysis of the pertinent literature – questions that focus on specifics of the matter being investigated (i.e., policy processes in the FISP), but which are also tied to theory. The specific interview questions instrumented the main research questions, thus the literature gap that this research
seeks to plug. It speaks to the question of validity when the data are considered, that is, to what do the data speak (for example, see Feilzer 2010) and (b) what is best suited to answering the research questions. To this extent this study used ‘mixed’ methods i.e., it incorporated quantitative data in a methodology that is predominantly qualitative. The intention of the research is to put together insights and procedures from both approaches to produce a better product (Johnson and Onwuegbuzie, 2004). This approach also accounts for the interdisciplinary nature of the subject matter under consideration.

Some of the traits of the pragmatic approach, *inter alia*, which are of significance to the philosophical orientation adopted by this research include: (a) its view of knowledge as being both constructed and based on the reality of the world we experience and live in; (b) its endorsement of fallibilism i.e., the notion that existing beliefs and research conclusions are not to be taken as perfect, certain, or absolute; (c) theories are viewed instrumentally i.e., they become true and they are true to different degrees depending on how well they currently work in regards to their predictability and applicability; and (d) its endorsement of eclecticism and pluralism – so that, for example, observation, experience, and experiments can all be seen as useful ways to gain an understanding of reality (see Johnson and Onwuegbuzie, 2004).

**Justification of the Qualitative Approach**

The choice of a qualitative methodology derives from, first and foremost, the nature of the phenomenon under study. Agricultural and food security policy making qualifies as complex phenomenon. It has multiple facets and is not reducible so as to be quantified, even though many of the aspects that feed into policy making are of a quantitative nature (for example, various types of evidence relating to agronomy, impacts on food security and poverty, diversification etc. being central to the policy discourse on the FISP). Epistemologically, a qualitative approach is suitable on the basis that it can integrate and permit the interpretation of quantitative observations for the purpose of discovering underlying meanings and patterns in relationships (Casebeer and Verhoef, 1997). The emphasis in this research is on ‘processes and meanings.’
Relatedly, a qualitative methodology offers the best option for getting an in-depth understanding of the issues under consideration, and of the perceptions of respondents. This permits an intersubjective construction of a complex reality as informed by the respondents themselves. The assumption is that policies may reflect this construction. So, the views of expert respondents, most of whom are directly involved in policy making, might constitute what Searle (1995) terms “collective intentionality.” This signifies some sort of agreed-understanding by a community regarding some phenomenon, otherwise there is no social reality or the basis of that reality is questionable. Social reality is a construct of subjective perceptions at various levels of interaction. Thus, the social reality of a community is what social judgments the individual members of that community agree upon. In regards to policy, some degree of agreement among the community of policy makers must be reached for certain policies to be instituted, so to speak. The determination of such collective thought or lack thereof can only be done through the qualitative interrogation of perceptions. The inherent complexity in the process is central to the task of obtaining a more accurate reflection of reality.

Also, recent emphasis has been on the use of political economy frameworks in the analysis of policy processes. For example, most studies on the political economy of agricultural and food security policies in Malawi have been of a qualitative nature. These studies include the work of Chinsinga (2012b), Chinsinga and Poulton (2014), and Jerven (2014).

In regards to the sequencing of processes, the research adopted a cyclical approach in which things are done iteratively as is needed. However, document analysis and a review of media reports was done first in order to gain insights into agricultural and food security issues in Malawi and the FISP. This process aided in the formulation of research questions based on gaps and contradictions in the existing literature and theoretical explanations.
Data Collection Methods

Specifically, the data collection methods used were: (a) document analysis i.e., archival research; (b) ‘content’ analysis of media reports; and (c) interviews using semi-structured questionnaires.

Document analysis was undertaken to gain insights into the context and structure of agricultural and food security policies and programs in Malawi, in particular, the FISP. Secondly, in order to explore how policies have been explained so far and to establish an entry point for rethinking past theorizations of policy-making processes. Thirdly, to understand the context of Malawi as it pertains to its economy, politics, climate, demographics, poverty, and other aspects which define its geography, this is, a critical element of the case study approach (for example, Baxter and Jack, 2008). The document analysis mainly covered Malawi’s major national development policy documents on the assumption that until recently agricultural policies were embedded within major national development strategies. Some of the key documents were:

- Malawi Poverty Reduction Strategy
- Malawi Growth and Development Strategy (MGDS I and II)
- Agricultural Sector Wide Approach

Other texts, including historical texts from the wider literature were reviewed to gain insight into the conditions under which various policies came into being. The discussion in Chapter Three touches on the context of their origins. Attention was paid to the history of the Malawian economy, at least since colonial times (see McCracken, 2012). The purpose was to contextualize or ground current processes in the history of the economic development of Malawi so as to comprehend the general trajectory of state policies. Since the research posits that modernization has been and continues to be the guiding ideological construct in the Malawian economy, thus the agriculture sector.

Other pertinent documents analyzed included policy frameworks at the international level, the most significant of which is CAADP under the New Partnership for Africa’s Development (NEPAD), as
well as various other documents on the FISP to gain insights into its background and configuration. This was important for understanding programmatic changes and the specific conditions and actors associated with them, when considering the question of policy drivers.

**Expert Survey Using a Semi-Structured Questionnaire**

The survey was instrumented using an open-ended semi-structured questionnaire with 41 questions in total. The use of an extensive set of questions was purposive. This enabled the “digging out” of seemingly unrelated pieces of information, which when brought together or synthesized allowed for a holistic view of phenomena or painted a mosaic of the key issues and processes involved. Again, this approach was necessitated by the complex nature of the phenomena under consideration. The survey questionnaire is included as Appendix B. The inclusion of all relevant research instruments helps make the research process accessible and verifiable.

The use of open-ended questions afforded respondents an opportunity to elaborate, qualify, or clarify their responses. This often brought out otherwise unanticipated insights, which allowed for further probing (for example, Guest et al., 2012). Consequently, the interviews were in-depth and protracted. In some cases, not all the questions were asked, because of the overlap of information. This condition, however, allowed for the triangulation of the views of various respondents through the technique of ‘re-asking’ questions.

As already mentioned, interviews were conducted with experts from various organizations and institutions that are connected with agriculture. These included civil society organizations (CSOs), international donor and financial institutions, researchers from academic and policy institutions, parliamentarians, members of the Malawi government, and the Malawi Confederation of Chambers of Commerce and Industry (MCCCI). These respondent groups were identified (accounting for diversity) from the literature, although some were snowballed from the first interview, which proved pivotal in accessing subsequent interviewees. Their selection from among other respondents was based on their
level of expertise and connectedness to policy processes, in particular, the goings on in the FISP. For example, the International Food Policy Research Institute is a key and renowned international ‘think tank’ on matters concerning agriculture. Similarly, researchers from academic institutions were selected on the basis of their proven expertise on the subject, however, in the interest of ethics is not possible to disclose their considerable achievements in the area of agricultural subsidies without giving away their identities. The specifics of each group of respondents are outlined following the explanation for the choice of the study areas.

**Study Area: Lilongwe, Zomba, and Blantyre**

The study took place at the level of policy, as such the locations where interviews were conducted took place on a self-selected basis. This is because the survey instrument intentionally targeted experts associated with agriculture and the FISP. Most of the experts operate within the capital city of Lilongwe, which also happens to be the seat of government.

Of the 27 respondents interviewed, only four came from distant locations: three from the university city of Zomba and two from the commercial city of Blantyre. In this sense the main study site was the city of Lilongwe. Malawi is divided into three administrative regions namely, Northern Region, Central Region, and Southern Region. The city of Lilongwe is in the district of Lilongwe which is in the Central Region, while the districts of Zomba and Blantyre are both located in the Southern Region of Malawi (see Figure 2.1).

The following categories of institutions were included:

A. Government – interviews were conducted with key and high ranking experts from the ministries of agriculture and finance. In accordance with protocol, permission was sought from the responsible Principal Secretaries. All interviews were carried out within government offices at Capital Hill.
The following categories of institutions were included:

B. Farmer organizations – farmer organizations play a critical role in policy processes in Malawi. As such, very high ranking officers from the Farmers Union of Malawi (FUM) and the National Smallholder Farmers' Association of Malawi (NASFAM) were interviewed. Both organizations have been closely involved with the FISP and carry out research on related issues, including program evaluations.

C. Civil society organizations – their inclusion accounts for democratization in policy processes. Moreover, they provide significant input on agricultural and food security policies and economic matters and constitute a vibrant lobby. Interviews were carried out with high ranking personnel from the Malawi Economic Justice Network (MEJN) and Innovations for Poverty Action (IPA).
D. Donor community – these included individual donor nations, financial institutions, and political and economic institutions. The selection of donors and financial institutions was based on the level of historical involvement with the Government of Malawi and whether they are major donors or not. To this end, interviews were carried out with respondents from the European Union (EU), the WB, the Royal Norwegian Embassy, the Donor Committee on Agriculture and Food Security (DCAFS), and the African Development Bank (AfDB). Some of the donors have provided direct support to the FISP, other programs in the agricultural sector, and at the national level budgetary support.

E. Chambers of Commerce and Industry – this grouping does not fit any of the above categories, but was included to elicit private sector views on the FISP. There has been much talk about the “displacement” effects of the FISP. It was, therefore, pertinent to elicit information from the umbrella corporate body that represents the private sector in Malawi.

F. Research and academic institutions – many of the critical studies on the FISP and agricultural policy in general have been done by independent researchers from universities and policy research institutions within and outside of Malawi. Experts from these institutions have driven the evidence agenda on the FISP. It was, therefore, crucial to have them included in the sample. Their inclusion presented an opportunity to contextualize and clarify their academic output, that is, to speak in a manner that transcends the confines of academia and get personal insights. The specific institutions included were: Lilongwe University of Agriculture and Natural Resources (LUANAR), University of Malawi Chancellor College in collaboration with the School of Oriental and African Studies, and the International Food Policy Research Institute: Malawi.

The selection of the individual respondents was once again purposive, meaning it targeted those experts who were most relevant to the research. There was no attempt made at generalization as is the case with quantitative studies which rely on inferences by seeking to isolate a representative/probabilistic sample (for example, Guest et al., 2012). Instead, the criteria for qualitative research are diversity and depth of information obtained. Thus, samples in qualitative research are ideally large enough to make sure
that all perceptions and experiences are heard. As such, the guiding principle when determining an appropriate sample is saturation. According to Hennink et al. (2011: 88), ‘the purpose of recruitment is to seek variation and context of participant experiences rather than a large number of participants with those experiences.’ In the end, a total of 27 respondents were interviewed, which was a major achievement considering that the survey was restricted to a period of three months (i.e., early May to end July), and that the respondents were busy and high profile persons within their respective organizations.

What follows are some specifics relating to the sample: of the 27 respondents, four were white and the rest were black. The total number of women in the sample was four. Almost all the respondents except three were Malawians. Seven respondents were from the government (Ministries of Finance and Agriculture – three each, although one is an independent consultant to the MoF), seven were researchers from academic and policy institutions, six were from financial and donor institutions (including OXFAM, which is classified under donors), three were from the private sector (including the Farmers Union of Malawi, which sees itself as a private organization), two civil society organizations, one from the legislature, one independent consultant to the WB and the FISP. Of the 27 respondents, twelve hold a doctorate degree, fourteen hold a master’s degree in various disciplines connected to agriculture, and one holds a bachelor’s degree. This information is presented in Table 2.1.

Individual respondents were contacted via email to seek their participation in accordance with the requirements of the USF IRB. Thereafter, interviews were arranged either by email or phone, with respondents suggesting their preferred locations most of the time. The researcher then qualified their chosen locations to conform to the needs of privacy or convenience (i.e., with minimal noise interference or out of earshot). The specific settings where the interviews took place included the offices or business places of the respondents, restaurants, and in two instances, their homes. All interviews were done face-to-face, except where follow-ups were needed, in which case email was used. The total time taken for all the interviews was 2126 minutes, which is on average 78.74 minutes per interview.
Table 2.1. Interview Respondents

<table>
<thead>
<tr>
<th>Pseudonym</th>
<th>Gender</th>
<th>Race</th>
<th>Education</th>
<th>Organization</th>
<th>Experience (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luke</td>
<td>M</td>
<td>Black</td>
<td>MSc</td>
<td>GoM finance</td>
<td>25</td>
</tr>
<tr>
<td>Trudy</td>
<td>F</td>
<td>Black</td>
<td>PhD</td>
<td>GoM Agriculture</td>
<td>20</td>
</tr>
<tr>
<td>Jadon</td>
<td>M</td>
<td>Black</td>
<td>PhD</td>
<td>GoM Agriculture</td>
<td>15</td>
</tr>
<tr>
<td>Carter</td>
<td>M</td>
<td>Black</td>
<td>MSc</td>
<td>GoM Finance</td>
<td>4.5</td>
</tr>
<tr>
<td>Hussein</td>
<td>M</td>
<td>Black</td>
<td>PhD</td>
<td>GoM Finance</td>
<td>Not disclosed</td>
</tr>
<tr>
<td>Judah</td>
<td>M</td>
<td>Black</td>
<td>MA</td>
<td>GoM Agriculture</td>
<td>12</td>
</tr>
<tr>
<td>Julia</td>
<td>F</td>
<td>Black</td>
<td>PhD</td>
<td>NASFAM</td>
<td>17</td>
</tr>
<tr>
<td>Jamal</td>
<td>M</td>
<td>Black</td>
<td>MSc</td>
<td>Farmers Union</td>
<td>13</td>
</tr>
<tr>
<td>Sebastian</td>
<td>M</td>
<td>Black</td>
<td>MA</td>
<td>MCCI</td>
<td>Not disclosed</td>
</tr>
<tr>
<td>Don</td>
<td>M</td>
<td>Black</td>
<td>PhD</td>
<td>Civil Society</td>
<td>14</td>
</tr>
<tr>
<td>Sean</td>
<td>M</td>
<td>Black</td>
<td>MA</td>
<td>Civil Society</td>
<td>18</td>
</tr>
<tr>
<td>Mike</td>
<td>M</td>
<td>Black</td>
<td>PhD</td>
<td>Donor</td>
<td>14</td>
</tr>
<tr>
<td>Ron</td>
<td>M</td>
<td>Black</td>
<td>MA</td>
<td>Donor</td>
<td>18</td>
</tr>
<tr>
<td>Mary</td>
<td>F</td>
<td>White</td>
<td>MA</td>
<td>Donor</td>
<td>2</td>
</tr>
<tr>
<td>Matt</td>
<td>M</td>
<td>Black</td>
<td>MSc</td>
<td>Donor</td>
<td>&gt;5</td>
</tr>
<tr>
<td>Bob</td>
<td>M</td>
<td>Black</td>
<td>MA</td>
<td>Donor</td>
<td>23</td>
</tr>
<tr>
<td>James</td>
<td>M</td>
<td>Black</td>
<td>MA</td>
<td>Donor</td>
<td>&gt;16</td>
</tr>
<tr>
<td>Ted</td>
<td>M</td>
<td>White</td>
<td>PhD</td>
<td>Policy Res. Institute</td>
<td>&gt;5</td>
</tr>
<tr>
<td>Vivian</td>
<td>F</td>
<td>White</td>
<td>MA</td>
<td>Policy Res. Institute</td>
<td>Not disclosed</td>
</tr>
<tr>
<td>Mark</td>
<td>M</td>
<td>Black</td>
<td>PhD</td>
<td>University</td>
<td>Not disclosed</td>
</tr>
<tr>
<td>Mikael</td>
<td>M</td>
<td>Black</td>
<td>PhD</td>
<td>University</td>
<td>Not disclosed</td>
</tr>
<tr>
<td>Jack</td>
<td>M</td>
<td>Black</td>
<td>PhD</td>
<td>University</td>
<td>&gt;16</td>
</tr>
<tr>
<td>Henry</td>
<td>M</td>
<td>Black</td>
<td>PhD</td>
<td>University</td>
<td>13</td>
</tr>
<tr>
<td>Lucy</td>
<td>F</td>
<td>White</td>
<td>PhD</td>
<td>Consultant (GoM)</td>
<td>25</td>
</tr>
<tr>
<td>Steve</td>
<td>M</td>
<td>White</td>
<td>Bachelor’s</td>
<td>Consultant (GoM)</td>
<td>&gt;50</td>
</tr>
<tr>
<td>Tim</td>
<td>M</td>
<td>Black</td>
<td>PG Dip.</td>
<td>Legislature</td>
<td>23</td>
</tr>
</tbody>
</table>

Data Analysis

According to Guest et al. (2012), the design and plan for a particular analysis depends a lot on the general approach taken and the type of outcome expected – the analytic purpose. In keeping with the general design of this research, the analysis was inductive but incorporated deductive elements in that it used both generated and existing data. Inductive analyses are primarily descriptive and exploratory. Exploratory analyses are typically content driven, use generated and do not rely on preexisting data, sample purposively, and employ research questions as opposed to hypotheses. Although primarily inductive, this research contained some ‘confirmatory’ elements. Specifically, the research critically interrogated current explanations of policy making, therefore, it presupposed either the rejection or confirmation of certain propositions (i.e., the specific question regarding the centralization of power and limited donor influence in policy matters).

In keeping with the research design, thematic analysis, which is a flexible analytic method, was employed to analyze data from the interviews. Although there are numerous variations of the method,
thematic analysis as a data analysis strategy primarily involves searching textual data for ‘repeated patterns of meaning’ (Braun and Clarke, 2006: 15). The method can be best thought of as a strategy for categorizing qualitative data where the researcher carefully and iteratively reviews the data looking for key words, trends, themes, or ideas in the data that will help outline the analysis (Guest et al., 2012).

The specific data analysis steps taken were:

Step one: Data immersion, this involved painstaking verbatim transcriptions of audio recordings into textual data, then repeated active readings of the text (i.e., searching for meanings and annotation) as informed by the research questions, interview insights, and the theoretical literature. Next was the identification of key words which were used to code the data.

Step two: Coding, was done to reduce and segment the textual data. The specific places in the text where keywords or phrases appeared were manually highlighted and annotated within context. The data were assigned both deductive and inductive codes, which were developed from the research questions and the extant literature and during field interviews and transcription of the audio recordings, respectively. These two approaches enabled the specific ways in which respondents spoke about issues to be contextualized within existing discourse. The textual data were later fed into qualitative software NVivo 11, to augment and refine the process of coding and data extraction.

Step three: Identification of themes from the coded textual data and exploration of the ways in which respondents spoke about the identified themes. For example, how did individual respondents discuss politics or finance in relation to policy making? The nature of the subject matter under consideration resulted in themes that were of a broad nature. For example, key themes that emerged from the text were program objectives, efficiency, and impacts. These are interconnected aspects in the FISP, therefore, they are linked themes. For each of the themes, the analysis looked for congruencies and incongruences in respondent views, so that in the end responses that ‘best’ represented the aforesaid were selected.
Step four: This phase involved bringing together of constituent parts of the data to make a whole in order to explain the phenomena under study. This is the big picture strategy, which allowed the data to be summarized without detracting from its complexity or nuance. Here, the key stories of the data were identified based on a priori understanding of the individual components of the data and their linkages (for example, as above).

Explanations of the phenomena under consideration were sought, that is, explanations for the questions that triggered the research in the first place (for example, Richie and Spencer, 2002). For this case study, the key questions revolved around “how specific policies came about and how they have evolved.” The insights gleaned were then juxtaposed against (a) extant theories, for instance, theories about the ‘neopatrimonial state’ and (b) other forms of existing data obtained from document analysis, or processes/events as reported in the media. This process allowed grounded/contextualized interpretations to be made. Interpretations that extended beyond the textual data.

The key objective was to target deductions from the analysis to the research questions and the theoretical propositions underpinning them (for example, Attride-Stirling, 2001; Braun and Clarke, 2006). In this process, the sub-specific questions informed the overarching research question and so the analysis of sub-specific questions also provided answers to the overall research question. For example, the extant literature suggested that agricultural data were politicized. The question then became: “how has this relationship played out in the FISP”? And how did this fit into broader explanations of policy making?

Step five: Producing the report, this involved the coalescing of stories that the data told. According to Braun and Clarke (2006), this stage involves telling the complicated story of one’s data in a way that convinces the reader of the merit and validity of the analysis. To this end, the write-up strove to provide sufficient evidence of the themes in the data, for example, through (a) the provision of a sufficient number of data extracts pertaining to certain themes, (b) relating the generated data to existing evidence and processes or events that correspond to or underscore the conclusions arrived at by this analysis, including media reports and commentaries on the issues under consideration. This took the analysis
beyond specific content by contextualizing it to derive new meanings or to confirm or contradict orthodox understandings.

On the whole, the relevance and validity of this research is augmented by new policy developments within the agricultural and food security sector in Malawi. For example, the reference to the question of mixed evidence in the government’s new policy documents. This research introduced the question of mixed empirics and their relation to policy making at least five months prior to the adoption of the new National Agricultural Policy (NAP) and proposed reforms to the FISP.

Conclusion

This chapter has discussed the methods used in this research. It explained the philosophical orientation of the research and rationalized the chosen approach. It also presented a discussion of the sampling procedure, how respondents were identified and contacted. The chapter also provided information on the type of questionnaire used and rationalized its use, including details on why an extensive set of questions was used (open-ended questions that facilitated the generation of in-depth empirical textual data). More importantly, the chapter highlighted the link between the survey questions, the literature and theory, the overarching research question, and related gaps in the explanatory literature that this research sought to plug.

The chapter also presented a justification for the use of experts as respondents. The research fully recognizes the links that exist between research and policy processes. It acknowledges the critical role that experts from various institutions play in policy making. Virtually every respondent interviewed is involved in policy processes in some capacity (as generators of the evidence used in policy making, as participants in policy dialogue, as legislators, or as independent commentators). It also provided a justification for the main data analysis method vis-à-vis thematic analysis, which to a good degree depends on the researcher’s interpretation and, therefore, raises concerns about the reliability of the representations made. However, according to Guest et al. (2012) thematic analysis remain the most useful method for ‘capturing the complexities of meaning within a textual data set.’ In the final analysis, the
chapter alluded to the strengths and weaknesses of the research design in regards to the choices made, and the implications that this might have on the conclusions drawn.
CHAPTER THREE

HOW HAVE HISTORICAL AGRICULTURAL AND FOOD SECURITY POLICIES BEEN FORMULATED?

“The Malawi story must be told”

I have reflected considerably on the possible meaning of the above statement. What did the respondent who uttered it intend to convey when he said “the Malawi story must be told”? Hasn’t the story been told yet? There is a plethora of written material on the subject under discussion, including some which were written by the very author of the foregoing statement. Isn’t that sufficient to tell the ‘Malawi story’? Is there something missing from what has already been told? Of course, if the story must be told, then it must be of great import. Having reflected on the debates surrounding the FISP and having considered the pertinent facts, this dissertation submits that, perhaps, the statement refers more to what has been obscured. It perhaps pertains to what has and has not been visible at various levels (to researchers, policy makers, and the public, at both local and international scales). What has certainly been made visible are the economic costs of the program and attendant narratives on its impacts. These have been filtered through the lens of finance and economics. Often, such narratives suppress aspects that might be elemental to gaining a fuller understanding of the ‘real’ value of the agricultural subsidy program.

To this end, this chapter seeks to: (a) provide a review of agricultural policies in Malawi: their origins, the context in which they have been implemented, and their evolution over time while referencing both internal and external factors and processes; (b) discuss how policies have been explained thus far; and (c) contextualize specific debates that form part of the wider debate on the FISP, inter alia, alternative investments and diversification. The chapter also discusses the “maize focus” of the
agricultural policies of Malawi, as well as organic farming as an alternative to the use of fertilizers. The objective is to bring to the fore and accentuate those aspects that might be missing from the public discourse on the FISP, to revisibilize factors whose visibility would possibly necessitate a reframing of the existing discourse.

Malawi’s agricultural and food security policies date back to the colonial period (1891-1964). In the main, the agricultural and food security policies of Malawi can be categorized according to two distinct policy periods vis-à-vis pre-and-post liberalization. The pre-liberalization period can be subdivided into colonial and post-colonial periods. Both the colonial and immediate post-colonial periods retained more or less the same structure of the economy and related agricultural policies. Relatedly, the most significant policy changes instituted since colonial times came in the economic liberalization period of the 1980s.

Understanding the history of the agricultural and food security policies of Malawi allows for the contextualization of current policy processes. This also helps to show why current efforts or policies may fail because it allows us to examine if any inductive learning has taken place among development practitioners. The review of policies exposes one critical fact which is that limited attention has been paid to equity issues, including the distributional impacts of policies.

A Brief Review of Colonial Policy

Pre-independence agricultural policies conformed to the dual configuration of the colonial economy, which was predicated on two classes of farmers: (a) a large-scale cash crop estate sector, which was almost wholly dominated by European settlers and (b) a subsistence smallholder food-crop sector for African peasants. Such an economic structure favored large-scale agriculture to promote their access to quality land, improved inputs, improved agricultural practices, and production of lucrative export commodities. Resultantly, this configuration created significant socioeconomic disparities between the two sub-sectors.
As a corollary of the said privileging of large-scale agriculture, smallholder farmers were largely prevented from growing cash crops, and if allowed to do so, they were forced to sell their produce to the existing marketing/export boards. These boards included the Native Tobacco Board which was established in 1926, and the Cotton and Maize Marketing Control Boards which were established in 1949. In 1956, these colonial boards were amalgamated to form the Agricultural Production and Marketing Board, which became the Farmers Marketing Board in 1962. In 1971, the Farmers Marketing Board became the Agricultural Development and Marketing Cooperation (ADMARC), which was formed to develop smallholder input and output markets in the post-colonial period (for example, Kwengwere, 2011; McCracken, 2012).

Malawi, previously known as Nyasaland, became a British protectorate in 1891. Its economy had until then been largely characterized by societies that engaged in subsistence agriculture, limited local exchange of commodities, such as iron, salt, and food, to societies which were substantially engaged in long-distance trade (Kydd and Christiansen, 1982; Kwengwere, 2011; McCracken, 2012). The structure of the local economy changed with the integration of Malawian societies in international markets (Kydd and Christiansen, 1982). According to McCracken (2012), capitalist penetration increasingly diminished non-agricultural economic activities. Various restrictions and foreign competition constrained existing local entrepreneurial activities, such as cotton manufacturing, the salt industry, and iron smelting, and increasingly commercialized the production of food. He states that the colonial period brought about a fundamental reshaping of the country’s economy along lines that are still familiar today. These changes were connected with the emergence of new forms of poverty.

Kydd and Christiansen (1982) consider the changes wrought by colonial rule in terms of the evolution of three stylized sub-economies: the plantation economy, the peasant cash-cropping economy, and the labor reserve economy. In general, policies that affected peasants as concerning their labor and agricultural activities were influenced by (a) forces unleashed by the insertion of the plantation economy into global markets, especially as it related to global prices for agro-commodities; and (b) the federation
of Rhodesia with Nyasaland, for which Nyasaland became a large reserve of cheap labor for the tobacco farms and mines in Southern and Northern Rhodesia (Kwengwere, 2011). During colonial rule, the policy of choice was to externalize costs to peasants through laws that controlled their labor and access to land.

In general, the relations of the state with peasants revolved around the plantation economy. First, vast amounts of land were alienated from peasants to the estate sector, which was controlled by a small group of European colonial settlers. Later, in the post-colonial period, some of this land passed into the hands of local political elites (Kwengwere, 2011). Second, and related to the preceding point, a system of labor exploitation developed to satisfy the labor requirements of the estate sector. This was the Thangata system which was legislated in 1904. Thangata translates as “to assist” in local Chewa culture where reciprocal labor was provided as a way of thanking someone for some good deed or benefit (for example, Kandawire, 1977).

In regards to its colonial use or application, thangata came to represent a form of conscripted labor rent, the provision of agricultural labor without pay (Kandawire, 1977; Kydd and Christiansen, 1982; McCracken, 2012). In essence, thangata was ‘a colonial institution of economic production’ which epitomized the differentiating nature of the colonial economy (Kandawire, 1997: 187). A variant of the thangata system was the “visiting tenant” or share cropping system in which peasants would enter into arrangements under which they would supply labor to the plantation in exchange for the use of a piece of land – a quasi-feudal arrangement. Under this system, a peasant who was given access to a piece of land would grow cash crops which were sold to the estate at a price determined by the owner of the ‘contracted’ piece of land. This is still practiced throughout the country today. The system was never abolished due to political pressure from local elites who took over estate farms during the postcolonial period (Kwengwere, 2011). The colonial administration also imposed a hut tax on indigenous inhabitants. In order to meet this tax obligation, peasants were forced to work on estates owned by European settlers. This had implications for the allocation of labor to various livelihood activities within peasant households.
because peasants could work on plantations for periods of up to six months. Significantly, six months effectively corresponds to the entire agricultural season in Malawi (see Kwengwere, 2011).

The control of most of the land by settlers in conjunction with the imposition of a *hut tax* facilitated the control of the labor of peasants by both the colonial state and European settlers. The control of land, in particular, achieved what the hut tax could not, vis-à-vis the ‘conscription’ of peasant labor. It commanded the labor of the landless since able-bodied men with access to land could source their tax monies from alternative activities such as growing cash crops (Kydd and Christiansen, 1982). A related aspect concerned the dependency of the estate sector on food supplies from the peasant sector. This aspect is not new, there is no mutual exclusivity between large and small farms. Kautsky (1899) observed these dependencies between large and small farms, which existed in regards to food, labor, and markets.

On the other hand, the development of peasant cash cropping resulted in conflict between the two sectors for land and labor, as well as for support from the colonial administration. Thus, the colonial administration’s policy position oscillated between explicitly supporting the estate sector, following crises in the sector which were connected to the collapse of global commodity prices, and promoting widespread peasant production of cash crops for export at other times. It is this shift in policy that Kydd and Christiansen (1982) attributed to the dominance of the peasant sector from the late 1920s to the 1960s, after which period the dominance of the smallholder sector began to wane. They argue that government intervention in the later 1960s eroded the viability of the substantial peasant cash cropping sector which had developed in the later part of the colonial period (also, see McCracken, 2012).

In addition to the plantation economy, the colonial state also exported labor to neighboring countries in order to generate government revenues. Most of this revenue went towards funding the activities of the colonial administration (Chirwa et al., 2008; Kydd and Christiansen, 1982; McCracken, 2012). Again, it would appear that the colonial state gave precedence to different sectors of the economy at different time periods. According to Kydd and Christiansen (1982), government policy on migration vacillated under the contrary pressures of, on the one hand, estate and missionary influences and, on the
other hand, the benefits to government revenue from migrants’ remittances. Overall, when considering the socio-economic history of Malawi, the roots of inequality are deeply entrenched in some policies introduced during the colonial era (Kwengwere, 2011).

**Independence Era Policies**

As previously mentioned, post-colonial policies did not deviate much from the colonial structure. They retained the dual structure comprising a cash crop economy centered on the estate sector and on which an agricultural export oriented development strategy was built, and a subsistence food crop sector predicated on government subsidies for seeds and fertilizer (GoM, 2011b; Harrigan, 2008). This structure continued to emphasize estate commercial agriculture at the expense of the smallholder sector.

According to Kwengwere (2011), in the immediate independence period, the government’s agricultural policy was largely geared towards the support of smallholder farmers with agricultural investments directed at small-holder agricultural development projects. However, this did not continue for long. During the late 1960s, the government started shifting support towards estate agriculture, owing to wide inter-annual oscillations in the production of smallholder tobacco and the country’s main staple food crop. Kwengwere states that these experiences raised doubts about the capacity of smallholder agriculture to ‘generate economic growth, provide for food security, and sufficient government revenues for essential development investments’ (*ibid.* p. 138).

Furthermore, since independence, the government’s agricultural strategies have reflected a dual configuration. The general design was that the smallholder subsector be utilized to achieve food self-sufficiency, while the estate sector spearheaded national economic growth (GoM (2015b). In this set up, the main smallholder agricultural development policy initiative revolved around donor-financed large-scale integrated regional rural development and national rural development projects to provide investments in production, as well as infrastructure (Chirwa and Dorward, 2013). The specific role of donors in this set up seems to have been one of supporting smallholder agriculture via investments in
infrastructure and agricultural services. However, according to Chirwa and Dorward (2013), this role also helped to not only meet government developmental objectives, it also serviced patronage objectives as well, for example, it enabled regionally distributed projects, including one in the northern region, two in the central region and one in the southern region.

According to Chirwa and Dorward (2013), common core activities among these projects included, *inter alia*, agricultural extension, subsidized supply of improved seeds and fertilizers for maize and cash crops, and construction of roads and market facilities. They state that within the context of supporting infrastructure, ‘the core smallholder development activities involved the promotion of farming groups which took input loans for seed and fertilizer. These loans were repaid through interlocking sales at fixed prices to the parastatal, ADMARC. Chirwa and Dorward (2013) state that this system was very successful in expanding access to purchased inputs, particularly in maize production.

The programs, however, were elitist in nature and not exactly pro-poor. According to GoM (2011), both programs benefited the better-off and had low coverage coupled with poor targeting. Moreover, the former program targeted 10% of the population, while the latter covered 30% of the same population. On the plus side, the programs managed to enhance national food self-sufficiency and local food availability because of increased local production and the existence of a network of ADMARC markets which sold maize throughout the whole country (Chirwa and Dorward, 2013).

**The Administration of Subsidies in the Post-Independence Period**

In the post-independence period, subsidies to the smallholder sector were administered by the government marketing board, ADMARC. As previously mentioned, ADMARC offered subsidies for seeds and fertilizers and bought farmers’ maize produce at guaranteed pan-territorial prices (i.e., uniform prices throughout the country). The corporation would then sell to domestic consumers at subsidized prices. Loses arising from this arrangement were offset by profits made from the sale of smallholder cash crops, such as tobacco, cotton, and groundnuts on international markets. According to Harrigan (2008),
this strategy was a success in terms of achieving national aggregate food security. Thus, throughout most of the 1960s and 1970s, Malawi was food self-sufficient and in many years had more than sufficient maize to be able to export to the rest of the SSA region.

However, there were some drawbacks to this strategy. While ADMARC made profits from the sales of smallholder commodities on international markets, these profits did not accrue to smallholders. Instead, ADMARC invested in subsidiary businesses, including banks through which resources extracted from agriculture were siphoned into various sectors of the economy, including estate agriculture via credit loans (for example, see Kwengwere, 2011). This structure perpetuated the historically disadvantaged position and dismal performance of the smallholder sector. According to Harrigan (2003: 848), within the Malawi economy, a ‘healthy GDP growth rate of 5.5% during 1964-77 was driven by the estate sector which grew at an annual average of 17% while smallholder agriculture became progressively marginalized, growing at less than 3% per annum.’

Similarly, Kwengwere (2007: 138) says that although the emphasis placed on estate agriculture seemed to ‘produce good macro-economic results as the country showed quite rapid economic growth…the primary benefits from this growth accrued to the few estate owners who dominated the middle-income sector, income distribution became highly unequal and worsening. To underline this, in the late 1960s the top 10% of the population received over 50% of the national income. Kwengwere further states that ‘what basically happened was that land, labor and profit were being squeezed out of the smallholder sector.’

Kydd and Christiansen (1982) who investigated structural change in the Malawi economy since its political independence in 1964 determined that the key feature of structural change in Malawi was the startling growth of large-scale commercial agriculture. They identified a number of issues: including a lack of government attention to distributional objectives; the poor performance of peasant agriculture in the context of the overall growth of the economy; and a policy bias in favor of large-scale agriculture. As previously indicated, marketing surpluses were extracted to finance commercial agriculture from which,
by law peasants, ‘could not’ participate (discounting other barriers to entry, e.g., a lack of access to credit and land). They noted that Malawi’s development strategy was an example of a relatively low degree of policy bias against the agricultural sector as a whole, but they argued that the government’s intervention to promote estate agriculture seriously damaged the development of peasant agriculture.

The proposition in this dissertation is that historical disparities and inequalities possibly have impacts on the performance of current interventions vis-à-vis the FISP. For example, Verduzco-Gallo et al. (2014: 20) assert that ‘the poor translation of economic growth into a reduction in extreme poverty and improved food and nutrition security, in particular, can be explained by a rapid increase in inequality.’ Although this relates to recent increases, it is important to highlight their historical contingency or genesis. Generational elitism has perpetuated class structures that were established in the colonial period. These were to some degree reconstituted in the immediate post-independence period.

According to Kwengwere (2011), as of 2005, the poorest 10% comprised peasant farmers who historically have had little or no benefits from the government. Given this context, the FISP becomes critical because it is the ‘only’ government program that attempts to specifically target the poor. This fact speaks to the critical question of the proper targeting of interventions. As it currently stands, these aspects of the program are less clear. Some evidence suggests that the poor have largely been excluded from the FISP (for example, Lunduka et al., 2013). Although, when “poor” is decomposed, the results become a bit complex (see Dorward and Chirwa, 2010, 2013).

Structural Adjustment Programs (SAPs)

The next stage in the evolution of agricultural and food security policies within the structure of the macro-economy involved economic reforms in the form of SAPs in the 1980s. In the Malawian context, a number of crises provided the backdrop to SAP’s, namely, the 1979 oil crisis; intensified civil war in Mozambique (Malawi’s most viable access route to the ocean was the Nacala Line which passes through Mozambique); and the poor performance of the agricultural sector as a consequence of poor
weather (Kwengwere, 2011). Like many other poor countries facing economic ruin at the time, Malawi’s most viable solution to the economic crisis was to access loans from international banks. These loans were contingent on the implementation of economic reforms.

For Malawi, macroeconomic reforms implemented under the aegis of the WB and IMF invariably meant significant reforms in the agricultural sector as a key economic sector (for example, see Kwengwere, 2011). A notable example is the collapse of the integrated rural development approach, which together with the smallholder agricultural credit system constituted the core of Malawi’s prior agricultural policies (Chirwa and Dorward, 2013). Resultantly, subsequent agricultural policies were not implemented as part of an integrated comprehensive vision of rural development (ibid).

Following liberalization reforms, the government redefined its role in the agricultural sector from that of being a ‘formulator and implementer of agricultural policy to primarily being a policy regulator’ (GoM, 2015b: 5). A number of reforms were instituted in the agricultural sector the most significant of which were the removal of all forms of subsidies for fertilizer and seed and various restrictions that had been imposed on the activities of smallholders in the sector (GoM, 2011b; Harrigan, 2008). Several acts relating to agriculture, including the Special Crops Act, Agricultural and Livestock Act, and the Fertilizer, Farm Feeds and Remedies Act, were repealed in order to effect the desired policy changes. It was believed that in totality, the reforms would increase efficiency in market operations, a requisite precondition for enhanced agricultural productivity and food security.

It was believed that the changes to the cash crop economy in particular would lead to a reduction in poverty, increases in incomes, and improved food security among smallholder farmers. Primarily due to increases in the producer prices of smallholder export crops and a reduction in the producer price of maize (for example, see Kydd and Hewitt, 1986). According to Harrigan (2008: 241), the Malawi government raised objections to these policy changes on the grounds that they would lead to a reduction in the production of maize which would undermine the nation’s food security. As it turned out, the new pricing policy combined with the contraction in the market functions of ADMARC resulted in a national
food crisis in 1987, during which time the Malawi government was forced to import 140,000 MTS of maize, the highest amount since the early 1970s’ (Harrigan, 1988).

Similarly, a maize production deficit of 500,000 to 600,000 MTS in the 2000/01 agricultural season led to another food crisis. This represented a reduction of 32% in national maize production from the preceding season (Harrigan, 2008: 245; Menon, 2008: 3). The crisis is thought to have been caused in part by changes in the farmers’ policy environment, including a reduction in the producer price of maize, high cost of fertilizer, and lack of access to credit; the downscaling of the SP subsidy program and the late delivery of its variant, the TIP; and the sale of maize from the strategic grain reserve under the advice of the IMF. These factors combined to foment the food crisis (Denning et. al., 2009; Devereux, 2002; Levy and Barahona, 2002; Levy, 2005). The ensuing famine could have been prevented but for a conflation of policy failures at the level of both the government and donors. A number of other food crises have interspersed the period following economic liberalization.

When the two policy periods are considered vis-à-vis protectionist post-colonial and liberalized post-colonial, two key issues stand out in regards to the policy positions of the government and donors: (i) the government’s preoccupation with estate agriculture increased national food production but paid limited attention to equity issues and household food security; and (ii) the donor focus on the agency of markets (via diversification/cash crops) undermined both national and household food security. This was so primarily because the effected policies were not cognizant of the inherent structural constraints in the Malawi economy and the specific context of the livelihoods of the rural poor. According to Kydd and Hewitt (1986), the failure to comprehend the particularities of rural livelihoods led to a deficient analysis of the productive potential of peasant agriculture to provide both domestic food requirements and increased export earnings. According to Harrigan (2008: 241, emphasis added), in both instances, ‘policies were implemented in the absence of a clearly articulated food security strategy.’
Major Policies since the 1990s through the 2000s and Agriculture in National Development

Since economic liberalization the government of Malawi has formulated and instituted a slew of policies and programs within the agriculture sector. The major policies are summarized below (for detailed specifics on all other related policies, see GoM, 2011b; GoM, 2015b).

Historically the agricultural and food security policies of Malawi have been encapsulated within the government’s main national development policy documents. These include the Malawi Poverty Reduction Strategy, which was instituted in 1999 (MPRS 2004-2006) and more recently the Malawi Growth and Development Strategies: the MGDS I (from 2006 to 2011) and the MGDS II (from 2011-16). The MGDS II is an overarching medium term strategy for attaining the nation’s Vision 2020 (which is a record of the aspirations of Malawians and their development prospects up to the year 2020) and Millennium Development Goals, particularly goal number one, of halving extreme poverty by 2015 (GoM, 2011b). As part-objective, specific policies within this broad development plan aim to reduce hunger, for example, through strengthening agricultural productivity growth (FAO, 2015; GoM, 2010). The MGDS II also aims to transform the country from a predominantly importing and consuming economy to a predominantly producing and exporting economy through sustainable economic growth and infrastructure development (GoM, 2011b). The strategy identifies the agriculture sector as one of its key priority areas and as a critical driver of economic growth (emphasis added).

On a wider scale, the MGDSs are aligned to the CAADP (Comprehensive Africa Agriculture Development Program). The CAADP is an investment framework which was developed to increase investments in African agriculture under the New Partnership for Africa’s Development (NEPAD). It has been in place since 2003 when African heads of state resolved to increase investments in the agriculture sector at the Second Ordinary Session of the African Union in Maputo (GoM, 2010). This position derived from their recognition of agriculture’s importance to the objective of sustained growth and poverty reduction in member nations. The CAADP has the support of political and economic communities at the regional and continental level, including the Southern African Development
Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA). This political commitment and consensus, that is, an African owned policy agenda, has perhaps served to hedge against external intrusions or opposition to government intervention in agriculture.

Under CAADP individual governments commit to allocate at least 10% of their national budgets to agriculture in order to bring about a 6% growth in annual GDP in the agriculture sector (GoM, 2011a). Thus the CAADP is the instrumental investment strategy for creating strong and sustained growth in African agriculture. It has the main objective of enhancing agriculture-led economic growth, eliminating hunger, reducing poverty, food and nutrition insecurities, and enabling the expansion of exports (GoM, 2010, emphasis added). Of critical significance, CAADP’s Development and Assistance Strategy (DAS) sets out the policy and strategies for increasing efficiency and effectiveness in the mobilization and utilization of Aid.

At the local level the ASWAp (formerly the Agricultural Development Program) a priority investment program in the agricultural sector is the government’s agricultural investment framework. The ASWAp was formulated between 2007 and 2009, with the objective of harmonising investments in agriculture and supporting programs in the agriculture sector on the basis of their assessed potential to contribute to food security and agricultural growth in Malawi. According to the GoM (2015b), although the ASWAp remains the main investment plan for agriculture in Malawi as guided by related key development strategy documents, it will be subject to review within the context of the coherent policy framework of the National Agricultural Policy (NAP). The NAP has just recently been adopted as the main policy framework for the agricultural sector. It is discussed later in the Chapter.

The ASWAp is aligned to the CAADP and shares its principal elements and priorities and operationalizes the DAS through the development and enforcement of the Malawi CAADP Compact. The Malawi CAADP compact sets out the terms of engagement. It offers a strategy for supporting priority investment in the agricultural sector with the key objective of eliminating hunger for all classes of
Malawians including the highly vulnerable and ensuring their access to nutritious food through increased agricultural productivity (FAO, 2015; GoM, 2010; GoM, 2011a).

The ASWAp recognises food security as being foundational to the objective of economic growth and poverty reduction (GoM, 2010). Again, at the national level it is derived from and prescribed by the MGDS II. Also, the ASWAp in line with the norms of the Paris Declaration on Aid Effectiveness, is designed to serve as a single comprehensive program and budget framework with a formalized process for better donor coordination and harmonization of investment and alignment of funding arrangements between the Government of Malawi and donors in the agricultural sector (GoM, 2010; GoM, 2011a). Under ASWAp, the government commits to *efficiency* and *effectiveness* in the utilization of public finance in the process of pursuing the stated objectives of the ASWAp and MGDS II.

The ASWAp operationalizes some of the nine key priority areas of MGDS II in the areas of agriculture, food security, water development and disaster risk reduction through the main pillars of (a) food security and risk management (b) sustainable land and water management and (c) commercial agriculture, agro-processing and market development. These constitute the ASWAp’s main pillars for achieving agricultural growth and food security objectives (GoM, 2010; GoM, 2011a). They are complimented by two supporting pillars: technology generation and dissemination, and institutional development and capacity building. All strategies, programs, and projects deriving from all the pillars are mainstreamed with cross-cutting themes of gender, HIV and AIDS (GoM, 2010).

At the sectoral level the FISP is a key policy instrument and is an important component of the country’s approach to increasing productivity, ensuring food security, and reducing poverty (FAO, 2015; GoM, 2015b). For specifics on sub-sectoral level activities/projects of which FISP is one, see GoM (2011a). There is a host of other sub-sectoral level strategy plans, policies, and Acts that support the implementation of agricultural activities. These are not detailed here.
The National Agricultural Policy (NAP) and New Alliance for Food Security and Nutrition

Until recently, the government of Malawi did not have a comprehensive agricultural and food security policy. What the government had were a series of development and macroeconomic strategies with embedded agricultural concerns but nothing that can be thought of as a comprehensive national food security policy.

The NAP is an overarching and comprehensive policy for the agricultural sector which outlines the government’s vision for the agricultural sector until 2020. It was consultatively developed and involved nationwide discussions at the district and national level. Consultations were carried out with 842 men and women. Women made up 22% of the total sample. The government also carried out over 50 focus group discussions. These involved farmers, government staff, subject-matter specialists, NGOs and civil society, the private sector, and the youth. At the national level, discussions were held with development partners, academia, and research organizations. Additionally, public input was solicited through national and local media. According to the GoM (2015b), this process resulted in a number of organizations and individuals providing substantive independent contributions to the NAP’s content.

The NAP was developed against a background of incoherent sub-sectoral policies that did not speak to each other in the context of changing economic opportunities and challenges for Malawi’s agricultural sector (GoM, 2015). According to the GoM (ibid), this policy incoherence resulted in inadequate investments in some sub-sectors, policy reversals, and weak regulatory frameworks, among other weaknesses and constraints. Therefore, the NAP is intended to harmonize policy and to bring coherence across a multiplicity of agricultural sub-sector policies. Fundamentally, the policy will guide the design of agricultural subsector policies, strategies, and other actions of the Government of Malawi until 2020. It is linked to the broader development goals and vision for Malawi as specified in the country’s Vision 2020 document and MGDS II (GoM, 2015b). Besides this, it is also aligned with a host of other sectoral policies and strategic documents of the Malawi government, inter alia, the National Nutrition Policy and Strategic Plan (2007); the National Water Policy (2004); the National Land Use
Planning and Management Policy (2005); and the National Climate Change Policy (2012). Additionally, due to the emphasis on agricultural commercialization, the NAP has been developed in alignment with the National Export Strategy for Malawi which ‘provides a road map for accelerating agricultural export growth’ (GoM, 2015b). The policy envisions (assumes) that the commercialization of smallholder agriculture will invariably lead to increases in food production, diversification of agricultural production, value addition, and participation in high-value markets that increase incomes, reduce poverty, and improve food security and nutrition.

At the international level, the shift in policy emphasis reflects the stipulations of the CAADP (the African Union declarations on Agriculture and Food Security in Africa (Maputo 2003 and Malabo 2004). Another key international framework that the NAP subscribes to and has possibly been influenced by is the New Alliance for Food Security and Nutrition which is discussed immediately after this section. The NAP also subscribes to, among other things, the Sustainable Development Goals of the United Nations and the World Food Summit declaration of 1996.

The policy emphasis in the NAP is on bringing about a *farmer-led transformation* and *commercialization* of the agricultural sector in which agriculture is treated as a business. Its aim is to initiate a shift from subsistence to commercial agriculture (GoM, 2015b). According to one respondent, “agriculture is business.” The government believes that such a transformation is fundamental to the realization of the ‘broader vision of human development for all Malawians’ (*ibid.*). Thus, agriculture’s role in national development has explicitly become one of being a driver of economic growth. It appears that the bifurcation under the dual structure of times past has now ‘disappeared’. The whole enterprise will now progressively rest on the smallholder sector to fulfil both functions of driving growth and ensuring food security. The smallholder sector has demonstrable capacity to spur growth under the right conditions. For example, Harrigan (2003: 854) credits the sector with having driven growth in the 1990s, she wrote:
The smallholder-led growth in the 1990s represented a major shift in the structure of the Malawian economy. A smallholder growth dynamic replaced the previous estate dominance, whilst both production and marketing patterns in the smallholder sector changed significantly. This provides clear evidence that it is possible for the agricultural sector of low-income LDCs such as Malawi to respond to a combination of orthodox liberalization policies supported by more structuralist nonprice policies.

Given the emphasis on state non-interventionism, it is possible that smallholder agriculture will increasingly become commercialized. It is very likely, therefore, that other objectives or roles of agriculture may in the long term come to assume secondary importance, objectives such as the food security function of the FISP. The following statement by an official of the Farmers Union of Malawi illustrates the foregoing representation, as connected to one of the key debates in the FISP vis-à-vis targeting:

…. agriculture is an economic unit; it’s not a social unit so target the proper people. Those that (sic) are sick, elderly, child-headed households, let’s consider them under safety nets. You need to target farmers that (sic) are poor but productive poor, economically active. They get the resources, it’s an investment, it’s a business, and invest properly and move on with life and operate as small business units or they aggregate as cooperatives that’s another question but we really need to make sure that when we are talking about agriculture we are talking about economics. We are not talking about social sciences. It’s about business, the government is in the forefront to say agriculture is a business. Business is about if am investing, how much do I get from it? So if you take it like you are giving somebody a handout yes they will receive but they will never use it efficiently…

The NAP identifies the following as key priority areas: (a) sustainable agricultural production and productivity; (b) sustainable irrigation development; (c) mechanization of agriculture; (d) agricultural market development, agroprocessing and value addition; (e) food and nutrition security; (f) agricultural
risk management; (g) youth and women’s empowerment in agriculture; and (h) institutional development, coordination, and capacity strengthening. For specifics on these priority areas see GoM (2015b).

It is important to point out at this point that, although the MoAIWD is responsible for formulating and implementing agricultural policies, several government institutions are involved in the implementation and coordination of food security policies. Other relevant participants in national and food security dialogue include the private sector, civil society and producers’ groups, and donors. At the national level, the Multi-Sectoral Technical Committee on Nutrition (made up of representatives from key ministries, donors, civil society organizations, academia, and research and advocacy institutions) provides a platform for discussion of food security and nutrition policies (FAO, 2015).

**New Alliance for Food Security and Nutrition**

The G8NA was launched internationally in 2012 and aims to lift 50 million people out of poverty over a period of 10 years; initially in six African countries, including Ethiopia, Tanzania, Mozambique, Burkina Faso, Ghana, and the Ivory Coast. Malawi requested to join the initiative in 2013, alongside Benin and Nigeria (GoM, 2014). Specific to Malawi, the G8NA is a tripartite body comprising the G8 members led by the E.U. (United Kingdom, Canada, European Union, Flanders, Germany, Ireland, Japan, Norway, and the USA), in partnership with the Malawi Government via the MoAIWD as the lead ministry, and the private sector.

Primarily, the New Alliance’s focus is on enhancing private investments in the agricultural sector and is premised on the establishment of new public-private partnerships. According to DfID (2013), under the New Alliance, donors will strive to ensure the predictability of their activities, including financial and technical support in agriculture over a sustained period. It is perhaps for this reason that while donors might have ceased budgetary support to the government of Malawi, they have over the reference period continued to support other activities within the sector.
Under the New Alliance, donors intend to provide support within the agricultural sector to accelerate implementation of the CAADP and ASWAp frameworks. The New Alliance also complements the Trade Industry and Private Sector Development Sector Wide Approach (TIP SWAp) and also incorporates aspects/recommendations of the Malawi National Export Strategy (NES) that are related to agricultural investment. According to the GoM (2014), the New Alliance is fully embedded in pre-established structures.

The government’s role within the structure of the New Alliance is to provide an enabling environment for private-sector investment. Under the New Alliance Country Cooperation Framework which specifies each party’s commitments, the Malawi government commits to ensuring that there is a strong enabling environment for agriculture and food security investments. Its policy commitments focus on four main areas: (a) to create a competitive environment with consistent and coherent policies – with reduced risk in doing business for private sector investments in various value chains related to food security and nutrition while also ensuring consistency and coherence in policies; (b) improve access to land, water, farm inputs and basic infrastructure to support food security and nutrition; (c) re-organize extension services, promote agri-business and cooperative programs; and (d) address malnutrition by promoting production and utilization of diversified foods with high nutritive values (DfID, 2013; GoM, 2014). Relatedly, the private sector has had significant influence in defining some of the government’s policy commitment areas, for example, reforms relating to three priority areas: access to land and water, access to finance, and seed sector reform (GoM, 2014).

In seeking to address the underlying causes of food insecurity participating donors intend to focus key resources and other contributions on high priority, high-impact investments within the ASWAp and the TIP SWAp, particularly, in the three growth product clusters identified in the NES. These clusters are: oil seed products (products of groundnuts, soya, cotton and sunflower); sugar cane products and manufacturing (which includes dairy); and products from legumes, horticulture, maize, wheat, rice and cassava, which are aligned to Malawi’s Scaling Up Nutrition Strategy. According to DfID (2013: 4,
emphasis added), the key objective of the Scaling Up Nutrition Strategy ‘is to build Malawi’s productive economy in a sustainable, market-led way such that farmer incomes may increase to allow them to afford more nutritious foods, while at the same time widening the tax base to better enable the Government to afford welfare programs targeting nutrition.’ This is in keeping with the long-held view among some donors that the food security of the rural poor can best be achieved by means of market exchange. DfID has only recently shifted its position of emphasizing household level production of key staples as the main strategy for attaining food security.

In the end, when all the specifics of the New Alliance program are considered, its policy objectives can be reduced to (a) diversification of production and livelihoods, (b) related integration of smallholder farmers into markets i.e., export oriented agro-commodity value chains, and (c) increased participation of the private sector in the agriculture sector. See DfID (2013) and GoM (2014) for specifics on the various changes that the government of Malawi commits to undertake under the New Alliance for Food Security and Nutrition. The agricultural and nutrition policy landscape of Malawi up to the present is summarized in Figure 3.1.

**Policy Explanations in Malawi, 1980 through late 1990s**

According to Harrigan (2003), policy formulation processes have been influenced by the interplay of two distinct factors: (a) shifts in development paradigms within the international aid community, and (b) the effects of domestic political pressures within Malawi. To this end, she identifies three key policy periods:

*From 1981 to 1987.* As previously discussed, during this period the government of Malawi accepted WB loans with conditionalities that mostly targeted the agricultural sector. Key aspects of which were the removal of the incentive bias against smallholder farmers in the area of exportable cash crops and the removal of fertilizer subsidies. Suffice to say that the effected changes did not lead to desired outcomes, rather they undermined the production of food crops such as maize.
According to Harrigan (2003: 849) this situation/outcome led to a protracted debate between the MoAIWD and WB staff regarding the most appropriate food security policies for Malawi. The WB, on the one hand, believed that food security could best be achieved through ‘market determined production of exportable cash crops,’ then using the resulting foreign exchange earnings to meet any food deficits through food imports. On the other hand, the government strongly believed in national food self-sufficiency. The government believed that this could be achieved via measures that helped overcome structural constraints to food production, which would help increase aggregate output among smallholder farmers that had been bypassed by price policy reform (ibid.). As it happened, a national food crisis ensued in 1987, which was previously referred to. The crisis was due to inappropriate and poor sequencing of price and market liberalization. Which factors operated to suppress smallholder food crop production and impinged on the capacity of ADMARC to effectively discharge its duties. According to Harrigan (ibid. p. 850) the food crisis interacted with domestic political pressures to force a U-turn in the
government’s agricultural policy in direct violation of WB conditionality. Of note, the government increased the producer price of maize by 36% and reintroduced fertilizer subsidies at 22% (higher than the subsidy level during the pre-reform period).

From 1987-1995. According to Harrigan (2003) the policy reversals that took place in 1987 caused the WB to reappraise its approach. She states that this policy reappraisal took place not just in the context of Malawi but coincided with a more fundamental paradigm shift in international development philosophy (from the “Washington Consensus” philosophy of the 1980s to the “Post-Washington Consensus” of the 1990s). Donors had come to realize that the state had an important role to play in addressing structural constraints in national economies especially in regards to public sector investments and in playing a complimentary role to markets. Specific to the agricultural sector in SSA, among other ‘concessions,’ ‘investment intensive nonprice policies were acknowledged as necessary to raise agricultural productivity’ and food security was acknowledged as a complex country specific issue (ibid. p. 850, emphasis added). To this extent donors, accepted targeted consumption and production subsidies – a second best option. There was ‘more’ recognition of context than had been the case in the past.

The new thinking was operationalized through the Agricultural Sector Adjustment Credit (ASAC) which recognized the importance of increased food crop production as a requisite condition for inducing increased production of cash crops. This would suggest that at that point in time donors had come to ‘appreciate’ that agricultural diversification would perhaps prove far more difficult to attain without improvements in household food security. In sum, the ASAC sought to address structural constraints faced by farmers such as land shortages and underutilization of estate land, cash crop growing restrictions imposed on smallholder farmers, lack of credit and extension services, inadequate market and transport infrastructure, lack of research into improved and appropriate maize varieties, and lack of fertilizer uptake among smallholders including subsistence farmers (see World Bank, 1994; Harrigan, 2003). Harrigan (2003: 851) states that ‘the acceptance of fertilizer subsidies represented a total policy U-turn on the part of the Bank in terms of both the specific policy of allowing subsidies, in contrast to its
earlier insistence on complete subsidy removal, and in terms of its more general approach to the food security issue."

*From 1994-2000.* Malawi transitioned from an autocratic state into an electoral democracy in 1994. A key feature of this democratic dispensation was the acceleration of agricultural liberalization reforms, primarily due to the new government’s continued reliance on donors for foreign exchange. Reforms were instituted in the agricultural sector. Of significance, the system of fixed agricultural producer and consumer prices was liberalized, ‘for maize there was a price band in which the market could fluctuate leaving ADMARC to intervene at the floor and ceiling prices’ (Harrigan 2003: 852).

It appears that at this point in time, there was some sort of alignment in government and donor policy positions. However, the ‘alignment’ in government and donor policy positions did not last for long. In the late 1990s, the position of some donors, in particular USAID and the WB, reverted back to that of the early 1980s, namely, ideological opposition to state interventionism and subsidies and more emphasis on cash crop exports and food imports, and rural nonfarm livelihood strategies as the best strategy for achieving food security. This change in thinking was reflected in the full liberalization of burley production and marketing and the WB’s stance on the structure of strategic grain reserve i.e., ‘to assign an equal amount of resources to a physical and a financial reserve. The Government on the other hand was reluctant to allow the landlocked country to rely on a financial reserve for grain imports’ (*ibid.* p. 854). On the question of agricultural input subsidies, the WB also reverted to its earlier position, so that subsidies and free input programs were removed in 1996-1997. Again this was a departure from its policy position during the early 1990s (*ibid.* p. 855). All these forward-backward movements, flip-flopping etc. derived primarily from attempts to reconcile contradictions introduced by Malawi’s peculiar context, fiscal considerations, and the quest to pursue market driven growth, to which, ideologically there was ‘no’ superior alternative.

In regards to the historical national focus on the production of maize, donors, the WB in particular, felt that such a focus was counterintuitive to the enterprise of diversification and growth.
Presently, it remains a key sticking point in FISP policy (the centrality of maize at the national level and as crop of choice among the rural poor is discussed in a subsequent section). The incumbent Muluzi government, however, sincerely believed that stagnation in the national production of maize would engender food insecurity (between 1990-91 and 1994-95 maize production fell from 1,589,000 to 1,328,000 ton (ibid. p. 856). Thus, in 1998, the UDF government reintroduced agricultural input subsidies via the Starter Pack Program (SP), under which the government would provide smallholder farmers with sufficient free seed and fertilizer to cultivate 0.1 ha of maize. The specifics of the SP are discussed in Chapter Four.

The success of this intervention emboldened the government to continue the universal provisioning of inputs in the face of significant donor pressure. On its part, the government argued that food security considerations justified state intervention (ibid.). According to Harrigan (ibid.) the move by the UDF to implement targeted then universal subsidies was a response to political legitimacy pressures. Whereas the WB’s position (hardline liberalization stance) derived from a disdain of the administration’s increased populist political interference in policy processes (interventionism in the agricultural sector).

Some survey respondents were of the view that the UDF government comparatively placed little significance on agriculture, which perhaps corroborates Harrigan’s assertion that the government’s implementation of the SP was political. Overall, the performance of agriculture during the UDF reign was relatively poor. This period oversaw increasing levels of food insecurity in the country, a situation that was closely linked to strained relations between the government and donors. During this period, donors perceived the government to have been corrupt and to have exercised high levels of patronage (for example, D’Arcy, 2012). On the whole Devereux (2002: 76-77) describes the relative impacts of statist and market policies thus:

If the old model of heavy state interventionism in food production and distribution was built on ‘unsustainable’ subsidies and ‘inefficient’ institutions, it was at least more effective at protecting household food security than the ‘blueprint’ application of Washington Consensus ideology,
which deliberately undermined these pillars of food security and exposed Malawi’s poor to the full consequences of production, market and relief failures.

Overall, the period spanning the 1980s through the late 1990s showed little consistency in agricultural and food security policies, for example, the flip-flopping on subsidies. It also highlighted a bifurcation of approaches to achieving food security vis-à-vis the relevance of and reliance on local production of maize versus a reliance on cash crops/diversification and food imports. The literature on the efficacy of cash crops as a strategy for addressing food insecurity following economic liberalization largely indicates that this approach was not favorable to the poor, with class-specific impacts on farmers in that the wealthier ones tended to benefit more (for example, Chilowa, 1998).

The Maize and Input Subsidies Focus of Agricultural Policies

Maize has historically been the main staple crop for most Malawians. It contributes about 80% of the daily food calories and occupies around 49.2% of the cultivated area (SADC, 2010: 130). The average per capita consumption of maize is 163 kg per year, with average household food expenditures on maize taking up 40% (FAO, 2015: 34). Since the greater share of the food needs of most Malawians is satisfied by maize, food security has over the years come to be synonymous with the production of adequate quantities of maize (Smale, 1995).

Resultantly, the government’s agricultural and food security policies and strategies have tended to focus on producing enough maize. This is exemplified in the FISP, which has been taking up a high share of the budget to agriculture, at times up to 80% of the agriculture budget. Other related policies reflect this disposition. For example, ad-hoc bans of maize exports intended at regulating the domestic supply of maize; control of the maize pricing policy; the management of the Strategic Grain Reserve (SGR); and the operations of ADMARC. These instruments are all deployed to ensure that there is sufficient and accessible maize domestically (for example, Nankhuni et al., 2015). The maize pricing policy in particular, presents a conundrum for the Malawi government vis-à-vis the reconciliation of the
contradictory objectives of attaining optimal consumer and producer prices (for example, Chilowa, 1998; Kydd, 1986). While low prices are good for the poor and food-insecure consumers, they serve to depress needed investment in that production costs far outweigh what profit farmers will make (for example, Chirwa and Dorward, 2013).

Carr (2014) offers a number of reasons as to why maize continues to dominate the food security policy landscape. These include the fact that maize is the natural crop of choice among smallholder farmers. Resultantly, its production occupies 86% of the land allocated to staple food crops (NSO, 2007, cited in Carr, 2014: 2). Agronomically, it is the one grain crop which offers the greatest potential yield of reasonable quality calories per unit area and it is more responsive to fertilizer than other grain crops such as sorghum or millet (ibid.). Additionally, the small size of peasant land-holdings constitutes another constraint. According to Levy (2005), given these constraints, farmers will tend to prefer high calorie crops that can meet their energy needs. These reasons, in addition to other political ecology and economic constraints, perhaps explain the behavior of smallholder farmers in regards to their presumed intransigence to diversify away from maize. There is a given degree of risk that farmers attach to changes to their livelihood strategies and activities. This is not to simplify a rather complex topic (see Ellis, 1998, 2000).

According to Carr (2014), there is little sign of farmers making any change in their choice of maize as their dominant staple crop in the near future. This in essence means that maize will remain the primary focus of any strategies aimed at improving household food security in Malawi. At the core of the maize vs. diversification conundrum are a couple of sticking points, including the requirement for significant capital outlays to fertilizer subsidies; the nutritional limitations of a carbohydrate-focused food security strategy; and the supposed limitations of a food-crop as a driver of poverty reduction when juxtaposed against cash crops or other alternative livelihood strategies. It is in part due to the foregoing issues that donors have always been against the government’s policy focus on maize (see Levy, 2005).
The primary reason for the government’s focus on subsidies relates to the much degraded soils of Malawi which like those of many African countries are deficient in essential soil nutrients such nitrogen and phosphorus. The degraded condition of soils has come about due to continuous cultivation of soils without the use of external inputs and fallowing, owing to increasing population pressure. This makes the use of inorganic fertilizers required to both restore soil nutrients and improve crop productivity.

According to Carr (2014), in the absence of any measures to improve access to external sources of nutrients, Malawi’s “nitrogen drought” is likely to continue. “Nitrogen drought” is descriptive of a condition in which soils are continuously mined of nutrients without replenishment by other means. This type of situation has obvious implications for the sustainability of current and future agricultural production intensification in Malawi.

There are essentially two ways in which smallholder farmers can increase crop production: (a) by production intensification, which is dependent on the intensified use of agricultural inputs to replenish soil nutrients; or (b) by expanding the total cultivated area (see Morris et al., 2007). Under high population densities, however, expansion of the cultivated area invariably involves encroachment on marginal lands. Malawi’s population density is one of the highest in SSA (WB, 2013). In the absence of expansionary production, the only viable strategy for crop production intensification available to Malawian farmers is the increased use of inorganic fertilizers. Whereas expansionary production might have been possible in the past, this is not currently feasible due to intense population pressure (Kwengwere, 2011).

For Africa as whole, the statistics on fertilizer use are not encouraging. Africa accounted for about 2.5% of world fertilizer consumption in 2010 compared to 10% by Latin America and 60% by Asia, and 12.9% by Europe (FAO, 2011: 19-23). Africa’s share in world consumption of nitrogen is 2.7%, phosphate 2.4% and potash 1.7% (ibid. p. 19). According to Morris et al. (2007: 18), ‘the low use of fertilizer in Africa is part of a wider problem of soil degradation.’ In the case of Africa, a ‘fundamental contributing factor to land degradation has been the failure by most farmers to intensify agricultural
production in a manner that maintains soil productivity’ (ibid.). Specific to Malawi, soil nutrient loss has been estimated at 80 kg/ha per year. Up to 66 kilograms of plant nutrients are thought to be lost from each hectare of land each year through the removal of crops and residues and a further 14 kilograms is lost through erosion (World Bank, 2004; Elwell and Rook, 1996, cited in Carr, 2014: 1). This is on the high end of the nutrient-loss spectrum, when compared with mining rates on African farmland in general. Between the years 2002-2004, as much as 85% African farmland had mining rates of more than 30 kg per hectare of nutrients per year, and 40% had rates greater than 60 kilograms per hectare per year (Henao and Baanante, 2006 cited in Morris et al., 2007: 19).

According to Morris et al. (ibid. p., 57-59), the low use of fertilizer in Africa can be explained by demand-side as well as supply-side factors. In regards to demand, the prohibitive costs of fertilizers place them beyond the reach of the poor. For example, the farmer price in 2003 for Malawi was US$321.33 and US$828.28 for Angola, compared to US$226.61 for the US per ton. Increases in the price of fertilizers following economic liberalization have possibly been a key causal factor for reduced fertilizer uptake in SSA (Devereux and Macauslan, 2006; Jayne et al., 2003). Given that many among the rural poor live on less than a dollar a day, it is easy to see why they cannot access fertilizers and higher productivity technologies in general (for example, GoM, 2011a). This means that recent increases in fertilizer use among the poor can be attributed to the implementation of large-scale input subsidy programs.

Many rural poor in Malawi are net food buyers and spend a significant amount of their incomes on food (for example, Chilowa, 1998). According to Chirwa and Dorward (2013), in Malawi, the price of maize has the largest weight in the food price index as part of the overall consumer price index. In view of this fact, the logical assumption would be that farmers would exercise rationality by taking up tried and proven innovations in order to improve their crop productivity, hence their food security. In other words, the livelihood context of smallholder farmers makes the use of fertilizers very attractive. However, this has not translated in high fertilizer uptake, except under subsidy conditions. In general, given the obvious impact of low fertilizer use on production, it invariably means that in the absence of any interventions
which facilitate access to inputs, smallholder agricultural production is likely to decline (for example, Dorward, 2009; Druilhe and Barreiro-Hurlé, 2012; Kwengwere, 2011). This is validated in the Malawi case where non-subsidy years have seen declines in the national production of maize (Harrigan, 2008).

It is also pertinent to the discussion to point out that contrary to suggestions by some, limited fertilizer uptake among smallholders in Malawi does not derive from ignorance of its benefits. Malawian farmers have been exposed to green technologies at least since the 1970s (Carr, 2014; Conroy, 1993). Rather, it is more a function of cost, risk, and profitability (for example, Dorward, 2009). According to Carr (2014), the main challenge for Malawian smallholders is not ignorance, rather it is their inability to access fertilizer in quantities sufficient to offset nutrient loss and to provide farming households with sufficient staple food.

**Contextualizing the Discussion: Diversification, Technology Transfer and the Organic Alternative**

As discussed above, government subsidy programs continue to be tailored towards maize. Presently it appears that all international donors now see the policy preoccupation with maize as an impediment to production diversification. Recent crop production data suggest, however, that there have been increases in the production of other key ‘staples’ since 2005, but not other kinds of crops that might be considered nutritious, such as pulses. The production of cassava in particular and potatoes in general shows a rising trend as shown by Figure 3.2. The increase in the production of other key staples is apparent when crop-yield statistics are compared for the periods 1987-1997 and 1997-2007; the average annual yield growth for cassava was 11.9%, maize 0.8%, and potatoes -0.4%; versus 22.8% for cassava, 14.2% for maize, and 5.9% for potatoes, respectively (NSO, 2016). Maize in particular shows a rising but fluctuating (linear) trend. There are a number of factors that can explain this fluctuation, for example, inconsistencies in FISP policy and associated inefficiencies, and weather variations.
The UNSCN (2014) contends that for some time now Malawi has been producing more than enough maize to meet national caloric requirements. That in all but three years, since 1982/83 to 2006/07, maize production has fulfilled more than the recommended grain calories. This is shown in Figure 3.3, which plots the recommended national consumption of all grains against maize production. It is clear from the graph that the maize production curve dips below the approximate recommended consumption level only in three of the years during the reference period. This suggests that supposed inadequacies or food insecurity should more accurately be interpreted as arising from distributional disparities and dietary diversity deficiencies/gaps.

Another current is that there is a growing belief that the FISP should be growth enhancing. Presently it does not seem to be doing that. The problem or counterfactual to the foregoing, however, is that without food security the objective of attaining growth becomes near impossible. The reverse also applies i.e., limited growth undermines food security. Policy-wise this kind of situation presents a conundrum; what to do? The proposition in this dissertation is to persist with the basics, to continue the implementation of subsidies as foundational to the objective of growth. To first improve food security, then build on that with complimentary investments. The problem in the Malawi case is that there is a
misplaced expectation of immediate large and positive results in regards to both poverty reduction and growth; when every piece of evidence indicates that these processes need to be given sufficient time. This constitutes in the view of this dissertation “the Malawi food-development paradox”. This is the paradox: the attainment of either objective exclusive of the other appears to be-and-is virtually impossible.

Figure 3.3. Grain Production and Calorie Requirements. Source: UNSCN, 2014.

Perhaps, the controversy surrounding the FISP’s maize focus reflects a failure to comprehend the contextual particularities of the issue, in particular, the link between poverty and food insecurity and how both can be deleterious to diversification. Food insecurity is erosive to the accumulation of capital assets upon which diversification is contingent (see Harrigan, 2008). Notwithstanding arguments raised by the maize-poverty trap thesis. This is the notion that, at most, poor households that are in receipt of inputs will only produce an extra two to three months of food. On a nuanced level, does the extra number of months that the poor have food on the table not mean anything? Is it not better than nothing, or should it only be thought of in terms of what is optimal? Pertinently, the question becomes, what better policy alternative is available, that would address all the inherent complexities that characterize rural livelihoods in Malawi, without requiring more resources than currently deployed to the FISP. This is a complex question to which there is no simple answer.
On the question of diversification, the picture remains unclear. Some studies suggest that the FISP has increased the total acreage of land allocated to maize at the expense of other crops (for example, see Shively and Ricker-Gilbert, 2013). Others, for example, Mazunda et al. (2015) found a positive link between subsidized fertilizer and crop diversification. Relatedly, a positive link between food-crop diversification and improved nutrition seems to exist. Kankwamba et al. (2012), when analyzing the spatiotemporal determinants of crop diversification, found among other wealth-linked variables, that FISP beneficiaries were more diversified than non-beneficiaries, also see Snapp and Fisher (2015). This perhaps augments the argument that diversification is contingent on a given level of wealth and the fulfillment of household staple food requirements (for example, Mazunda et al., 2015). On a broader level, the subject of diversification is linked to what are the main objectives of the program. For example, if it is social protection, then the reference to diversification redirects the discussion. A consultant to the government expressed this contradiction thus:

It’s not clear what to do in the meantime. The policies are the subsidy program and social protection program. You know, there’s now a lot of emphasis among donors on resilient programs, and you know, building sustainability in livelihoods and greater diversification. And I think that’s all appropriate, but I am never fully clear exactly what they mean when they say, you know, building resilience. I mean, I understand agricultural diversification and I understand to some degree reducing vulnerability…that pathway is not, it’s not clear enough, and I think that’s where donors in particular are trying to get better alignment between social protection and agriculture and it all makes sense. But again, I would like to see it get more informed by evidence because I think there is sort of, a lot of hot air around the subject without an awful lot of you know…so tell me what works and where it’s worked and how much it costs and how we can scale it up.

On the question of alternatives to the use of fertilizers, there have been attempts in the past to introduce organic farming to smallholders. For example, the WB implemented programs in the 1980s
which focused on organic methods of improving soil fertility. Largely, its target population were those excluded from existing credit programs. These programs failed to take off for various reasons and were eventually discontinued after eight years (Carr, 2014).

Critically, the use of organic farming methods is limited. When a number of factors are considered, there is only so much that such methods can achieve. The limitations include the high labor and time requirements of introduced technologies due to various political ecology reasons. Organic alternatives are also constrained because they suffer from biomass limitations. Not much can be found in the way of biomass on the farms of smallholder farmers in Malawi. All organic sources of nutrients only replace about 10% of the nutrients being lost from Malawian soils each year (World Bank 2004, cited in Carr, 2014). This is not sufficient to replenish lost nutrients needed to sustain and enhance agricultural productivity. Thus, organic methods cannot on their own serve as a substitute for inorganic fertilizers. In isolation they are not sufficient to support the high productivity and production levels necessary to feed large populations (for example, Morris et al., 2007). Therefore, they can only be used in a complementary manner.

Currently, various efforts are being made by the government of Malawi to promote best-bet organic practices. These efforts are linked to measures intended at reducing or managing the costs of fertiliser used in the subsidy program. Such measures include, among others, inter-cropping of grain legumes with maize, soil incorporation of crop residues, the use of organic manure, and agroforestry (GoM 2015a).

**Conclusion**

This chapter has provided a brief review of agricultural policies in Malawi and attempted to explain their origins, the context in which they have been implemented, and how they have evolved over time. It has also discussed how agricultural policies have been rationalized and it attempted to contextualize certain features that form part of the wider debate on the FISP, including the questions of
alternative investments, diversification, and the organic alternative. The chapter has also discussed the “maize focus” of the agricultural policies of Malawi and how this has been and continues to be a sticking point as regards appropriate policy between the government and donors. This was done to inform the discussion on current policy processes, as well as highlight important undercurrents that might not be immediately visible to the reader with a cursory knowledge of the constituent specifics that manifest as blanket narratives.

Thus, the chapter sought to bring to the fore and accentuate those aspects that might be missing from the public discourse on the FISP; to make those factors visible in the process of reframing the discourse. Thus, having provided a background to some of the key issues surrounding agricultural policies, the next chapter considers the major agricultural input subsidy programs that have been implemented since economic liberalization in the 1980s. Particular focus in the discussion is placed on some of the key debates surrounding the various programs and the roles played by the state through the agency of the executive vs. technocrats and donors.
CHAPTER FOUR

AGRICULTURAL SUBSIDIES IN MALAWI, FISP OBJECTIVES, AND THE FUTURE OF FISP

This chapter outlines the various agricultural input subsidy programs implemented by the Malawi government since the 1970s. It builds on Chapter Three to provide a context for subsidy programs. The chapter then focuses on policy processes in the FISP by referencing its origins, design, and implementation. This is done to explore the specific roles played by various actors, chiefly the Malawi government and international donors. It also zeroes in on some of the key themes identified from the expert survey to build narratives around the thoughts and perceptions of individual respondents. Of significance are: (a) the main objective of the FISP. This theme is of particular importance because it is linked to the complex issues of targeting and productivity, both of which are linked to the FISP’s overall efficiency; and (b) the future of the FISP, specifically, where is it headed? The chapter attempts to reconcile the thoughts of respondents on the subject, including in what ways and how did they speak about these issues, and if these thoughts are reflected in existing discourse or policy? Together with the other chapters, the overall objective is to show or elucidate on how agricultural policies might have evolved.

According to Carr (2014) ‘the failure of the “organic” initiative to identify technologies which were suited to Malawian smallholders and which could keep up with the country’s rates of nutrient depletion and population growth led to a surge of activity in the later 1990s to provide more farmers with access to inorganic fertilizer. Thus, a series of free input initiatives were launched by the Malawi government, including the Drought Relief/Recovery Inputs Program (DRIP) which followed the southern African drought of 1992. One of the initiatives under DRIP was the provision of a small pack of free fertilizer and hybrid seed to all farming households. This was followed in 1995/6 by the Supplementary
Inputs Program (‘SIP’). According to Devereux and Macauslan (2006), the SIP was targeted at restoring access to agricultural inputs for farmers who could not afford high fertilizer prices following liberalization reforms (for example, heavy devaluations of the Kwacha and the removal of fertiliser subsidies). The DRIP and SIP programs were forerunners of the SP, which was the watershed subsidy program with its iterative variants in the form the TIP (Targeted Inputs Programs). The various subsidy programs that have been implemented since the 1970s, in chronological order, are abbreviated in Table 4.1.

**The Starter Pack Program**

The SP was introduced in 1998-1999 and repeated in 1999/2000 season. It had universal coverage of all 2.8 million smallholder households in Malawi. According to Levy (2005) the SP was conceived under the recommendations of the then Malawi Maize Productivity Task Force in the context of growing evidence of a catastrophic decline in soil fertility and was designed to run for 5-10 years and not as an emergence one-shot increase in food production. It consisted of a free handout of semi flint hybrid maize seed (2 kg) and fertilizer (15 kg), as well as legumes (1 kg of seed). The pack was sufficient to cultivate 0.1 hectare of maize (Harrigan, 2008; Levy, 2005). According to Chinsinga (2012b) and Denning et al. (2009), the SP was well supported by donors, for example, the UK Department for International Development (DFID).

The SP had these objectives: promoting farmer skills, intensification of production, diversifying growth of commercial input distribution systems in rural areas, and primarily introducing farmers to improved technologies in a risk-free manner as a production boosting initiative, thereby improving food security (for example, Harrigan, 2008; Levy, 2005). It was estimated that the SP would more than double maize yields and farmers would be able to produce an extra 100-150 kg of maize (*ibid*.). This would improve food security by ‘increasing the average number of months that the average household could feed itself and indirectly reduce the consumer price of maize as a result of declining domestic demand for maize in the market…’ (Harrigan, 2008: 238).
<table>
<thead>
<tr>
<th>Year</th>
<th>Program</th>
<th>Beneficiaries</th>
<th>Miscellaneous</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970s to 1980s</td>
<td>Statist policies – subsidies at 20-60% of cost</td>
<td>'Universal.' Evaluation: better national food security; overall policy benefited estate sector via cross-subsidization</td>
<td>Up to 3% of national budget</td>
</tr>
<tr>
<td>1981 to 1990</td>
<td>Precisem and minimalism – subsidies reduced under SAPs</td>
<td>Evaluation: variable, class-specific impacts; increasing food insecurity and poverty</td>
<td>Development focus: markets, education, and health sectors</td>
</tr>
<tr>
<td>1987 to 1990</td>
<td>Subsides and Food Aid</td>
<td>1.4-2.8 million</td>
<td>Drought</td>
</tr>
<tr>
<td>1990/91</td>
<td>Increasing liberalization, cash crop focus – shift to smallholder tobacco production</td>
<td></td>
<td>Maize production declines</td>
</tr>
<tr>
<td>1992/93</td>
<td>Drought Recovery Inputs Project</td>
<td>1.3 million beneficiaries of seeds and fertilizers</td>
<td>Southern African drought, influx of Mozambican refugees</td>
</tr>
<tr>
<td>1994</td>
<td>Subsides discontinued</td>
<td></td>
<td>Food aid to 3 million</td>
</tr>
<tr>
<td>1994/95</td>
<td>Supplementary Inputs Project</td>
<td>800,000 beneficiaries</td>
<td></td>
</tr>
<tr>
<td>1995/96</td>
<td>Supplementary Inputs Project</td>
<td>660,000 beneficiaries</td>
<td></td>
</tr>
<tr>
<td>1996/97</td>
<td>Starter Pack Program – funded more as a social protection program to promote immediate food production</td>
<td>2.8 million beneficiaries</td>
<td>USD$20–25 million Supported by donors e.g., DFID</td>
</tr>
<tr>
<td>1998/99 and 1999/00</td>
<td>Targeted Input Program – SP scaled down as other interventions under the Malawi National Safety Net Strategy introduced</td>
<td>1-2 million beneficiaries</td>
<td>USD$7.5–13 million Erratic rains and floods in 2001 resulted in a food crisis in 2002</td>
</tr>
<tr>
<td>2000/01 and 2001/02</td>
<td>Targeted Input Program – SP scaled down as other interventions under the Malawi National Safety Net Strategy introduced</td>
<td>1.2 million beneficiaries</td>
<td></td>
</tr>
<tr>
<td>2002/03</td>
<td>Extended Targeted Input Program</td>
<td>2.8 million beneficiaries, scaled up due to food crisis in 2002. Evaluation: improved production</td>
<td></td>
</tr>
<tr>
<td>2003/04</td>
<td>Extended Targeted Input Program</td>
<td>1.7-2 million beneficiaries, scaled down due to improved food security</td>
<td>USD$12 million 5 million hungry</td>
</tr>
<tr>
<td>2005/06</td>
<td>Agriculture Inputs Subsidy Program (AISP) – 75% subsidy</td>
<td>1.3 million beneficiaries. Planned 137,006 MTS actual distributed 131,388 MTS</td>
<td>MK6.937 billion No donor support</td>
</tr>
<tr>
<td>2006/07</td>
<td>FISP or FISP</td>
<td>1.7 million beneficiaries. Planned 150,000 MTS actual distributed 174,688 MTS</td>
<td>MK8.242 billion Legumes introduced</td>
</tr>
<tr>
<td>2007/08</td>
<td>FISP</td>
<td>2.2 million beneficiaries. Planned 170,000 MTS actual distributed 216,553 MTS</td>
<td>MK14.681 billion 1.5 million food-insecure Tobacco fertilizer accounting for 12% - phased out 2008/09</td>
</tr>
<tr>
<td>2008/09</td>
<td>FISP</td>
<td>1.7 million beneficiaries. Planned 170,000 MTS actual distributed 197,498 MTS</td>
<td>MK37.823 billion 1.5 million vulnerable FISP budget reduced by 39% to MK21.938</td>
</tr>
<tr>
<td>2009/10</td>
<td>FISP</td>
<td>1.6 million beneficiaries. Planned 160,000 MTS actual distributed 159,585 MTS</td>
<td>MK22.209 billion 140,000 food aid recipients</td>
</tr>
<tr>
<td>2010/11</td>
<td>FISP</td>
<td>1.6 million beneficiaries. Planned 160,000 MTS actual 160,531 MTS</td>
<td></td>
</tr>
<tr>
<td>2011/12</td>
<td>FISP</td>
<td>1.4 million beneficiaries. Planned 140,000 MTS actual distributed 139,901 MTS</td>
<td>MK24.622 billion</td>
</tr>
<tr>
<td>2012/13</td>
<td>FISP</td>
<td>1.5 initial beneficiaries, later raised to 1,544,400 Planned 154,440 MTS actual distributed 153,846.20 MTS</td>
<td>MK52 billion</td>
</tr>
<tr>
<td>2013/14</td>
<td>FISP</td>
<td>1.5 million beneficiaries. Distributed 150,000 MTS</td>
<td>MK50.425 billion – revised</td>
</tr>
<tr>
<td>2014/15</td>
<td>FISP</td>
<td>1.5 million beneficiaries. Planned 150,000 MTS actual distributed 149,813.45 MTS</td>
<td>MK50.8 billion Donor: US$17.5 million for seeds – $7.5 million from government</td>
</tr>
<tr>
<td>2015/16</td>
<td>FISP</td>
<td>1.5 million beneficiaries. Drought and floods – 6.5 million or 39% of the total population affected</td>
<td>Planned MK41.5 billion – actual MK63.9bn due to exchange rate depreciation Planned expenditure</td>
</tr>
<tr>
<td>2016/17</td>
<td>FISP</td>
<td>Proposed 900,000 beneficiaries, 90,000 MTS FISP scaled down due to reforms aimed at reducing the government’s fiscal burden Farmer fertilizer contribution fixed at MK15,000 subject to market price fluctuation</td>
<td>MK31.4 billion – down from MK63.9 billion MDTF MK3.5 billion for seeds</td>
</tr>
</tbody>
</table>


84
It was also expected that increases in local maize production (estimated at 280,000-420,000 MTS per annum) would avoid the need for maize imports and contribute to the maintenance of the country’s strategic grain reserve (Harrigan, 2008).

According to Harrigan (ibid. p. 248), the SP ‘was a successful production intervention that helped achieve both national and household food self-sufficiency in Malawi’. In spite of this success, however, the SP was in the long-term opposed by donors and their support of the program was subsequently scaled down. Donors were critical of the SP on the grounds that: (a) it was costly and the government could not afford it; (b) it undermined the development of the private sector, emphasized in particular by USAID, which saw the SP as directly undermining its Agricultural Input Markets Development Project; (c) it suffered from operational and logistical weaknesses such as late delivery of inputs, inappropriate pack content and poor supporting extension advice; (d) it created an inappropriate dependency on maize, with related negative impacts on diversification efforts; and (e) it deficiently targeted the poorest households (for example, Chirwa and Dorward, 2013; Denning et al., 2009; Devereux and Macauslan, 2006; Harrigan, 2008).

The Targeted Input Program

In the end, the SP was replaced by the Targeted Inputs Program (TIP) in 2000/2001 and 2002/2003. The TIP targeted only half of the recipients of the initial SP. The program was again subject to donor criticism on the basis that it was poorly targeted (Harrigan, 2008). As it happened, a severe food crisis ensued in 2001/02, which was partly blamed on the scaling down of SP (Denning et al. 2009). Following the food crisis, coverage was subsequently scaled up in 2002/2003 to reach 2.8 million recipient households. In 2003/04, the program was again scaled down and targeted 1.7 million recipients. A near universal, extended TIP was implemented last-minute in 2004/05. Thus, the TIP was implemented under oscillating specifications for various reasons. The reasons for these oscillating changes include food crises, equity, and financial considerations. The general view of donors was that the TIP was effectively
an ineffective social safety net program when compared with other forms of interventions (Harrigan, 2008).

According to Harrigan (2003: 856), the opposition to the government intervention did not help government efforts to establish a clear food security strategy. She states that donor opposition in some instances was ‘largely fueled by a kneejerk ideologically based reaction against state interventionism.’ In other instances, ‘opposition reflected an evolution of donor views on appropriate food security strategies’ (Harrigan, 2008: 243). As previously discussed, donors were in favor of strategies that enhanced access to food by means of market exchange and food imports from neighboring nations. For example, the EU shifted its longstanding policy position of focusing on maize production to a more holistic food security strategy that focused on livelihood diversification and food accessibility (Harrigan, 2008). Among donors, it would appear that the EU and USAID preferred strategies that reflected this new thinking. On the other hand, other donors such as DFID, seemed more inclined towards the historical policy of promoting local maize production (ibid.).

Overall, concerning the problems that affected the SP, Harrigan suggests that many of these problems derived from lack of donor financial commitment and support for the program, which made it difficult for the SP to become institutionalized within the government’s public expenditure plans ((ibid. p. 244, emphasis added). Presently, many of the criticisms directed at the SP, then the TIP, have also been directed at the FISP. In this ‘sense smart,’ subsidies have not significantly improved upon previous programs. To this extent, ‘divergences’ in the recent past underline longstanding differences between state and donor interests, notwithstanding the recent shift and ‘alignment’ in policy positions. This begs the question: “how has this alignment come about?” when the history of agricultural input subsidies in Malawi is considered, it shows policy disjuncture and inconsistencies. Both of which might be regressive and disruptive to cumulative growth and gains among smallholders.
The Farm Input Subsidy Program

The view of Carr (2014) is that the free handouts of fertilizer under the various iterations of the TIP were inadequate to offset soil nutrient loses and to have any meaningful impact on productivity. For this reason, among others specified in preceding chapters, donor support to the program declined. Related uncertainty about a subsidy in 2004/2005 led to delays in the implementation of another TIP. Actually, the government of President Bingu Mutharika implemented an extended version of the TIP. It implemented the Extended Targeted Input Program (ETIP) during the 2004/05 agricultural season because it did not wish to jeopardize its relations with international donors. This was seen as departure from the UDF’s implied promise of cheap fertilizer for everyone (universal subsidy) made during the 2004 election campaign (Chinsinga, 2007; Sahley et al., 2005).

The foregoing had attendant domino effects on the farmer acquisition and utilization of fertilizers, which in sum culminated in a disastrous drop in the national production of maize. In terms of the national production of maize, the 2004/05 growing season was the worst for a long time in a decade. The national average was 0.7 t/ha, 40% below the long-term average, while the total maize production was 24% less than the previous year, amounting to 57% of the estimated national maize requirement (Denning et al. 2009: 0004).

The effects of the disastrous harvest were food shortages, high maize prices, and expensive maize imports. The ensuing food crisis affected almost five million of Malawi’s thirteen million people, effectively half of the population at the time. These people suffered considerable damage to their welfare and livelihoods (see Carr, 2014; Chirwa and Dorward, 2013; Dugger, 2007). The foregoing food crisis provided the premise for President Bingu Mutharika’s subsequent treatment of the hunger question in Malawi. He resolved to seriously address the issue at the level of policy. Thurow and Kilman (2014: 168), describe President Mutharika’s political resolve to deal with food insecurity in Malawi thus:
Bingu wa Mutharika had become president in May 2004, and one of his early official acts was to formally declare a state of emergency so the UN could launch a special appeal for food aid. The country held out its begging bowl, and $110 million worth of emergency food rushed in to fill it. Countless lives were saved, but Mutharika felt humiliated that he couldn’t feed his own people. Enough is enough, the president told his countrymen. Malawi couldn’t continue to live on food handouts every year. “If we are to make hunger a thing of the past,” he said, “we need to make serious changes. No longer business as usual.”

Subsequently, President Bingu Mutharika announced that the government would provide farmers with sufficient inputs to combat household food insecurity. He made the following comment, in response to the ensuing opposition from donors “As long as I’m president, I don’t want to be going to other capitals begging for food,” and told his advisors: “our people are poor because they lack the resources to use the soil and the water we have” (Dugger, 2007).

In 2005/06, the Agricultural Input Subsidy Program (AISP) was implemented, which was later renamed the Farm Input Subsidy Program (FISP). According to Chirwa and Dorward (2013), although the impetus for the AISP was the renewed concern within Malawi over maize production, the decision to implement the AISP provided an opportunity for President Bungu Mutharika to craft a program that would be popular with the rural masses across the country and would provide potential resources for patronage, but which also had a clear economic and welfare rationale that lay firmly in traditional domestic analysis of smallholder farmer needs.

Here, we see a coalescing of political and economic factors which suggests that the FISP was borne of two reasons. First are political imperatives in that the sitting government (i.e., the Democratic Progressive Party, a break-away party from the UDF) had no parliamentary majority and sought to legitimate its position by appealing to the masses (Chinsinga and Poulton, 2014). Second was a real concern for the food security of the Malawi nation. This is significant in light of recurring food crises, which made the FISP a necessary investment. It also highlights presidential agenda-setting in a difficult
and complex context as regards existent hostile attitudes to the subsidy at the time. Some nine respondents described the genesis of the FISP policy thus:

I don’t know if you came across a policy note on our website… a policy note on the nitrogen drought… guess you know from your work on the 2001 famine and kind of leading up to 2004 when Bingu was around during that whole time and then, you know, I don’t even know if the 2004/5 famine was that severe but it was certainly quite severe in certain pockets and so basically part of his election promise was that we are gonna have a universal or near universal subsidy program and so I guess that’s the origin. And, in terms of specific design, there were then kind of debates about how much farmers receive and how many beneficiaries etc. and so, you know, apparently this idea of two bags per family was literary based on, you know, how much roughly a half hectare of land and if you’ve taken out 80 kilograms. I think all the numbers are on **** policy note, but you know, you are taking out 80 kilograms of nitrogen when you cultivate maize, maybe 10 kg is replaced with organic soil matter and things that go back into the Earth and so you need another 70 kilograms from inorganic sources and that the subsidy and that’s the two bags of fertilizer that goes into it. And then also, the targeting at the time of the discussions, were exactly this issue of the poorest 10% or the poorest 20% and the wealthiest 20% don’t need the subsidy. The wealthiest don’t need it and the poorest don’t use it properly, so give it to the middle bunch and so I think that’s kind of the origins of this and obviously once you give 1.5 million farmers it’s very hard to kind of take that away again, and it has kind of become part of, you know, farmers kind of expect that it’s going to be there.

Yes, I mean this an area where there is a lot of debate, it starts from a description of whether FISP is a productivity enhancing program or a social protection program. There’s a component, there is an agreement even among development partners, or at least among some of the development partners that there’s a social protection component and a productivity enhancing component. Even among the development partners themselves they are not agreed regarding how we should
actually address these issues. There is disagreement among development partners themselves, and obviously there will be points of disagreement between development partners and the government but the government at the end of the day is interested in ensuring that it achieves food security and how it does that is where the debate is centered. The origin of FISP is a recognition of the fact there is a pocket of the farming community that will be unable to participate meaningfully in the market if it is not subsidized, and therefore, immediately you move out of some utilitarian reasoning into some egalitarian, you know, kind of social welfare function, and that is not almost entirely consistent with free markets. Therefore, you need to balance, perhaps we need to isolate which component of the program should be focused on markets and which component of the program should be focused on social welfare dimensions but that does not mean to say that we should completely ignore the markets, indeed government is actually at the moment focusing on how best it can ensure that the private sector meaningfully participates and is not crowded out as a result of FISP (emphasis added).

The origin was that we came through a period where most households did not have food and they were indicating that they could not afford fertilizer therefore government said we have to subsidize fertilizer. Initially we subsidized fertilizer for food crops maize and also for tobacco, as I said entitlement does not mean you have to grow maize, you can grow tobacco and you sell and buy maize for yourself. So we subsidized for the first two/three years but eventually we stopped subsidizing tobacco we only maintained the maize subsidy; the reason is that they say it’s expensive – the farmer cannot afford, but how long are you going to do that? And are they producing enough, that myself and yourself we have to depend on a poor farmer to feed me? Uh do we have policies will have to move you, you can do better because you mechanize agriculture so it’s those things, otherwise that was the genesis of the farm inputs subsidy program and donors were not on our side that time so we had to go it alone.
I think it’s absolutely fundamental, I mean ensuring that Malawi basically produces sufficient food is the absolute cornerstone of economic progress um and I mean that’s the sort of for a number of reasons, one’s you’ve got a very poor population who spend a very high proportion of their income on food so when you have a food crises you have prices of you know basic commodities going sky high and just poor people not being able you know to access sufficient food this then triggers the requirement for a very expensive humanitarian relief program and I think what we’ve seen in the last few years is that even one were basically food secure you’re always going to get pockets of either due to flooding or drought or both unfortunately as we’ve had this year the humanitarian relief program is…you can just about afford it if you’ve got national…national level food security – but when you haven’t I mean you are just into about consider sort of nightmare territory both for the population and for the government. And if you go back to a year like 2004/05 approximately five million Malawians needed food aid and approximately two million got it, the impact in those communities that didn’t get the food aid was just horrific um I did some research myself for the International Red Cross and just going down to the community level what’s the impact you know of not having sufficient food (thoughts: do a schema for the case for local food sufficiency) you know you get your malnutrition going up you get your childhood disease going up, we have quite a lot of evidence of family breakdown, women being forced into transactional sex, you know kids being withdrawn from school, I mean literary you know every one of them is a family tragedy and I think you know when we sit in our capital cities you know we we’re a little bit too far removed from the poverty that’s down at that level. And I think for government to you know to not have policies in place to at least try to ensure uh food security is fundamentally wrong.

Yes, but which is ludicrous I mean nobody says in India or China or Vietnam or Japan that um the fertilizer subsidy is a political program they say it’s essential… it is essential, farmers have to intensify and under current input and output prices you can only do this with subsidies. I mean, as
I said, you’ve got to keep separate what has happened to FISP in terms of its, of its management from the necessity of putting inputs into the hands of farmers in the way which the rest of the world has had to do.

I will go a little bit before FISP, since the universal subsidy that was being implemented under the MCP one party era came to an end through the structural adjustment program which was championed by the World Bank; when it came to its, the end of that subsidy, and market liberalization in 1994 that was the genesis of food insufficiency in the country. We started seeing more of food shortages, until, I remember in 1997/98… when Bakili Muluzi introduced the starter pack program. These were free handouts meant for 0.1 of a hectare given to the farmers for free. It did make some good progress, but the question came in again, was the program sustainable? The question still remains; you know? The donors who supported the first two years or so said no we cannot continue and we saw the Starter Pack program changing into Targeted Input Program, reducing the numbers and trying to target a few, okay? … But with all these efforts, we still had insufficient food production when compared to the target consumption levels of food, that’s when it became, 2005/06, when the country, the government of Bingu introduced, that’s why you will see in the documents reintroduced the subsidy program because it was there before.

I think we were coming from a food crisis and people were handling it… they were handling it with a kids gloves trying out ideas, oh let’s do a joint emergency task force, oh let’s do (unclear) a recovery program; government said no, we can’t do like this, people are coming from emergency, yes, you were doing recovery programs, yes, but let’s do full developmental programs where we give people – they grow, they have food, they can have enough to save, that’s where it started from, so we were coming from a background of crisis and the leadership had to take bold decisions, so it’s purely for the food crisis.

It started a long time back, it started with targeted inputs program, basically stemmed from the fact that that there was very little use efficiency on the fertilizer and after being successful it was
increased to FISP. I think 2005, was the first year where government was supporting the subsidy program and the bottom line is that it was trying to ensure that there is more production of food. This was also a response to the big crisis that had been there before… I think five million people were hungry. Yea, so basically government was like obliged to do something so that we avoid those alarming statistics.

… I think in 2002, 2005 there was a lot of food insecurity and government thought of a more comprehensive way of trying to improve food production to get rid of this food insecurity that’s when it came up with the FISP. Originally the donors were not in support but after seeing the benefits three years down the line they were in praise of the government’s decision to implement the farm inputs subsidy program. So what we saw is that once the FISP was implemented food production increased quite a lot to the extent that from a food deficit country we quickly became a food surplus country. We were able to export to out neighboring countries, but unfortunately that was not sustainable over a long period of time because of weather related shocks. My thinking is that when the FISP just started we had favorable weather in terms of rainfall, so it was a combination of both. But over time, when rain became erratic, the benefits of the FISP were quickly diminished.

According to Chirwa and Dorward (2013), other factors aided in the decision by the government to go ahead with the implementation. Of note, the introduction of large-scale budget support by donors and to a lesser extent ideological fractions within the donor community regarding the relative economic and welfare benefits of such a program. This gave the government “breathing space” or ample latitude to exercise greater control over policy, aided by “new conditionality” under the terms of the Paris Declaration on Aid Effectiveness under which donors have to align with government policy priorities. It is likely that at this point, “new conditionality” effectively meant that donor influence on policy via finance as experienced under SAPs, for example, had declined significantly (see Riddell, 2014).
In general, the subsidy is thought to have led to a dramatic increase in the national production of maize, such that the policy received international acclaim, including a front page article in the *New York Times* titled “Ending Famine, Simply by Ignoring the Experts”\(^2\). There are debates, however, as to the veracity of the production statistics. The question of agricultural production statistics and evidence of other impacts of the FISP are addressed in Chapter Six.

**Program Design and Implementation**

The stated primary objective of the FISP has consistently been to improve resource-poor smallholder farmers’ access to improved agricultural inputs so as to achieve national and household food self-sufficiency, and to raise rural incomes through increased food and cash crop production (Chirwa and Dorward, 2013). In practice, however, the FISP has mostly focused on the food production component. The program’s focus has primarily been on the provision of fertilizers and improved maize seed varieties to approximately 50% of Malawi’s farming population (ibid.). But, specifics of implementation reveal changes in the mix of subsidized components to include tobacco fertilizer, legume seed, and even chemicals. Various reasons have been offered for these changes, including regionalized party politics (for example, Chinsinga, 2012b).

According to Carr (2012), a few fundamental decisions relating to the structure of the subsidy had to be made subsequent to the president’s policy announcement that the government would implement a fertilizer subsidy program. These decisions concerned whether: (a) the subsidy would be universal or targeted; (b) if targeted, then who would be the beneficiaries; and (c) how much fertilizer and what type would be required? In response to these questions, it was decided that the subsidy would be targeted. The choice to target satisfied two considerations: (a) to avoid leakage or exports of inputs across the national border which is something that might be possible if the subsidy were universal, and (b) due to the lack of sufficient funds, it was decided that the subsidy would be targeted to 60% of the smallholders (the so-

---

called productive farmers). This category of farmer comprises those smallholders who are unable to access inputs on the market, but have sufficient land and human resources to make effective use of subsidized inputs. Thus, the language of productive farmers, which has currently become a mantra, has always been part of the initial design of the FISP, according to one respondent and one of the architects of the program.

The decision to target 60% of smallholders was based on existing survey evidence of the economic behavior of farmers, which showed that 20% of the wealthiest households had been purchasing their own fertilizer with cash for a number of years -- this was referenced in one of the preceding respondent quotations. This cohort, therefore, was excluded from the subsidy because their inclusion would possibly cause the displacement of commercial sales which is antithetical to the enterprise of private sector growth. On the other end of the spectrum, the poorest 20% lacked the production factors needed to make the best use of a costly subsidy. Thus, this group was also excluded from the subsidy (see Carr, 2014). It was implicitly assumed that these two groups would benefit from the economy-wide impacts of the subsidy and other more appropriate social welfare interventions.

The FISP initially targeted 1.5 million rural smallholders, about half of the total number of smallholders in Malawi (Pauw and Thurlow, 2014). Since its launch, however, the total number of beneficiaries has fluctuated between 1.4 and 1.7 million (Chinsinga, 2012b). Accordingly, the total amount of fertilizer distributed has also fluctuated, with planned figures ranging between 140,000 MTS and 170,000 MTS (see Logistic Unit reports 2005/6-2014/15). The largest amount of fertilizer distributed was during the 2007/08 season at 216,553 MTS, this is shown in Table 4.1. There does not seem to be a constant pattern to key aspects of the program over the course of its history, and the fluctuation in the total number of recipients targeted each year is one aspect of this inconstancy.

The program is designed to provide each farmer with two vouchers/coupons redeemable for two 50 kg bags of fertilizer (i.e., 100 kgs altogether, consisting of a 50 kg bag of basal NPK fertilizer and one 50 kg bag of top-dressing Urea fertilizer). According to Chirwa and Dorward (2013), the seed and
fertilizer packages drew on longstanding MoAFS crop production recommendations. The recipients on their part are expected to pay a small redemption fee, equating a subsidy of two-thirds or more of the commercial price of fertilizer. The redemption fee for a bag of fertilizer in 2005/6 was set at MK950; this was lowered in 2009/10 to MK500 and remained as such until 2014 (Arndt et al., 2014; Logistics Unit, 2015). In addition, beneficiaries also receive a maize seed coupon for either hybrid or composite maize seeds, in 2 kg and 3-4 kg bags, respectively, as of 2005/06. In 2009/10, this changed to 5 kg hybrid seeds or 7.5-10 kg composite seeds. While initially the program subsidized open pollinated varieties, more recently the emphasis has been on hybrid seeds due to their high yielding quality (Chirwa and Dorward, 2013). A legume seed component was introduced in 2007/08 and by 2014 this covered beans, cow peas, pigeon peas, groundnuts or soya. The legume package was 3 kg for soya and 2 kg for all other legumes (Logistics Unit, 2015). For specifics on the main program features and various changes see Chirwa and Dorward (2013: 91-92) and various Logistics Unit reports from 2005/06 up to the present.

**What is the Objective of FISP?**

As previously discussed, the original objective of the FISP was to improve national and household food security (for example, Chirwa and Dorward, 2013). The program was originally designed to target the productive poor. At some point, the emphasis shifted to targeting the poor in general with anecdotal evidence suggesting that this shift was driven by donors. More recently, the emphasis has reverted back to targeting the productive poor. The idea is that the program should be seen more as an instrument for enhancing growth than as a social protection safety net for the poor. This shift also reflects the wider objective of commercializing the agricultural sector. In brief, agricultural investments should be reflected in impacts on growth and poverty reduction. The belief among key stakeholders is that the objectives of growth and poverty reduction cannot be realized by focusing resources on maize and the ‘unproductive’ poor. This section, therefore, explores two key questions “what is the main aim of the subsidy?” and in view of current debates, “what is the future of the FSIP”? The analysis references the views of the study respondents.
As regards the main objective of the program, it remains unclear what it is. Indeed, there is considerable confusion about what is the objective. On the surface, it appears that the objective is clear which is to enhance national and household food security. However, the objective becomes fuzzy when the operational specifics and perhaps debates on results of the program are considered. Its operationalization raises questions about the objective, namely, “how.” It is one thing to say let us improve food security, but quite another to define the specifics of actually doing it. This means, actually agree on the modalities when confronted with a particularly very complex context, including the structure of rural livelihoods and the macroeconomy in general.

A more fundamental question also concerns whose food security, given the very large numbers and variability of smallholders. On another level, other issues come into the discussion and compound the problem, i.e., the quest for growth and poverty reduction. These aspects are themselves unclear as regards the efficacy of the FISP. At this point, it is important to point out that part of the confusion derives from the lack of specificity in the program’s design, but also a conflation of matters when non-specified objectives are included in the discussion. This is mainly linked to the question of what resources are being pumped into the program and what is actually coming out in the way of benefits. These issues can be seen in the expressed views of study participants in response to the question “what do you consider to be the main aim of the subsidy?” as one respondent noted:

I would say it’s a national food security program, it’s to attain national food security. I mean, whatever they say about that that’s my view, that’s what it’s really about. So a lot of people sort of beating themselves up and contorting about whether it’s a productivity program or social protection to me it’s a productivity program. I think it makes sense to target it in line with social protection policy…. I think it’s been unfairly criticized for not targeting the poorest of the poor. It wasn’t meant to target the poorest of the poor.

The notion is that the FISP’s targeting has failed, that it has deviated from the original design specification due to the influence of both politics and donors who have been critical of both past and
present programs for not sufficiently targeting the poor. Recently, there has been more emphasis on linking the FISP to social protection programs. This is because the unproductive poor, those who cannot put inputs to effective use, are also the very same people who receive other forms of government help. So, in the eyes of purists, this constitutes inefficiency on two counts: (a) wastage of resources through the double effect of being beneficiaries of the FISP and other government interventions, and (b) wastage through their limited impact on growth. There is a class of farmer, as previously indicated, who is essentially considered a “basket case.” Thus, the proposition is that these be recipients of social welfare transfers, just as is the case in developed nations. This is seen to be the more viable option than the subsidy.

The thinking is that if the FISP does not increase the productivity of the poorest it fails to enhance their food security, therefore, it fails as a social protection program. This necessitates the application of other forms of social protection, and that the general design of the FISP be reconfigured. It was emphasized throughout the interviews that there is a need to shift the focus of the program to target the productive poor. This is another undefined category as regards specifics, i.e., who are these people? The following five quotations illustrate some of the points discussed above and the inherent contradictions as regards the objective of targeting the poor, and of course the inefficiency ascribed to the inclusion of the unproductive poor when viewed in terms of class-specific food security strategies:

I think that’s exactly the challenge that Malawi deals with, and to some extent if you look at the design of the input subsidy program, the original idea was that the poorest of the poor farmers, very unproductive, they don’t have good land there’s probably no point in giving them the subsidy, the fertilizer subsidy because it won’t be used productively. So the focus has always been to try and target the productive poor whereas the poorest of the poor, you know, maybe give them a cash grant which never really happened. But you know, I think government itself is of the opinion that there is a certain class of farmer that it’s a bit of a basket case and you know let’s just try and help them survive but not beyond that.
My view is that it’s quite a challenge to implement a targeting program in a context where the majority of the people are poor. I think it is very important to recognize that Malawi in the last twenty years has experienced the disappearance of social stratification in the rural areas. I think more or less everybody in the rural areas is poor and we did a simulation study that demonstrated that for the targeting to be effective we must be targeting eighty percent of the total population, but what we are trying to do is to target fifty percent of the population. In that case there are bound to be enormous errors of inclusion and enormous errors of exclusion.

I think it is a well known secret that FISP is a political tool than a development tool. The conceptualization of the idea of FISP was really good, but the implementation is where we had problems because for any social welfare protection programs that are aimed at shielding the poor against food related shocks or livelihood shocks there are some important components that need to be adhered to, one of which is graduation. If the idea is to make people food secure, if you are targeting the right people as soon as they are food secure they are supposed to exit the program. But we have seen that there has not been any graduation, so if this program was really successful people would be taken off the program so that over time the number of beneficiaries would also be declining but that is not the case the program has maintained the same number of beneficiaries. But also there has been a lot of debate on whether we are actually targeting the right people.

… but the FISP, why people are not happy and even myself am not happy, because it was like a wound that is bleeding so it needed a bandage, so FISP is a bandage of that wound. It’s a temporary measure, it’s a relief to the people who were crying for systems, permanent systems that would supply them with seed-with fertilizer which have been destructed by the World Bank structural adjustment programs. So FISP has continued to date, it’s really now becoming a drain because it’s not achieving the intended purpose, because as a country we need to live beyond food security. We can’t just live in this century for food security alone. After I have filled my stomach don’t I have other ambitions? No, we have other ambitions. So as a food security measure it has
done its job but it has outlived, it needs to graduate now to look at the farmers as productive entities that could produce better beyond food and to that effect FISP has let down the masses and it has the effect of pulling down those who were good farmers into the net of poor farmers because our villages are not exclusive. You don’t have a village that is for better farmers/rich farmers, this village is for poor farmers. They are neighbors, so this one is waiting for free fertilizer, what should make this one to go and work hard he has the capacity to do that, but what should make him to go an extra mile to get fertilizer? He doesn’t have an incentive; he is better going on the que with the rest of the farmers. So you will find that, if you do the analysis we have 3.5 million farming households, FISP is targeting 1.5 million so you have 2 million farm families which are better productively but they are not being financed… they are now idle, they can’t get anything. So this is what is contributing to the food insecurity in Malawi and even the drop in GDP from 40% to 26%, a drop of 14% in GDP contribution from agriculture. It’s these people, 2 million have been rendered idle.

Well, it’s a very obvious thing that FISP will always be a topic that will attract a lot of debate and academics like those things, am an academic myself. I have also expressed opinions on FISP, but at the same time it takes us back to the point that I made earlier on regarding whether we want to look at FISP as a social protection program or a productivity enhancing program. We must first of all agree whether we need some social protection programs, programs that will lift up pockets of the population that will not otherwise survive without that kind of intervention. When we balance the arguments along those lines, we probably create a better environment for us to reach a consensus regarding how we want to formulate government policy. I know that the issues of whether we can move labor out of the agrarian society to you know labor wage employment is a big thing, but I know that in the short run it will not be possible for us to actually to move everybody out of agriculture and in the short run we have to make sure that we design policies that are cognizant of the fact that a significant proportion of the population will still have to earn
their living on the farm. That’s is where FISP comes in, now FISP goes beyond just saying that people will be on the farm but also says that in order for them to be on the farm they should be assisted to be productive, you know, we had a discussion actually as recently as yesterday which was actually interrogating these very issues and trying to see whether we can have a model that moves labor out of agriculture to industry. The problem we have is that the industrial base itself is not picking up, and it’s not picking up because of many factors including macroeconomic issues. We have not yet reached a point where it is meaningful to borrow on the domestic market and invest because our interest rates are very high, the inflation rate is very high, which accounts for high interest rates as well. Until and unless we address these issues we cannot meaningfully talk about promoting the industrial sector and therefore creating wage employment in proportions that will lift people out of poverty. Therefore, we must address that poverty _where_ the people are and that’s why programs like FISP become critical as a short run intervention.

The above quotations highlight the disjuncture between policy as it relates to the initial objective of FISP and what has actually occurred, perhaps inflected by a complex context. There has been a change from the initial design specification of targeting the productive poor to being a program that is ‘untargeted’ to include the ‘unproductive’ (i.e., the elderly, the infirm, the landless, etc.) to reverting back to the design specification of targeting the productive. This reflects wider concerns that transcend more than just a focus on increasing productivity but a general reconfiguration of food security policy to more accurately reflect presumed “possibilities” and what is pragmatic. The related efficiency arguments have been alluded to in other chapters. Thus, it would appear that presently both the government and donors have reached the conclusion that the FISP will better serve the functions of growth and poverty reduction by targeting the productive poor. Again, this is so with one eye fixed on the economics, or the objective of reducing the costs of the program.

At the level of productive farmers, the question concerns who they are or who they will be producing for? Is it for their own consumption or is it for markets? One thing is clear though which is that
throughout Malawi’s history, it is the smallholder farmer that has been producing food for the rest of the population as challenging as the context is. The question of maize production trends and evidence is discussed in part in Chapter Six. Whatever levels of inefficiency are referenced in debates on the FISP, it is clear that maize production has increased and the numbers of the hungry have declined except during times of climatic disasters during which food imports are required. For example, during the 2014/15 and 2015/16 growing seasons, parts of the country were affected by floods and drought. When this happens it often leads to hunger. In 2016 around 6.5 million people in Malawi were exposed to hunger (Mueller, 2016). Floods and droughts in Malawi have been linked to El Niño–Southern Oscillation (ENSO) phenomenon (climatic variations induced by sea surface temperature anomalies in the Central and Eastern Pacific). The specific way in which the phenomenon affects the country is geographically variable. A photo showing the impact of drought on crops in 2015/16 is included in Appendix C.

When the question of productivity is raised, one needs to bear in mind just how much it can be realistically increased in the face of numerous contextual constraints. The evidence on ‘optimal’ yield returns is mixed which is an issue that will be addressed in Chapter Six to highlight some of the flaws in the productivity efficiency thesis. The following quotation illustrates the complexities inherent in FISP policy – the multiplicity of factors to consider, and under what conditions certain objective/choices would be ideal:

I guess and food self-sufficiency at the national level and so kind of a combination of these two. I think during Bingu’s early years it was all about national food self-sufficiency and you know food security at the national level, but I think there is now better understanding that at times you gonna have pockets of food insecurity and so it shouldn’t be considered a failure of government. It’s natural for that to happen, but then it’s about logistics in getting food to areas where there is a deficit. Look, I mean if they kept it at 1.5 million beneficiaries for 20 years then it would kind of, then hopefully by that time it would be a fairly significant, maybe good idea. It would be a fairly insignificant cost I think assuming the economy, you know the rest of the economy grows.
efficiently. So I mean the big question is population growth, what would the aim then be? Would it be to try and promote surplus production or would it be just a few farmers producing enough for their own families? That’s kind of always been the issue with the program, ‘understanding whether it’s about producing maize for the markets or producing enough maize for subsistence households.

Presently, the focus is on how to make the FISP transformative. The extent to which this objective is feasible is anybody’s guess. It is more likely that the confusion in policy objectives will persist in respect of the complex context of rural livelihoods and their capacity to be transformative, and the wider emphasis on returns to investments. One respondent opined thus:

I think the main aim of the subsidy is to achieve food security although over the years several objectives have been grafted. But basically, the fundamental aim of the FISP is to achieve food security…I kind of answered this question that FISP is looked at in isolation from the broader rural development interventions. The reason is very simple, because it’s looked at as a quick fix to the food security situation and not necessarily as a vehicle for transforming the rural countryside. People have talked about the introduction of safety nets, such as cash transfers or food for work, these should be programs targeting these groups of farmers because everywhere even in societies like the US there will be people who are vulnerable, who are not productive, and the argument is you can’t waste resources on those people…it’s either inputs are sold or not utilized at all. So it would help to direct those inputs to people who could make productive use of them.

While the question of enhancing productivity is crucial to the enterprise of reducing hunger, the emphasis on growth enhancement or poverty reduction perhaps sets a much higher target. Notwithstanding the merits of such a focus, given the inherent structural limitations, this view needs to be qualified. The productive poor are still poor, and the task of reducing poverty is a far more complex undertaking, especially because it is also linked to macroeconomic processes. Thus, some level of
‘inadequacy’ should be expected. The more critical question concerns whether there is the political will to sustain the program in the face of seemingly inadequate impacts. To highlight the inadequacy of contradictory propositions, one only needs to ask the question “what is the alternative?” So really, the real question that policy makers are grappling with concerns how to maximize returns on investments.

In relation to the foregoing, the ways in which the subsidy contributes to the economy are as yet not well understood, which begs the question: how are growth targets, if any, defined or assessments about its failures determined? Of course, there are aspects of the program that need fine tuning for greater efficiency. The FISP should not, however, be seen primarily as a means to an end, but as an end in itself in that it fulfils both the objectives of addressing hunger and also, of sustaining growth. The cart cannot drive the ox; the ox drives the cart. In other words, putting growth before meeting the primary requisite conditions is counterintuitive. Hence, the narratives surrounding the FISP, which have primarily been driven by a skewed focus on the costs of the program when weighed against impacts, need to be properly contextualized. These aspects are reflected in the following respondent quotation:

I mean there is pressure to cut back the subsidy, but I think justified for many people because government and the economy has (sic) not demonstrated beyond doubt that the subsidy has been very helpful, yea? So I think that is the challenge that we usually have. It’s an aspect that local people if you talk to them, I mean they equate it to their life, but that doesn’t really show up in terms of the traditional indicators of a good economy, it doesn’t show up. So people are asking questions: why are we wasting all this money subsidizing maize when the economy can’t move, okay? But you would also ask a counterfactual, what if there was no subsidy, how deep in trouble would we have been without the subsidy because then you would be looking at importation of maize for some years, given that population is actually growing?

In many respects, the bifurcation in positions results from how agriculture’s role in national development is conceptualized. This is an idea that this dissertation has maintained remains one of the key issues that might help define program objectives, if well thought-out and explicitly and clearly
articulated. If there is a crisis in the sector, it will be in some way related to this very important issue. It should not be forgotten that Malawi’s economy is primarily agrarian which perhaps explains the current clamoring for increases in productivity, commercialization, and growth as is illustrated in the following two quotations:

I think the targeting towards productive poor farmers will make more of a difference to the economy than we are doing now. And I think for some of us that’s what, that’s the big sea change that we want to see, that there is bit of focus, that we have productivity as our overriding goal in terms of the subsidy although many people don’t agree. I am an advocate of that, many people don’t agree with me. They still think that food security should be the main objective of the subsidy. I contend productivity should be the main objective because that is a transformative agenda, these other ones they are not as transformative because once you say food security you’re even forgetting that you need growth. If you put in productivity growth is there because you are going to achieve growth if you become more productive. So in my view, I think it will have better outcomes over time than the way we are doing it now. So I think the status quo to me is not going to help, so even if they change the money-contribution farmers make as long as our focus is not transformative that is a problem for me.

….so these people we are calling productive farmers; they are not rich farmers. These are not estate farmers, actually they are not the poorest of the poor, but they are not rich either. So I think we have to be careful, it’s not like we are saying we are now going to target better-off or rich farmers. We are still targeting poor farmers but a different segment of poor farmers. You know, most farmers here have very little land, about a hectare of land, you can’t call that person rich, you know. But maybe from that hectare of land if you are a productive farmer; and we have to define what a productive farmer is – you can still make more from that land than if you were somebody who is a widow, for example, who may not have a quarter of a hectare of land. You see what I mean? So from the political, I don’t know how the political economy will play around,
probably because this is one area where a politician might want to use for scoring points with the population. That’s why I am saying that the direction of the ministry is to go commercial and we are not going to leave out a small farmer who wants to be part of the commercialization and we are pushing for that. We want to see a bigger movement into organizing farmers into organizations, clubs, or whatever you call it, even cooperatives, at whatever level of organization – that takes a farmer makes them join with other farmers, they get the support that they need in terms of extension, in terms of access to inputs, access to markets, whether they join with a big estate company through contract farming or anchor farmer – what they call anchor farms but they are doing the farming for this bigger company; that themselves outside they can still benefit from the commercialization of agriculture. So part of it is not necessarily to just drop out small farmers but to make them become bigger by being organized. So a big part of the policy… a big part of it is to just organize farmers. It’s already happening at a small scale with organizations like NASFAM…if we can organize them to become a group that has voice then we will move somewhere…they can access markets even locally as well as internationally.

All in all, the FISP has primarily been about food security which is why it has been targeted for enhancing the national production of maize. Although at some points cash crops such as tobacco were included, these were subsequently dropped in favor of nutritious legumes at the insistence of donors. As the following quotation illustrates:

I think the main aim is productivity and you could have some ancillary objectives like increasing nutrition, increasing adoption of technologies – because basically, when you look at improved seeds it’s a technology. I mean a farmer has to do it, but the bottom line is that the farmer has to increase the food security and diversification. In the past it used to be maize-maize, but now it’s diversifying into other crops like legumes, for example, which was not there in the past.

So, in the end, the specificity in targeting should primarily be driven by “whose” food security is to be addressed which is the shift that is taking place in relation to social protection programs. This dissertation
maintains that whoever the target population is, the objective of growth should be seen more as ‘incidental’ to the objective of food security, primarily because such a focus is bound to be frustrating and discursive. In other words, will the so-called productive poor really yield the sort of returns that are being voiced, and if they don’t do that then what next for the FISP? The next section, therefore, addresses the question of the FISP’s future. This issue is also partly discussed in Chapter Six which considers the interaction between various policy drivers.

The Future of FISP – Whereto Now?

The history of the FISP clearly shows that subsidies in Malawi have historically been a controversial subject. Much of this controversy centers on their costs, thus the question of sustainability. Given the importance of the FISP to the food security of Malawians, in particular the rural poor, this dissertation found it imperative to explore the question of its future. Specifically, whether in the face of opposition and various constraints, the Malawi government will continue to implement the program. The main research question that directly explored this topic is: “what do you see as the future of the farm input subsidy program? Do you think the government will phase it out?”

The general notion among respondents was that the government is unlikely to ditch the program. The reasons are both political and economic (for example, Chirwa and Dorward, 2013). Again, the question of what are the key policy drivers is addressed in Chapter Six, here the discussion is limited to the representation of the views of research respondents.

In the literature the general notion is that the FISP has a lot of traction in Malawi’s political economy, primarily because it represents the government’s social contract or political settlement with its people, the majority of whom are rural peasants (for example, Chisinga, 2012a). The survey data support the notion that the government is unlikely to ditch the FISP, contrary to calls by some to exit the program. Exiting the FISP would be a particularly difficult decision primarily due to the following reasons. First, political imperatives in the sense that any sitting government which decided to terminate the program
would most likely lose the next election. According to one respondent, the FISP has increasingly come to be seen by smallholder farmers as an entitlement. In this sense, according respondents, ditching the FISP would be tantamount to political suicide. Due to this, there is no political party or government that has indicated or suggested that they would be willing to terminate the program. Respondents indicated that there is no political party or government that wants to be identified with having gotten rid of the FISP, thus precipitated hunger and possibly macroeconomic problems.

Mpesi and Muriaas (2012), referencing *Afrobarometer* surveys for 2003, 2005, and 2005, state that Malawians identified ‘food and famine’ as the most important political issues in the country. They state that food and famine are of particular interest to Malawians compared to respondents in neighboring countries. One respondent expressed it thus:

I don’t think government will phase it out completely, I think the subsidy will remain in one form or another. My view is that the country’s agricultural sector is not viable without any form of subsidy, but the question should be what kind of subsidy and how can it be implemented to facilitate the transformation that we so require.

Second, and as related to the foregoing, the program is of critical significance to national food security. It was the expressed opinion of respondents that discontinuing the FISP would likely lead to a rise in food insecurity. Third, for agronomic reasons, the FISP is critical to efforts to maintaining soil fertility. According to one of the respondents, whose view is consistent with that of Carr (2014), the continued and increased use of inorganic fertilizers is a requisite condition for sustainable future agricultural-production intensification.

Due to the reasons specified above, many respondents suggested that what is likely to happen is that the government will reform the program. Accordingly, the pertinent question concerns why the current change in policy when all along the government has been intransigent? The survey data suggest that the legitimacy of the FISP in the face of increasing fiscal constraints, and related debates on the
impacts of the program, will rest on the government’s responsiveness to technical advice. Furthermore, where the evidence is demonstrably clear, it would be foolhardy of the government to remain intransigent to reforms as this would only serve to legitimate and naturalize the notion of pervasive political expedience. Where evidence is lacking, however, government reluctance to make changes to the FISP cannot be interpreted as entirely political. Risk aversion was identified as a possible factor in decision making. It would appear that donors do not fully understand the systemic risk for Malawi. One possible explanation for this lack of understanding is the high staff turnover among key donors, which prevents their understanding of, and embeddedness in local realities. The following quotation illustrates the current thinking as regards the future configuration of the FISP:

I think the evidence is that it has you know it is basically a necessary investment in the Malawi context and I think that’s what going to you know keep the program going and I think that I honestly feel that the debate will be around you know how do we adjust this to get maximum benefits from the investment rather than, and then how do you translate that through the political process.

As it turns out, the 2016/17 program will be a reduced version. The FISP will target 900,000 farming households who are expected to produce 140,000 MTS of maize according to set production targets (Kadzakumanja, 2016). During the survey, one of the key respondents mentioned that there is a need to set production targets as well as graduation targets and it now appears that this thinking has become government policy. The assumption is that the 900,000 farming households are the much-emphasized productive farmers. This dissertation, as previously indicated, is of the view that not much is known about this category of farmer in the way of specifics (i.e., as regards to who they are and their productive history). It is also unknown what will happen to the other 600,000 farming households. Some quarters have already suggested, however, that the downscaling of the FISP will likely lead to food insecurity in the country. The president of the Farmers Union of Malawi is on record as having said that
the country will register a low harvest and that the better policy option would be for the government to raise money and continue with the historical 1.5 million farming households.

The discussion in this dissertation has already highlighted the issue of policy inconsistency and its implications for food security (a question on policy consistency was included in the survey questionnaire). It was the overwhelming view of respondents that consistency in agricultural and food security policies is necessary for the reduction of food insecurity in the country. Historically this has not been the case, because both the government and donors have flip-flopped in this regard and the government has tended to respond to donor pressure (Harrigan, 2003, 2008). One respondent said: “I think that the problem is that it’s such a big program and it’s so risky to try something new…and part of the problem is we just don’t know…I mean we just need more evidence on what other alternative might work before government will change it.” Policy reversals are counterproductive to cumulative growth. For example, Harrigan (2003) cites the suspension of all Western non-humanitarian aid to Malawi in 1992-93 as part reason for the interruption of the recovery of the performance of smallholder agriculture following the implementation of the Agricultural Sector Adjustment Program in 1990.

The downscaling of prior subsidy programs, for example, the SP resulted in food crises. So what is to be expected this time round? As some have said: “the tasting of the pudding is in the eating thereof,” thus we are soon going to find out whether the focus on the productive poor will yield the presupposed incremental benefits. The position of this dissertation is that it will not; rather it will undermine gains attained in recent years. This then begs the question, why downscale? This answer is that it appears to be in response to pressure from various quarters. The following statement exemplifies the government’s understanding of the matter:

Government will in the sort run reform it to address the main concerns that are actually being made on the program because government realizes that some of the concerns are quite genuine, but government also realizes that the program serves an important function so it’s basically a question of reforming it. Government is bringing together all the evidence and interrogating it,
when it has concluded that process, it will make a decision regarding how best to reform the program. I don’t think that I can dismiss the evidence without having given it adequate scrutiny. I have read some of the papers; I think that some of the papers are quite persuasive in terms of the need for reform. What kind of reform and when it should start etc. etc., who should be more involved and less involved and things like…but reform definitely needs to be given a chance.

So it is that the FISP will attain legitimacy only in the event that it is reformed to satisfy concerns raised by various stakeholders. Whether these concerns derive from ideological entrenching in the sense that some proposed reforms fly in the face of historical experience or that certain narratives have come to assume a glorified obscurantistic position in a context of perceived hopelessness is open to debate. Increasingly, it is the logic of finance or economics that is driving the agenda. Politicians have with the passing of time come to accept that invariably change needs to take place. The question of how the government’s policy position has evolved in response to a changing policy environment is addressed in Chapter Six.

A related issue concerns whether it is conceivable that the FISP might actually be phased out completely. This is a rather fluid and complex area, and as aforementioned, most respondents expressed the opinion that it is highly unlikely that the FISP will be exited on the basis that the agricultural sector of Malawi is not viable without some form of subsidy. When history is taken as a referent, however, the idea does not appear entirely inconceivable. Precursors of the FISP were phased out at the insistence of donors who were concerned about program costs. But that was during an era of ‘stringent’ conditionalities. We are presently in the era of alignment and flexible conditionality. Thus, the government has more control over policy matters, but only in a situation of bountiful resources. If resources are strained, there is a possibility that contrary to common perception, the FISP might actually be phased out. As one respondent put it: “you know the government will phase out FISP not because people are calling for it to phase out FISP, but it will find it necessary to phase it out.” Bear in mind that there is explicit opposition to the
FISP in some quarters as was alluded to in Chapter Three and is discussed in Chapter Five. The following statement highlights some of the salient points discussed above:

I mean it is going to be a very difficult decision to exit. I think for me the most constructive debate is to say can we graduate some, which means that the subsidy should be getting smaller and smaller if we are doing well. I mean, if this was driven really on the basis of productivity we should be progressively reducing because in any economy you will need to subsidize some farmers of some sort, but the level may not be as much as a hundred and forty thousand tons, it may be much less. So this for us, I think for me and **** our thinking is that the subsidy is going to be there but it is not going to continue at the same level as we have today; because if transformation is indeed going to take place most of those farmers don’t need subsidy fertiliser – they may even be out of agriculture altogether do something else. They will need just a small plot for their maize and once they master the technique of growing maize better they don’t need a full hectare of maize to feed themselves, possibly they need a quarter hectare of maize to feed themselves but do it well. So I think even looking at the politics, there is no party in Malawi that says they are going to phase the subsidy out, they are exiting, no exit, it’s just we are going to refine it. The subsidy is going to be there, but this is the way want to have it. So it is bound to continue, but I think personally I would love to see it continue but progressively reduced to some level where we would say okay this now is really catering for the needy people who can who have not learnt in the use of these inputs and possibly capturing these people that are in social protection that are moving into this group now. So it’s a big challenge I think for our economy, especially where many people are poor.

Thus, the reforms spoken of are intended to approximate market conditions in the allocation of resources which is an issue that speaks to the question of efficiency. For example, increases in the farmer contribution, although reverting back to the original design, serves to screen beneficiaries to target those that more closely conform to specifications relevant to the proper functioning of markets in order to limit
the financial burden to the state, i.e., to transfer the burden to the users. The critical issue here is the
limitation placed by scarce resources, and economics is about the efficient management of those
resources, which makes sense except when inserted in the wider discussion on growth. Is it possible to
achieve growth in a context of chronic food insecurity? Moreover, when non-costed impacts are
considered, what will be the long-term impacts of disinvestment to agriculture, specifically to the FISP?
The current narrative is that investments to the FSIP should not be considered as investments to
agriculture because agriculture has several areas that are underfunded. In the last sentence of the
preceding quotation, the respondent contextualizes what he said before i.e., “it’s a big challenge I think
for our economy, especially where many people are poor.” This is what this dissertation describes as the
Malawian policy paradox.

The change in the configuration of the FISP in general is more in line with an overall
reorientation of policy in the agriculture sector. Chapter Three outlined the various policies that have been
implemented, then inserted subsidies in the discussion detailing the various historical policy processes
and interactions among policy makers as well as outcomes. The chapter also discussed how over time,
“chipping away” brought about a change in the government’s position to align more with market
principles. The government’s policy space has been affected by its fiscal space. So, efficiency in the FISP
has come to define what the government does. This is illustrated in the following quotation, which is in
agreement with the others, in stating that the FISP will remain but will have to undergo reform:

It will not be phased out. I think it will be made more efficient and I think there will be a move
towards graduating farmers into commercialized farmers who can stand on their own and rely on
the financial services and other services that they access themselves without the help of the
government. So we are thinking of making it become a place where farmers can go in maybe after
a certain period of time. We don’t know whether its three years or five years, you’ve been
transformed from subsistence to commercial and you are standing on your own and there has to
be a mechanism of measuring that success along the way.
According to the new policy, the FISP needs reconfiguring in order to maximize its efficiency which is itself a broad and somewhat undefined subject. The expert survey determined that these efficiency maximizing reforms relate to overall productivity as tied to the issues of logistics, targeting, and technical efficiency at the farm level. Targeting is intimately linked to what the main program objective of the FISP is, and there is considerable confusion on this. As previously stated, however, indications are that the future focus of the FISP will be on the productive poor which would be in line with the overall reorientation of policy in the sector towards ‘commercialization.’ The desired change is for the FISP to become progressively smaller with more specificity in targeting and possible graduation of some recipients. Targeting is an extremely challenging undertaking, however, given the large numbers of rural poor. Moreover, the relative gains of improved targeting mechanics will have to be weighed against the costs. The evidence in this regard is a yet to be collated in substantive and precise terms.

It is the position of this study that the recently proposed reforms in regards to targeting are likely going to create more problems (see GoM, 2015a). A key issue concerns the reconciliation of the food security objective of the FISP, particularly in regards to the unproductive poor. The proposed randomized targeting necessitates that a clear mechanism for responding to those left out in each yearly cycle is in place, the mechanics of which are as yet undefined. Given the proposed randomization in yearly cycles and attendant yearly exclusions of some beneficiaries, the logistics of linking to other social welfare programs will have to be carefully thought out. It is unclear if there is such a coordinated mechanism between the MoAIWD and other relevant ministries. Perhaps a given level of simplicity and clarity is helpful when dealing with complex problems. In regards to targeting, the objective(s) of FISP need to be made explicitly clear and the specific attributes of productive beneficiaries who are capable of graduating determined which is a very difficult task indeed (for example, Chirwa and Dorward, 2013).

Conclusion

This chapter has outlined various agricultural input subsidy programs implemented by the Malawi government since the 1970s. It built on the discussion in Chapter Three about the evolution of agricultural
policies, their increasing conformity to market principles, and how this has influenced changes to the structure of the FISP by referencing some aspects of its design, and implementation. The chapter also tried to examine the role played by the government and donors.

The discussion then zeroed in on some of the key features of the debate on the FISP and tried to build grounded narratives from the views of respondents pertaining to the critical issues of the objective(s) of the FISP and its future. The discussion showed that the objectives of the FISP have hitherto been fuzzy while primarily focused on food security. This has over time increasingly been redefined to include aspects of growth. To this end, the FISP will continue to exist due to its political and economic import, but will be reformed to maximize efficiency and more broadly to increasingly conform to market specifications.

Policy processes are further discussed in Chapter Five which looks at the opposition to the FISP and attempts to contextualize the related debates; the specific role played by each of the successive presidents to account for *Presidentialism*; and the various proposed reforms to the FISP.
CHAPTER FIVE

POLICY PROCESSES IN FISP – WHAT ROLE HAVE THE STATE AND INTERNATIONAL DONORS PLAYED IN SHAPING THE PROGRAM?

Opposition to Farm Input Subsidy Program

The history of subsidies was discussed in Chapter Three and Chapter Four. In regards to the various subsidy programs (SP and its variants in the form of TIPS) implemented by the Malawi government, it is suggestive of *long-term* and *sustained* opposition by some donors. It is, therefore, not surprising that the FISP was also initially opposed. According to one respondent, this opposition came from two main quarters: (a) members of the donor community who are not keen to use their aid money to support a long-term subsidy to Malawian smallholder farmers, in part because of inefficiencies that are linked to corruption at various levels within the structure of government and because of fiscal limitations; and (b) from senior civil servants who resent the program for initiating expenditure reallocations from their departments. Indeed, some government officials opined during interviews that if it were up to them, they would *terminate* the program. In debates on FISP, there has been considerable emphasis on searching for or devising an exit strategy.

Survey data suggest that there is both explicit and silent opposition to the subsidy. Silent because it is like a subtext or undercurrent that is not aggressively expressed. A review of media reports suggests considerable opposition to the subsidy on the basis that it is seen as a *waste of scarce public resources*. According to some respondents, it is effectively subsidization of immediate *consumption*, which does nothing to induce growth. Most respondents were of the view that opposition to FISP comes from technocrats, urban populations, some donors, the private sector or business community, and western intellectuals. The pertinent question, therefore, becomes: “what are the origins of the opposition?”
At the local level, likely explanations include the possibility that the benefits of the program are not visible or tangible to specific segments of the population who happen to be largely ignorant of the pertinent facts, which leads them to follow prevalent narratives. This view, of the FISP as a waste of scarce public resources has often been discussed in the media. For example, an article published by the Times Group (2016) titled ‘Malawi has wasted K288.9 billion on farm input subsidy programme’ appears to suggest that the program has been a complete failure. The keyword in the title is “wasted.” The framing is all encompassing, and suggests the FISP has been a total disaster. This is quite simply not the case, it is a framing or narrative that is very misleading. It suggests a clear lack of knowledge of the pertinent facts. In the words of some respondents, the government has failed to clearly articulate its case even though it has a lot of evidence on the FISP. The result has been the absence of positive information in the public domain that would otherwise change how the program is perceived. However, it also points to the debate on how FISP impacts are assessed.

The data suggest that many of the given reasons for the opposition to the FISP center on the question of finance. When finance is decomposed issues like fiscal space, allocative efficiency, use-efficiency within FISP come to the fore. There is considerable variation in the views of respondents as to how they characterize the opposition, which fact also highlights the complexity of the issues being addressed. Overall, however, the key issue seems to be the expected returns to the invested money. Some five respondents characterized the opposition this way:

There is explicit opposition to the subsidy and this is coming from the business community. The people that have not had hunger in their lifetime, they are the ones that are worried about the subsidy. The people that have tasted hunger they are not worried about the subsidy. I mean, they are not going to talk about a road, they are going to talk about will I eat tomorrow? So the…I think the voices that have come that exit from the subsidy are the business…is the business, the private sector. The private sector is never in favor of the subsidy. They think that the money should be used for something else. So that is a very explicit voice that has come in many of the
budget consultations. The private sector always says not just change the way it is, get rid of the subsidy. The CSOs are more like can we change the way we implement it? So there are different groups I think within our society, but most normally argue on the basis of no evidence at all. Less understanding of the way we lose nutrients in the soil in Malawi, so if you continue losing those nutrients without putting these inorganic fertilizers…where are…who is going to be feeding the towns? I mean the guys in the industry are busy…Malawians love nsima³, that nsima is coming from the subsidy and yet they want it out. So there is, I mean…it’s open knowledge…public knowledge that the private sector is never (sic) has never supported the subsidy (emphasis added).

I think the narrative is a chorus being sang by several stakeholders. I mean we have donors, especially donors who have through and through been against the subsidy, you know, the World Bank, IMF. Then you have some progressive local economists, have been through and through against the subsidy. Then you have some other stakeholders who were basically sitting on the fence like DFID, but yea the number of stakeholders who are holding the view that the subsidy is not as productive as it should probably have been has increased on the basis of evidence that has been generated through various studies and I think evaluations that have been carried out. But that said, of course it is also important to recognize there are voices including some donors like Irish Aid, the Norwegians, some UN organizations: FAO and WFP, including the government itself, who are saying that we should not do away with the subsidy because without the subsidy the country can more or less collapse (emphasis added).

It’s faced so much opposition, from the middle class, urban people who are quite unaware of the realities of agriculture who say that money should be going to my university department or that money should be going to my overseas travel or that money should be going to buying a new car for my department instead of being given to illiterate peasants. And they say that sort of thing, I was at the annual meeting, am going off again to the next the economic society, and people

---
³ Nsima is a local stodge (starchy dish) made from maize flour.
literary stood up and said it’s incredible that all this money is being given to illiterate peasants instead of to us.

Yea, there’s opposition to the subsidy, I mean the fiscal puritans think that it’s a waste of time subsidizing people who are lazy who don’t produce anything. I mean the argument really is that the whole program is simply subsidizing consumption. I mean you get sixty billion Malawi Kwacha what do you do with it you put it into the soil it produces and nothing is sold, so it’s a heavy fiscal burden so for the fiscal purities the program is not worthwhile. Yea, there are donors, I mean USAID… I mean they are really against the subsidy, there are some NGOs against the subsidy. I mean, the main challenge really or the main point that all those people against the subsidy raise is really that it’s a big fiscal drain on the national purse, and secondly I think they invoke arguments of ill-targeting; the beneficiaries are not necessarily the deserving poor but some of the people that are rich. I mean, if you look, I mean if you make a comparison into the actual amount of money that goes into the inputs and the amount of money that supports the administrative infrastructure for the FISP then you begin to wonder what’s the value of the FISP, but of course if you look at the work of people like Ephraim and Dorward, their conclusion is that the benefits outweigh the costs, but they still make recommendations that there is still room for improvement.

As a principle, nobody opposes that as principle, that we have to subsidize productivity with the hope that we produce more and export and bring in some forex, but I don’t think we are subsidizing productivity that will spur adequate economic growth, we are just subsidizing consumption. Especially the administration of the program is not to the expected standards. Those are the things that everyone points out, even the chiefs themselves, yes, they will point out those things. Yea, we need the subsidy but not in the current form, that’s what we have to look into.

There is opposition to the subsidy. I am one of the opposers of the subsidy for reasons that I have already said, its impoverishing the rural areas and disrupting the market system of commodities
because somebody has grown maize with no cost somebody with costs and you are selling it in the same market, doesn’t make sense. So it has the effect of really devastating, destroying any commercial intent in the growing of many other crops, so we are saying can we bring a credit system that would be providing for those who want inputs on credit? And then, when they sell we also need an organized market system where they can actually sell and then be able to pay for their loans. Without that there is no sustainability….

I wonder, from the news you hear people are against subsidies but in the meetings there is nobody who is against the subsidy. They are in support of it, but they are only against the way it is operated, that’s all, because it benefits like, you know, those big guys. They think that it’s only the few who are benefitting like the procurement; the people who procure fertilizer they are the same companies, especially those which are aligned to the government.

As related to the opposition to the FISP, two exit strategies have been proposed. One way is to change the subsidy into a loan, the complexities of which are immense. This approach perhaps reflects a failure to comprehend and learn from the inadequacies and failure of ‘similar’ credit schemes of the past (for example, see Carr, 2014). It also runs contra the original premise for implementing the subsidy, which was the recognition that poverty among the majority of the rural populace is extreme. More importantly, it would make the production of maize a capital-intensive enterprise. This idea is particularly untenable given the low profitability of fertilizer use in Malawi when considering the very high cost of fertilizers and an unfavorable maize pricing policy. When the existing configuration of rural livelihoods and the macroeconomy is considered, such a strategy would tie the poor in a low productivity trap (for example, Harrigan, 2008, 2008b).

The other way is to redirect FISP funds to alternative investments such as agricultural research and extension services. Survey respondents opined that one of the arguments against the FISP is that it is precluding the government from investing in other critical areas within agriculture. However, this needs to be historically contextualized. According to Carr (2014: 3), over a period of 15 years, the WB and
other donors provided more than US$150 million to the MoAIWD to strengthen its research and extension capacity. He states that all project completion reports indicated that the investments had no positive impact on yields or national grain production. The failure of other related projects, such as the Agricultural Services Project, the final and largest investment which received the most damning evaluation, led to the suspension of all lending to the MoAIWD for a number of years.

In Carr’s (2014) view, this was hardly a surprising outcome because this strategy does not address the dominant constraint on crop production, namely, a shortage of essential plant nutrients (emphasis added). This underscores the idea that investments in such activities should only be seen as complementary. One respondent when discussing the efficacy of the subsidy, expressed it this way:

It’s been a big question that one. Whether subsidization is the best use of resources whether within agriculture sector, or if you look at the broader economy. But it is also a troubling question especially for a country that has been having a lot of episodes of food insecurity when it has the land, it has possibly the water and what have you. And some of those things are even more expensive than providing subsidies. I mean you could make a case that okay let’s not subsidize, let’s put the money into extension, so you are putting the money to extend to who, extension to who, these guys don’t have inputs? So you pour all your money into extension and I think previously even research, that’s what we were doing in the old days. There was lots of money into extension, but what did extension give us?

In addition, the current trend of low funding to agricultural research and extension reflects a post-SAP trend. In general, underinvestment in agriculture initiated by SAPs of the 1980s has never fully recovered. Going by the above, the notion that the FISP swallows up resources that other sectors within agriculture could have benefited from is somehow misplaced and harmfully redirects constructive discussion. The real issue concerns the acceptability of subsidies when costs are considered. Strictly speaking, the so-called sufficient levels of expenditure are in fact not optimal (respondent communication).
Thus, the prevalent narrative concerning FISP expenditures obscure the underlying causes of underinvestment to the sector as a whole. It also obscures the fact that there are significant amounts of off-budget donor monies that are being pumped into the agricultural sector, for example, under ASWAp. This money bypasses the MoAIWD. This effectively means that there is less scope for running comprehensive programs, whether it be in the area of research and extension or otherwise. It is worth mentioning in this context that scale and lack of integration are critical issues (see World Bank, 2013).

Additionally, increases in national maize production have been achieved without significant resources pumped into research and extension over the reference period of the FISP. According to Carr (2014: 4), presently ‘there is nothing to indicate that an expansion of an extension service which is unable to remedy the problem of a “nitrogen drought” will have any more success than its predecessors.’ In a way, this position is corroborated by the findings of the NAP consultation process. Among factors to be considered in national food and nutrition security policy, extension was identified as the least significant factor by the participants (Nankhuni, et al., 2015). Factors in order of significance included diversification, nutrition education, productivity enhancing, post-harvesting handling, agroprocessing, policies and institutions, and extension. This information is shown in Figure 5.1 below:

![Figure 5.1. National Agricultural Policy Consultation Outcomes. Source: Nankhuni et al., 2015.](image-url)
Thus, the continued focus on the possible neglect of extension, notwithstanding its significance, perhaps constitutes a redirection of the discussion on food security in Malawi. The following five quotations illustrate some of the thinking vis-à-vis opposition to the FISP and the foregoing issues:

The opposition is that it is draining a lot of public resources, so that has been a big issue, as I said, we were discussing with government in terms of what could be the efficiency reforms, basically that was going to the fact that it is very expensive. As I said, eighty three percent of the ORT (other recurrent transactions) is for the subsidy. What it means is that only seventeen percent remains for other transactions. So what we are saying is how best we can make it efficient, to be a low budget. That’s why when the minister of finance was presenting, I think the expenditure for the previous year was around MK60 billion now with some efficiency reforms brought it to MK40 billion.

Yes, I can say it is sufficient, am talking here about expenditure because there are two things we have to talk about when we talk of the agriculture sector. We talk of the budget which are the allocations themselves then we talk of the expenditure like the execution in terms of how have they delivered based on what was approved. In terms of the budget allocation, at least now we can say Malawi is doing quite well in terms of agriculture… because we are above the ten percent which is the SADC, the CAADP requirement. We are saying agriculture sector should be getting no less than ten percent of investment, so the ministry of agriculture is getting around twenty-five percent or eighteen percent per year. Of course, a lot of money is going into the agriculture sector but a huge chunk is for FISP, that’s another concern. The budget is there, its high but how about other core areas like research, extension, livestock, irrigation? It’s not getting adequate resources because a huge chunk is going to FISP. So that’s one angle, now when you come to expenditure, it’s now the story we have talked about, expenditure is subject to how transfer comes from the ministry of finance. So much as we may have a very good allocation in the budget but come by the end of the year, execution, it’s not also all that satisfactory.
I think the states’ commitment has always been there, yea, I mean, if you look back at the annual budgets for the past ten years you will discover that agriculture has always taken up the lion’s share of the budget. And if you look at the budget, vis-à-vis, the continental commitments under the auspices of CAADP, you will discover that Malawi is one of the few countries that has been able to surpass the ten percent of the allocation of the annual budget to the agricultural sector and at least for some time achieved over six percent of the annual growth target for the sector. But as I have already pointed out, I think the key challenge or key issue is the quality of those expenditures. I think that has in my view been a major challenge, so instead of allocating even more resources to the sector I think it would help quite a lot if it were possible to simply realign the expenditures. I think that would create considerable value addition without necessarily incurring further expenditures.

In terms of expenditure, if you look at the government of Malawi if we go to the agreements, the Maputo agreement on CAADP, where the government of Malawi is supposed to spend at least ten percent of the budget on agriculture and then achieve six percent growth rate in agricultural GDP, when you look at this, you find that the Malawi government has actually surpassed the threshold in terms of budget allocation, but then in terms of output we are still very low if you refer to all the reports the desired six percent has not been attained by the government. Why? This is where the issues of the efficiency on the use of resources come in, close to seventy percent of the national budget for ministry of agriculture goes in FISP. And what has FISP generated? It has done something good, a move from possibly under a ton per hectare of maize yields to somewhere, if I quote the last figure, 2.6 metric tons (MTS) per hectare under rainfed. Then you have the challenges of the droughts here and there, you find that the overall productivity of the FISP program is far much less than what is desired. Because of this the resources yes are going in there but what is coming out? Because of the same concentration in one area you will find out that there are other key sectors within the ministry that have been compromised. For example,
you will find that, as I mentioned earlier on, the challenge of involving extension workers in FISP… maybe ninety percent of the time of the extension workers is committed to FISP, what does that mean, the core services or provision of extension services is affected, ok? You go to research institutions, the way research institutions were performing before this development of FISP and today is far less below expectations but this is where we can get all the innovative ideas of improving the sector. The research is equally constrained in terms of the resources so the allocation of resources and the efficiency in the utilization of the resources in the government is the issue which has to be addressed, ok? Otherwise, talk of the targets, yes, the ministry of agriculture has surpassed the targets for the past four five years, it has surpassed its target, but what is the output? I think they do not tally, so those are the challenges which I think the government will have to look into. That’s why there are a lot of people saying, okay, if we still want FISP let’s find a way of improving the efficiency of the FISP itself. Imagine, in 2005/09 eh 2005/06 okay, the first FISP, the contribution by the farmer was 900 Kwacha, the following year it became 500 Kwacha okay, yet the price of fertilizer was going up and up, now we are talking of 17000 Kwacha a bag of fertilizer and then the farmer is still paying 500 Kwacha? It doesn’t make sense. So the government has ended up into a huge budgetary burden the very reason why the opponents of FISP have been arguing time immemorial is because of the issue of the budgetary constraints that would come along this road and then the program has been seen as more or less a permanent program when actually it was meant to address a particular situation at a particular time, in my understanding. But if you look at it, it has become permanent, why, I do understand, it is for political reasons. It doesn’t make political sense that am coming in now to remove this free thing for you, okay, so here as much as even the politicians themselves are aware of FISP limitations, the challenges in the program but it’s difficult to come in the open and then talk to the electorate on how much they should contribute. During the recent symposium, I think there were proposals that why don’t you increase to fifty percent, of the contribution should come from the farmers, it would reduce the burden on the government, one, secondly, it will also target
the right people. Because for the time being there are certain people who are targeted they just sell fertilizers, there are certain people who are targeted, they get one bag and share five-six of them and in a technical sense it has no meaning; the dilution effect of the use of the fertilizer in the field.

Definitely, yes, because it is a priority area and I think there are quite a number of areas that maybe require additional resources, but because the cake is limited you have to live within what is available. At the same time, there could be chances, reallocation or reprioritization within the sector because there is a big chunk that goes to one particular program, the FISP. When you look at the overall allocation to agriculture, a greater percentage goes to one particular program, but with the proper management of the same I think they could still use the same allocation but just vary in terms of other areas – other programs being given some extra or additional resources as well.

On a finery note, the opposition appears not to be directed at the subsidy policy per se. It seems to be directed towards such issues as the level of the subsidy, sector specific allocative imbalances, and other critical design and implementation ‘defects’ which impinge on its overall efficiency.

**Policy Processes in FISP**

As mentioned in Chapter Four, the FISP is largely thought to have been borne of political expediency. It was also conceived, however, as a response to a *genuine and serious* food crisis within a context of continuing and chronic food insecurity in the country. As one respondent put it: “well basically it was a fairly catastrophic harvest in 2004/05 and the political commitment by Bingu, to you know, I am not going through this again and a determination that Malawi would produce its own food.” Various authors have chronicled the various food crises that have occurred in Malawi since the 1980s. Relatedly, the various subsidy programs that have been implemented as a response, in particular the DRIP, SIP, SP,
and derivations of the SP the TIPs, and the related interactions between the Malawi government and donors (see Devereux, 2002. Harrigan, 2008; Levy, 2005; Phillips, 2007).

As previously alluded to, at the center of such processes have been ideological differences regarding how the *food security question* in Malawi should be approached. Specifically, the government has a strong belief that Malawi should be food self-sufficient through increased local production of maize. On the other hand, *some* donors have historically been market-centric and believe that the objective of food security can be best attained through alternative strategies, including through crop and livelihood diversification.

The specifics of the policy processes leading to the evolution of the SP, the watershed precursor to the FISP, have been highlighted in Chapters Three and Four. Of import and as previously stated, in regards to its demise, Harrigan (2008 – emphasis added) referenced the *lack of donor financial commitment and support* as being at the heart of many of the SP’s problems and why it could not be institutionalized within the government’s public expenditures plans. Presently, current subsidy programs which have considerably ‘improved’ design and implementation attributes still face similar criticisms to those leveled at past programs.

The survey data and information from document analysis of pertinent published and non-published papers, books, and government documents, etc. support the notion that policy processes have been consultative. According to Chirwa and Dorward (2013: 90), ‘throughout the FISP, the government and other stakeholders have worked with varying success and agreement on innovations to address difficulties, improve program performance, respond to changing political and economic conditions, and broaden impact.’ In this process, bilateral and multilateral donors have engaged substantially with the government over the program from the 2006/7 season (*ibid.*). The important fact is that there has been an open flow of information between the government and other stakeholders, donors in particular (respondent communication). To this extent, proposed reforms to the FISP reflect this policy configuration and the specific concerns raised by key stakeholders, primarily efficiency maximizing
measures. According to Chirwa and Dorward (2013: 90), ‘changes have emerged from formal and informal discussions, reviews and lesson learning within government and with other stakeholders, and from changing policy concerns in a changing economic and political environment.’ Donor involvement has also included specific funding of some of the activities of the FISP (i.e., seeds subsidies, logistics, monitoring and evaluation, and some transport).

As aforestated, the current focus is on making the FISP more efficient. More importantly, it is about keeping it within the budget which invariably involves the government taking onboard technical recommendations. The challenge in the past has been how to push through technical recommendations which have been subject to political filtering or dilution along the chain of power to the executive. So, in essence, the pertinent task is to try to discover what factors/processes have recently enabled technical recommendations to pass through the chain of command unfiltered or without being resisted/rejected. One respondent described the process of political filtering thus:

I think technical analysis definitely gets diluted before it gets to the ministers and when ministers are talking to their ministerial colleagues again there’s another process of diluting. I think that’s why you don’t get the optimal policy making. But there’s an effort by technocrats to push up constructive recommendations and there’s an effort to take those onboard, but you know the process of policy formulation because you have, you know, technical and political, you know, exactly how things come out it’s never quite clear. But I do think that…. there’s gonna be much more emphasis this year on keeping it within the budget.

Survey data largely suggest that in the past there has been political intransigence to institute reforms because of the political importance of the FISP. According to Chinsinga (2012b), the FISP has enormous political traction within the framework of Malawi’s political economy. This is because the program targets a sizeable portion of the rural population. The program also serves economic objectives, however, as is illustrated in the following response:
Well, it’s politics yes. I mean, you know you can on the one hand say they are just buying votes, but on the other hand it makes good sense politically also to be spending the money where you are going to have the impact on a large number of people. You know, so it’s finding that balance between spending efficiently and contributing to economic growth, which is obviously good for any government, but also really uplifting a large proportion of the population because ultimately that does buy votes.

When characterizing changes made to the FISP up to the point at which the survey took place, the general notion was that these had been minor tweaks, as one respondent put it: “tinkering at the edges,” or as another put it: “changes are cosmetic, it is cherry picking.” This “cherry picking” is thought to be driven by political considerations because the FISP is a “sensitive button” which can produce multiple consequences. However, when the said tinkering is examined, it is clear that some of the changes have mostly been driven and paid for by donors. Examples include the piloting of e-vouchers or the addition of a legume seed component to the FISP.

As always, the intention has been to maximize efficiency, but are there secondary objectives to these processes, such as long-term reconfiguration of agricultural policy? As previously alluded to, it appears that the strategy deployed is one of “chipping away.” One can start and stop, then come back later and continue the process. In the end, something will give. It should be said that there is no doubt that the FISP has suffered from inefficiencies and that improving the way that it is implemented is critical to improving outcomes and reducing wastage.

When major issues are considered vis-à-vis aspects that require major reform, for example, the targeting of beneficiaries, there has been fluidity. This fluidity has at times allowed the government to respond to food crises by expanding the program, specifically, the number of beneficiaries. However, this might be an entry point for interference and corruption through the distribution of rents, as opposed to a policy that is clearly specified and has in-built checks and balances in place (for example, see Chisinga and Poulton, 2014). As described above, one respondent described this situation in the following manner:
…. there hasn’t been a substantial change in ways in which the program is actually implemented. Its orientation, reorientation in terms of its objective it is the same, so very cherry picking hot issues – issues of targeting they are not attended to. I mean it is good play for the politicians if you can have fluidity in terms of who gets it because almost everybody benefits.

However, it is also important to point out that there is no national database with specific data on the so called productive farmers against which targeting could be made and enforced.

**What Has Been the Specific Role Played by the Executive?**

According to Chirwa and Dorward (2013: 63), ‘the relationship between politics and policies is best considered in relation to the periods of tenure of the three presidents of Malawi since independence:’ Dr. Hastings Kamuzu Banda (from 1964 to 1994), Bakili Muluzi (from 1994 to 2004), and Bingu Mutharika (from 2004 until his death in 2012). This research adds to these three: presidents Joyce Banda (from 2012 to 2014) and Professor Peter Arthur Mutharika (from 2014 to date). When responding to the question: “where would you place the influence of the office of the president on allocations to agriculture/budgetary processes?” one respondent said “I think it’s very difficult to answer that question in a generalized fashion. I think you would have to look at each president and examine critically how they handled the agricultural budget”. This section, therefore, looks at each of the presidencies since 1994.

The first head of state is excluded from the following discussion. Events under his presidency have been covered in Chapter Four, under the section that traces the historical evolution of agricultural and food security policies since independence in 1964. Suffice to say that his regime was highly interventionist under a dual economy configuration (Chirwa and Dorward, 2013). The following section discusses the role played by the rest of the presidents, with the political context abbreviated. The discussion bears in mind the claims of *Presidentialism* in policy processes.
Bakili Muluzi

President Muluzi, as previously mentioned, was Malawi’s first democratically elected president after the one party rule of Dr. Hastings Kamuzu Banda who had been in power since 1964. President Muluzi’s role and impact on agriculture was alluded to previously. Significantly, it was under his reign that economic liberalization processes accelerated, particularly in the area of agriculture (see Chirwa and Dorward, 2013; Harrigan, 2003). His ten-year rule is associated with, *inter alia*, a stagnating economy and lack of attention to agriculture and increasing food insecurity (see Chirwa and Dorward, 2013).

Nevertheless, his government initiated the current spate of agricultural input subsidies through the SP, then the TIPs (1998/99 to 2003/04) which were discussed in Chapters Three and Four. Chirwa and Dorward (*ibid.*.) describe the SP program as having emanated from populist roots i.e., as a political tool for exercising patronage to the masses. According to Chinsinga and Poulton (2014) subsidies were a central feature in the 1999 elections. These elections, however, were also foregrounded by worsening food insecurity following a poor 1997/8 agricultural season. The 1997/8 crisis itself was preceded by a drought induced food crisis in 1994. Based on the foregoing, one could argue that there was sufficient contextual momentum for the launching of a large-scale subsidy program. In regards to the structure of the SP, its technical specifications were informed by the outputs of a long running and thorough agronomic study under the auspices of the Malawi Maize Productivity Task Force (Levy, 2005).

Dr. Bingu Mutharika

Dr. Bingu Mutharika, a former World Bank economist succeeded President Muluzi. He was in fact appointed by President Muluzi to represent the UDF in the 2004 elections. Thus, he ascended to power on a UDF ticket having won with only 36% of the votes cast, which was the lowest total number of votes for a winning candidate since 1994 (Chinsinga and Poulton, 2014: 129). Thereafter, in a quest to exercise independence from his predecessor, Dr. Bingu Mutharika broke away from his sponsoring party in early 2005. He then formed his own political party, the Democratic Progressive Party (DPP). The DPP
initially had no parliamentary representation, but it later gained its first six MPs in by-elections (Chinsinga and Poulton, 2014). This configuration meant that the legislature was dominated by the opposition. This situation left the DPP in a precarious political position with limited claims to political legitimacy since it came to power under the sponsorship of the UDF and had won with very few votes (for more specifics on the political situation at the time, see Chinsinga and Poulton, 2014).

According to Chinsinga and Poulton (ibid. p. 129), given the above political context, the only way the government could secure its position was to appeal to the masses by ‘demonstrating tangible success to the population at large as a strategy both to stave off threats from a strong opposition determined to drive it from power and to create an independent base of legitimacy and political support ahead of the next election.’ They state: the key area on which the government could deliver was food security in the context of the 2001/2 and 2004/5 hunger episodes. Taken this way, in essence, the FISP has its origins in President Bingu Mutharika’s political insecurity during 2005-2009. One respondent even suggested that the DPP wins elections because it has maize on its logo:

I can actually argue that Bingu/DPP wins because it has a maize symbol in its logo. Maize is a key issue, and that for local people is the driver. So there is that particular problem that it is a highly political commodity and you can’t allow the market to allocate that political commodity. You need the state to have control.

The relevance of this perception is subject to interpretation, but it definitely underscores the centrality of FISP in Malawi’s politics.

There are number of specific acts by President Mutharika that are referenced when invoking Presidentialism. For example, the fact that he appointed himself to the position of Minister of Agriculture and Food Security, a position he held until April 2010. This is similar to former President Dr. Banda’s hands-on approach in terms of his oversight of the Ministry of Agriculture and his close engagement with technocrats (Dorward and Chirwa, 2013). The act of self-appointment by Banda and then Mutharika to
the agricultural ministry can be construed in two ways: (a) it was intended to create an entry point for executive interference in policy matters; or (b) it underlined the great significance attached to the sector. There is a distinction to be made, however, which is that Banda had a different set of objectives under an autocratic political system. On the other hand, Mutharika’s position could only be secured by votes and these votes come from an electorate which is largely made up of rural smallholder farmers who constitute 84% of the population. That is not to say that he did not care about economic objectives. On the contrary, the performance of the Malawi economy during the early years of his presidency suggests a very high level of interest in getting things right. One respondent captured this comparison in the following manner:

I mean all these people sitting in their nice offices in Blantyre wouldn’t be there if it weren’t for farming…for the farmers, the peasant farmers, the only source of wealth in this country. And so the president said, as the most important part of the economy, I need to be in direct charge of it, was Kamuzu’s argument. Bingu’s, with all due respect, I think it is most likely I need to look out for the votes of that eighty five percent of the population, and so I want to make sure that we’ve got policies which make those people happy so that they will vote for me.

Second, the reduction in the farmer contribution, which was announced at a political rally then adopted as government policy. Thus, a sort of “unwritten code” exists where the president decrees and the minister responsible, in this case the Minister of Finance, has to find the attendant resources and trash out the modalities of actualizing political pronouncements. When asked if the president had issued any directives in regards to finance to the FISP or other, respondents could not come up with any specific incidents or proof. This means that the process assumes the “unwritten code” mode for certain aspects of policy making.

What does this mean in general terms? In the case of Malawi, it means there is Presidentialism. It would be naïve, however, to suggest that this circumscribes all of policy making. Rather, it ‘should’ be framed in terms of agenda-setting which is critical when considering Malawi’s context where strong leadership is imperative, and because political democracy can equally be an impediment to development.
For example, in the case of President Bingu Mutharika, who in the face of fierce donor resistance pushed ahead to implement the much ‘lauded’ FISP. The program would not have been implemented without sheer political will. Moreover, we would not have witnessed the sort of improvements in the food security status of many Malawians that we see today, and the variants of the program that other countries in SSA have since implemented. The importance of political leadership in the absence of a clearly defined policy framework is captured in the following quotation:

…I think the policies are just being developed, so it’s political commitment towards the sector, not necessarily a policy framework that is defining it. The fact that as an economy agriculture remains a mainstay it’s just taken as a natural thing to do; so yea even when you are looking at the MGDS it doesn’t really say this is a priority sector. There are priorities within priorities, agriculture is one of them, but doesn’t necessarily say it is priority.

Third, as previously mentioned, at specific junctures President Bingu Mutharika is thought to have deployed the FISP as a tool for the centralized distribution of rents as dictated by transient political incentives. The rents occurred at two scales (a) initially to the masses and (b) a second stream of rents to ‘influential individuals and groups considered vital to consolidating support for the regime.’ The second stream of rents disappeared after he consolidated political power by winning the 2009 elections with a landslide victory taking 67% of the votes. This effectively gave him control of the legislature. The DPP won at both parliamentary and presidential levels and across all regions of the country. This was a deviation from the norm, when the regionalization of politics is considered because voting in Malawi has tended to be along tribal or regional lines. These results were widely interpreted as a reward to the DPP for its successful stewardship of the FISP (Chinsinga and Poulton, 2014: 143).

According to the same authors President Bingu Mutharika’s consolidated political position afforded him room to act in a more autonomous manner. The new political legitimacy provided him political space to exercise considerable freedom in policy decisions. He retained the FISP, but changed some of its features, these were minor changes to the program’s design and implementation. The
proposition is that he effected these changes partly because he could afford to do so without major political ramifications and partly because of the program’s increasing fiscal costs. Of note, he dispensed with elements that had been incorporated into the FISP to win the opposition’s support of the program, such as the inclusion of a tobacco subsidy. The FISP was also not extended to include cotton, tea, and coffee during the 2009/10 growing season as intimated during the electoral campaign (Chinsinga and Poulton, 2014).

The distribution of a second round of FISP vouchers was also dispensed with in the post-2009 period. These had been distributed outside of the budget, lacked accountability i.e., there was no official data, and were also regionally skewed. Evidence indicates that the Northern Region got more vouchers relative to the South and Center (ibid.). The Northern Region can be thought of as a “swinging voting region.” Therefore, it is crucial to winning national elections. Thus, it is the subject of political patronage, in particular to influential elites who are considered king-makers. This region has historically been overlooked in terms of the distribution of development. So much so, former President Dr. Hastings Kamuzu Banda used to refer to it as the “dead north” in describing its underdeveloped state relative to the South or Center (see McCracken, 2012).

The second round of vouchers were generally seen as being corrupt and contributing to inefficiency in FISP. In the words of one respondent, the disappearance of second round vouchers can explain some of the shrinking of the gap between planned and actual expenditures in the FISP:

I think the tendency for the most part has been that the expenditures ended up being more than the initial budget; of course that changed quite dramatically post-2010. Since then, I think the gap between planned expenditures and actual expenditures has almost disappeared, but it had to do with the politics of FISP.

This perhaps underlines the impact of corruption on the program’s costs. One respondent referenced the distribution of more fertilizer than was planned for in the 2008/09 program year as having
politic origins. She said “I think the 2008/09 program instead of distributing the agreed amount of a hundred and sixty thousand tons of fertilizer, about two hundred thousand or even more was actually distributed.”

It is important to note that during the last year of President Bingu Mutharika’s reign, donors, including Britain, the United States, Germany, Norway, the European Union, the World Bank, and the African Development Bank, all suspended financial aid to Malawi for various reasons, including governance issues and violation of democratic norms such as the suppression of the opposition, civil society, and the media (for example, Chinsinga and Poulton, 2014). The British Ambassador to Malawi at the time described President Bingu Mutharika as “ever more autocratic and intolerant of criticism” (Smith, 2011). In regards to governance, he had this to say, the “governance situation continues to deteriorate in terms of media freedom, freedom of speech and minority rights” (ibid.). These sentiments were somehow leaked, and upon their discovery, the ambassador was declared persona non grata and duly expelled from Malawi (ibid.).

In a nutshell, the assertion is that the actions of President Bingu Mutharika, in regards to both the genesis of FISP and the distribution of a second stream of rents, were primarily driven by his political insecurity during his first term (Chinsinga and Poulton, 2014). They argue (ibid. p. 136) that his refusal to take on board technical advice and institute reforms to the FISP during his first term derived primarily from the fact that the program ‘has always had political objectives’ notwithstanding its economic significance. And, as previously stated, that changes instituted during his second term derived from his consolidated political position as well as concerns for increasing fiscal costs which were a matter of concern to donors (Chinsinga and Poulton, 2014: 144).

Joyce Banda

Joyce Banda had been vice president to President Bingu Mutharika. She ascended to power on April 7, 2012, to become Malawi’s fourth and first female president following President Peter
Mutharika’s sudden death on April 5, 2012. There was resistance to her assumption of the presidency due to pre-existing fractions within the DPP. She prevailed, however, on the basis of stipulations in section 83(4) of the Malawi Constitution (Nyasa Times, 2012). While still serving as Vice President to Bingu Mutharika, Joyce Banda was expelled from the DPP and formed her own party, the People’s Party (PP). It has been suggested that her expulsion resulted from her opposition of the appointment of the president’s younger brother, Arthur Peter Mutharika, as the successor to President Bingu Mutharika (Shout Africa, 2010).

Joyce Banda’s specific role in the FISP is minimal. Like her predecessor, she announced upon her ascension to power that she would continue the implementation of the FISP (Chinsinga, 2012a). At the international level, her efforts were directed at restoring relations with donors in the hope that budgetary support would be reinstated. She also set about reversing decisions that had been a sticking point between President Mutharika and donors. For example, under the advisement of the IMF, she accepted the devaluation of the Malawi Kwacha by a massive 33% (BBC News, 2012).

In response to increasing criticisms about the unsustainability of the FISP, Joyce Banda’s regime introduced the Farm Loan Input Program (FILP) during the 2013/14 agricultural season. The program was intended to operate as a parallel program to the FISP within MoAFS through the Malawi Rural Development Fund (MARDEF). Under the program, farmers would access loans via clubs and cooperatives, with each farmer getting two 50 kg bags of fertilizer. The farmers were to pay back the money with 5% interest at the end of the agricultural season (Chinsinga and Poulton, 2014: 130; Kachule, 2014: 36; Kazembe, 2014). According to Kachule (2014: 36), the FILP was targeted at approximately 750,000 people.

The program is thought to have been ill-devised. For example, it lacked clarity in terms of who it was targeted at, although it appears that it was intended for those farmers that did not benefit from the FISP but had the capacity to fulfil the loan. The FILP was also beset by numerous legal and financial problems. These included debts to the suppliers of the 75,000 MTS of fertilizer for the program, and
failure to distribute the fertilizer. A total of 42,000 MTS of the total supply of fertilizer remained undistributed and lay in supplier’s warehouses (Logistics Unit, 2015: 27). Additionally, the fertilizer was bought on credit without parliamentary approval and did not appear to have been sanctioned by the treasury. The debts incurred or arrears in payment constituted part of the incoming government’s debt burden (see Mphande, 2014).

When the total monies owed by government in connection to the FISP are taken into account, the FILP represented an unwelcome financial liability indeed. At the time of the referenced report, most of the farmers who had accessed the loan had not yet paid it back. Only MK3.1 billion of an expected total of MK11.1 billion towards the distributed 32,000 MTS had been collected. Subsequently, the program was suspended. In the words of the Minister of Finance and Economic Planning and Development: “the complexity of the legal and financial problems that are outstanding in this matter have led to the suspension of the program” (Mphande, 2014). According to one respondent, the FILP was created for political reasons without due process and not grounded in reality, which in the end created government debt: “all this is centered around politics, so if politics drive the reality instead of reality driving the politics…that’s why you have these huge discrepancies.” Basically, it was a subsidy that had very limited scope of repayment. In the end, the administration of President Arthur Peter Mutharika terminated the program.

Thus, President Joyce Banda’s imprint on the design and implementation of the FISP was zero. Her only contribution to the food security question was its maintenance, its continued implementation and, of course, her failed attempt at introducing a parallel program that she could perhaps claim as her own. In this sense, there was none if any direct presidential interference in the FISP, except through the retention of its structure. Other notable events during her short reign included the Malawi Cashgate scandal in which senior civil servants siphoned millions of dollars from government coffers (Reuters, 2016). This incident further soured relations with donors and subsequently resulted in the suspension of
donor budgetary support. President Joyce Banda was defeated in the May 2014 presidential elections by her predecessor’s brother, Peter Arthur Mutharika of the DPP.

*Dr. Peter Arthur Mutharika*

He was elected to parliament in May 2009 and also served as Minister of Education, Foreign Affairs, and Justice under his brother’s administration. Many of the events relating to President Peter Mutharika have been discussed in preceding sections. Hence, the focus here will be on specifics relating to the FISP (i.e., what processes and events have taken place under his watch). Of significance in this regard was the drafting and adoption of the NAP and reforms to the FISP. These occurred in a context of still strained relations with donors and financial institutions. Of these, only the AfDB has this far resumed some form of support to the government. It approved the disbursement of sector budget support worth US$30 million during 2015. The AfDB also recently announced the provision of a drought response package for Malawi amounting to US$35 million (AfDB, 2016; Mzale, 2015).

Recently, the IMF has indicated satisfaction with the manner in which the government has gone about the business of managing the economy, specifically, in regards to fiscal discipline, such as reduced borrowing and cutbacks in public expenditure. To this extent, there is a possibility that the IMF will resume development ‘aid’ to Malawi during 2016 through the US$150 million Extended Credit Facility program. Malawi will get US$30 million. The US$30 million is the remainder of the total of US$150 million to be disbursed under the facility, which was suspended in the wake of the Cashgate scandal (Reuters, 2016).

It is safe to say that President Peter Mutharika has been more open to reforms to the FISP. The specifics of the factors that might have brought about the change in approach, given the program’s suggested political importance, are discussed in Chapter Six. Others have emphasized domestic politics, more specifically, political legitimacy as a key driver of policy processes, in particular regarding the specific actions of the program’s father, President Bingu Mutharika. This study, while acknowledging this
proposition, highlights the role played by non-political factors in regards to specific changes to the FISP and wider policy changes in general. These were discussed in Chapter Three.

In concluding this section on the role played by each president, it is perhaps necessary to include a quotation by one of the respondents who abbreviated the role played by each of the presidents:

I think until the early 1990s Kamuzu Banda used to be the minister of agriculture so basically it shows that he had a particular interest in the agricultural sector. I mean during that time you will probably have read that parliament was a mere rubber stamp. I think decisions were made by technocrats in consultation with the president. So I would argue that during the one party era, the president might have had significant influence in the shape, form, and content of the agricultural sector that’s why he probably even made sure that he was the minister of agriculture. I think when it comes to Muluzi, he was not very much interested in agriculture. This is why you notice that the country’s agricultural sector collapsed coinciding with his ascendancy to power, because while Dr. Banda had been resisting the whole process of implementation of structural adjustment programs with reference to the agricultural sector, when he assumed power he basically went full-throttle SAPs that’s why the agricultural sector almost collapsed 1994 going forward. That is what eventually led to the introduction of the SP and TIP and eventually the FISP; and then Muluzi was very much interested in commerce. When it comes to Bingu Mutharika, I think in many ways he modeled his style of leadership to Kamuzu Banda and he again prioritized the agricultural sector. That’s why until 2010 he became the minister of agriculture and because he was personally associated with FISP, he really had significant influence on what happens. I think if you read through the various reports you will realize that so many recommendations were made about how the program could be improved but they were never implemented because of his omnipresence in the operational details of the program. Joyce Banda of course was also for FISP, she wanted to disassociate herself from it, the reason being that politicians in this country have a tendency not to glorify initiatives of their predecessors but the most interesting thing is that she
maintained FISP. But in addition to FISP she tried to introduce the Farm Loan Input Program. Basically, she wanted to stamp her authority in the agricultural sector and the current president is basically riding on the success of his late brother in as far as FISP is concerned. But you will probably recall that the position of DPP has been that they will not discontinue FISP and they even didn’t want to reduce the budget, but it’s been done because of the unbearable pressure coming from different stakeholders.

In defense of the actions of successive presidents, simply ignoring the experts represents some form of resistance to imposed ideas, and might be borne of the understanding of past policy failures. Such instances are numerous, for example, greater donor say on agricultural policy during the reign of President Bakili Muluzi, during which wholesale changes were executed in the sector. Additionally, politicians are not de-souled entities who are beyond being able to genuinely care about serious national problems, notwithstanding the argument that they actively work to maximize political incentives. There are those who overemphasize politics and those who deemphasize the same, as the following statements by two respondents illustrate:

It was a genuine disaster for Malawi in terms of food security and availability of maize people had died, I know that people died and if you were living in Malawi at that time you could see people flailing off and dying off because there was basically no maize. So it was not politics, it was about no, something has to be done that this thing should never happen again and it came at the right time and if you remember when it came it was well received well appreciated even beyond Malawi to the extent that even outside of Malawi they have done a version of the FISP maybe slightly different from the way we did it but it was like this is the way to go.

Well, it’s an economic and political reality, but if you want to produce enough food in this country you’ve got to have some program that ensures that a certain amount of hybrid seed and fertilizer is used and that’s just that’s just an economic reality. And also, there’s you know, there
is a political reality that if you don’t, you know, if you’re the government that stops this program and we go back into a few crises then you’re really gonna take a hammering politically.

In the end, it can be argued that the FISP was borne of both political and economic reasons (for example, Chirwa and Dorward, 2013). The following section looks at that the proposed reforms to the design and implementation of the FISP, some of which have already been implemented in the 2015/16 agricultural season, including a reduced subsidy rate and the use of the private sector in the procurement and distribution of fertilizer.

**Redesigning FISP – Reforms to Design and Implementation**

The Farm Input Subsidy Program has been a key pillar of the Malawi Government’s agricultural development and social protection strategies since its inception in the 2005/06 agricultural season (GoM, 2015). According to the same report, recent empirical evidence on impacts (poverty, economy-wide, and food security impacts) supports its continued implementation, subject to the implementation of certain reforms. These efficiency maximizing reforms are aimed at enhancing its contribution to agricultural and economic growth. The key areas of reform concern the program’s objectives, targeting, the level of the subsidy (i.e., the reassessment of the farmer contribution to the subsidy), graduation from the program, complementary investments, zoning and crop diversification, and the procurement process in the FISP. A discussion of these reforms as guided by key data from the survey and document analysis follows below. Special emphasis is placed on understanding their origins.

**The Objective(s) of FISP**

As discussed, there has been continued confusion about what the specific objective of the FISP is. Clarification of the program’s key objective is instrumental to the assessment of the program’s impacts and instructive to related controversies and debates. The objective defines critical elements of the program’s design, for example, who to target. According to the GoM (2015a: 2), the response to the question “what is the objective of the FISP?” informs what sort of reforms should be carried out (one of
the key questions of this study). Again, according to the same document: ‘if the objective of the program is to provide for the welfare of the rural poor, then a different set of FISP reforms should be pursued than would be pursued if the objective of FISP is to transform the agriculture sector from being subsistence-oriented to being more commercially-oriented’.

As it stands, the proposed reforms are based on the latter objective in which case the beneficiaries of the FISP will be the so-called productive poor. This design effectively means that the poorest of the poor are excluded from the FISP. It has to be said that the targeting of the productive poor was part of the initial design of the FISP (at that time, there seems to have been no real focus on growth aspects or commercialization in the sector as a whole). Along the way, however, the objective changed to focus on the poor.

The focus on the productive poor is seen to be the most logical thing to do. The assumption is that the welfare of the poorest will be better addressed by social welfare programs and not through agricultural inputs subsidies. Outputs from the expert survey suggest a clear shift in thinking among policy-makers towards efficiency-maximizing measures in FISP. This includes the targeting of productive farmers and concomitantly relegating the poorest to social welfare programs. As previously alluded to, this change represents a profound shift in food security policy in Malawi. The underlying premise is that the poorest which include the elderly and infirm, child-headed households, land-constrained smallholders, etc. do not have the productive capacities to maximizes returns to investments. Interestingly, prior analyses indicate that the category of “vulnerable” were less likely to receive inputs (for specifics on targeting, see Chirwa et al., 2010; Chirwa and Dorward, 2013).

This category will fall under the relevant ministries and departments within the government. These bodies include the Ministry of Gender, Children, Disability and Social Welfare and the Ministry of Finance, Economic Planning and Development. However, this effectively means that the MoAIWD abdicates its role insofar as the food security of the poorest is concerned. The NAP clearly specifies this:
With regard to food security, the principal responsibility of agriculture is to produce sufficient diverse and nutritious foods, provide reliable food markets, and increase agricultural incomes. 

*However, food security and nutrition are not the sole responsibility of agriculture* (p. iii, emphasis added).

Thus, the food security question is to be answered through both agricultural commercialization with some emphasis placed on pro-poor linkages between large-scale estates and smallholder farms, and other non-agriculture strategies.

The ‘change’ in the target category of smallholder farmers is in line with the objectives of key policy documents, *inter alia*, the ASWAp and the Malawi National Export Strategy at the local level, and internationally, the CAADP and New Alliance for Food Security. Within agriculture there is a drive to commercialize farming, with the food security question embedded somewhere in there. The approach is bifurcated in that presumably the productive poor will meet their food needs through the FISP, while the poorest will meet theirs through social welfare programs. This is to some extent predicated on the assumption that cash transfer programs will be efficient and effective.

In respect of this reorientation, the FISP will be redesigned to better assist productive farmers to increase production, become more specialized, and integrate into profitable and efficient agricultural value chains (GoM, 2015a). In this sense, the focus is on cash crops, however, according to Anderman et al. (2014: 541) ‘despite long-term efforts by development agencies and governments to promote cash cropping, there is limited evidence documenting a relationship between these crops and the food security of households cultivating them.’ In their study of the relationship between cash cropping and food security among cacao and oil palm farmers in the Ashanti region of Ghana, they found a significant negative relationship between food availability, access, and utilization and a household’s intensity of cash crop production.
Similarly, another study by Wood et al. (2013) who used nationally-representative household survey data from Malawi found a significant relationship ‘between chronic under-nutrition and cash crop farming (tobacco) as inflected by high food prices. Again, Chilowa (1998) found the association between cash cropping and household food security to be variable across smallholders in that the response to and impacts of policies was resource/wealth contingent. Orr (2000) also found that burley tobacco growing did little to improve the food security and poverty status of participating Malawian smallholder farmers in the early 1990s. Perhaps in part due to the high capital requirements of green technologies.

In any case, policies that focus on commercialization and cash crops have to be cognizant of the fact that the wealth status of target populations consistently stands out in studies on the impacts of, and responses to policies that emphasize market solutions such as cash crops/commercialization. For example, Chirwa and Matita (2012), investigated the factors that influence smallholder farmers’ decision to participate or not to participate in agricultural commercialization in Malawi. They found that wealth was an important determinant in the decision to participate.

In general, smallholder farmer capacity to take advantage of new market opportunities (inclusivity of processes and integration) is class specific (for example, Djurfeldt, 2012; Jayne et al., 2010; Orr, 2000). The expansion of choice under liberalization does not always mean specific opportunities are reachable. Market liberalization from the perspective of rural consumers has tended to expand choice but at arm’s length (Bryceson, 2002). Often this has meant integration and related displacement of peasants from the land, and forced diversification into non-farm activities. This occurs because economic policy changes have persistently denied peasants access to critical production factors (for example, Barret et al., 2001). Again, this is not to simplify a rather complex topic.

A critical issue with targeting, which is messy, has been the difficulty of identifying who the deserving beneficiaries are. As previously indicated, virtually all the poor in Malawi produce maize (Chirwa and Dorward, 2013). There has been little specificity in the criteria for identifying beneficiaries. It is likely that targeting in the FISP will continue to present challenges, even if the subsidy is directed at
the recently emphasized productive poor. As previously mentioned, this is so in part due to the lack of an appropriate database. Ideally, the specific targeting strategy should be influenced by the key program objective(s). This is not always the case, however, because subsidies have both economic and political objectives, which engender ambiguities, tensions, and contradictions in targeting criteria (Chirwa and Dorward, 2013; Kachule, 2014).

According to Chirwa and Dorward (2013: 221), ‘it is widely recognized that efficiency in targeting is one of the critical factors determining the effectiveness and impact of the subsidy program’. This was also the view expressed by key experts when discussing the FISP’s impacts as they identified inefficiencies in targeting as a critical determinant of the FISP’s impacts. In general, analyses of targeting suggest that the FISP has generally failed to properly target beneficiaries because they have tended to be the wealthier households (for example, Lunduka et al., 2013; Ricker-Gilbert et al., 2011). Indeed, it appears that targeting as experienced under the FISP has not made any significant improvement to that under TIPs (for example, Holden and Lunduka, 2012). A study by Makoka (2013) suggests, however, that a significant number of the beneficiaries have been the poor, which suggests that the targeting has been ‘effective’. Irrespective of these assessments, whoever the real beneficiaries might have been, the production of maize has certainly improved.

Aspects of targeting were also discussed in Chapters Three and Four. Again, from an input-output analysis point of view, it has to do with inputs into the ground and outputs out of the ground if there is no leakage of inputs. This makes logical sense, in that production has increased even under conditions that are otherwise considered to be inefficient. According to Chinsinga and Poulton (2014: 124), ‘some element of capture of program benefits by wealthier and/or better-connected groups need not totally undermine the economic case for subsidy.’ As such, the redirection is more about reducing overall costs to the government and making sure that farmers are shouldering a good share of the cost of inputs. There is also an implicit assumption that the so-called productive-poor are indeed technically efficient, but again, who are they? This is the question that perhaps needs addressing.
According to the new policy, *anecdotal* evidence indicates that many of the poorest farmers allocated FISP coupons sell them on to productive/better-off farmers (GoM, 2015a, emphasis added). This effectively means that ‘non-deserving’ farmers have been in receipt of an unintended, much larger and unnecessary government subsidy. Thus, the move to target the unproductive poor (i.e., the elderly and infirm, landless etc.) with other forms of interventions, including social safety net programs such as cash transfers. This decision is based on ‘positive’ evidence in the so called “protection to production” literature which indicates that receipt of cash transfers by the poor can have positive impacts that transcend social protection objectives. The research indicates that cash transfers have positive knock-on effects on recipient households and the rural economies in which they operate through various production, consumption, and investment linkages (GoM, 20015a). Other studies on Malawi also suggest that cash transfers have a positive impact on food security outcomes (for example, Covarrubias et al., 2012; Miller et al., 2011; PtoP, 2014).

However, the “protection to production” emphasis needs qualifying, starting with the fact that macroeconomic instability (inflation), among other issues, may attenuate the impact of cash transfers. For example, in the case of Ethiopia, Wheeler and Devereux (2010) found that food transfers or cash plus food transfers were superior to cash transfers alone. Similarly, Magen et al. (2009), having reviewed empirical evidence from various studies on cash transfers in SSA, note that cash transfers can be a more effective tool for fighting food insecurity where markets function well. They also note that when combined with other forms of assistance, cash transfer programs can lead to high beneficiary satisfaction and economic growth. There is a paucity of evidence, however, on the impact of cash transfers on food security. What evidence exists has focused on non-food security variables (PtoP, 2014 cited in GoM, 2015). Again, the issue of imperfect markets looms large in the policy environment.

**Changes to Targeting**

The proposed targeting mechanisms are based on the random selection of recipients from a pool of selected beneficiary farmers (what implications this has on the food security of non-selected
beneficiaries in the target year is unspecified as well as the implications of such a policy on social cohesion). Kachule (2014: 12) notes that ‘rarely are targeted subsidy programs free of controversies and rivalry amongst community members due to the fact that not all legible members of society benefit due to limited resources on the part of the implementing agencies.’

The design includes farmers with >10 ha, which can be considered large-scale by Malawian standards when considering that the average access to arable land for 84% of the rural population in Malawi is 0.23 hectares (FAO, 2014: 34). According to the GoM (2015b: 2), the average smallholder farmer in Malawi cultivates small and fragmented land holdings of about 0.61 hectares under customary land tenure arrangements. However, according to the NAP’s classification, those cultivating at least 5 hectares but less than 25 hectares of land qualify as medium-scale farmers. Under this classification, smallholders cultivating >10 hectares fall under the category of medium-scale.

The actual beneficiary sampling will occur at the village level. The sampling is designed in such a way that selected beneficiaries in one program year are excluded from the sample in subsequent years until all eligible smallholder farmers with <10 ha in each village have had a chance to benefit from the FISP. What implications this might have on productivity is unknown. The policy recommends rigorous analysis to determine the appropriate targeting mechanism in order to reduce crowding out of fertilizer purchases by able farmers. This problem need not exist, because the simplest solution would be to exclude those farmers who can and have accessed fertilizer on the market in past years. This requires data on individual households, however, presently there is no known mechanism for collecting such data, or if at all such data exists.

Crowding-out obviously negates other secondary program objectives, for example, the development of a vibrant private sector fertilizer market. This has been one of the key historical criticism of the FISP by the donor community which in places is unwarranted when the specifics are considered in light of the configuration of the program and the wider context. These criticisms are not always grounded in existent and robust empirical evidence but in ideology, as was the case with the SP (see Levy, 2005). In
relation to the seed component of the FISP, there has been a blossoming and expanding of the seed industry which boasts both local and international companies.

Another issue concerns what will happen to randomly selected beneficiaries who are too poor to redeem coupons at higher percentage of the market value. This is something that the MoAIWD is as yet to figure out. According to the GoM (2015a), one possible solution is to excluded farmers that cannot afford to pay the contribution from the FISP population and ensure that he/she is enlisted for a cash transfer program or an alternative food assistance program. This constitutes a design problem, for costly large-scale programs, the best strategy is to avoid unnecessary complexity. Introducing more complexities to an already complex program is counterintuitive. The program design should not have many ‘ifs’ and undefined parameters. If the history of the logistical aspects of the program is anything to go by, namely, chronic beneficiary selection problems throughout the FISP’s existence, then the most effective and simplest options should be pursued.

Yearly, evaluation reports of program activities indicate that the beneficiary selection process is a key determinant of activity scheduling. So far, year in and year out, program activities have not been on schedule. This attenuates the program’s efficiency because delays have a bearing on program costs and productivity (see Chirwa and Dorward, 2013; Snapp et al., 2014). Again, this issue speaks to the question of specificity given that the current specification does not seem precise enough. Of course, some will reference the difficulty of attaining precision for such a large-scale program. However, that keeps us going in circles. What is needed is the moral courage to clearly specify the objectives and target accordingly, either that or the policy circus will continue.

**Level of FISP Subsidy**

During the inception year, the farmer contribution to the subsidy was MK950 per 50 kg bag of fertilizer against a commercial price of MK2,100, representing a farmer contribution of about 45% (GoM, 2015a: 3). The contribution amount was then reduced by political edict to MK500 which represents a 3%
contribution when juxtaposed against the market price of fertilizer of MK16,000 in the 2014/15 agricultural season. Other costs to the government include an extra MK8,500 for 8 kg hybrid or 8 kg OPV maize seed at a maximum of MK150 and a 2 or 3 kg pack of legume seed which each beneficiary receives for free – MK5,500 and MK3,000, respectively (MoAIWD, 2014a in GoM, 2015a: 3).

According to the GoM (2015: 3), ‘this high level of FISP subsidy has opportunity costs on all other functions of the MoAIWD that together received only 56% of MK154.2 billion of the revised ministry budget for 2014/15’. In view of this, and based on ‘some consensus’ at the 2014 National FISP Symposium, the new policy requires that the amount that ‘farmers pay for each 50 kg bag of fertilizer received under FISP should rise from the MK500 to between MK5,000 and MK6,000 to reflect real price increases over time and to improve the financial sustainability of the program’. There have also been suggestions to increase the price paid by farmers to 50% of the market price (MoAIWD, 2014 cited in GoM, 2015a). Apparently, this hike was shot down by donors on the basis that it was too high a contribution for poor farmers (respondent communication).

It is expected that the change in the total amount contributed by the farmer will lead to ‘self-targeting’ of more productive and resourceful farmers, i.e., beneficiaries will self-select based on their capacity to meet the contributory redemption price. It also expected that the changes will reduce program costs by transferring some of the cost of the subsidy to the farmer. The government maintains that the new selection criteria are still targeted at the poor. This is because the category of productive farmers are themselves poor, but not necessarily the ultra-poor (GoM, 2015a). Therefore, it is still selection of the poor among the poor.

**Graduation from FISP**

Graduating from the FISP was part of the initial design, but it has not been implemented or pursued. The new policy states that ‘it may be prudent to expect beneficiary farmers to graduate from the FISP after some time’ (GoM, 2015a: 3). Although it is a good idea, it is not evidence based. As far as this
study understands, no comprehensive analysis has been carried out to determine the poverty/financial status of long-term recipients. Thus, their capacity to graduate or exit from the program is unknown. As is the case with targeting, the evidence on graduation is simply not there, yet the idea of graduation is spoken of as if it is factually-grounded. According to Jayne and Rashid (2013), the empirical record relating to competing hypotheses on the capacity of recipients to graduate from input subsidy programs in SSA is scant at best. To this extent some survey respondents expressed the need for more thoroughly grounded research before certain changes can be championed.

Additionally, graduation or exiting from FISP might be prove to be difficult because rural livelihoods in Malawi suffer from significant exposure to livelihood shocks, vulnerability is quite high (for example, Devereux et al., 2006). One respondent expressed this exposure as such: “when all my property is gone, when all my assets are gone, when all my implements are gone, do you want to phase out on me? That’s where it matters most, so those statements are statements of Harvard economists, UK economists, and they are somewhere there living in a fantasy world.” In any case, the randomization of beneficiaries likely means that they are not recipients in consecutive program years.

The government, therefore, proposes linking smallholders to markets in order to improve their incomes. Over time this would help them graduate from FISP. According to the new policy, ‘after graduation farmers could be eligible for a separate farm input loan arrangement under an agricultural financial services program, which incorporates a weather-indexed farm income insurance component as a buffer against shocks’ (GoM, 2015a).

As rightly pointed out by the new policy, such efforts would have to be linked to complimentary measures that increase price incentives for farmers. This is a particularly difficult and complex policy area, especially in relation to maize (for example, see Harrigan, 2008b; Levy 2005). The maize pricing ‘policy’ is deployed to hedge against food insecurity and as such generally serves to depress the market price of maize. This ensures poor people’s access by means of exchange. This objective also explains why maize prices in Malawi have never been fully liberalized. Maize remains a political commodity. As such,
the state still maintains control by continuing to employ a more or less ad hoc maize price and export policy regime. When speaking on the subject, one respondent remarked: “there is a political economy side to it that the nation expects the state to provide food, it does not expect the market to provide food. They expect the market to provide clothes and what have you, not the state. So there is the dilemma, I think, when you look at food systems in SSA.”

This ultimately means that any income generating activities would have to result from diversification into cash crops and other rural non-farm economic activities. In any case, as Harrigan (2008b) notes, in the context of Malawi this means that increases in incomes from diversification must be accompanied by increases in locally produced staples. Otherwise, such a strategy is unviable with related implications for the food security of smallholder farmers. So then, with the reconfiguration of FISP, will productivity increase or decline?

As an alternative to the above stated proposal, and having considered the effect of randomization, the new policy proposes employing a variant of the system used in Tanzania, ‘where eligible farmers are subsidized over a 3-year period, in a sequential manner: those who get the subsidy in the first year continue being on the program for another 2 years, a new group will join them in the second year that will also stay on the program for three years and a third group will join the third year’ (GoM, 2015a). This would provide, for example, 3-5 years over which farmers can build resilience and capital assets which would enable them to graduate from the subsidy.

Again, a key issue to consider would be the specific context of rural livelihood conditions in Malawi, macroeconomic instability, and whether such a time-frame is sufficient to allow capital accumulation. The prognosis is that this seems more of an ideal, but would certainly change the ‘cultural psyche’ among smallholders who view the subsidy as an entitlement. In view of the foregoing it becomes apparent that these reforms are forced because they suggest a ‘failure’ to comprehend how the agricultural sector evolves in response to changes in the macroeconomy and vice-versa. Local anthropological factors will be sacrificed at the altar of economic expedience.
Speaking on the question of exiting the FISP one respondent said: “…you know we are aware that there are people who say that, we are aware that there are donors who say that but we keep our focus on maintaining the program, but trying to do it slightly more efficiently. It’s very pragmatic, you know, when you are in government it’s very pragmatic”. This is efficiency maximizing pragmatism, which seeks to address certain design and implementation defects. Broadly it is pragmatism that will have wider implications and most likely benefit some, but not most. It appears that the current discourse on efficiency has gained currency and is likely to continue to affect future policy processes.

**Complementary Investments to FISP**

A key criticism of the current agricultural and food security policy configuration is that it places undue emphasis on producing enough maize. According to one respondent, the running joke is that during the agricultural season the “MoAIWD becomes the Ministry of Subsidies.” The key problem for many is that the subsidies directed at the production of maize occupy a significant share of the effort, time, and resources of the MoAIWD, something that donors have had a longstanding disdain for, and which was made clear in their dealings with the government during the life of the SP and TIP programs. According to critics of the maize focus, this has led to the neglect of other critical investment areas specified in the ASWAp. These are thought to be critical to the desired transformation in the sector (respondent communication).

The notion that subsidies preclude governments from investing in other productivity enhancing activities such as extension services has been one of the conventional arguments against large-scale subsidies. According to (GoM, 2015a), the agronomic performance of the FISP could be enhanced through the provision of sufficient advisory services to enhance technical efficiency at the farm level which would lead to increased productivity. However, reference has already been made to the failures of similar past programs. Additionally, historical evidence indicates that the decline in investments to these areas has been ongoing at least since SAPs. Thus, notwithstanding the legitimacy of the arguments put forward by detractors, what is the real basis of current debates surrounding funding within the sector?
On the other hand, while not investing in the FISP would be political suicide, the lack of investment to such areas as research or extension services does not present a political threat to the government. These are non-tangible investments that likely don’t mean much in the eyes of peasants when viewed in the light of hunger. As the following quotations illustrate “And as regards you know, other sections being underfunded there’s isn’t so much of a political price to be paid if the other you know diversification, research, technology etc. you don’t pay a political price if you don’t fund those sectors adequately.” And:

Oh that’s a difficult question, I think in the farm input subsidy program there is maybe a clear – there’s something very kind of, there’s something I can understand, for example, if you compare the funding to research and the funding to FISP. I can understand why FISP is a more popular choice, you know why they would prefer as a politician or even as a technocrat to increase funding to FISP rather than to research because you have a clear kind of a clear link between funding and subsidies and you might also have a clear link between subsidies and output, and research the link is much more uncertain – in extension it’s much more uncertain. And I think also kind of public support, the public understanding of FISP. I think it’s more prominent than other components of agricultural policy. But I think it would be the same in Norway, the same in EU, the kind of the debate that the political hot-potato is the subsidy programs and whether or not you kind of increase access to markets, all those things are also important, but it’s not the front page issue in the same way.

Zoning and Crop Diversification under FISP

Maize does not possess comparative agronomic and economic advantage across all agroecological zones of Malawi, even though it is grown across the country. As a result, the returns to investments have varied. The current structure of FISP does not account for this, thus the proposition is that the FISP targets ‘crops that have a comparative advantage in each locale’ (GoM, 2015a: 4). However, and as previously stated, the ubiquity of maize points to the overall significance attached to maize in the
cultural psyche of Malawian farmers. This elevated status is not unduly justified because there are credible reasons that support the preference for maize, these reasons were discussed in preceding sections. The new policy proposes the piloting of ‘subsidies’ to certain crops such as cassava and rice in specific areas, which will be scaled up subject to evaluations. The rationale for this is unclear. For example, crop production statistics indicate that since 2005, the production of cassava has increased at a higher rate than that of maize.

**Procurement Process for FISP**

There is no synchronicity between the agricultural season and the government fiscal year. Reconciling the two would greatly enhance the timely scheduling of program activities, thus the program’s efficiency. As a result of the lack of synchronicity between the fiscal and agricultural calendar, the FISP has been chronically plagued by delays in the scheduling of activities. The specific time at which the MoF makes finance available to the MoAIWD is critical to program operations. According to the GoM (2015a), ideally funds for government to purchase inputs need to be made way in advance, that is, several months before the start of the fiscal year if they are to be bought at economical prices and delivered to beneficiaries before the planting season.

To this problem two solutions are suggested: (a) government should revert back ‘to its former fiscal year of 1 April to 31 March; or (b) follow the calendar year (1 January to 31 December) to ensure that the procurement process of FISP inputs begins in a timely manner. The timely release of funds satisfies a number of efficiency maximizing functions, namely, the timely procurement and delivery of inputs, and the purchase of inputs on the international market at a time when prices are their seasonal low (GoM, 2015a). If the government is serious about reducing program costs, then this is something that it needs to seriously consider because the late scheduling of financing activities is the primary generator of inefficiencies with knock-on effects (see yearly program reports by the Logistics Unit on the issue of delays and the attendant effects).
In regards to the actual procurement and distribution of inputs, only the seed component has been under the private sector, which it has done efficiently. It is proposed that since the private sector has efficiently procured and distributed seeds, this should be extended to the procurement and distribution of fertilizer contingent on demonstrable capacity. This means that small suppliers who have in the past failed to accomplish the task as specified are excluded from participating. Failure by contractors to meet targets has in the past increased the costs of the program due the fact that unmet contracts have to be reallocated, which also results in related delays in the delivery of inputs (see GoM, 2015a; Logistics Unit reports, 2005-14).

According to the new policy, it is proposed that only firms with demonstrated capacity to deliver fertilizer and seed to the last mile, even in the remotest parts of the country, will be awarded tenders to procure and distribute inputs. Private sector participation in FISP has been one of the key concerns of donors. A review of the literature on the SP and the FISP, however, suggests considerable private sector involvement, in particular, exclusive participation in the importation of fertilizer since the FISP’s inception. While it is important to increase private sector participation, there are still considerable structural constraints that need to be overcome. Additionally, the performance of the sector in the past has not been particularly impressive. Thus, the piloting of new procurement and distribution arrangements for 2015/16 is borne of a lack of confidence in the capacity of the private sector to efficiently execute the task for such a large-scale program. To this extent private sector involvement was set at 30% of the procurement and distribution in 2015/16 and 60% in 2016/17.

Another critical area concerns the use of vouchers which has been subject to various logistical and corruption problems. In order to enhance security and to ensure that the intended beneficiaries are the actual recipients of inputs, the government has been piloting an e-voucher system. According to the new policy, the e-voucher system has been in place since (it was previously tried and discontinued) the 2013/14 growing season and was expanded from six to eighteen districts during the 2014/15 growing season. The e-voucher was implemented in order to: (a) cut the cost of administering the FISP; (b)
improve reporting and control; (c) improve timeliness in the procurement and delivery of inputs; (d) increase private sector involvement in the delivery of the FISP; and (e) mitigate use of counterfeit vouchers which lead to stock-outs (Zoona, 2015 cited in GoM, 2015a). The program has demonstrated some successes but needs to overcome infrastructural challenges before being scaled up. As previously mentioned, the use of e-voucher technology was initiated by donors.

For specifics on some of the changes to the FISP, Dorward and Chirwa (2011), Chirwa and Dorward (2013), and various Logistics Unit program reports for 2005/06 to 2014/15 are good starting points. Some of the key changes in regards to food security policy and the design of the FISP are shown in Figure 5.2.

**Figure 5.2.** Changes to Food Security Policy and FISP

**Conclusion**

This chapter has discussed some of the key features of the debate on the FISP, including some of the points on which the opposition to the program rests. Generally, this refers to the points of finance and efficiency, both of which are linked. The chapter also discussed policy processes in the FISP as related to the aforementioned debates to include the role played by the executive. In doing this, reference was made
to the activities in the agricultural sector of each successive president. The chapter also abbreviated the proposed and implemented reforms to the FISP. These reforms included design changes to targeting and the level of the subsidy, for example, reflecting current debates on the FISP as outlined through Chapters Three, Four, and Five. Generally, these changes mirror a general reorientation of policy in the agriculture sector to more closely approximate market specifications.
CHAPTER SIX

HOW HAS EVIDENCE AND FINANCE INTERACTED WITH OTHER POLICY DRIVERS IN FISP?

Introduction

This chapter explores the question of how mixed empirics and finance feed into, or interact with, other policy drivers such as politics to influence and shape agricultural and food security policies in Malawi. The chapter explores the topic by referencing existing policy explanations including urban bias, SAPs, and ‘neopatrimonialism’. These explanations were discussed in Chapter One, which outlines the theoretical framework including its grounding in modernization; Chapter Three, which outlined the evolution of agricultural and food security policies in Malawi since colonial times, including a discussion of SAPs; Chapter Four, which discussed some of the factors driving policy processes specific to the FISP; Chapter Five, which referenced Presidentialism and changes in the design of the FISP. The emphasis here is on providing a contextualized explanation of how policy decisions in the FISP have been derived. To this extent, specific examples and evidence from the extant literature and the views of respondents are referenced to ground various arguments and representations.

As mentioned in preceding chapters, agricultural subsidies were a common and central feature of the agricultural and development policies of poor rural economies in sub-Saharan Africa from the 1960s to the 1980s (Chirwa and Dorward, 2013). Following a shift in development ideology in the 1990s, large-scale agricultural inputs subsidy programs were dismantled as part of SAPs (structural adjustment programs) instituted under the aegis of the WB and the IMF. Their discontinuation, plus other related changes, such as the dismantling of government parastatals, created significant negative outcomes in the agriculture sector (in regards to Malawi, see Chilowa, 1998). Of significance, a nascent private sector
failed to fill the market vacuum created by the dissolution of parastatals responsible for administering fertilizer subsidies. An attendant outcome was a reduction in overall levels of fertilizer use, and increased food insecurity among many rural households in the affected nations (Morris et al., 2007).

The literature indicates that large-scale agricultural subsidies were discontinued because they ‘proved to be particularly expensive and contributed to government budget deficits’ (Chirwa and Dorward, 2013: 15). Critics also point to, *inter alia*, the notion that the considerable fiscal demands of large-scale subsidies preclude concerned governments from financing investments in other critical areas such as agricultural research and extension services (Jayne and Rashid, 2013; Morris et al., 2007). According to Chirwa and Dorward (2013: 21), by the 1980s and 1990s, conventional thinking by economists and international donors suggested that input subsidies had been ‘ineffective and inefficient policy instruments in Africa’.

Due to the considerable fiscal demands that large-scale agricultural subsidy programs tend to place on scarce public finances, they have characteristically been the focus of intense scrutiny and a site of controversy (Shively and Ricker-Gilbert, 2013). In general, performance evaluations of past large-scale subsidy programs have been less than favorable. Most such analyses have concluded that their considerable costs outweigh their questionable benefits (Morris et al., 2007; Ricker-Gilbert et al., 2013). More recently, Jayne and Rashid (2013) reviewed microlevel evidence on input subsidy programs undertaken since the mid-2000s and concluded that the costs of the programs generally outweigh their benefits.

According to Chirwa and Dorward (2013), however, the evidence on the role of input subsidies in inducing and driving growth and poverty reduction appears to be more mixed than conventional criticisms suggest. Additionally, Jayne and Rashid (2013) suggest that there has been limited rigorous analysis of subsidy program impacts in the period following their resurgence, and that improvements in the evidence base of subsidy programs has not necessarily led to a consensus on their effectiveness in achieving national policy objectives. Thus, whatever assessments there might have been, it is still very much open
to debate as to how closely they are able to estimate actual program impacts. Relatedly, the absence of consensus among analysts on the real impacts of subsidy programs suggests a lack of definitive understanding of how subsidies actually work (Jerven, 2014).

In view of this, and of still evolving understandings of the mechanics of such programs, particularly in the period following their resurgence in late 1990s, debates continue on whether agricultural subsidies represent the best use of scarce public resources. These debates are often informed by empirics on overall program impacts, which in the Malawi case have been mixed. Thus, the policy debate specific to Malawi needs parsing out in terms of specific concerns and their origins, and how these feed into agricultural and food security policy making.

**Recent Spate of Large-Scale Agricultural Input Subsidy Programs**

The disinterest in large-scale agricultural subsidies characteristic of the 1980s and early 1990s did not last for long. The late 1990s saw a resurgence of interest in agricultural subsidies primarily because of several interconnected crises in agriculture, including stagnating yields, rising food insecurity, declining soil fertility, and environmental degradation (Chirwa and Dorward, 2013; Druilhe and Barreiro-Hurlé, 2012; Jayne and Rashid, 2013). On the international scene, a surge in the price of key staples such as experienced in 2007/08 also refocused attention on agriculture, in particular smallholder agriculture. Against such a backdrop, many developing nations have increasingly come to view increased domestic production of key staples as a more prudent policy option for ensuring national food self-sufficiency (for example, Jayne and Rashid, 2013). According to Chirwa and Dorward (2013: 21), ‘concern among African politicians, NGOs, and some policy analysts about the apparent failures of liberalized policies in supporting broad-based agricultural development, particularly sustainable intensification of staple food crop production’ also legitimized demands for the reinstatement of fertilizer subsidies.

Further, the emergence of innovative subsidy delivery systems and instruments (so-called smart subsidies) suggested that the design weaknesses of past subsidy programs could be addressed and that
new programs could be harnessed to deliver other non-conventional objectives such as social protection for the poor (Chirwa and Dorward, 2013; Morris et al., 2007). However, in spite of the new configuration and expanded objectives, smart subsidies still pose considerable challenges. They have complex, sometimes contradictory or incompatible objectives which present significant difficulties for proper implementation and evaluation of their performance (Chingsinga and Poulton, 2014; Chirwa and Dorward, 2013; Ricker-Gilbert et al., 2013). For example, the social welfare and development objectives of subsidies are difficult to reconcile. Specific to Malawi, it is as yet unclear what the specific policy goal is at the national level. It is this uncertainty that feeds into the wider debate on the FISP’s design, implementation, and attendant impacts.

Further, the complexities of implementation and those of the macro-environment in which they are implemented render many of the design features and targets difficult to attain, for example, targeting is a complex, costly, and near impossible undertaking (for example, Chirwa and Dorward, 2013). In brief, and of significance, the general design of smart subsidies retains these features: emphasis on the promotion of private sector development and strengthening of markets, the targeting of a potentially profitable class of farmer, and the incorporation of a clear exit strategy (for example, Baltzer and Hansen, 2011; Morris et al., 2007).

The Debates Surrounding FISP

The Malawi government initiated the recent spate of agricultural input subsidy programs in 1998 when it started distributing free fertilizer to farmers on a universal scale under the Starter Pack program. This occurred in the face of skepticism and opposition among donors whose position was informed by ‘known historical failures’ of large-scale agricultural subsidies, specific to Malawi’s experiences with the SP and its more targeted iterative variants. It is important to mention that historically changing development ideologies have engendered both supportive and hostile attitudes to subsidies, with donors both supporting and opposing subsidies in the 1970s and 1980s, respectively (for example, Chirwa and Dorward, 2013; Harrigan, 2003; Jerven, 2014).
Following the current spate of agricultural input subsidies in SSA and their purported successes, donor attitudes can perhaps best be described as unwilling participants, wary of state interventionism in markets. Here a good case in point was the opposition to and subsequent support by donors of the Malawi FISP (see Chinsinga, 2012b). In spite of this ‘support’, the FISP remains at the center of both local and international policy debates. Such debates on a more specific level reference design and implementation inefficiencies, and on a broader level what appears to be less than positive overall program impacts.

It is a fact that fertilizer subsidy programs remain one of the most contentious policy debates in Africa, and the related literature on these programs is just as sharply divided (Jayne and Rashid, 2013; Ricker-Gilbert et al., 2013). Debates concerning what functions input subsidies serve and how to make them cost-effective remain central to the question of agricultural development policy. According to Chirwa and Dorward (2013), new policies need to juxtapose conventional wisdom on subsidies against more recent developments and new insights about development processes. They state that this is a complex undertaking which requires an understanding of historical evidence of their failures and successes, as well specific opportunities afforded to farmers by the context in which subsidies are implemented.

According to Jerven (2014), the debate on subsidies is bifurcated in that, on the one hand, proponents of subsidies reference market failures in the implementing nations. In this case, equity considerations (extreme poverty and chronic food insecurity) trump concerns for efficiency (for example, Morris et al., 2007). On the other hand, those who oppose subsidies question whether they represent the most efficient use of scarce financial resources, especially in aid-dependent countries. In this context, reference is made to the question of aid effectiveness, a subject that is equally controversial but which perhaps has been given limited attention in recent debates on subsidy programs. For a discussion of aid and its relation to development in the context of Africa, see for example, Samir (2009).

In regards to Malawi, ‘the extent to which the FISP represents the best use of investment funds depends upon competition for funds between different investments and their relative returns’ (Chirwa and
In debates on the FISP, considerable emphasis is often placed on the opportunity costs of investments. According to GoM (2015a), in spite of the favorable performance of the FISP, there may well be significantly more effective ways to use public resources to accomplish Malawi’s development objectives than through a large crop input subsidy program like the FISP.

There is little evidence in the Malawi context, however, on how alternative investments might be better policy options. There is almost non-existent evidence on returns to alternative investments such as infrastructure or agricultural research and development (Chirwa and Dorward, 2013). Filipski and Taylor (2012, cited in Ricker-Gilbert et al., 2013) compared fertilizer subsidies, cash transfers, and price supports in Malawi and Ghana. They found that no one policy consistently did better than other policies. Relatedly, no study has attempted to explore the impacts of a reduced but more efficient FISP on national and household food security in Malawi. Such knowledge would perhaps be instructive to the wisdom of downscaling the FISP?

As stated above, in the main, the debates on the FISP concern finance in regards to the total capital outlays to the program, their management, and expected returns. For the duration of its existence, the FISP has often failed to stay within budget, owing to management related inefficiencies (see Chirwa and Dorward, 2013; Druilhe and Barreiro-Hurlé, 2012). The program has registered yearly discrepancies between planned and actual expenditures, albeit with slight variances, except in 2008 and 2012 as shown in Figure 6.1. According to data from the Logistics Unit of the FISP, the range of planned costs for the period 2005/06 and 2012/13 was MK4.7-37.8, compare to MK6.9-52 billion for actual costs.

Since its inception in 2005/06, the FISP has on average, mobilized 69% of the financial resources of the MoAIWD and 51% of total public spending in agriculture over the 2007/08-2011/12 period (World Bank, 2013: 37). The FISP also takes up a considerable share of the national budget, for example, between 2006/7 and 2008/9, it accounted for 16% of the national budget and 6.6% of GDP in 2008/9 (Chirwa and Dorward, 2013: 119). For critics, capital outlays of such magnitude are not only fiscally unsustainable but also suggestive of allocative inefficiencies within the MoAIWD.
On a broader level, these debates speak to the more complex question regarding what role the state plays in the agricultural sector and the specific role that agriculture plays in national and household food security, as well as in overall economic development. This aspect is critical in the light of strong contentions by some who have argued that agricultural and food crises in developing countries originate squarely from the failure to properly conceptualize agriculture’s role in economic development (De Janvry, 2010). This is the question that is currently at the heart of the debates on the FISP, namely, what function has agriculture played and how well has it done so?

Such debates are informed and fueled by evidence on its *economic* performance, and amplified by a general failure to thoroughly contextualize the evidence. According to Chirwa and Dorward (2013: 6), the FISP ‘has been the subject of a range of different studies, of varying scope and quality, and advocates and sceptics, supporters and detractors of the program often *draw on contradictory evidence* to support their position’ (emphasis added). Thus, discussions on the merits or demerits of the subsidy program are clouded by some degree of uncertainty in that the outputs of analyses on program impacts are almost always qualified and have counterfactuals.
According to Jayne and Rashid (2013: 549), ‘policy discourse about the welfare effects of input subsidy programs remains unresolved partly because the empirical evidence on the range of these complex effects has been so spotty.’ It has to be considered that even the existence of sufficient or ‘incontrovertible’ evidence on program impacts may not be sufficient for the resolution of policy issues due to ideological differences among the various stakeholders in the agricultural sector.

Ricker-Gilbert et al. (2013) characterize large-scale subsidy programs as “wicked problems,” meta-problems that are plagued by indeterminacy because there are no absolutes whichever way one looks at the issue. They state that such problems resist appeals to facts because for every wicked problem, there is always more than one possible explanation or pathway to resolution, with each depending on the core beliefs of those involved. They acknowledge that empirical economic research alone is unlikely to prove sufficient for the resolution of such problems. Thus, according to Jerven (2014: 142) ‘the big question of whether agriculture inputs are working or not cannot be settled with reference to the aggregate macro number; nor can one draw the needed wisdom from closely watched micro studies.’ Hence, the interrogation of the efficacy of subsidies must extend beyond the consideration of specifics on numbers or statistics to ask the important question: “what is really being counted or not counted”.

**Evidence on National Production of Maize and Economy-Wide Program Impacts**

The impacts of the FISP have been assessed in terms of direct program benefits with related analyses focusing on maize production statistics and indirect or economy-wide benefits arising from increases in national maize production. The evidence on both aspects feeds into the debate on the economic efficacy of investments to agricultural input subsidies. Thus, accurate assessment of national maize production becomes critical. According to Chirwa and Dorward (2013), the determination of subsidy impacts on maize production is fundamental to the assessment of program impacts.
National Maize Production Statistics since FISP 2005

Early analyses of total national maize production, for example, Denning et al. (2009), concluded that the FISP had a positive and significant influence on the national production of maize. This analysis was based on a simple pre-and-post-subsidy computation of changes in national maize production (Chirwa and Dorward, 2013). Jayne and Rashid (2013) describe these initial assessments as somewhat superficial. According to Chirwa and Dorward (ibid. p. 128), before the 2004/05 subsidy, the estimated national maize production figure stood at 1.2 million MTS, followed by estimates of 2.6, 3.2, 2.8, 3.8, 3.4, 3.8, and 3.6 million MTS for the 2005/06 to 2011/12 subsidy period. Some of these statistics have since been revised, for example, Jerven (2014: 130) points out a discrepancy of 1.3 million MTS in the estimates of national maize production for the 2006/07 agricultural season obtained by the Ministry of Agriculture, Irrigation and Water Development (MoAIWD) and the NSO (National Statistical Office). This discrepancy is attributed to differences in the total numbers of agricultural households used by the MoAIWD and the NSO, with the MoAIWD figure being higher by 1 million households.

Similarly, according to Dorward and Chirwa (2013), very wide differences in estimated yields by different surveys occurred in 2008/09. The overestimation of maize production statistics is thought to have derived from inefficient production estimation techniques and political imperatives to legitimize the program (Chirwa and Dorward, 2013; Jerven, 2014). Some of the methodologies for estimating yield and incremental production benefits have been reviewed by Dorward and Chirwa (2010). They found that estimates of yields were affected by over-and-underestimation of total cultivated area, subjective farmer estimates of plot production, and errors in reporting harvests in standard units.

Chirwa and Dorward (2013), state that most estimations are based on extrapolated field extension worker assessments that involve ‘taking samples of fields and estimating yields for these and crop areas, and then aggregation of yield and area estimates up to district, Agricultural Development Division, and national estimates’ and that the specific sampling and estimation methodologies actually employed by field extension workers are not very clear. Additionally, these statistics are subject to technical
adjustments at the ministry level (Chirwa and Dorward, 2013; Meerman et al., 2015). These adjustments are thought to derive from political pressures to portray the FISP as a success. Thus, a key issue when estimating impacts concerns the difficulty of obtaining accurate data upon which analyses can be made. According to Jerven (2014), agricultural data in developing countries are known to be weak and/or unreliable.

Besides data issues, others have cited the difficulty of separating the specific impact of the FISP on increases in maize production from other variables. For example, Chirwa and Dorward (2013) suggest, among other things, that it is practically and virtually impossible to separate the impact of good rains from the impact of inorganic fertilizers on maize productivity. However, according to Carr (2014), there is no correlation between rainfall and maize productivity over time because of the adequacy of rainfall, but a close match exists between grain production and the use of nitrogenous fertilizer. In other words, the levels of inorganic fertilizers applied each year ‘explain’ the yearly variation in the productivity of maize. Wiebe et al. (2001), support the notion of increased agricultural productivity due to the use of conventional inputs. They state that studies on the subject have consistently determined that about three-quarters of the variation in agricultural productivity in SSA can be explained by use of conventional inputs which include inorganic fertilizers.

Others, for example, Tafirenyika (2008) attribute the FISP’s success to a few exceptionally good years of weather and dismiss the notion that the FISP is a new model or that it is a model for resolving Malawi’s or the continent’s complex problems of hunger and poverty. However, according to the FAO (2014), in spite of the difficulty of isolating the specific impact of the FISP from other factors, there is consensus that the subsidy has increased maize production and consumption at the household level. Other contextual counterfactuals to the very high production statistics include high domestic maize prices. However, these can be explained by other factors (Chirwa and Dorward, 2013; Arndt et al., 2015).

In sum, the evidence on maize production statistics and the impact of the FISP itself is qualified by the difficulty of separating the impact of the FISP from the impact of other variables; the difficulty of
explaining lagged dramatic production increases over the life of the FISP as opposed to immediate impact on production; inconsistencies with domestic maize prices; inconsistencies in the national food balance sheet when accounting for domestic consumption and exports; high levels of food insecurity and child malnutrition; and questions over the methodology employed to compute the production estimates (Chirwa and Dorward, 2013).

In the face of inaccuracies in national maize production statistics which have been used to assess the impacts of the FISP, Chirwa and Dorward (2013: 130), suggest that a ‘better alternative should be to estimate incremental production from the use of subsidized inputs, fertilizer, and improved seeds.’ This entails the use of maize yield response rates to incremental fertilizer and seed inputs resulting from the subsidy program. However, the evidence on maize yield response rates in Malawi is just as equally mixed and controversial. Studies on the subject have isolated nitrogen use efficiency (NUE) response rates that range from 5-18 kilograms of grain per kilogram of nitrogen applied (for specifics on the various studies, see Chirwa and Dorward, 2013: 131; Snapp et al., 2014: 2).

The extreme variation in the isolated NUE response rates constitutes a problem because estimations of program impacts are sensitive to these response rates (Chirwa and Dorward, 2013; Jayne and Rashid, 2013). According to Ricker-Gilbert et al. (2013), it is not surprising that with this level of variation in NUE response rates, the estimated benefit-cost ratios of fertilizer subsidy programs are subject to similar variations. Based on this, it can be argued that the whole premise or foundational validity of program impact estimations is somewhat shaky in that the core statistics are mixed or at worst suspect. In this regard, the outputs of quantitative analyses themselves become ‘subjective’ and open to wide interpretation because ‘the data do not speak for themselves’ (for example, Jerven, 2014). More importantly, agricultural statistics can and have been deployed to naturalize or legitimate particular narratives on subsidies. To this extent, Arndt et al. (2015) call for further research on how to better estimate yield response rates to fertilizer use.
Economy-Wide Impacts of FISP

The existing evidence on the impacts of the FISP is rather mixed (Chirwa and Dorward, 2013; GoM, 2015a). The results on program impacts differ across studies. Again, this is due to differences in the methods and assumptions employed by individual studies. More fundamentally and as specified above, in assessments of both direct and economy-wide impacts, the cost-benefit ratios (CBRs) derived are sensitive to the NUE response rate used, where a higher or lower NUE response rate will either inflate or deflate the CBR respectively (for example, Arndt et al., 2015; Chirwa and Dorward, 2013). This is particularly so in studies that focus on direct benefits, in which case a minor decline in the NUE response rate strongly deflates the derived CBR (Arndt et al., 2015).

In both types of assessments, isolating the specific contributory impact of the FISP to the Malawi economy is a complex undertaking, in part due to the existence of a multiplicity of factors that have a bearing on the performance of the macroeconomy, which may attenuate the overall contribution that the FISP makes (for example, Arndt et. Al., 2015; Chirwa and Dorward, 2013; Dorward and Chirwa, 2014). The challenge in estimating the economy-wide impacts of subsidy programs lies in the identification of the specific pathways through which benefits transmit to the wider economy. So far, most evaluations of the FISP have used methods that fail to ‘fully’ account for and identify all impact pathways. The net effect has been a failure to better approximate actual program impacts (for example, Arndt et al., 2015).

Critical studies on the subject have isolated CBRs that are in the range of just below 1 to above 1. These include Chirwa and Dorward (2013: 216) who under various specifications computed cost-benefit ratios that are consistently above 1 and an averaged CBR of 1.35 for the period 2005 to 2011; Jayne et al. (2013: 697), consistently below 1; and more recently, Arndt et al. (2015: 2) computed an economy-wide CBR of 1.62. Overall, when these results are considered, the performance of the FISP cannot be characterized as being poor, more so when the country’s overall context is taken into account.
The debate concerning the specifics of the estimation methodologies and how these deflate or inflate the derived CBRs, thus which estimations more accurately approximate the economy-wide impact of the FISP is on-going (see Jayne et al., 2015). While these debates are instructive to policy processes, the evidence in itself does not singularly determine policy decisions or choices. The survey data indicate that evidentiary-based decision making processes in Malawi have been subject to multiple attenuations.

Qualifying Evidence and Pragmatism

In the face of mixed evidence, other forms of ‘proxy’ evidence become useful in qualifying the debate. First, food production has ‘kept’ apace with rapid population growth. Since the inception of the FISP in 2005, population is estimated to have grown by 25%, yet the subsidy has consistently been around 150 000 MTS, targeting 1.5 million beneficiaries. The question then becomes: how has the growing food demand been satisfied?

According to Pauw et al., (2015: 28), the food share of maize in the average Malawian diet increased by 14% for the period 2005/04 to 2010/11. They state that the most likely explanation for this change is the increase in maize supply under the FISP, which coincided with a real decline in maize prices (also see Verduzco-Gallo et al., 2014: 6). Further, the average Malawian household increased its per capita consumption of calories by 4.6%, notwithstanding class-specific differences. Also, national food production and per capita availability indices show increases in national food security in Malawi since the implementation of the FISP (Chirwa and Dorward, 2013). They further state that these trends of national food security are consistent with qualitative survey findings that show improved self-assessment of food security at the household level (also see Mpesi and Muriaas, 2012).

Second, and related to the preceding point, the statistics on maize imports do not show a rising trend, which negates the notion that the extra food demand has been met by maize imports. More fundamentally, it points to the likelihood of increases in domestic supply due to the impact of the FISP. Malawi is generally a net importer of maize, albeit in small annual amounts except during times of
national food crises when large formal imports are made (Chirwa and Dorward, 2013). During the FISP period, maize imports have been fairly constant in the range of 50,000-100,000 MTS (Chirwa and Dorward, 2013: 150). During the same period, the only recorded formal maize exports were in 2007 and 2010 (Chirwa and Dorward, 2013: 150; Derlagen, 2012: 3; Jayne et al., 2010: 16). The trends in maize production, imports, and exports for the period 2000-2013 are shown in Figure 6.2.

![Maize Production, Import, and Export Trends 2000-2013](maize_production_import_export_trends.png)

**Figure 6.2.** Maize Production, Import, and Export Trends. Source: FAOSTAT Database

Third, because of the peculiarities of the Malawi’s context, as a policy alternative, maize imports are viewed as being unviable on a number points, including logistical complexities and cost. Historical evidence exemplifies this, for example, in 2001, the National Food Reserve Agency attempted to source 150,000 MTS of maize from South Africa under a loan facility from a South African bank (US$33 million at 4% interest). It ended up sourcing only 134,000 MTS at an average price of US$245 per ton. According to Devereux (2002: 74), ‘prices started at US$220 but rose to US$265 per ton, as other food deficit countries in the region also turned to South Africa to import maize.’ Besides this, the process experienced significant delays (Chinsinga, 2007; Devereux, 2002; Minot, 2010).
Similarly, food imports during the 2004/05 hunger crisis cost MK13 billion (US$93 million) compared with MK7.1 billion (US$51 million) spent on the 2005/06 subsidy program (Chinsinga and O’Brien, 2011: 29). Recently, the Malawi government has allocated MK15 billion in the national budget to source just 115,000 MTS of maize to address the production deficit experienced during the 2014/15 agricultural season, which was caused in part by erratic rains and flooding (see, Thom, 2015).

Additionally, traditional sources of maize imports, for example, South Africa or Zambia, are ‘no’ longer in a position to do so as they struggle to satisfy their own domestic demand. For these reasons, among others, the Malawi government has historically been reluctant to see maize imports as a major component of its food security policy (for example, Harrigan, 2008). This buttresses the argument that *pragmatics* relating to the unique peculiarities of the Malawi context are an important explanatory variable for policy choices.

On the whole as regards food imports, such a policy would be contingent on the availability of foreign exchange reserves. Given the present structure of the Malawi economy, this would be a precarious proposition indeed (for a discussion of higher computed costs of alternative investments, see Levy, 2005). Moreover, food imports would be counterproductive to efforts to sustain increased local production and gains attained in recent years. This aspect is particularly important in the face of volatile global commodity markets.

Fourth, when the historical incidence of food insecurity is considered, it is clear that non-subsidy periods have been accompanied by high levels of food insecurity. For example, the period following the suspension of subsidies at the insistence of donors in 1994/95 is interspersed with an incoherent set of ad-hoc and reactive policy initiatives and programs which did little to address food insecurity (Harrigan 2008). She states that in a ten-year period, it was only in the agricultural seasons in which the government intervened and implemented free input programs (1998/99, 1999/2000, 2002/03) that Malawi was able to produce surplus or near-surplus maize. On the other hand, the period preceding the FISP was
characterized by declining trends in national maize production. Thus, the present policy position is very much historically contingent.

Other measures of the cost of food insecurity also underline the pragmatic advantage of increased local production of key staples. For example, a World Food Program study (WFP) (2015: 41) estimates that the total economic cost of child undernutrition to the Malawi nation for the year 2012 was MK147 billion (or US$597 million). These losses were equivalent to 10.3% of GDP (WFP, 2015: 41). This amount is more than two-times the financial allocation to the FISP in the 2012/13 agricultural season, estimated at just over or US$144 million or MK52.8 billion (Dorward and Chirwa, 2014).

Fifth is the significance of agriculture and the FISP to the national economy. For example, Chirwa and Dorward (2013: 147-148) compared macroeconomic developments between the pre-FISP period (2000-2005) with those in the FISP period (2006-2011). They found average growth in GDP was 1.7% per annum in the pre-subsidy period compared to 7.8% per annum in the subsidy period. The agricultural sector is thought to have been an important driver of this recent growth. Also, agricultural sector-specific GDP grew by 2.1% per annum in the pre-subsidy period relative to 10.3% per annum in the subsidy period. Again, a caveat should be inserted here which is these estimates are subject to maize production statistics. According the authors (ibid. p. 148), over-and-underestimation of crop production statistics has a similar effect on GDP ‘given the close relationship between the performance of the agricultural sector and the economy.’ But even then, the maximum overestimation possible is 1.5% over the FISP period as a whole. On the whole, having accounted for other attenuates, they suggest that agriculture sector performance in the FISP period would still be impressive, at an average of between 7-8% per annum.

When all these factors are considered resultant policies within the structure of existing policy frameworks, derive from the qualification of outputs of analyses by what is seen or observable on the ground. In this sense, recent interest is on how to adjust the FISP to make it more sustainable and to
contain it within the budget through efficiency maximizing measures than what the various analyses are saying about its impacts (respondent communication).

Media reports corroborate this view, for example, President Peter Mutharika is reported to have said that the government will in the 2015/16 fiscal year intensify the implementation of efficiency measures in order to maximize the FISP’s contribution to national food security (Kamakanda, 2015). A review of media reports clearly shows that the government has been subject to considerable pressure to institute reforms to the FISP from various key stakeholders in the agricultural sector who are keen to see the FISP become progressively efficient (respondent communication). These stakeholders include civil society organizations such as the Malawi Economic Justice Network (MEJN) or Civil Society Agriculture Network (CISANET), and the Farmers Union of Malawi (which considers itself a private organization), for example. The survey data suggest their considerable influence on policy processes. Additional pressure has also come from the opposition. According to Mpesi and Muriaas (2012), the opposition has played a critical role in forcing improvements in the implementation of subsidy programs in Malawi. For example, the minister of the MoAIWD, when speaking on changes to the farmer contribution to the subsidy, indicated that the change in the government’s position on the issue was in response to “...what many people wanted including donors that at least we would want to make contribution of the farmer to be seen to be reasonable…” (Nyasa Times, 2015b).

According to the GoM (2015a), proposed reforms to the FISP have been informed by the recent evaluation literature, the results of the National Agricultural Policy consultations, consultations with technocrats within MoAIWD, and results of the July 2014 FISP national symposium. Furthermore, the new policy states that while there has been much concern about the program’s sustainability and increasing debate about exit strategies and policy alternatives, the available empirical evidence on its performance is mixed. The document states that, however, there is a general consensus that the FISP is not an economic failure and should not be dismissed as such, even in the face of mixed evidence about its benefits (Pauw and Thurlow, 2014 cited in GoM, 2015a).
The data from the expert survey, more specifically on the question: “if the evidence on the impacts of the input subsidy program is mixed and inconclusive, how are policy decisions made,” qualified by the contents of the new policy document on proposed reforms to the FISP, and the National Agricultural Policy, suggest that there is a growing push towards evidence-based policy making. Which might suggest possible lessening of political influence in policy processes; when political imperatives are considered, it points to the existence of other attenuating factors in policy making. This development might be linked to a transient political environment i.e., a political configuration that is in temporal flux (for example, Chinsinga and Poulton, 2014; Mpesi and Muriaas, 2012).

The survey data indicate that the evidence from economic analyses is qualified by other forms of evidence in the decision making process. As previously discussed, these forms of qualifying evidence relate to: (a) reductions in the total number of the hungry people when juxtaposed against population growth; (b) a general decline in maize imports and food aid for non-disaster years, both of which are suggestive of increased domestic supply; (c) historical contingency when the incidence of food insecurity is considered; and (d) the critical significance of agriculture and the FISP to the national economy and food security. When all these factors are considered, pragmatism which accounts for the unique peculiarities of the Malawi context and fiscal concerns emerge as the critical attenuating factors in policy decisions. The latter is an attenuating factor of the former. For example, it could be argued that the decision to increase the farmer contribution is not favorable to capital accumulation among the poor, but it satisfies financial expediency. Commenting on these issues, including the impact of the FISP and how the impacts are evaluated, as well as the question of mixed empirics, one key respondent remarked:

I would say good, although difficult to quantify. I mean, it’s difficult to gauge the impact really... but this is the way we look at the impact without really the hard evidence; if you look at Malawi in 2005/06 when they were introducing the subsidy the people that it needed to feed is not the same as today. So we estimate that the population has grown by 25% since the introduction of the subsidy. The amount of fertilizers that has been subsidized has ranged from 140 to 216 MTS.
There was a year it went to two hundred and sixteen thousand, but for the past five years it has been constant at 140, but we haven’t seen Malawi crying for food internationally. So the question is who is feeding these people? So when people usually say that oh there is no impact in Malawi for the subsidy, they are assuming that the population is the same as in 2005/06 but there have been an additional 25% mouths to feed and families to feed but Malawi is not massively importing maize; is not massively receiving maize aid. So what are these people eating, if it is not subsidy maize? So it’s a big challenge for us researchers because population has been the forgotten driver of development…because whenever people are talking about growth we are forgetting that we are multiplying and Malawi is not multiplying at a small pace. Malawi is multiplying at a very fast pace; our population growth rate has not really gone down and yet we are able, now we can safely say when we are out there that Malawi is feeding itself. At least it is feeding itself. There will still be hungry ones. I mean even in USA where the economy is good there are still poor people.

The above sentiments suggest that analytical evidence is subject to filtering. These filters overall define the approach taken which is essentially pragmatism in regards to what works and what does not work. This approach to policy making pays attention to, or attempts to reconcile, oppositional policy positions. What is certain is that there are some aspects of the FISP that are clear i.e., for which there is credible evidence, for example, inefficiencies related to logistics. These aspects will most likely be reformed as discussed in Chapter Five.

There is some variation in the understandings or interpretation of, and views on, the analytical evidence. This variability can be explained in part by a recognition of the non-proximate ways in which the evidence is generated. This aspect was explained in a preceding section. Thus policy-makers who are cognizant of such limitations have to qualify such evidence. This constitutes the process of filtering. However, in general, overriding concerns for national food security and the economy influence what position policy-makers assume in the context of generally positive results, more specifically, improved
national food security. Thus, in the end, pragmatics rule as attenuated by fiscal concerns, this issue is discussed later on in the section on the role of finance and donors. The textual data suggest that the Malawi government will continue to implement the program in a context of existing policy frameworks while paying attention to the question of reform as informed by various types of evidence. These aspects are captured in the following ten quotations:

…generally these issues are based on the fact that government has medium to long-term policies – the medium term policy framework guides where we should actually be putting our money and it is a process of review of that policy framework that informs subsequent policies that will have to be formulated. At the moment we have a policy framework that we are implementing, it is the fact that people are reviewing the implementation of that policy that will help to inform subsequent policies and that information that you are talking about will be very useful and critical in informing the subsequent policies; but that doesn’t mean that we should stop implementing the policies that we have formulated at the moment.

I don’t think the evidence is that inconclusive? I think whatever analysts write, you know, the reality is that this program has more or less guaranteed food security. So, therefore, I think that you make policies based on the evidence that you see more than evidence that is written down. I mean yea there’s a quite a lot of, you know, there’s a debate that’s raging between Jayne and his collaborators and Andrew Dorward and his collaborators and you know if you work for government you make your own judgement. You don’t get too hung up with what the analysts are saying. I think the judgement is that this program has been effective. We’re more, you know, we are more interested in kind of adjusting the program to make it more sustainable; to contain it within the budget and deliver it earlier than be worried about what different analysts are saying. I don’t think they really influence our decision-making at all (emphasis added).

It’s very hard because you know we actually have very bad data in this country, so it’s very hard to relate exactly what the impact has been and I think for that reason a lot of the focus has been
on, you know, or the kind of view of a lot of people as well, has been we stuck with the program because you know there is some economic reasons for us but there are also lots of political reasons for having this program, and so therefore, let’s try and make it as efficient as possible and I think that’s kind of really been the focus. Also, even when people talk about FISP reform, it’s not really reform of the program but making it more efficient though again tinkering at the sides, thinking about things like targeting or voucher systems, or you know, the size of the subsidy, small kind of changes but not wholesale changes (emphasis added).

I personally do not believe a lot of these economic analyses because as you have rightly pointed out they use fundamentally different assumptions and come up with different conclusions. I think for me, the key is for the country to decide what it really wants to do in the agricultural sector and this should be informed by the existing evidence out there: that no country has ever developed without fundamentally developing its agricultural sector. And I think for me the key is to learn lessons from those countries, how did they do it and how can we do it? I think ultimately, the key should be: how do we design an institutional framework that would make sure that Malawi is food-secure but at the same time it produces enough to help us lay a fundamental foundation for rapid structural development and transformation. I don’t think there is a mathematical formula for that. It requires I think leadership, it requires commitment, it requires different categories of elites coming together and rallying behind a shared development project (emphasis added).

Look at all those analyses and see which one makes sense. What I find is, I have attended several of those meetings, I think as an economist sometimes when you see a statement like “well, we cannot easily quantify,” you read those documents, “we cannot easily quantify one of the aspects of the cost-benefit analysis” then you’ve an answer of cost-benefit analysis, what are we saying?... but you should be able to capture the basic costs then the basic benefits that can make sense, but some of the arguments they were saying in some of the reports I was reading, if they
cannot estimate this then does it make sense what am reading in the end and this is what they have found? So we can’t estimate the, somewhere they talked about – is it the cost of logistics and what and what, then they tell you, when I was reading myself I said no-no look these are part of the major costs. You know, the other challenge we have as economists is also choosing the variables that at the end of the day give you a result that will please your master. This is also another challenge when you are deliberately knowing if I also take into account this variable the internal rate of return here will not be good and then they employ me that I should provide this report. Otherwise we need to look into all those studies and let as a policy maker get other consultants and synthesize all those studies… let’s get out of the classroom work and sit outside and say yes ten years before FISP what was the situation, how much food did we import, okay? Then ten years after this how much food did we import, oh it reduced, okay, what was the weather pattern between year one and year ten? You find out that between years one and five and six the weather was very good, and we didn’t really suffer and we saw the good side of the FISP, but come to the year seven-eight-nine to date you find that the weather pattern has not been very fair to us. So even from the year one when we were saying FISP has given us a surplus of 1.2 million the first figure to surprise everyone… nobody bothered to find out but why do we have this surplus of 1.2 million? What has been the weather? These variables, rainfall for example, the key one, how has it acted in this period? Is it really just the result of FISP or it’s a combination of the good weather and FISP? Because everybody deliberately chose to keep a blind eye on the good weather. The answer of FISP is good, you see it has done all these wonders, it has done all these wonders but inside there was weather, there was good weather that’s why we have this good story. **Now here we have a reality, where we are going from now onwards, it’s about the impacts of climate change are very visible.** So let’s look at this other animal which is hidden behind FISP, we need to address it (emphasis added).
The fact that most households have got at least food not for the whole year but at least for 8 months it’s better than when you are not using fertilizer and you are having food only 3-4 months. Therefore, government is spending more on handouts, so to that extent it’s been beneficial. To us, what we say is that we can do better, we are not saying that it has been a waste of money, yes there are some benefits but I think we can do better. We need transformation in the agricultural sector, we need to inculcate the idea that even by rearing chickens, goats and the like you will be food secure. It’s not only planting maize that will make you food secure (emphasis added).

I think it’s more about defining what you want to achieve in the short-medium term that is what is going to define what policy position you should take. Is it about technology adoption? Is it about food security? Is it just safety net because you want to help a certain segment of the population? So that is what will define what solutions are put in place.

That’s a very difficult question to answer. I think I also said that, yes, we can say that FISP has. I don’t want to dispute the question, it’s a mixed bag, but I think the question is: how best to administer the subsidy. I think that’s the one that the debate has been raging. Am sure that even the politicians have gotten that kind of debate, but I think there is something that is holding them. Yea, some ghost is holding them, to implement, how best we should do it. So it’s an important question when you ask me how “does the government make policies,” it’s something that to me is not straightforward. Government is excited to see that it has food around the table, but perhaps what is not encouraging is at what cost are we bringing that food. Can we bring that same food or even more at a cheaper price? That’s something that gets us into the political question. So policy making is left too much in some office which are considered very important, so they will decide for us. If we have any representation we can only talk and talk and talk, but are expected to perform the directive (emphasis added).
I think it *depends on what you want to achieve* at the end of the day and *depending on your circumstances, depending on your environment and other objectives*, because yes we can have, it’s possible to analyze this, other suggestions invest subsidy where maybe the market price is controlled or reduce to a certain level or targeting particular commercial farmers so they produce and make sure that there is enough maize for even the poor, enough maize for everybody and available at affordable price, yea, even the vulnerable could manage to buy. So it *depends on mainly I think on the issues that maybe the political masters think that are serving their interests, as in the vote which comes could be factors, and others being issues of value for money and efficiency*. I think those are the factors, but I can’t say this is it for FISP (emphasis added).

It’s just an attempt, it’s something is trying to represent reality but it may not really be a true reflection of it, so you can’t really quantify in very specific terms, but in general direction terms yes, it will give you sense… we all agree that it seems to be going north or south that’s all that you need to know, but in terms of how much of the latitude/longitude it sits on there you can always have – that’s why we have this degree of error if you feel like, it can be anywhere between in here and here, but you can’t really be precise.

The variability in respondent perceptions as to how evidence is treated in policy making as well the complex way in which policy decisions might be arrived at is clearly exemplified in the preceding quotations. Critically, however, through and through, there is considerable congruence of respondent views on reforming the FISP and making it more efficient. More importantly, when considering these varied views is the fact that none of the extant analyses of program impacts have produced definitive negative results.

The computed CBRs clearly suggest that the impacts have not been negative. So that the real issue becomes “what level of returns to investment” would be acceptable? No study will go out on a limb to suggest what the optimal expected returns should be, and no scale has been set as to what constitutes the best returns and what should be considered retrogressive. There are so many unquantifiables when it
comes to the assessment of large-scale subsidy programs, so that any assessments of program impacts are subjected to filtering in relation to other pertinent factors.

As one of the respondents suggests: it’s about making sense of the evidence? This involves, in the view of this dissertation “thorough contextualization” i.e., understanding the evidence through the lens of Malawi’s peculiar ‘geography,’ it’s unique and challenging context. Which would lead to the conclusion that the FISP has had positive impacts.

The following two respondents referenced Malawi’s peculiar and complex context when considering the evidence in relation to policy while drawing attention to the notion that the Malawi context means that policy-makers cannot afford missteps in the agriculture sector even as efforts are made at maximizing returns to investments. In other words, the program is doing well and that the alternative to having the FISP would certainly lead to significant loses:

It’s difficult to say, but if you have a….it would depend on the country, I think. But if you have a country like Malawi, with such a vulnerable population and if you have a program like FISP and the evidence is saying it works a lot or it doesn’t work at all, as long as none of the evidence is saying it has a negative effect which is when you really start to have a dilemma. But if the question is how positive are the effects, then I think you would be worried to abandon it because the population doesn’t really have a lot of, a large percentage doesn’t really, isn’t really able to afford kind of a misstep in the agricultural sector. I don’t know the evidence well enough, but of course if you thought that that the subsidy program could have a large negative effect on the poorest farmers it’s a different issue; but that’s not my understanding. My understanding of this debate is it’s more, the debate regarding the benefits for the farmers, is more about how big are they and are there benefits for all of the recipient farmers? Of course there could be negative effects on other parts of the economy (emphasis added).
It becomes mixed when you have all those studies not resonating to one conclusion, but I think the single fact is, at least on the ground there are some gains and also there are some loses; and sometimes I mean just looking at the problem without a quantitative analysis you could visibly see, for example, the logistical weaknesses, logistical challenges – challenges related to, for example procurement, where you could find that maybe cheaper players would have delivered more efficiently…I mean you could really point out and see that some of those things will be fixed. When you look at the cost-benefit ratio they affect that, and at the same time I think there are more benefits which supersede the cost, for example, if the program wasn’t there you would look at what does it cost to deliver for example food aid and food aid has been very expensive aspect in our economy…so I think you are trying to balance the cost and the benefits. At the end of the day if you have got scope to improve some of the weaknesses it makes sense to make sure that the program is looked at so that there are more benefits than the cost. The cost aspect is where we are looking at: how best can we implement based on the low cost, when you reduce the cost so much definitely the benefit-cost ratio should be better than now. But it’s something, it’s a complex thing because sometimes it depends on how you define the benefits. Some take the benefits in terms of the production of maize, but it could be beyond that. I think there is need to have more parameters. And when you look at the opportunity costs, if you didn’t have the program and there is food aid, just look at for example, like the cost of drought what does it mean: five million hungry, like was the case in 2005, struggling to really get the basic necessities. So I think different methodologies but at the end of the day it makes sense to reduce the cost, the costing structure so that we achieve more benefits (emphasis added).

The Role of Finance in FISP Policy

Thus far, discussions of policy processes in Malawi have emphasized the role of politics with limited attention paid to how finance might shape the FISP’s outcomes and future. Finance is particularly significant in Malawi’s case because of the country’s heavy reliance on donor aid (for example, Chirwa
and Dorward, 2013). Historical evidence indicates that finance has played a critical role in shaping agricultural policies in Malawi, with SAPs being a case in point (for example, Harrigan 2003; Kwengwere, 2011). Presently, fiscal difficulties mean that the Malawi government finds itself in a position in which it has to not only justify the continued implementation of the FISP, but also the specific ways in which it does so. The following quotation captures some of the considerations and dynamics, including the conditions under which the FISP will continue to be maintained, as discussed in Chapter Four:

I hear what you’re saying, but there’s always that risk that a party might come in and just not implement the program or be forced, you know, I mean ultimately the share of the budget size of the program is gonna have to be reduced just because of other, you know, growing population and other priorities and increasing debt and increasing debt service obligation. But I think every political party is going to put it in the manifesto and every political party is gonna implement it to the degree feasible within the budget.

The indications are that the change in the government’s policy position relates to the increasing fiscal pressure that the FISP exerts on government finances (respondent communication). In the main, the government’s constrained financial capacity has come about due to two factors. First, because of the reduced or no direct donor budgetary support to the FISP for seeds and logistics. This averaged 13% of the FISP’s budget during the 2007/08-2011/12 period, peaking at 41% in 2011/12 (World Bank, 2013: 38). According to the Logistics Unit (2015), the 2013/14 agricultural year saw the commencement of partial funding of the program by donors through the Multi-Donor Trust Fund (MDTF) which was funded by the World Bank, European Union, Irish Aid, the UK Department for International Development (DfID), United States Agency for International Development (USAID), Flanders and Norway. As an aide, prior to the MDTF Norway, Irish Aid, and DfID were the main donors to various aspects and activities of the FISP including seeds and seed quality monitoring, police costs, and logistics. This means that the government must now cover the cost of both seeds and fertilizer. Second, and more significantly, donor
withdrawal from budgetary support which in the past had stood at 40% of the national budget. Even though donors will not explicitly accept that they have been funding the FISP, the fungibility of finance means that the government can redirect donor budgetary support funds to the FISP. Thus, the withdrawal of both forms of donor aid means that the flow of finance to the FISP is restricted. Effectively, this means that the government will have to tightly manage whatever financial resources are available.

As mentioned above, the government’s focus on the FISP has led to increased spending on the agricultural sector. Increased spending on the sector has, however, come at the expense of increasing budget deficits and increasing debts which have been deflated by grants (Chirwa and Dorward, 2013). It is reasonable to assume that in the absence of such grants, deficits and debts will escalate significantly. According to the government’s financial statement for 2015/16, the 2013/14 and 2014/15 financial years ended with deficits of MK137.8 and MK117.4 billion, respectively.

At the time of the publication of the 2014/15 program implementation report, government indebtedness to various suppliers stood at approximately MK15.86 billion. Another MK6.5 billion remained outstanding from the 2013/14 program (Logistics Unit, 2015: 48). Media reports suggest that the government’s capacity to efficiently implement the FISP has in part been hindered by financial difficulties. For example, delays in the distribution of inputs occurred in 2015/16 because of outstanding government debts to various private suppliers (see Khamula, 2015). The government’s finance structure has obvious implications for the efficient running of the FISP as well as the program’s long-term sustainability. A reliable funding mechanism to the FISP is important to its performance, for example, delayed and reduced funding of the 2004/05 subsidy is thought to have contributed to a 24% decline in the 2005 maize harvest (Minot, 2010: 14).

According to Gurara and Salami (2012), however, the FISP does not have a mechanism for either recouping program costs or replenishing the foreign exchange that it consumes. This issue has cast a shadow over FISP’s long-term sustainability. Arndt et al. (2015: 3) state that while the 10-15% direct donor support to the FISP’s annual budget is important, the foreign exchange that arrives from donors in
the form of budget support and support to other projects/programs (around 40% of government expenditure) is even more critical to FISP. In their opinion, cuts in overall support to the government would require significant internal realignment to match government expenditures with revenues (including remaining aid flows) and substantial external realignment to match the supply and demand for foreign currency. They further state that ‘since cutting FISP would assist with both of these realignments simultaneously, Malawi may, in the face of more limited donor support overall, find very few realistic alternatives to downscaling FISP’ (Arndt et. al., 2015: 4).

This is the kind of situation in which the Malawi government currently finds itself. Thus, recent reforms intended to reduce the overall cost of the program to the government, for example, the increase in the farmer contribution, reflects increasing financial pressure resulting from the donor withdrawal from the aforementioned forms of budgetary support. For the duration of the FISP, the farmer contribution to the subsidy has been negligible, having been reduced by political decree from the intended initial program design rate of 30%. According to the Logistics Unit (2015: 14), in 2006/07, farmers contributed MK950 to the total cost of MK3,500 of a 50 kg bag of fertilizer. However, by 2014 farmers contributed only MK500 of the total cost of fertilizer at MK16,000 which represented a 3% contribution (see also GoM, 2015a: 3).

The proposed farmer contribution to the fertilizer subsidy in 2015/16, excluding the farmer contribution to the cost of seeds, represents an increase of around 600%. According to the GoM (2015a), this increase is intended to achieve two things: (a) the higher price will lead to more self-targeting of more productive and resourceful farmers based on the assumption that the price barrier will screen poorer farmers from participating in FISP; and (b) a lower subsidy will reduce the fiscal cost of the program to government. Overall, these changes were intended to bring the cost of the FISP down to MK40 billion in 2015/16 from MK59.7 billion spent during the 2014/15 agricultural season. It remains unclear, however, how many of the productive poor can afford to pay the increased contribution; MK8,500 in 2015/16 and MK15000 in 2016/17 is still quite high depending on the traits of the target population.
Within the agricultural sector, donor funding is extremely fragmented with about 50% financed off-budget to various projects and programs (World Bank, 2013: 38). It is entirely possible that the redirection of funds in the sector to individual donor projects and the MDTF underline donor mistrust of government, donor interests (agricultural modernization), and a preference for micro-programs that yield immediate tangible results as tied to the question of aid-effectiveness. For an exemplar discussion of aid effectiveness and its relation to policy see Riddell (2014). The redirection of funds by donors can be seen as an attempt to bring about a realignment of government policy priorities in the sector (see World Bank, 2013). Indeed, suggested reforms to the FISP and the policy focus of the NAP on modernization and commercialization reflect a similar focus by the non-governmental actors in the agricultural sector. This is in keeping with the propositions of The New Alliance for Food Security and Nutrition, which in the main seeks to facilitate increases in private investment (see DfID, 2013; Provost, 2014).

Finance is the one important driver which donors possess and which can be leveraged. Thus donor ‘termination’ of budgetary support allows donors to influence policy by proxy. According to one respondent:

Yes, one of my colleagues within the bank said, you know I hear a lot of pressure on the government to stop FISP, don’t even put pressure on them, the heat will turn on them automatically. So already the government is starting talking about reducing expenditures, yes that’s the beginning of the exit process. So the budgetary issue which has been historically the argument against FISP, it’s coming to catch up with the government already. There are so many competing needs you said earlier on and you cannot just put all the money in FISP.

Another said:

I think what we discussed earlier about the budget allocation, a couple of years ago the World Bank conducted a public expenditure review…that kind of very neatly summarizes the kind of pressure that the MoAIWD is under to basically make the spending more equitable and allocate
the spending more equally across different areas, so again this issue of the concern of too much money going into fertilizer subsidies and other areas being neglected.

These factors and the views of expert respondents refute the notion of limited or no donor influence on policy making or in the least, policy processes. Donors have exerted influence via finance through ‘politicking’ over budgetary support and the vetting of all government programs seeking access to the MDTF. In relation to the MDTF, a total of US$69 million out of US$100 million has been released to the MoAIWD as guided by the Agriculture Sector Wide Approach (respondent communication). However, these funds go to projects that are implemented through various modalities, including non-state actors. Speaking in relation to the administration of the MDTF, one respondent intimated that the funds are ring-fenced.

Donors are also actively involved in policy dialogue and sit on the Agriculture Sector Working Group, particularly USAID, WB, the EU, and DfID. Donor control over resources gives them access to key policy forums and explains the significant level of donor interference in policy discourse in the agriculture sector (respondent communication; also see Kwengwere, 2011). Additionally, some donors also sponsor programs evaluation studies which are informative to policy dialogue.

The following statement by the head of DfID in Malawi on recent reforms to the FISP supports the assertion of donor influence on policy processes:

The reforms are a step in the right direction, and we look forward to further discussion on some of the technical efficiency issues that have been raised repeatedly by the evidence, such as productivity, who is benefiting and exiting from the scheme to reach the most deserving productive poor farmers, and how to encourage greater diversification away from maize (Nyasa Times, 2015a).

It should be said that donors are not a monolithic entity, for example, Harrigan (2008) details some of the policy difference among donors. The specific role that individual donors play in influencing
policy is variable across the spectrum of donors involved in the sector. Additionally, the capacity to influence policy does not necessarily correlate with the specific donor’s financial contribution. According to one donor representative, some donors are more interested and more involved in policy dialogue than others.

Conclusion

This chapter explored the question of how mixed empirics and finance feed into, or interact with, other policy drivers such as politics to influence and shape agricultural and food security policies in Malawi. The chapter explores the topic by referencing existing policy explanations including urban bias, SAPs, and recent explanations which emphasize the role played by domestic politics; these explanations reference the constitutive elements ‘neopatrimonialism’. In brief, the discussion has shown that the Malawi government has gone through a process of interrogating the evidence as qualified by several attenuating factors before arriving at policy decisions (as discussed, continuing and sustained socio-political pressure from key stakeholders which has been given impetus and reified by a serious fiscal crisis, and the overall reorientation of agricultural and food security policy in Malawi). This has perhaps worked to presently curtail the influence of politics in policy processes.
CHAPTER SEVEN

CONCLUSION

The objective of this dissertation was to explore how agricultural and food security policies have been devised and implemented at the government-donor interface and to critically interrogate current explanations of the political economy of agricultural and food security policy making in Malawi. To do this a historiographical approach was used to examine historical policy processes to background the analysis of current policy processes in line with the theoretical propositions of the study vis-à-vis modernization as the dominant guiding construct, therefore, development as an imposed idea. To this extent, the analysis looked at agricultural and food security policies in general, then zeroed in on agricultural input subsidies to explore the role played by both the state and donors. More importantly, to explore the extent to which state level efforts are either confounded or enabled by donors and international financial institutions.

The study also sought to contribute to explanations of the political economy of agricultural and food security policies which have in the past have referenced urban bias, economic reforms, and more recently democratization, with emphasis placed on the role played by domestic politics. Recent explanations, although important to the analysis of policy making in the Malawi context, by underplaying the role played by donors or financial institutions fail to highlight, overall, how agricultural policies (in particular, FISP) have come to assume their current structure. Thus, how it is possible that well intentioned objectives, by either the state or donors, might produce negative outcomes. The current focus on the failures of the state serves to deemphasize how failures in the agricultural sector might in fact be a function of inefficiencies at both the state and donor level.
To this extent, the study focused on processes in FISP and situated the same in history in order to show how current policy changes have their origins in longstanding ideologically driven state and donor policy differences. The dissertation sought to explore how government and donor policy positions have evolved over time, to a point where there is currently some degree of alignment. And how this alignment has had possible implications for the reconfiguration of FISP. Pursuant to the foregoing, and more importantly, how the state has come to reconcile the competing objectives of social welfare provisioning and marketization.

This dissertation, by drawing on the perspectives of policy makers and contextualizing or juxtaposing the same against extant knowledge/evidence and past processes sought to provide insights into the contested process of policy-making; how these contestations shape institutional positions on FISP (i.e., in regards to FISP outcomes/impacts as related to its design and modalities of implementation, the focus here, was on exploring how evidence interacts with other policy drivers such as politics or finance to shape policies); and how these processes are likely to shape the future trajectory of domestic food policies.

Part proposition of this dissertation research was to explore the possibility that food insecurity is constituted, reified, and reproduced by capital or finance via its subsumption of agriculture. Since much of the debate on FISP has centered on finance i.e., monies invested and returns to the same, and the critical issue of long-term sustainability.

Pursuant to the above three main questions were explored by this dissertation:

(1) How have historical agricultural and food security policies been formulated?

(2) What is the current configuration and future of the farm inputs subsidy program? How is this linked to current debates over its impacts or outcomes?

(3) What role has evidence and finance played in policy making in FISP?
The following sections, therefore, outline the main findings. The focus is on the role played by the state and donors as well as the factors that have informed their respective institutional positions, and their relation to evidence and finance.

**How Have Historical Agricultural and Food Security Policies Been Formulated?**

By carrying out a review of agricultural policies in Malawi the dissertation attempted to explain their origins, the context in which they have been implemented, and how they have evolved over time. Critically, the study found that the Malawi Government has not had a comprehensive agricultural and food security policy since independence. Rather, agricultural and food security policies have been embedded within key development strategies of the government, for example, PRSPs and MGDSs. It is only recently, in 2016, that the National Agricultural Policy has been adopted. As a corollary of the aforesaid, two problems arose (a) significant policy incoherency within agriculture and with other sectors of the economy, with the principal attendant effect of underinvestment to agriculture which had obvious implications for the sector’s performance and broadly the macroeconomy; and (b) the sectors’ secondary role in the national economy in favor of urban consumers and industry hence the ‘subjugated’ position of those directly involved with agriculture i.e., peasants. The dual structure of the agricultural sector was devised to fit this structure. The overall effect of which, at the national level, has been unequal growth – an increase in equality over time. Throughout, lack of attention to distributional issues has been a key failure/attribute of state policies.

By also focusing on general macro policies and the nesting of agricultural policies within these, and how the FISP is situated within both historical and current policies, the dissertation has shown how agricultural policies have been rationalized. And by contextualizing certain features that form part of the wider debate on the FISP, including the questions of alternative investments, diversification, and the organic alternative, and the maize focus of state policies – which fact ‘continues’ to be a sticking point between the state and donors, the dissertation has shown how the current policy configuration is very much historically contingent.
The dissertation has also shown that in the Malawi case, as might be with many a developing country, since the 1980s donors have employed a “chipping away” strategy with variable stringency in their relation with the state, which has itself redefined its role from that of being a formulator and implementer of agricultural policy to primarily being a policy regulator, and becoming party to a number of international protocols such as CAADP and the G8 New Alliance for Food Security and Nutrition, even as agriculture marketizes. This has occurred in spite of obvious limitations in donor understanding of the harsh, challenging, and complex realities of the Malawi context or geography (in all respects: economic, political, climatic, physiographical, anthropological etc.). The failure to recognize geography, and an unwavering focus on the agency of markets have contributed to the undermining of both national and household food security, notwithstanding ‘good’ intentions.

By doing the foregoing, the dissertation has highlighted important undercurrents that might not be immediately visible to the reader with a cursory knowledge of the constituent specifics that manifest as blanket narratives. This will perhaps, contribute to the countering of discourses that merely focus on the visible vis-à-vis the immediate economic costs of government efforts in the agricultural sector, such as FISP. And by referencing past subsidy programs, this dissertation has been able to isolate some of the key points of contention in policy-making processes, therefore, how these have come to influence current processes in FISP, although under different political dispensations. Thus, speaking to the role of politics in the FISP when juxtaposed. The dissertation has shown the variable interventionism in agriculture of the various presidencies in accounting for executive influence or the centralization of power, which has vacillated between significant and minimal. Partly as a result of a fluid political configuration, which alters associated political incentives which are intimately and primarily connected to the question of hunger, therefore, indirectly to such factors as natural disasters, and the countering influence of donors.
What is the Current Configuration and Future of the Farm Inputs Subsidy Program? How is This Linked to Current Debates over Its Impacts or Outcomes?

The results indicate that the FISP has until recently retained more or less the same configuration in regards to its design and implementation modalities, save minor changes here and there. Both the review of program reports and the views of respondents indicate that any changes made were of a minor nature, what some respondents referred to as “cherry-picking.” Overwhelmingly, respondents felt that the state’s intransigence to reforms was primarily driven by politics. It is also possible, however, to argue that other limitations or structural constraints imposed by Malawi’s peculiar context means that decision-making is never a straightforward issue vis-à-vis what is appropriate. Therefore, government intransigence can in some respects be justified. There are so many unknowns, so that decision-making becomes fraught with some given degree of risk, both political and otherwise. In other cases, there is simply no credible information on which to base policy decisions. Overall, it is possible that simply ignoring the experts represents some form of resistance to impositions, and might be borne of the understanding of past policy failures and perceived injustice.

The various proposed and already implemented reforms were detailed in Chapter Five. Key reforms include: (a) the reduction in the number of FISP beneficiaries and the related targeting mechanism (aimed at the productive poor, who will presumably produce for both their own consumption and for the market); (b) the farmer contribution to the subsidy, which is to be raised so as to reduce the fiscal burden on the state, and to engender the self-targeting of more productive and resourceful farmers; and (c) increased private sector involvement in the procurement and distribution of inputs. These reforms are connected to, crucially, debates on the program’s impacts (largely, economic) which are in turn linked to the program’s objectives.

The data analysis found that hitherto the objective(s) of FISP have been fuzzy or ambiguous whilst primarily focusing on ‘food security,’ regarding the question: whether it is a productivity/growth inducing/enhancing or social protection program. The dissertation has shown that the current thinking is
that the FISP should be ‘decoupled’ from any social welfare functions i.e., ‘food security and nutrition are not the sole responsibility of agriculture.’ And other non-subsidy strategies are to be pursued, including the use of cash transfers. Relatedly, there is also a redirection or increased impetus towards market solutions to food insecurity i.e., strategies that seek to enhance poor people’s entitlements. To this extent, concerted efforts are being made to diversify, both in terms of production and away from agriculture. Overall, these changes reflect the broader change in agricultural policy in Malawi to reflect both local and international policies and protocols, to which the government is party.

As regards the future of FISP, it is unlikely that it will be terminated, even though the program is considered in some circles, both at the local and international level, to be a waste of scarce public resources. This is because detractors of FISP see it as merely *subsidization of immediate consumption*. This view is reified by the ‘fact’ that the economic benefits of FISP are not immediately visible to the ‘average’ person. However, there was consensus among respondents that the FISP has certainly increased maize production and improved national food security. The overwhelming expressed opinion of respondents was that the state will continue to implement FISP in spite of concerns about finance (i.e., the acceptability of subsidies in the context of a constrained fiscal space) primarily because the agricultural sector would be *unviable* without the subsidy program for both agronomic and economic reasons, and because FISP still serves political imperatives. Importantly, the legitimacy of FISP will be closely linked to the state’s capacity to effect reforms where there is *need* to do so. This will be done to maximize the program’s efficiency in order to enhance its contribution to agricultural and economic growth. A key concern regards underinvestment to other key areas within agriculture, such as irrigation, which would provide some sort of buffer against climatic shocks. The FISP appears to be particularly prone to the devastating impact of climatic disasters.

However, if the history of prior subsidy programs such as the SP and TIP can be used as a referent, the calls to exit or terminate the program should be taken more seriously. There is a serious clamoring for an exit strategy. It is very possible that in the long run the resistance to exit FISP might be
“chipped away” or dealt a hammer blow. Overall, it appears that the current discourse on efficiency has gained currency and is likely to continue to affect future policy processes.

What Role has Evidence and Finance Played in Policy Making in FISP?

The results suggest that the Malawi government has gone through a process of interrogating the evidence as qualified by several attenuating factors and processes before arriving at policy decisions (this is clear from respondent communications and GoM, 2015a). While others have emphasized the politicization of data, namely, how politics deploy ‘evidence’ to legitimate policy, this study departs from this perspective to show that in the immediate recent past, evidence at the level of the bureaucracy, has informed policy-making processes rather than been manipulated to satisfy political interests. The political system, however, has not necessarily been persuaded by technical advice on its own. The considerable socio-political pressure exerted by key stakeholders, in a context of ‘invisible’ FISP impacts, has been critical. This socio-political pressure has been given impetus by a serious fiscal crisis, which was in part triggered by the Cashgate Scandal and the crisis in Malawi’s tobacco industry, the country’s major foreign revenue earner.

This study has attempted to show that evidence in the post-Bingu Mutharika has over time increasingly become less political. With many of the main studies that have been referenced in policy-making processes having been carried out by independent researchers from both academic and policy research institutions. This does not imply that politics is absent. Rather, its influence has been limited or it may merely be displaced to different arena at this juncture. The study proposes that the relationship between politics and evidence in the Malawi context should be thought of as bidirectional i.e., both speak to each other, at least as the situation presently stands. This a departure from past practice when politicians tended to override technical recommendations and influenced or deployed evidence for political reasons.
Overall, the treatment of evidence in policy making has been subject to various qualifying factors; of which pragmatic expedience, financial considerations, and the broader reorientation of policy in the agricultural sector are paramount. These factors, coupled with the fact that the evidence on overall FISP impacts does not suggest that the program is a failure have been critical in shaping both the proposed and implemented changes to the FISP. When the foregoing is considered in the light of a harsh, challenging, and complex context, a strong case to retain the FISP can be made subject to fiscal considerations. This is where efficiency maximizing reforms have come into play. As indicated, in the long run the program’s local and international legitimacy will be closely tied to the capacity of the political system to respond to calls for much needed reforms.

On a broader level, the overall reorientation in agricultural policy suggests a possible entrenching of particular ways of thinking and of doing things, especially as concerns the issues of efficiency and commercialization in the agricultural sector. In the future, politics might find this rather difficult to displace, unless there is another food crisis that might be seen as directly connected to the recently implemented reforms such as the downscaling to 900,000 beneficiaries. In which case, political intrusion in policy matters might again increase. This, perhaps, underscores the significance of political economy analyses that recognize that temporality is a critical factor, and which offer not only long term explanations for policy processes, but also explanations for immediate short term processes in recognition of the continuous fluidity of the policy environment of countries like Malawi.

It should also be pointed out that the FISP has been implemented over considerable number of years. This has provided ample time for some lessons to be learnt. In addition, and as previously stated, continuing and sustained pressure exerted by various local stakeholders in the sector has worked to presently curtail the influence of politics. It has been a process of “chipping away” as concerns ‘improvements’ to the FISP and the wider reorientation of agricultural policy in Malawi. These “chipping away” processes have continued since SAPs of the 1980s. Over time and gradually, the agricultural sector has come to conform as closely as is contextually permissible to market specifications.
The study confirms the existence of a form of neopatrimonialism that has been in temporal flux, which has been attenuated by changes in the political environment and by macroeconomic concerns. Under conditions of flexible conditionality and donor alignment and in a context of abundant donor funds, President Bingu Mutharika was able to exercise considerable control over policy matters in the FISP, as dictated by the existing political configuration (i.e., whether under a favorable or hostile political environment). More recently, national fiscal difficulties have exacerbated, something that has for the reference period enabled donors to exercise some leverage on national scale policy-making processes. Binswanger and Deininger (1997), argue that in times of financial crises the balance of power in policy processes between national and external actors can shift to give external actors more leverage.

Another key issue relates to the ‘competing’ objectives of the government and donors (see Harrigan, 2003, 2008). On the surface, it appears there is no divergence (as some respondents indicated), but it is only recently that there has been ‘some’ of sort alignment on what role agriculture plays, more specifically, the FISP in Malawi’s development. This policy ‘alignment’ has important implications for redefining the food security role of the FISP (see Chirwa and Dorward, 2013). Donors have made it explicitly clear that Malawi needs a new approach to food and nutrition security. However, the food security question in the Malawi case still needs careful decomposition in view of wider policy changes, and that a given measure of caution be exercised when advocating for change, especially where the empirical basis for change is less clear. More importantly, while evidence has critical implications for policy making (depending on how it is deployed), finance has far greater implications to enhance or derail Malawi’s recent progress in the fight against food insecurity.

Finally, two critical issues stand out in relation to historical crises in the agricultural sector. First, the role played by donor aid and policy reversals. Donor aid is more effective in reducing poverty if it is consistent over time and targets agriculture (Mosley and Suleiman, 2007). More importantly, it is likely that disinvestment to the FISP (discounting the role played by other factors such as climatic disasters or economic crises) will result in crises in the agricultural sector. In this regard, donor financial support will
continue to be crucial. Second, inefficiencies linked to domestic politics and structural constraints within government. In the Malawi context some level of failure should be expected and must be given due latitude in policy processes; primarily because of the limitations imposed by a very harsh context.

**Limitations of the Study**

The study has two key limitations namely, the reliance on respondent perceptions and researcher representations, which may be subject to bias. However, in keeping with the study design, respondent views are not treated as unqualified truths. The study design is such that both extant knowledge/evidence and the generated data qualify each other. Additionally, the study design situates the discussion in historical processes, so that the conclusions made derive from a thorough grounding of present processes.

The study also suffered from time and resource constraints. A more intensive and considered qualitative analysis would have been better. These are very complex and important issues, which deserve serious attention. This is not to detract from the analysis done here; rather it is a recognition of the inherent complexity of political economy analyses.

**Future Research Avenues**

Some areas for possible future research include (a) climate change integration in FISP, since FISP is considered to be quite vulnerable to the impact of climatic disasters, therefore, future state efforts in the area of irrigation and how this is operationalized, for example, who is targeted and how does this contribute to national and household food security; (b) the effectiveness of social welfare programs in addressing food insecurity, as regards the 600,000 beneficiaries excluded from FISP; (c) the impacts of lottery targeting on social cohesion, especially if social welfare programs e.g., cash transfers prove dysfunctional; and (d) the implications of donor proliferation and donor financing modalities in Malawi’s agricultural sector and how this enables or confounds state-level efforts to address food insecurity in Malawi.
REFERENCES


APPENDIX A

EMAIL SOLICITATION

My name is Peter R. Nkhoma, currently a PhD student at the School of Geosciences - University of South Florida. I am currently in the process of making preparations for research on policy derivation processes as relates to the farm input subsidy program at the government-donor interface. The study’s IRB number is Pro00021631.

I would like to humbly request an interview with you on the subject. Your participation is voluntary; you are under no obligation to accept to participate in the study. I realize that you are most likely very busy, but your expertise would greatly enhance the study.

Kindly let me know if you are able to take part in the study and when you will be available. The survey will run from the 7th of May to the 25th of July 2015.

Your kind help will be greatly appreciated.

I hope to hear from you soon.

Peter R. Nkhoma
APPENDIX B:
SURVEY QUESTIONNAIRE

A. Preliminary questions about background and experience
1. How long have you been involved with agricultural issues in Malawi? In what ways?
2. What are the various positions you have held that you consider relevant to agricultural and food policy making?
3. What have been your various educational and professional experiences related to agriculture and food?

B. General questions related to agricultural and food policies
The government’s role
4. What is the importance attributed to agriculture in Malawi’s development? Why is it given either high or low importance?
5. Do you think that agricultural expenditure is sufficient? If not, why is spending so low?
6. Do you think the government would allocate more monies to agriculture if it had more financial resources?
7. How would you describe the state's current commitment to increasing budgetary expenditures to agriculture? How has this commitment changed over time?
8. What happened to agricultural expenditure during and after the period of structural adjustment programs?
9. Is there a specific policy that governs budgetary allocation to agriculture?
10. Is there a constitutional mandate/provision that governs financing to agriculture? If yes, is it adhered to?
11. Are there any discrepancies in monies allocated and monies actually dispensed to agriculture? If yes, why is this so?
12. Where would you place the influence of the office of the president on allocations to agriculture/budgetary processes?
13. Do you consider consistent agricultural and food security policies as being necessary for the reduction of food insecurity? Why would this be the case?

The role of donors
14. What has been agriculture's link to donors? Has it changed over time, or varied by government?
15. What role do donors play in agricultural policy making? Do they push hard for more spending on agriculture, or more effective spending? Please provide examples if possible.
16. How important is international donor support in agricultural development? Does donor budgetary support affect allocations to agriculture?
17. In your opinion, do you think competing objectives of the government and donors influence the government’s budgetary commitment to agriculture?
18. Do you think that donors have been supportive of efforts to maintain consistency in food security efforts? Please elaborate with examples.
19. Do you consider corruption and human rights issues to have influenced donor budgetary support? Please provide specific examples.
20. How did 1980s Structural Adjustment affect agricultural policies in Malawi? Do the effects of this continue to be seen today?
21. How has the African Union contributed to agriculture and food policy in Malawi?
22. What is the position of donors on the Comprehensive Africa Agriculture Development Program (CAADP)?

**The role of non-governmental entities**
23. How have civil society organizations (e.g., farmers’ groups, international and national NGOs) contributed to agricultural and food policies?
24. In what ways have smallholder farmers been included in agriculture and food policies? How has this contributed to their roles in Malawi’s agricultural production?
25. In what ways do universities and agricultural research institutions within Malawi contribute to agricultural and food research and policy making?

**C. Questions on Malawi’s farm input subsidy program**

**History and change over time**
26. Can you please shed some light on the origins of the *input subsidy program*?
27. Please specify the key agents who have had a major impact on the evolution of the FISP.
28. What do you consider to be the main aim(s) of the subsidy?
29. How has the input subsidy program changed over time? What factors have been critical in changing its orientation, configuration, or focus?

**Kinds of support**
30. In your opinion between the executive, government (bureaucracy), and donors who has had the greatest influence on the input subsidy program? Please explain your response.
31. What do you think has been the role of the WB/IMF in the input subsidy program?
32. In your opinion have policies governing the input subsidy program been consistent in view of changing political leadership? What might be the effects of policy inconsistencies if any?
33. What do you think are the reasons all successive governments have retained the input subsidy program since its inception in 1999?
34. What would you say is the rationale for increased expenditures to the farm input subsidy program if other sectors within agriculture are negatively affected?

**Outcomes and future**
35. What would you say has been the impact of the input subsidy program on food security?
36. What are some of the impacts of targeting smallholder farmers in agricultural policy? Do you think targeting has reduced the program’s effectiveness? Please rationalize your response.
37. Do you think that in the long-term the input subsidy program may actually help reduce food insecurity and or poverty?
38. If the evidence on the impacts of the input subsidy program is mixed and inconclusive, how can policy decisions be made?
39. Do you think there is implicit or explicit opposition to subsidies? Please elaborate, for instance on what kinds of opposition there may be.
40. What do you think should be done to assist the poorest smallholder farmers – more specifically those that are deemed unlikely to graduate from the input subsidy program?
41. What do you see as the future of the farm input subsidy program? Do you think the government will phase it out?
APPENDIX C:
THE IMPACT OF DROUGHT

Credit: Charity Phiri/Inter Press Service News Agency, January 2016.
APPENDIX D:
IRB APPROVAL

April 29, 2015

Peter Nhroma
School of Geosciences
Tampa, FL 33613

RE: Expedited Approval for Initial Review
IRB#: Pro00011631
Title: Constituting Agricultural and Food Policy in Malawi: The Role of the State and International Donors in the Farm Input Subsidy Program


Dear Mr. Nhroma:

On 4/29/2015, the Institutional Review Board (IRB) reviewed and APPROVED the above application and all documents outlined below.

Approved Item(s):
Protocol Document(s):
Research Protocol

Consent/Assent Document(s)*:
Informed Consent Form.pdf

*Please use only the official IRB stamped informed consent/assent document(s) found under the "Attachments" tab. Please note, these consent/assent document(s) are only valid during the approval period indicated at the top of the form(s).

It was the determination of the IRB that your study qualified for expedited review which includes activities that (1) present no more than minimal risk to human subjects, and (2) involve only procedures listed in one or more of the categories outlined below. The IRB may review research through the expedited review procedure authorized by 45CFR46.110 and 21 CFR 56.110. The research proposed in this study is categorized under the following expedited review category:
(6) Collection of data from voice, video, digital, or image recordings made for research purposes.

(7) Research on individual or group characteristics or behavior (including, but not limited to, research on perception, cognition, motivation, identity, language, communication, cultural beliefs or practices, and social behavior) or research employing survey, interview, oral history, focus group, program evaluation, human factors evaluation, or quality assurance methodologies.

As the principal investigator of this study, it is your responsibility to conduct this study in accordance with IRB policies and procedures and as approved by the IRB. Any changes to the approved research must be submitted to the IRB for review and approval by an amendment.

We appreciate your dedication to the ethical conduct of human subject research at the University of South Florida and your continued commitment to human research protections. If you have any questions regarding this matter, please call 813-974-5638.

Sincerely,

[Signature]

Kristen Salomon, Ph.D., Vice Chairperson
USF Institutional Review Board
APPENDIX: E

FAO COPYRIGHT TERMS AND CONDITIONS

REUSE OF WEB CONTENT

Content on the FAO website is protected by copyright. To ensure wide dissemination of its information, FAO is committed to making its content freely available and encourages the use, reproduction and dissemination of the text, multimedia and data presented. Content may be adapted, translated, copied, printed and downloaded for private study, research and teaching purposes, and for use in commercial and non-commercial products or services, provided that appropriate acknowledgement of FAO as the source is given and that FAO's endorsement of users' views, products or services is not stated or implied in any way. FAO encourages unrestricted use of news releases provided on the FAO website, and no formal permission is required to reproduce these materials.

RECOMMENDED CITATION:

[© FAO] [Year of publication] [Title of content] [Page number (for publications)] [Location on FAO website] [Date accessed and/or downloaded]

Translations—If you create a translation of this work, please add the following disclaimer along with the citation: This translation was not created by FAO and should not be considered an official FAO translation. FAO shall not be liable for any content or error in this translation.

Adaptations—If you create an adaptation of this work, please add the following disclaimer along with the citation: This is an adaptation of an original work by FAO. Views and opinions expressed in the adaptation are the sole responsibility of the author or authors of the adaptation and are not endorsed by FAO.

Third-party content—FAO does not necessarily own each component of the content contained within the work. FAO therefore does not warrant that the use of any third party-owned individual component or part contained in the work will not infringe on the rights of those third parties. The risk of claims resulting from such infringement rests solely with you. If you wish to re-use a component of the work, it is your responsibility to determine whether permission is needed for that re-use and to obtain permission from the copyright owner. Examples of components can include, but are not limited to, tables, figures, or images.

All queries on rights and licenses should be addressed to copyright@fao.org

REUSE OF PHOTOGRAPHS

Conditions for reuse of photographs on the FAO website are the same as those for other content, with the exception that photographs must not be modified without prior permission.

Permission must be requested for any commercial use, advertising, marketing, storage or third-party distribution of FAO photographs. FAO reserves the right to withhold distribution and/or permission to
reproduce FAO photographic material should the intended use be considered inappropriate. FAO photographs must be credited each time they are published. The recommended citation format for photographs is FAO/[name of photographer].

To request permissions, please send the URL address in which the photograph(s) appear to photo-library@fao.org.

NON-FAO CONTENT

The FAO website may include third party copyright material for which rights and permissions must be obtained from the copyright holder(s) indicated.

USE OF FAO LOGO

The FAO logo is the corporate identifier and official seal of the Organization, and it is protected under international treaties and conventions on intellectual property. Its use is highly restricted and is prohibited without prior permission. Requests for use of the FAO logo for any reason whatsoever, whether or not in association with other logos, must be addressed to logo@fao.org. If permission for use of the FAO logo is granted, instructions for its placement and display, including related disclaimers, must be strictly adhered to. The use and reproduction of content containing the FAO logo must not be in association with advertising or with the names of proprietary products and must not imply FAO's endorsement of products or services in any way. FAO reserves the right to request the immediate removal of its logo from unauthorized websites or products.

LINKING TO THE FAO WEBSITE

FAO encourages users to establish hyperlinks to the FAO website and prior permission is not required. The FAO logo should not be included when linking to the FAO website, unless prior permission has been granted (see Use of FAO logo)

DISCLAIMERS

The designations employed and the presentation of information on the FAO website do not imply the expression of any opinion whatsoever on the part of FAO concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The mention of specific companies or products of manufacturers, whether or not these have been patented, does not imply that these have been endorsed or recommended by FAO in preference to others of a similar nature that are not mentioned.

Information on this site is provided on an "as is" and "as available" basis. FAO makes every effort to ensure, but does not guarantee, the accuracy, completeness or authenticity of the information on the FAO website. FAO reserves the right to alter, limit or discontinue any part of this service at its discretion. Under no circumstances shall FAO be liable for any loss, damage, liability or expense suffered that is claimed to result from the use of information posted on this site, including without limitation, any fault, error, omission, interruption or delay.

Hyperlinks to non-FAO websites do not imply any official endorsement of or responsibility on the part of FAO for the opinions, ideas, data or products presented at these locations, or guarantee the validity of the information provided. The sole purpose of links to non-FAO sites is to indicate further information available on related topics. The information is provided on the basis that users accessing the platform assume responsibility for assessing its relevance, accuracy and suitability for application.
No part of these Terms and Conditions shall constitute or be interpreted as a waiver of the privileges and immunities of FAO.

DISCUSSION FORA AND COMMENTING TOOLS

The FAO website contains specialized discussion fora and commenting tools. When participating, users agree not to:

- defame, abuse, harass, threaten or otherwise violate the rights of others;
- publish, post, distribute or disseminate defamatory, infringing, obscene, indecent or unlawful material;
- upload or attach files that contain software or other material protected by intellectual property laws unless the user owns or controls the rights and has received all necessary permissions;
- upload, email, transmit or otherwise make available unsolicited advertising of any goods or services, or conduct or forward surveys, contests, "spam" or chain letters, etc.

Users specifically acknowledge that FAO is not liable for the conduct of any other user. Users repeatedly posting material that falls into the above categories will be removed and/or banned from participating in the related fora and commenting tools.

SECURITY

For site security purposes and to ensure that this service remains available to all users, FAO employs software programs to monitor network traffic to identify unauthorized attempts to upload or change information, or otherwise cause damage.

Except for authorized investigations and to maintain required correspondence files, no other attempts are made to identify individual users or their usage habits. Raw data logs are used to determine the number of users and, occasionally, which general domains are accessing the FAO website. The FAO website does not use persistent cookies and data gathered are scheduled for regular destruction in accordance with United Nations and FAO guidelines.

Any information provided to FAO by users is held with the utmost care and security, and is not used in any manner other than that set forth in the Privacy Policy, or in any additional site-specific policies, without users' explicit consent.

All FAO employees who have access to or are associated with the processing of personal data are obliged to respect the confidentiality of official business matters, including personal data.

Notification of amendments

FAO reserves the right to amend this policy at its own discretion. Notifications of any significant amendment will be posted on this page.
Dear Peter Nkhoma,

Thank you very much for your e-mail dated 6th October.

On behalf of the Secretary of the United Nations Publications Board it is our pleasure to grant you permission to reproduce the following UN map in your upcoming publication: Malawi, Map No. 3858 Rev. 3, January 2004, UNITED NATIONS (http://www.un.org/Depts/Cartographic/map/profile/malawi.pdf)

We request that the map number be retained for references purposes and give attribution to source, the United Nations. If possible, we would also like to request that a digital copy of the final version of your media publication be sent to us (gis@un.org) in order to verify compliance to our request.

Please note that our permission is only valid if you wish to reprint the UN map as an official UN document, i.e. without any modification to it.

If you would like to modify the UN map and add to or delete any data from it, you may do so without our permission, but please be advised that it will be your own new map and that you would be responsible for the content.

In that case we would request that you delete the UN name and reference number from the new map. You may state if you wish:" based on UN map..."

Thank you for your interest in our maps.

Kind regards,

Geographic Information Officer (GIO)
Chief Cartographic Unit
Geospatial Information Section (formerly Cartographic Section)
Division for Information and Telecommunications Technologies (ICTD)
Department of Field Support (DFS)
United Nations

DC1-1058
New York 10017
http://www.un.org/gis
http://ggim.un.org
APPENDIX: G

PERMISSION TO USE MALAWI DROUGHT PICTURE

Dear Peter Nkhoma, thank you for your interest in IPS.

You are allowed to use the picture mentioned, but mentioning the credit: IPS/Charity Phiri.

Finance and Administration
Office of the Director-General
Inter Press Service - IPS

Building E 102-105
FAO, Viale delle Terme di Caracalla
00153 Roma
Tel. +39 06 570 50053
Fax. +39 06 570 50052
Email: fbuffo@ips.org