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### **Famine in Malawi: Causes and Consequences**

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# **Famine in Malawi: Causes and Consequences**

## **1. Introduction: Legacy of food insecurity in Malawi**

Reports of a devastating famine in Malawi first surfaced as rumors whispered in rural areas in the country around October 2001. However, little was done by way of action. Government officials in Lilongwe and members of the donor community were hard pressed to believe or act on the problem even as civil society groups such as the Malawi Economic Justice Network (MEJN) and the Catholic Commission for Justice and Peace began to present evidence supporting the reports coming from the countryside. Consequently, by the time the crisis in rural Malawi was finally publicized in February 2002, famine and severe food insecurity were rampant: from January to April 2002, between 500 and 1,000 people died of hunger or hunger-related diseases in the southern and central regions of the country. These deaths contributed to making the famine one of the worst in living memory—more devastating than the drought of 1991/92 and even worse than the Nyasaland famine of 1949. Moreover in 2005, Malawi had another difficult year with more than 4.7 million out of a population of 12 million experiencing food shortages (Phiri 2005). This marked the sixth year in a row that the country had experienced some form of food shortage, with some commentators suggesting that this recent event may be “Malawi’s worst food crisis for a decade” (SOS News 2005).

This paper will examine the causes of the 2002 famine as well as the greater context for the underlying vulnerability factors that left poor Malawians unable to cope with a negative production shock that was, in reality, less severe than the drought of 1991/92. An attempt will be made to assess both the ‘technical’ and ‘political’ reasons for the famine, and the related failure of the donor community to respond in a timely manner. This will be followed by a brief overview of the factors leading to further food insecurity in 2005. Finally, the paper will consider social protection measures in place in Malawi, as well as the potential policy gaps in this regard.

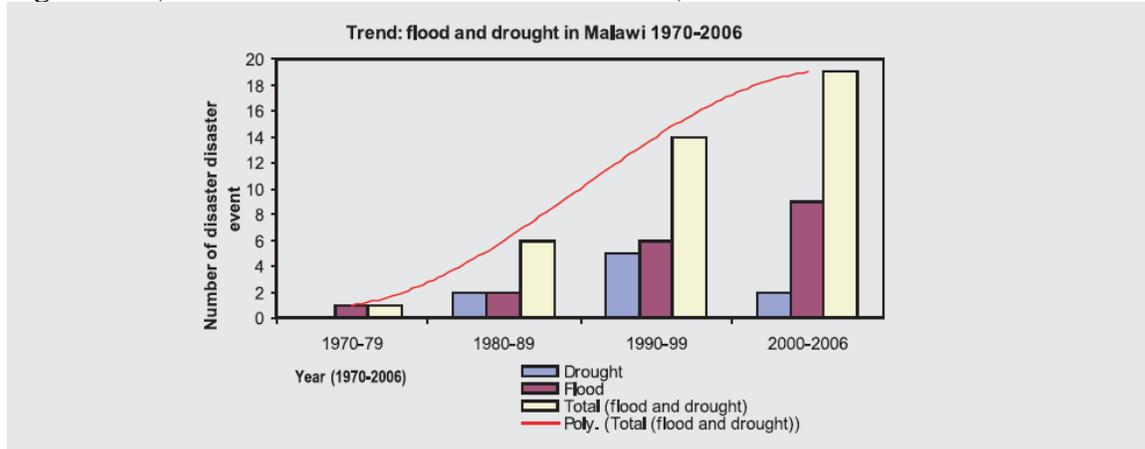
## **2. Malawi: Background and context**

Malawi is a small, land-locked country in southern Africa, with an estimated population of 12 million. With approximately 65 percent of its inhabitants living below the national poverty line and 28 percent in extreme poverty, it is one of the poorest countries in Africa. Health and social indicators in the country are also among the lowest on the continent. Infant mortality in 2000 was 134 per 1,000, compared with an average of 92 for sub-Saharan Africa, and average life expectancy (37 years at birth) is declining due to the impact of HIV/AIDS, which in 1999 affected 16 percent of the adult population and 31 percent of women in ante-natal care (Clay *et al.* 2003). The poor in rural areas are particularly affected by these indicators, as 90 percent of the population consists of subsistence farmers, who rely on the food they grow themselves for survival (Trócaire 2005; ActionAid International 2006). Agriculture accounts for some 40 percent of GDP and its share of GDP has been increasing since the early 1990s with increasing stagnation of the industrial sector, as well as the public service sector. Malawi is heavily dependent on maize, its main food staple, which during a normal year accounts for about three quarters of calorie consumption for the population. This reliance on rain-fed agriculture

crops puts Malawi especially at risk in the event of variations in rainfall as well as commodity price shocks.

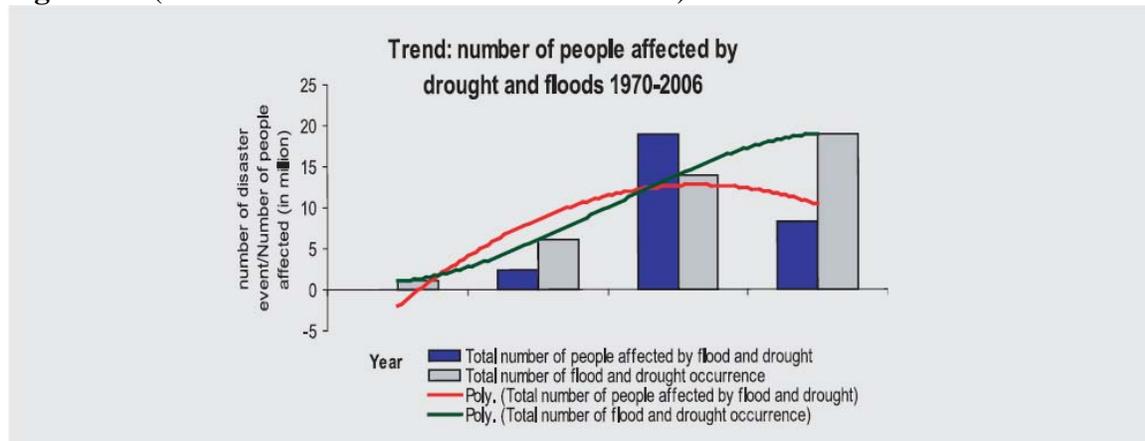
With respect to disasters, Malawi’s experiences are often traced back to the 1991/92 southern African drought that affected, in some way, over 6.1 million people. Disasters have continued to escalate, culminating with the devastating effects of the 2001/02 famine. Indeed, between 1970 and 2006, Malawi experienced 40 weather-related disasters, though 16 of these occurred after 1990 (ActionAid International 2006).

**Figure 2.1** (Source: ActionAid International 2006: 3)



The number of people affected has also increased substantially since 1990: before 2001, only nine districts in Malawi were classified as flood-prone, though in fact 16 districts were affected that very year and a further 14 in 2002. By the end of 2003, localized flooding had occurred in 22 districts (ActionAid International 2006). Evidence strongly supports the notion that increased incidences of droughts and floods may be exacerbating poverty levels, leaving many rural farmers trapped in a cycle of poverty and vulnerability (Phiri *et al* 2005).

**Figure 2.2** (Source: ActionAid International 2006: 3)



Data Source: "EM-DAT: The OFDA/CRED International Disaster Database  
www.em-dat.net - Université Catholique de Louvain - Brussels - Belgium"

### **3. The ingredients for hunger: risk and vulnerability**

The combination of heavy reliance on rain-fed agriculture and increasing frequency of natural hazards has resulted in particularly vulnerable livelihoods in Malawi, and more generally, in developing countries. In fact, the preceding three decades have seen an increase in both the frequency and destructive magnitude of natural hazards (Guha-Sapir *et. al* 2004). People in developing countries, in particular, are prone to suffer more from the effects of natural disasters as compared to their developed country counterparts, since losses for them tend to be greater when measured as a percentage of GDP (World Bank 2004). A regional disaggregation of the impacts of natural disasters further supports this point: for instance, the UNDP (2004) estimates that over the last two decades, low human development countries accounted for more than half of all reported casualties resulting from natural hazards, though these regions only represented a tenth of those exposed to such events. These figures sharply highlight the close correlation between the level of development and exposure to natural disasters. And more specifically, although the risk of destructive events is closely associated with natural elements such as geography, what turns a natural hazard into a disaster is often contingent on societal factors. By this logic, different societies would experience the same natural event with differing degrees of preparedness, thereby leading to radically different outcomes (Seck 2007). Risk therefore, determines the extent to which a society is potentially exposed to a natural hazard, whereas vulnerability determines its susceptibility to extensive damage.

Vulnerabilities often arise as a result of political systems and unsustainable development policies that put people at risk. In the case of Malawi, poverty and vulnerability was already steadily inclining for several years as a consequence of an adverse combination of economic, climactic, demographic and political shocks and stresses. Indeed, the rapidly rising livelihood vulnerability of the predominantly rural population played a significant role in exacerbating the crisis. Contributing factors included: a) intensifying pressure on the land, compounded by a steady population growth; b) declining soil fertility associated with the lack of application of agricultural inputs; c) strictly limited off-farm and non-agricultural income generating opportunities; d) the continuing spread and impact of the HIV/AIDS pandemic, leading to a reduced labor force and increased household dependency ratios; e) government policies favoring urban populations and the business sector; and f) economic liberalization measures that have undermined farmers' access to inputs and eliminated consumer subsidies and food price stabilization interventions. A combination of these factors placed the poorest and most vulnerable sections of the population at risk and in fact, it was this segment of the population that paid the highest price in terms of lives lost and destroyed livelihoods, leading to life-long destitution.

### **4. The anatomy of famine: causes, factors and explanations**

The immediate cause for the food crisis was erratic rainfall—localized flooding and waterlogging of fields—during February and March 2001, which reduced national maize production by 32 percent, from a record high of 2.5 million MT in the 1999/2000 season to 1.7 million MT in 2000/01 (Devereux 2002a; Frize 2002). The famine Early Warning System (FEWS NET) predicted a maize shortfall of 273,000 MT, but assumed

households would be able to buffer the deficit with carry-over stocks from the previous good production year. Moreover, the Ministry of Agriculture and Irrigation (MoA&I) believed that the so-called 'high' production of root and tuber production (cassava, sweet potatoes, Irish potatoes) in the same year would offset the dip in maize production and provide adequate, if not surplus, food<sup>1</sup> for the country. Moreover, Malawi's Agricultural Development and Marketing Corporation (ADMARC) and the National Food Reserve Agency (NFRA) claimed to hold over 60,000 MT in maize stock at the start of the consumption year in April 2001.

Given the divergence between the relatively positive initial projections from the government vis-à-vis available food stocks and the actual series of events that transpired in Malawi, the question of how a relatively small production shock resulted in a severe food crisis becomes crucial. It is evident now that the confluence of two sets of factors—vulnerable livelihoods and weak institutions—resulted in turning what could have minimally been a natural hazard into a full-blown famine in 2002. Explanations for the famine fall into two categories: 'trigger factors' (livelihood shocks and response failures) and 'underlying causes' (factors which create vulnerability to livelihood shocks) (Emergency Nutrition Network 2003; Devereux 2002a). 'Technical' and 'political' failures have also been cited as contributing reasons for the famine. The ActionAid Malawi report (Devereux 2002a) attributes the disaster to the combination of both 'technical' errors and political challenges. Poor early warning systems, market failures, structural poverty and inadequate infrastructure also contributed greatly to the crisis.

#### ***4.1 The 'technical' explanation: production failure, information constraints, depleted food reserves and import bottlenecks***

This analysis highlights the role of a sequence of unexpected events, namely production failure, information constraints, a depleted food reserve, import bottlenecks and unaffordably high food prices in creating famine conditions in Malawi. While it was well understood that there was a shortfall in maize production in Malawi, the magnitude of this gap in food stores was underestimated by both the government and donors<sup>2</sup>, due to methodological errors.<sup>3</sup> The resulting misguided attitude that Malawi was experiencing a 'maize deficit,' but not an overall 'food deficit' persisted until early 2002 and most likely slowed the public response to the impending disaster (Devereux 2002a). Donors refused to recognize the severity of the crisis, arguing that people could still eat cassava and sweet potato even if maize was unavailable and went so far as to blame the "inflexible eating habits" of the Malawian population for the food stress that emerged in 2001. In fact, as Devereux (2002a) puts it: these events signal "failures of information, not stupidity by individuals obstinately choosing to starve rather than eat cassava...starving

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<sup>1</sup> Surplus of 437,775 MT in maize-equivalent terms.

<sup>2</sup> Maize production estimates were revised downwards three times during the 2000/01 season. The first set of estimates in February 2001 predicted a 15 percent drop from record harvests of 2.5 million MT in 1999/2000. The second set, released in April 2001, put this deficit at 24 percent, due to flooding during February and March. Finally, in June 2001, a third-round estimate further downgraded production to 32 percent below 1999/00 levels.

<sup>3</sup> Although the magnitude of the maize deficit was finally known by June 2001, official estimates still suggested that this deficit would at least be partially offset by a 30% increase in roots and tubers production (especially cassava) over the previous year. This figure was wrong and led to misplaced policy directives.

Malawians resorted to consuming pumpkin leaves, banana stems, even discarded sugar cane thrown on the street, reflecting the harsh reality that no food was available to them at all.”

In the meantime, the Strategic Grain Reserve (SGR) had been sold<sup>4</sup>, thereby paralyzing the government’s emergency response mechanism: it was unable to distribute food at the necessary time. Information asymmetries also marked the process, as the size of the SGR was never definitely known due to a lack of transparency. Indeed, there were allegations that the SGR “was being secretly emptied” on the advice of the IMF, to the extent that no maize was left in the reserve by the time decision-makers and donors finally recognized the scale of the problem in 2001.

After it became known that there would be a maize deficit in June 2001, the Government of Malawi announced that it would offset some of the shortfall by buying and reselling 220,000 MT of maize. It had wanted to purchase 70,000 MT locally and to import the remaining 150,000 MT. But the local purchase plan did not work: ADMARC entered the market late and found few sellers at its initial purchase price of MK 3/kg. Private traders had already bought what little maize was available from farmers and ADMARC’s low producer price did little to encourage sales. Moreover, ADMARC’s decision to adjust its buying price was taken very late and even with a price adjustment to MK 12/kg, sellers were scarce. Because of the decline in supply, as well as food marketing liberalization, maize prices jumped 10-fold from MK4/kg at harvest time (June 2001) to over MK40/kg (January 2002). Even so, it was only after ADMARC had slowly purchased the prescribed 50,000 MT locally, was the import program expanded (Devereux 2002a).

Further compounding the fatal delays were transport bottlenecks as food imports did not arrive on time due to congested roads, the diversion of food trucks to Zimbabwe and Zambia, a train derailment at Beit Bridge and capacity constraints at Nacala and Beira ports in Mozambique (Emergency Nutrition Network 2003). The fact that Malawi is land-locked makes it particularly vulnerable to transportation and trade bottlenecks. This often results in raising the price of importing commodities such as staple food. Because of these constraints, NFRA was only eventually able to purchase 134,000 MT of the promised 150,000 MT of maize, at an average price of US\$245/MT. All the maize purchased from South Africa was expected to arrive at a rate of 50,000 MT/month, but this proved to be over-optimistic. If food stocks had arrived by December 2001, the famine might have been averted, however unfolding logistical problems led to fatal delays (Devereux 2002a). In reality, imports arrived at an average rate of 15,000 MT/month, so that by April 2002, only 94,000 MT of maize had arrived in Malawi. In the end, the same floods that caused the negative food production shock hindered food import and distribution programs as roads, bridges, railway lines and other means of transport were washed away. Thus, the vast majority of Malawians who lived in rural areas faced two problems in accessing food: sheer lack at the local level as a result of the production shock and limited penetration of imports in rural areas due to transportation problems as well as rising prices, which steadily put maize beyond the reach of the poor.

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<sup>4</sup> The political causes behind this event will be discussed in greater detail in the next section.

#### **4.2 *The 'political' explanation: SGR mismanagement, erroneous IMF advice, delayed donor response***

This analysis emphasizes the misguided policies and practices of the government and the donor community, and the role they played in exacerbating the food crisis. Perhaps the most pressing question in this vein is how or why the National Food Reserve Agency (NFRA)—whose mandate it is to maintain adequate buffer stocks of grain in order to protect Malawians from fluctuations in food production, availability and prices—sold almost all of the SGR. The SGR was originally managed by ADMARC, the agricultural marketing parastatal in Malawi, but the IMF, EU and other donors felt that the national grain reserves would be better managed if it was run independently on a cost-recovery basis. This inspired the creation of NFRA in 1999. However, the NFRA was not capitalized and this prompted the organization to take loans from commercial and government banks to purchase 167,000 MT of maize from ADMARC in 1999. In the words of one donor official: “The decision for a commercial loan to be taken to capitalize the NFRA—that was a crazy decision” (cited in Devereux 2002a:9).

By July 2000, food stocks held by ADMARC or the NFRA were near the full storage capacity of 180,000 MT, standing at 174,406 MT. The NFRA had borrowed MK600 million to purchase maize at an interest rate of 56 percent per annum. By June 2000, the debt had skyrocketed to approximately MK 1 billion. This combined with the high level of grain stock raised questions about fiscal costs and sustainability on the part of donors, leading to mounting pressure from the government and donors to repay the loan. The IMF, in particular, argued that holding what it termed “excess stock” was too expensive and concurred with the World Bank in its assertion that NFRA operations risked distorting the market. The IMF subsequently advised the NFRA to sell some of the SGR to service its debt. However, 1999 and 2000 were bumper harvest years and it was impossible to sell excess stock without incurring heavy losses. By September 2000, the grain reserve still stood at 131,000 MT and the NFRA felt the urgent need to sell some of this to service its debt, pay its staff (since the organization was not capitalized) and also because the maize was old and storage losses were high. The IMF therefore encouraged NFRA to export the grain rather than dump it on local markets, which would depress prices further and act as disincentives to producers and traders. As a result, NFRA exported 5,000 MT of SGR maize to Mozambique and sold a further 30,000 MT to Kenya in April-May 2001. Some blamed this controversial decision for the subsequent food crisis that occurred.

In response, the IMF maintains that it did not advise the government to sell *all* of its stock, but merely to reduce the level of reserve to between 30,000 MT and 60,000 MT. The only concession provided was that the recommendation it gave to the Government of Malawi was predicated on “wrong information” it received about crop production. The Fund had anticipated sales of the SGR to be replenished through local purchases after the 2001 harvest—which at the time was forecast to be adequate. In short: “the advice would have been correct if the information was correct” (quoted in Devereux 2002a:10). Nevertheless, Devereux (2002a:10) argues that the IMF displayed “remarkable insensitivity and ideological narrow-mindedness in the Concluding Statement of its Mission in May 2002, which resolved to withhold disbursement of US\$47 million to

Malawi.” In fact, people were already beginning to die of starvation by the time the IMF denied disbursement of these funds. The government accused the IMF of causing the famine, while the IMF pointed the finger at government for corruption, before finally admitting that it had perhaps behaved with some degree of insensitivity (Patel and Delwiche 2002).

Regardless, most of the SGR maize was sold in the first half of 2001, with ADMARC and NFRA deciding not to purchase any more maize in the 2000/01 season as this would incur costly storage costs, which were seen as unnecessary, since it was believed that market supplies of food were adequate. It was alleged that some maize held by ADMARC was sold to private traders and others, without NFRA’s knowledge or consent (Devereux 2002a). Indeed, the next effect of the sale was to benefit private traders who bought the maize at a cheap rate and hoarded it until prices rose, before reselling it at inflated prices.

Donor-government relations were also terse at this time, as a result of donor claims of economic mismanagement and governance failures. It is further alleged that the donors delayed responding to the impending crisis, as relations with the Government of Malawi had soured during 2001 due to contention over a number of governance issues—one of which was how the SGR had been emptied. In fact, the IMF withheld balance of payment support, DFID, the EU and USAID suspended development assistance, and Denmark terminated its development projects and withdrew from Malawi entirely. Much of these suspensions were based on the belief that corruption and fraud were rampant in government,<sup>5</sup> though these could not have occurred at a worse time for Malawi. In fact, it was only after reports of starvation-related deaths had been published by the media that the donors reversed their hard-line stance and offered food aid without condition.

## **5. Continuing saga: The 2005 food crisis**

There is far less information on the causes and consequences of the recent 2005 food crisis than there is on the 2001/02 famine in Malawi. It is estimated, however, that at least 4.7 million people, or a third of the population, were effected and in need of food assistance (Phiri 2006). The hardest hit segments of the population were women and children: 2.2 million of the 4.7 million affected were children under the age of 18—750,000 of which were children under five years—according to the Malawi Vulnerability Assessment Committee (MVAC), an umbrella of government and donor representatives (Phiri 2006). A charity organization, SOS Children’s Villages (2005) further reports:

One reason for this crisis is that crops died when the rains failed, and as a result, maize prices have doubled, making food unaffordable for millions. Malawi is also experiencing an HIV/AIDS pandemic, meaning people are spending what little money they have on medicine rather than food.

This marked the sixth year in a row that Malawi grappled with the problem of hunger, with aid agencies attributing the food shortages to drought and bad agricultural practices. In response, the WFP scaled up its relief food distribution from 1.5 million people to 2.4

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<sup>5</sup> In fact, this belief originated in July 2000, when the parliamentary Public Accounts Committee published a critical report on corruption and fraud within government.

million by January 2006. However, civil society groups urged the government and donors to do more than just provide emergency food aid if they hoped to find a long-term solution to the recurring problem of food shortage. For example, Mabvuto Bamusi, the National Coordinator for the Malawi Economic Justice Network (MEJN), a lobby group monitoring the impact of the state's social and economic policies on the poor, urged the government to build irrigation infrastructure and to invest in the agricultural sector in general, to mitigate vulnerability in the longer-term. She further states:

Irrigation alone is not enough. It must be supported with a comprehensive input program under which farmers receive seed and fertilizer before planting. So far, government's planning has been disastrous (Quoted in Phiri 2006).

## **6. A brief overview of social protection measures in Malawi**

Given the chronic vulnerability of the famine-affected in Malawi and the repeated calls for reform of government policy resulting from the continuing food shortage problem, it is essential to analyze existing social protection measures in the country. During the famine, it was reported that 15 percent of households received food-based assistance from extended family members and only 19 percent obtained food aid from outside sources such as NGOs (Bryceson and Fonseca 2006). Most households were forced to fend for themselves (Bryceson and Fonseca 2006). In this context, social protection measures can be especially important policy instruments to mitigate vulnerability.

According to Devereux (2006:7), social protection policy in Malawi has been marked by "diversity and lack of continuity." More interventions have been tested in Malawi than in any other country in southern Africa, though these remain projects rather than institutionalized programs. Many are abandoned after several years (for example, starter packs) and still others are re-introduced years later (i.e. fertilizer subsidies). The National Safety Nets Programme (NSNP), implemented in 2000 under Malawi's Poverty Reduction Strategy, for example, was designed to provide assets to the economically active who face livelihood constraints due to poverty or market failure, as well as to grant food or cash transfers to the economically inactive, people who face livelihood shocks, and marginalized groups. The NSNP has only been partially successful as a result of a lack of financial and management capacity and a tendency to "experiment with a range of *ad hoc*, small scale and short term interventions rather than a coherent, coordinated and sustained set of nationally owned social protection measures" (Devereux 2006:7). These projects can be categorized as productivity enhancing safety nets (free inputs distribution, fertilizer subsidies, public works), or as direct welfare transfers (food or cash transfers to poor and vulnerable people) (Devereux 2006).

### ***Productivity-enhancing safety nets***

In Malawi, productivity-enhancing safety nets include free input distribution (e.g. starter packs), fertilizer subsidies, and public works programs, typically funded by DFID, the EU, USAID and the World Bank. Advocates of starter packs and fertilizer subsidies point out that supporting food production in the country is more cost-effective than subsidizing food consumption through food aid. Detractors, meanwhile, claim that subsidized or free input distribution distorts markets, undermines trade, are fiscally unsustainable and tend to leak to wealthier farmers, estates and neighboring countries (Devereux 2006).

Targeting these transfers is often fraught with problems and prone to politicization. However, Devereux points out that until access to affordable inputs can be assured through the market, input subsidies or handouts may be the only option.

In fact, between 1998—when the starter pack program was initiated—and 2000, maize production in Malawi increased by an average of 125-150 kg per household and total production reached approximately 2.5 million tones each year—500,000 tones higher than ever before or since, and 67 percent higher than the twenty-year average (Blackie 2006). At its most successful in 2000, the starter pack contributed 16 percent to the national maize harvest, keeping maize prices affordable. The program also proved more cost effective than blanket fertilizer subsidies and subsidized commercial food imports, whilst discouraging dependence. Moreover, it had the potential to form the basis of a long-term development plan (Blackie 2006). However, after two years, the program was altered: instead of providing seeds and fertilizer best suited to local conditions and economic circumstances ('best bets'), it began to provide the cheapest and most readily available (Blackie 2006). This change was meant to assist very poor people produce at least some extra food, but it diminished the potential of the program as a development tool to reduce chronic food insecurity. Ironically, much of this transformation was because key donors viewed the original pack as disrupting agricultural input markets. In reality, few recipients were involved with these markets as they were too poor (Blackie 2006).

Meanwhile, public works programs are self-targeting and in Malawi, food-for-work, cash-for-work and inputs-for-work have all been piloted. However, these have had mixed results, as labor-constrained households are unable to take full advantage of these programs, and the assets created as a result of these programs are often of low quality and badly maintained (Devereux and Macauslan 2006).

### ***Direct welfare transfers***

Direct welfare transfers encompass emergency food aid, targeted nutrition programs, school feeding schemes and unconditional cash transfers to the poor and vulnerable. Later assessments demonstrated that food aid distributed in Malawi in 2002 was poorly targeted on impoverished drought-affected households, though well targeted towards orphans and female-headed households—that is, vulnerable sectors of society considered “easily visible” (Sharma 2005). Meanwhile, evidence from Malawi has shown that targeted nutrition programs are ineffective when compared to results garnered from other social protection measures, and these have done little to address the underlying causes of food insecurity (Devereux 2006). Nevertheless, supplementary and therapeutic feeding continues to be a component of the Ministry of Health’s social safety net scheme, with 38,000 malnourished children, orphan carers and pregnant/lactating mothers falling under the policy ambit in 2003/04. School feeding has also been promoted in Malawi—though this is viewed as an education intervention rather than as a nutrition intervention (Devereux 2006).

Finally, Malawi has had limited experience with direct cash transfers. In 2001/02, a pilot project was launched wherein cash, vouchers (to buy goods at local stores), or a basket of

commodities (maize-flour, blankets, etc.), were distributed to households in 54 villages. Vouchers were the least effective method to mitigate vulnerability as they were both expensive to administer and tended to distort the market, with some retailers raising prices to maximize profits. Meanwhile, cash transfers on their own also proved problematic because food prices skyrocket during the hungry season, when staple foods were scarce. Thus, in order to protect household entitlements to food, a ‘food plus cash’ approach might be most suitable, as it would allow vulnerable sectors of the population to meet their subsistence requirements—both in terms of nutritional and non-nutritional needs—regardless of instances of market failure. In fact, Concern Worldwide implemented such a project<sup>6</sup> in three districts of Malawi during the 2005/06 food crisis. From January to April 2006, 5,050 beneficiaries received a monthly package of food (20kg maize, 4kg beans, 1 litre oil) and some amount of cash depending on household size (Devereux, Mvula and Solomon 2006). A final evaluation paired with regular monitoring showed that the FACT project was successful in meeting its stated objectives: much of the food was consumed and most of the cash was used to buy staple food, though some money was also spent on non-food essentials. FACT beneficiaries were also able to save some cash to invest in fertilizers and small stock (Devereux, Mvula and Solomon 2006).

## **7. Policy gaps and potential direction for future action**

All in all, vulnerability in Malawi is particularly acute due to the disproportionate impact of the 2001/02 food crisis and the food insecurity that persists as a result of severe land pressure, making the achievement of self-sufficiency difficult for most households, even during good harvest years. Moreover, the termination of fertilizer subsidies threatened peasant households’ subsistence food production even further, whilst opportunities to earn off-farm income are remain limited. In fact, rural income diversification—a significant sign of “depeasantization—has been proceeding in Malawi without the aid of the relatively secure subsistence fallback that smallholder households have relied on so heavily in other African countries (Bryceson 2002 paraphrased in Bryceson and Fonseca 2006). Moreover, the weakness of maize markets in a context of high market dependence for food compounds the problem as sudden severe price hikes keep food out of the hands of the poor during the hungry season. Under these conditions, either markets have to be strengthened such that inter-seasonal food price fluctuations are less acute, or vulnerable households have to be protected against market failures with food aid or cash transfers that account for rising food prices—as in Concern Worldwide’s FACT project. In fact, social protection is a crucial policy concern in Malawi.

Overall, it is evident that two sets of problems need to be addressed in the country: livelihood vulnerability and institutional vulnerability. Livelihood vulnerability can ultimately only be redressed through socio-economic development. This requires support for policies that directly or indirectly raises the incomes of poor households and diversifies or stabilizes their food sources in order to reduce food security risks. Employment creation programs and policy initiatives designed to enhance access to agricultural inputs are examples of direct measures to mitigate this form of vulnerability.

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<sup>6</sup> The ‘food and cash transfers’ project (FACT).

Indirect measures include education to improve the prospects for Malawians to find non-farm employment, thus reducing the dependence on rain-fed agriculture.

Meanwhile, institutional vulnerability is best tackled through institution-building and strengthening the ability of government to design and implement sound, pro-poor policies. The two most important policy-making institutions at the centre of the crisis in 2001/02 were the International Monetary Fund (IMF) and the Government of Malawi. The IMF at the time encouraged Malawi to undergo agricultural liberalization but it is clear from IMF documents that the government was unwilling to implement aspects of the agricultural liberalization program. However, it was caught with the need to access balance of payments supports and yielded to IMF demands. Yet, as an ActionAid Policy Brief (2002) puts it, the willingness to accept inappropriate policy reforms in the final instance and an inability to formulate policy alternatives makes them equally responsible.” The exchange between the IMF and the government of Malawi during the food famine in 2001/02 clearly demonstrates that there is a need to integrate macroeconomic and sectoral policy reforms with adequate social protection measures. Further in this vein, three key policy areas to discuss and target in a field-based research exercise might be: the management of the SGR, the future of the Starter Pack<sup>7</sup> program and the concept of the right to food and its implementation. Specific areas for research could include:

- The evidence about the pattern and timing of food insecurity and its implications for improving estimates of food aid requirements and targeting aid effectively.
- The effectiveness of free inputs as a transitional (medium-term) food security measure in the context of agricultural liberalization in an extremely poor country.
- The possibility of using the packs to promote crop diversification, thereby moving away from over-dependence on maize and boosting smallholder incomes.

As an end note, it is worth pointing out some small progress has occurred: it has been reported that the government plans to increase spending towards irrigation projects in its 2006/2007 budget. Finance Minister Goodall Gondwe stated: “The next budget will be more agricultural with emphasis on irrigation and dams. We are also looking at commercialization of a good deal of the agricultural sector in 2006” (quoted in Phiri 2006). Gondwe is also optimistic about Malawi’s expected growth target: the 2005/2006 budget forecasted economic growth of 8.2 percent, contingent on good weather conditions. He claimed this target was attainable due to large-scale investment in the fertilizer subsidy that the government undertook in 2005, as well as by the expected increase in allocation of funds to agriculture in the 2006/2007 budget (Phiri 2006).

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<sup>7</sup> The main constraint on agricultural production in Malawi has been limited access to inputs (i.e. fertilizer, seeds, credit). In this context, the Starter Pack—or Targeted Inputs Programme—was initiated in 1998 to contribute towards the national harvest and household food security by disbursing a small pack of improved seeds and fertilizers to small farmers. While this approach was successful for two years, as evidenced by rising maize production, the structure of the program was changed: it went from providing seeds and fertilizer best suited to local environmental and economic circumstances ('best bets') to handing out whatever was cheap and available. This change was aimed at helping very poor people produce at least some extra food, but the program was no longer a development tool to reduce chronic food insecurity. It changed because the original pack was seen by key donors as disrupting agricultural input markets.

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