The Political Economy of Agricultural Policy Processes in Malawi: A Case Study of the Fertilizer Subsidy Programme¹

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Introduction

This paper examines the political economy of the agricultural policy processes in Malawi through the lenses of the fertilizer subsidy programme that has raised the profile of the country on the international stage since 2006. Malawi is a regular feature in the international agricultural policy debates as a model for the rest of Africa to emulate in order to achieve a uniquely African Green Revolution (Dugger, 2007; Perkins, 2009; AGRA, 2009). Through its subsidy programme, and against fierce resistance by donors as well as some local fiscal conservatives, the argument is that Malawi has pioneered the implementation of smart subsidy that has transformed the country from a perpetual food beggar for close to two successive decades to a self-reliant nation.

This is underlined by the fact that since the introduction of the fertilizer subsidy programme, the country has consistently produced surplus maize over and above its annual food requirements estimated at 2.1 million metric tonnes. In this narrative, the 2006/07 growing season is particularly singled out. Malawi achieved a 53 percent food surplus from a 43 percent deficit in 2005, some of which was exported to neighbouring countries. These achievements are used as a reference point in advocating for the case for smart subsidy as the only feasible way to resuscitate African agriculture as an engine of economic growth for sustainable poverty reduction. The argument is that “if Malawi can do it, it can be done by every country in Africa” (AGRA, 2009: 1).

There is, nevertheless, some enduring debate about whether the Malawi model that has become almost a sacrosanct point of reference in contemporary African agricultural policy debates is sustainable or not (Minot and Benson, 2009). This debate has been led mainly by a group of donors who are sceptical about the return to subsidies, whether smart or not, as a lasting solution to the revival of the fledgling African agriculture. They argue that smart subsidies are no different from the traditional forms of subsidies but perhaps more critically that African governments do not have the capacity to administer subsidy programmes in a transparent and accountable manner without creating expansive opportunities for rent seeking (van de Walle, 2001 and Minot & Benson, 2009).

The debate about whether or not the Malawian model of the fertilizer subsidy is sustainable is driven by concerns with its design. The sceptics doubt that the subsidy programme will catalyze sustainable transformation of the Malawi’s agricultural sector, arguing that it is merely a politically driven programme meant to serve the interests of the ruling elite to retain and consolidate their political power, influence and authority. These are legitimate concerns especially in view of some literature that characterizes Malawi’s politics as essentially the politics of maize (Smale, 1995; Harrigan, 2001; Sahely, et al., 2005). The basic argument is that the legitimacy of the Malawi state is closely related to its ability to make maize, the country’s staple, available to the people. This could either be through subsidizing production or making maize available through the market at affordable prices. Therefore, access to maize forms a critical component of the social contract between the Malawi state and its people.

Taken against this backdrop, the sceptics about the transformative potential of the subsidy programme argue that the absence of a clear roadmap of its implementation detailing out a possible exit strategy suggests the huge stakes that the political elite across the political divide attach to it. There has not been any public debate among the political elites about an exit strategy apart from how the administration of the programme could be improved in order to guarantee food security at all times. Debates about the FISP among the technocrats are stymied by the preponderance of political considerations about the programme. For the sceptics, therefore, the threat of political capture of the programme for short-term goals - with the potential of almost entirely disregarding efforts directed at catalyzing the long-term structural transformation of the agricultural sector as an engine for sustainable poverty reduction - is always imminent. Consequently, the motivation to enhance the soundness of the programme design and its overall technical efficiency is unlikely to take precedence as long as the primary political goals are satisfied. As long as the question of food security is addressed, there is no sense of urgency to use the subsidy programme as a vehicle for sustainable rural transformation.

In addition, there is also a strong argument that the surplus production of maize registered since the launch of the FISP cannot be entirely attributed to design, implementation and management efficiency and effectiveness of the FISP. It is argued that the favourable weather patterns since the 2005/06 growing season have greatly contributed to the success of the FISP (Dorward, et al., 2008). There is so to speak simply no way of establishing whether the investment in the FISP is the most efficient way of using scarce resources. There are some alternative means of achieving the very same objectives of the FISP such as low cost financial services, improved research and extension and new risk management mechanisms among many others. For instance, empirical results from Zambia indicate that favourable weather patterns contributed heavily to the record bumper harvest in the 2009/10 growing season. Zambia recorded a 48 percent remarkable increase in maize harvest over and above the 2008/09 growing season’s harvest. Detailed empirical analysis showed that the largest factor contributing to yield growth was the weather, explaining up to 61 percent of the increase in yield while fertilizer use from both the private sector and the subsidy programme explained an additional 32 percent of the yield increase (Burke, et al., 2010).

The foregoing debate has provided an inspiration for this paper to critically examine the political economy of agricultural policy processes in Malawi using the fertilizer subsidy programme. This is further important for two reasons. Malawi reinstated democracy in May 1994 and, according to democratic theorists, this introduces a
different set of incentives for policy making since voters are expected to exchange their votes with sound policies that directly respond to their pressing priorities (Poulton, 2011). This is of particular significance as a result of the unprecedented transformation of the country’s political reconfiguration following the May 2009 general elections, the fourth elections since the reinstatement of a democratic political dispensation in May 1994.

The May 2009 elections were unique in two main ways. Unlike in the previous three national elections, the governing party, the Democratic Progressive Party (DPP), won the elections with landslide victories at both presidential and parliamentary levels. The election results defied the regional, ethnic and tribal patterns of voting that seemed so entrenched in the previous three general elections. These victories essentially appeared to have de-regionalized and de-ethnicized the country’s configuration and alignment of political forces and interests. This potential reconfiguration of political power coincided with the revival of agriculture as a leading strategic sector underpinned by commitment at the highest possible political and policy levels within the framework of the Comprehensive African Agricultural Development Programme (CAADP). African governments have committed to invest at least 10 percent of their national budgets into agriculture, the goal being to achieve and sustain growth at a minimum level of 6 percent which is required to achieve agricultural led socio-economic growth (Anderson, 2011). This is widely viewed as a potential push toward technocratic policy making since the activities in the agricultural sector will be systematically mediated through a robust investment framework responding to priorities arrived at through highly consultative processes among professional players from the different segments of the agricultural sector.

The political economy perspective is ideal for this paper because it provides the opportunity to get to grips with the political, economic and social processes that either promote or block pro-poor change as well as the role of institutions, power and the underlying context for policy processes (Synder, 2005 and Scoones, 2005). This, inter alia, suggests that policies are more effective when they are informed by an understanding of power relations, incentives and change processes. According to Araujo, et al., (2004), the political economy approach underpins steps of discussion, negotiation, approval and implementation in the policy processes which are at the core of the messy world of politics. This implies that making and shaping of policy is less a set of organized, predictable and rational choices than a complex, often unpredictable and above all political process (de Janvry and Sadoullet, 2008). The hallmark of the political economy perspective is that context matters a great deal since policies’ chance of success cannot be judged abstractly on their theoretical or technical attributes without considering the institutional, political and cultural context in which they are applied.

This paper draws heavily from previous work on the fertilizer subsidy programme carried out also under the auspices of the Future Agricultures Consortium (FAC).

Two pieces of work are particularly notable: Reclaiming Policy Space: Lessons from Malawi’s Fertilizer Subsidy Programme and Seed and Subsidies: The Political Economy of Input Programmes in Malawi. These were further complemented by extensive literature review that included relevant fertilizer subsidy documentation as well as key informant interviews. These interviews were carried out with officials of government, donor and civil society organizations between August and December 2010. The key informant interviews opted for anonymity because of the political sensitivity of the subject matter. The sentiments of the key informant interviews are therefore identified only through the dates on which the interviews were held. This does not, however, in any way undermine the veracity of the overall analysis and conclusions drawn from the fieldwork.

The rest of the paper proceeds as follows. The next section examines the agricultural policy context and performance in a historical and contemporary perspective. Section three outlines the distinctive features of Malawi’s political system with particular focus on their implications for the agricultural policy processes. The fourth section discusses the fertilizer subsidy programme as a case study to interrogate the underlying dynamics of the agricultural policy processes in the country. The distinctive features of the political system are invoked in order to understand or explain positive or negative developments pertaining to the implementation of the fertilizer subsidy programme since its inauguration during the 2005/06 growing season. The fifth and final section offers some concluding reflections with particular focus on the implications of the fertilizer experiences for the broader agricultural policy processes in Malawi.

Agricultural Policy Context and Performance in Malawi

Malawi is a predominantly agrarian economy with 85 percent of the people dependent on agriculture as their principal source of livelihood (Chirwa, et al., 2006 and Chinsinga, 2008). Agriculture contributes over 90 percent of the country’s export earnings, accounts for 85 percent of the total employment and contributes 39 percent to the country’s Gross Domestic Product (GDP).

The major distinctive feature of the agricultural sector in Malawi is its dualistic nature which has had important implications for its performance. It comprises the estate and smallholder sub-sectors. The smallholder sector, with cropping systems dominated by rain-fed farming, is characterized by low levels of inputs and outputs yet it produces more than 70 percent of the total food and contributes about 20 percent to agricultural exports (Chirwa, et al., 2006). The second sub-sector is comprised of estates mostly growing tea, coffee and tobacco for export.

The dualistic nature of the agricultural sector has had important structural implications for the agricultural
sector. The size of smallholder farmers’ lands have dramatically declined to about 0.5 ha per capita because of high birth rates, lack of alternative employment in urban areas which keeps people on their farms, and the 1967 Land Act allowed for one way transfer of land from the smallholder sector to the estate sector. Until 2002 when a new land policy was promulgated (but not yet enacted into law) vast tracts of land were transferred from the smallholder to the estate sector at modest levels of compensation (Kanyongolo, 2005 and Peters &Kambewa, 2007). The sectors also differed in terms of the range of crops that they cultivated. While those engaged in estate farming were at liberty to cultivate a variety of crops without limit those within the smallholder sector were legally prohibited from producing cash crops such as burley tobacco, sugar and tea to avoid oversupply of the market and poor quality produce. In the case of tobacco this was regulated through the issuance of quotas to farmers. This partly accounts for the fact that while the estate sector contributes about 20 percent of the total national production it accounts for over 80 percent of agricultural exports comprising mainly of burley tobacco, sugar and tea (GoM, 2005).

Very little structural transformation has taken place in the country’s agricultural sector in recent decades. Instead of diminishing in importance, the agricultural sector is becoming increasingly important to the country’s overall economic portfolio (Chisinga, 2002 and Chirwa, et al., 2006). The increase in importance of the agricultural sector is attributed to the devastating effects of structural adjustment programmes (SAPs) on the manufacturing sector. Most of the industries that closed down were state run enterprises that could not survive competition

Figure I: Map of Malawi Showing Agro-Ecological Zones and ADDs
because they no longer enjoyed subsides from the government. The rapid rate of deindustrialization was further reinforced by rampant infrastructure decay which was inevitable due to the implementation of SAPs. The industrial sector was further negatively affected by the dramatic devaluation of the local currency. Being reliant on imported raw materials, the devaluation of the currency inflated their operational costs which most of these industries could not sustain. The contribution of the manufacturing sector to the country’s GDP declined from 16 to 11 percent between 1994 and 2004 either because of the total collapse of some industries or relocation of these industries to neighbouring countries within the region. The manufacturing sector now accounts for about 11 percent of GDP of which agro-processing constitutes 26 percent.

Farmers cultivate a wide range of crops in Malawi. These include maize, tobacco, tea, coffee, sugarcane, pulses, groundnuts, cotton, cassava, sorghum and rice (Chirwa and Zakeyo, 2003). These crops are cultivated across the country although in varying degrees of concentration depending on the agro-ecological conditions. The country is divided into eight Agricultural Development Divisions (ADDs) on the basis of variations in agro-ecological conditions. The ADDs include Karonga, Mzuzu, Kasungu, Salima, Machinga, Ngabu, Lilongwe, Blantyre and Shire Valleys depicted in Figure I.

The crops cultivated by farmers are further distinguished into cash and food crops. However, some of the crops qualify both as cash crop and food crops. The main cash crops include tobacco, tea and sugar of which tobacco is the main foreign exchange earner. Historically it has contributed much as 65 percent of total foreign exchange earnings followed by tea and sugar which contribute 11 and 10 percent respectively (Chirwa, 2004 and Chirwa, et al., 2006), though this is changing as mining operations come on line and the trade in tobacco falters. The livestock industry is very small in comparison to the mining operations. Tobacco is the main foreign exchange earner.

Everywhere in Malawi maize is a dominant crop, despite the agro-ecological variations across the country. Also maize covers a disproportionate share of hectarage in each ADD. According to Hassan, et al., (1996), Malawi has the highest per capita consumption of maize in the world. Thus maize constitutes the primary staple of the rural population in terms of diets as well as cropping patterns. This is further underscored by Denning, et al., (2009) who observe that maize is grown by an average of 97 (93 to 99) percent of farming households and accounts for 60 percent of the total calorie consumption. Recent data from the Ministry of Agriculture and Food Security is quite illustrative of the dominance of maize in the crop portfolio of smallholder farmers in Malawi. The combined growing area of other staples like rice, sorghum, millet, cassava, sweet potatoes and Irish potatoes does not even reach one third of that of maize. The government’s efforts to diversify away from maize are not registering any impact. Apparently there is a reversal of some gains in the efforts to diversify as a result of the dominance of the Farm Input Subsidy Programme (FISP).

Since the food security of the nation depends on maize, it has become a political crop. The apparent prominence of maize as further demonstrated below is inevitable due to the frequent episodes of food insecurity since the turn of the 1990s which eventually saw the introduction of the fertilizer subsidy programme. As early as 1995, Smale described maize in Malawi as life while Sahely, et al., (2005) recognized the importance of maize as further demonstrated below is inevitable due to the frequent episodes of food insecurity since the turn of the 1990s which eventually saw the introduction of the fertilizer subsidy programme.

### Table 1: Average Hectarage under crop production from 2000 to 2010

<table>
<thead>
<tr>
<th>Crop</th>
<th>KRADD</th>
<th>MZADD</th>
<th>KADD</th>
<th>SADD</th>
<th>LADD</th>
<th>MADD</th>
<th>BLADD</th>
<th>SVADD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize</td>
<td>42138</td>
<td>145253</td>
<td>308769</td>
<td>75154</td>
<td>34084</td>
<td>300895</td>
<td>220962</td>
<td>78848</td>
</tr>
<tr>
<td>Millet</td>
<td>2003</td>
<td>9366</td>
<td>890</td>
<td>3602</td>
<td>10395</td>
<td>4583</td>
<td>973</td>
<td>10571</td>
</tr>
<tr>
<td>Pulses</td>
<td>10965</td>
<td>43972</td>
<td>79040</td>
<td>4527</td>
<td>110110</td>
<td>83524</td>
<td>170573</td>
<td>25684</td>
</tr>
<tr>
<td>Cotton</td>
<td>91</td>
<td>363</td>
<td>653</td>
<td>37</td>
<td>910</td>
<td>690</td>
<td>1410</td>
<td>212</td>
</tr>
<tr>
<td>Cassava</td>
<td>16076</td>
<td>37817</td>
<td>14215</td>
<td>27983</td>
<td>17039</td>
<td>27239</td>
<td>36361</td>
<td>1376</td>
</tr>
<tr>
<td>Sorghum</td>
<td>150</td>
<td>0</td>
<td>146</td>
<td>524</td>
<td>1050</td>
<td>18888</td>
<td>27557</td>
<td>16080</td>
</tr>
<tr>
<td>Rice</td>
<td>8522</td>
<td>2262</td>
<td>948</td>
<td>7559</td>
<td>2664</td>
<td>18018</td>
<td>8361</td>
<td>5638</td>
</tr>
<tr>
<td>G/nuts</td>
<td>997</td>
<td>3997</td>
<td>7185</td>
<td>412</td>
<td>10010</td>
<td>7593</td>
<td>15507</td>
<td>2335</td>
</tr>
</tbody>
</table>

Source: Ministry of Agriculture and Food Security, 2010
percent between 2006 and 2009. The high growth rates are supported by production surplus of maize over and above the annual requirements for the country, which are estimated at 2.1 million metric tonnes since the 2005/06 growing season. In the 2005/06 growing season, total maize production stood at 2,611,486, half a million metric tonnes over the annual food requirement. The production shot to a claimed record 3,444,655 metric tonnes in the 2006/07 growing season and slumped to about 2,948,509 metric tonnes during 2007/08, which was still well above the national annual food requirements (UNESCO, 2009 and Chinsinga, 2010).

The impressive productivity levels were experienced after a protracted period of stagnation punctuated by episodes of chronic bouts of hunger and food shortages, even famine in places. According to Devereux (2002), Malawi had shifted from being nationally self-sufficient in maize in non-drought years to being dependent on food aid and commercial food imports. This trend can be traced back to the late 1980s when Malawi hosted about 1 million Mozambican refuges. This exerted pressure on the country’s food supply especially since the civil war in Mozambique cut off Malawi from the Angonia region which was a source of cheap informal imports. The capacity of the country to feed itself was further decimated, inter alia, by regular bouts of flash floods and droughts, removal of fertilizer and hybrid maize seed subsidies in the mid 1990s and sharp devaluation of the local currency that made inputs virtually unaffordable to the majority of chronically impoverished smallholder farmers, many of whom accessed improved inputs through a subsidized credit system run by the government through the Agricultural Development and Marketing Corporation. This was underlined by two severe hunger crises during the 2001/02 and 2004/05 growing seasons that have had far reaching consequences on the policy trajectory of the agricultural sector in the country.

The 2001/02 hunger crisis affected over 3.2 million people. Translated in terms of food requirements, the deficit of maize was as high as 630,000 metric tonnes but if other foodstuffs are taken into account, the deficit marginally fell to 570,000 metric tonnes (Stambuli, 2002 and Owusub&Ngambi, 2002). The incidence of hunger in 2002 is also partly attributed to the decision by the government to sell off maize from the strategic grain reserves to Kenya on the advice of the IMF. It is alleged that the maize from the strategic grain reserves was disposed of corruptly which made it difficult for the government to source food imports on time to cushion the hunger crisis. Meanwhile, the 2004/05 hunger crisis affected more than four million people translating to a food deficit of about 700,000 metric tonnes (Chimponda and Dzoole-Mwale, 2005). According to Sahely, et al., (2005), these experiences contributed greatly to turning food security into a highly charged political issue. Food security has since the 2001/02 hunger crisis “appeared in the platforms of politicians, on the agendas of policy makers, in the programmes of public bureaucracies, among the duties of village chiefs, and on the pages of national newspapers and is thoroughly researched and debated” (Sahely, et al., 2005: 17).

Since the turn of the 1980s, the agricultural policy framework had been shaped by the ideological intent of SAPs (Kaluwa, et al., 1992; Mhone, 1992; Chilowa, et al., 2000). Malawi was the first country in the Southern Africa Development Community (SADC) region to embrace SAPs in 1981 as a remedy to resuscitate economic growth. SAPs were meant to address the structural rigidities of the country’s economy manifested through: 1) slow growth of smallholder exports; 2) the narrowness of the export base and increased reliance on tobacco; 3) dependency on imported fuel and on a declining stock of domestic fuel wood; 4) the rapid deterioration of parastatal finances; and 5) the inflexible system of government administered prices and wages (Chilowa, et al., 2000). Malawi drew on three different SAP loan facilities in addition to four sector specific reform packages which included the following: 1) Industry and Trade Policy Adjustment Credit (ITPAC) 1988; 2) Agriculture Sector Adjustment Credit (ASAC) 1990; 3) Entrepreneurship Development and Drought Recovery Programme (EDDRP); and Fiscal Restructuring and Deregulation Programme (FRDP) 1996.

The ASAC is particularly critical because it shaped the policy trajectory of the agricultural sector until recently. According to the World Bank (1990), the main objectives of the ASAC were to increase efficiency and improve incomes of smallholder farmers, increase efficiency of land use and protect the environment, and improve the macroeconomic environment through further import liberalization and public expenditure restructuring. The policy instruments involved included smallholder price adjustments, liberalization of fertilizer marketing, removal of subsidies, liberalization of burley tobacco, and adjustment of estate rents in the mid 1990s.

Reviews of SAPs particularly in the agricultural sector are hardly positive (Kalula, et al., 1992 and Chilowa, et al., 2000). They emphasize that SAPs inflicted heavy social burdens on the vulnerable segments of society mainly because their design did not take into account the potentially adverse effects on the poor in short and medium terms. The implementation of SAPs led to dramatic changes in the nature of the agricultural sector which until then had guaranteed food security among the smallholder farmers. The collapse of the smallholder farmer credit system as a result of the swift implementation of SAPs, combined with the removal of fertilizer and hybrid maize seed subsidies against the backdrop of a sharply devalued currency, made farm inputs virtually unaffordable to the majority of the chronically impoverished farmers.

It is further argued that the food security status of most households became more precarious because of the reforms targeted at the Agricultural Development and Marketing Development Corporation (ADMARC). The ADMARC reforms under the auspices of SAPs involved management restructuring, closure of its uneconomic markets and liberalization of the marketing of smallholder crops (Christiansen and Stackhouse, 1989). However, the private sector, widely projected to fill the vacuum, was hardly forthcoming. The hardest hit therefore were the poor and/or isolated households that traditionally
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season. The introduction of the FISP combined with low input agriculture and to severe food insecurity problems, as well as dependence on imports of maize mainly from South Africa and informally from Tanzania and Mozambique (Anderson, 2011).

The intractable hunger problems prompted the government to experiment with various initiatives in order to guarantee food security for the people, who had little non-farm income to purchase food. The first major response to the deteriorating food security situation was the Starter Pack (SP) programme. Launched in the 1998/99 growing season and heavily supported by the UK Department for International Development (DFID), the SP programme extended to all rural farming families, estimated at 2.86 million households, and consisted of free inputs containing 0.1 ha worth of fertilizer and legume seed. The SP programme was repeated in the 1999/00 growing season. It was seen by its timing to be linked to electioneering. It was launched just a year before the general elections of June 1999. It was therefore widely seen as a strategy on the part of the governing party to win votes since it responded to the major concern of the people, the deteriorating food security situation in the country.

However, for purposes of sustainability and as a gradual exit strategy, the SP was scaled down to the Targeted Input Programme (TIP) in the 2000/01 growing season. Then almost half of the rural farming families were beneficiaries. The TIP was phased out in the 2004/05 growing season following the withdrawal of DFID's financial support as the sole donor to the programme. Taking its place that year was the Extended Targeted Input Programme (ETIP). It was designated as such because it provided a package of 26kg fertilizer and 5kg of seed to about 2.8 million beneficiaries compared to the regular TIP programme. This was almost essentially a return to the Starter Pack but did not make any difference because the inputs were supplied to farmers very late to be useful in a year that there was also severe drought.

Neither SP nor TIP achieved the strategic goal of ensuring food security in the country. Except for the 1999/00 growing season, food production remained far below the required levels. This was underlined by the severe hunger incidences in the 2001/02 and 2004/05 growing seasons. The persistence of food shortages despite the SP/TIP/ETIP interventions provided the platform to question the wisdom of continuing on this path of support to the agricultural sector (Chinsinga, 2007).

In spite of doubts by donors and analysts, FISP was introduced by government in the 2005/06 growing season. The introduction of the FISP combined with favourable weather and climatic patterns, have ensured that Malawi is able to meet its national food requirements without recourse to commercial imports or massive food aid. There are, of course, still pockets where people still depend on the World Food Programme interventions.

It is, however, important to note that while Malawi was producing a food surplus, the government continued to intervene in the maize markets (Chirwa, 2009). Through a presidential directive, the Ministry of Agriculture and Food Security reintroduced a price band in 2008 for maize whose aim is to stabilize prices and make maize affordable and accessible by the poorest Malawians. It was meant to establish floor prices to protect farmers’ incomes and ceiling prices to protect consumers (Chirwa et al., 2006). The political significance of the government’s intervention in the maize market cannot be overemphasized. It is justified as a strategy to protect farmers from the exploitative tendencies of unscrupulous traders since markets, especially in remote areas, hardly exist (Chinsinga, 2004 and Chirwa, 2009).

There have been some significant changes in the overarching policy framework for the agricultural sector in the country following the adoption of CAADP which, as stipulated above, commits African governments to invest at least 10 percent of their budgets in agriculture. These changes have been further reinforced by the adoption of the second generation poverty reduction strategy papers (PRSPs) that are widely touted as home-grown. In Malawi, the government adopted the Malawi Growth and Development Strategy (MGDS) in 2006 which provides an overarching policy direction for wealth creation and economic growth as a means of reducing poverty on a sustainable basis. A second MGDS has been prepared for the period between 2012 and 2016 and essentially continues with minor modifications the pursuit of permanent poverty reduction through sustainable economic growth. It also sees agriculture as a key area of support and growth.

Through the CAADP initiative and in tune with the underlying spirit of the MGDS, the government has developed the Agricultural Sector Wide Approach (ASWAp) for the period between 2008 and 2012. The ASWAp is basically a prioritized results-orientated framework for implementing the agricultural components of the MGDS and is aimed at achieving harmonized and gradually aligned investments by government and donors. The ASWAp essentially operationalizes the MGDS in the areas of agriculture, food security, irrigation and disaster risk reduction. The main priorities of the ASWAp are: 1) improved food security at household and national levels; 2) commercial agriculture, agro-processing and market development; 3) sustainable agricultural land and water management; 4) climate change; and 5) key support services, namely: institutional development and capacity building and agricultural research and extension services.
Politics and Policy in Malawi

Conceptual Framework

The debate about politics and policy in sub-Saharan Africa has become more complex requiring nuanced analyses following the advent of democratization since the turn of the 1990s (Lindberg, 2003). The introduction of democracy in a country is expected to fundamentally alter not only the structures but also the incentives that inform and guide policy processes. Thus in theory, voters in a democracy exchange their votes for a set of policies that respond to their interests. In that case in Africa, agricultural policies should be high on political parties’ agendas since the majority of African people live in rural areas and depend almost entirely on agriculture for their livelihoods.

As further demonstrated below, there are alternative frameworks to democracy, for understanding policy processes in a polity. Prior to the advent of democracy in most developing countries in the late 1980s, there were two dominant explanations about how policy processes could be understood in the African context (Whitfield and Therkildsen, 2011). The two focus on neopatrimonialism and on the implementation of SAPs as explanatory variables for the failure of policy processes in Africa.

The basic thrust of neopatrimonialism is that politics both caused Africa’s economic stagnation and prohibited the state from adopting economic reforms and developing developmental institutions (Whitfield and Therkildsen, 2011). It is argued that the government essentially functions as a transfer pump of resources by political leaders to their respective clients in return for support (van Wyk, 2007). Leaders and their opponents use both formal and informal rules, norms and practices to gain legitimacy and advantage in a winner takes all competition for the control of the state. Neopatrimonialism thus expounds how formal and informal institutions coexist to facilitate or frustrate the realization of development goals and objectives.

The alternative explanation is that Africa’s economic stagnation is due to the implementation of neoliberal policy reforms which created room for expansive influence of Western aid agencies in African policymaking. This impacted negatively on the scope and capacity of the state (Mkandawire, 1998 and Chikulo, 1998). In most African countries, the state had already been substantially weakened by the colonial legacy, tribal, regional and ethnic tendencies (Sandbrook, 1993).

The major criticism against these explanations is that they do not offer any insights into cases of successful state intervention in the economy and variations across countries, or across sectors within the same country. The anti neoliberal explanations for economic stagnation overlook the importance of domestic politics in shaping the incentives facing state elites as well as how foreign aid relations and domestic politics interact (Whitfield and Therkildsen, 2011). In defence, the neoliberals would argue that SAPs failed not because their prescriptions are inherently deficient but rather because most African countries did not implement the SAPs properly (Banik, 2006).

The positive impact of democracy on policy processes, at least in the short term, is debatable, however. The theoretical potential of democracy in creating a perfect market for policies that respond to the pressing priorities of the largest constituency is encumbered by several factors. It is argued that regardless of being the largest constituency, the poor in democracies are unable to effectively agitate for pro-poor policies because they are a heterogeneous social group (Moore and Putzel, 1999). They do not only have to overcome the enormous costs associated with political action but also their “multiple and potentially contradictory loyalties which may undermine political solidarity around class based identities such as small farmers, landless, wage workers, tenants, recipients of food subsidies, squatters etc” (Johnson, 2001: 11). The multiplication of demands on the state resulting from the universal franchise of a citizenry such as this makes democracies more inclined to direct rather than indirect methods of policy implementation, which include subsidies and hand-outs. Examples of indirect policy measures include exchange rate devaluation, tariff reductions and privatization of public enterprises among many others. These policies are not favoured because neopatrimonial states are generally pre or very weak capitalist states with no or little class formation.

These factors suggest that democracies may or may not promote technocratic policy making that responds to the priority interests of the median voter (Joughin and Kjaer, 2010). The preference of direct over indirect methods of policy implementation suggests politicians prefer policies that benefit a large number of people in the short term and are highly visible such as social policies. They thus prefer to win votes by delivering clientelist privileges rather than the more unattainable ‘development’ or even public goods. This implies that elections could be a double edged sword in the policy processes in a democratic dispensation within a neopatrimonial context. Competitive elections may reinforce clientelism rather than counteract it because the governing elite would need to have an even tighter grip on material and coercive resources in order to prevent competitive patronage networks from engaging and threatening the state from within the system (Lindberg, 2003). For instance, at the time of the transition from a one party state to a multiparty state, the Malawi Congress Party (MCP) leadership threatened the populace by arguing that multiparty was war. Conversely, elections could have a programmatic effect since they induce the political elite to provide public goods, or at least benefits that are visible countrywide. In practice, both aspects of elections in terms of promoting programmatic policy interventions and fostering client-patron relationships could be at play at different sites and times.

As a result of these challenges, some scholars argue that we can understand the dynamics of policy processes in a country by focusing on the motivations (incentives)
of political elites. They argue that political survival is the key motivation for the ruling elites who are interested in maintaining ruling coalitions in order to win elections. This motivation in turn shapes the kind of policies elites choose and how they are implemented. The success of the chosen policies is dependent on whether the ruling elites are able to create pockets of efficiency in the bureaucracy in implementing the policies or are effective in delivering clientelistic goods to a network of supporters (Whitfield and Therkildsen, 2011). The bottom line is that ruling elites want to stay in power, and staying in power requires building and maintaining a political organization which can be achieved through clientelistic or programmatic means.

This makes the notion of political settlement relevant to understanding how policy choices and their implementation play out in practice. The notion of political settlement is, however, highly contested. According to Park and Cole (2009), a political settlement is an expression of a common understanding, usually forged between elites about how power is organized and exercised. A society’s political settlement is therefore manifested in the formal laws, informal norms, implicit understandings, specific mechanisms and ways political power is exercised. Khan (2010) offers a slightly different perspective on political settlement. He defines it as a balance or distribution of power between contending social groups and classes on which the state is based and one that is economically beneficial to the parties of a settlement. According to John and Putzel (2009), Khan’s definition is considered more realistic on the account that the idea that a political settlement refers to a common understanding between elites downplays the extent to which political settlements are bargaining outcomes among contending elites.

Political settlements are vital because they shape the field on which politics is played. This implies that political settlements prescribe the nature and rules of the political game that determine which players are playing what role (Di John and Putzel, 2010). Consequently embracing democracy per se is not adequate; the success of policy processes is highly dependent on the resultant political settlements. Moments of transition represent critical junctures that may make it possible to achieve fundamental changes to the state. This might involve reconfiguring power within the state or renegotiating it altogether especially when the economic underpinnings of the political settlement can no longer serve the interests of the key actors in a political settlement.

Understanding political settlement provides a route to understanding the differential performance of states in the developing world and the directions reforms might take when it comes to fundamental state functions (Di John and Putzel, 2009). This suggests that the character of political settlements might explain why similar sets of formal institutions such as democratic rules can have widely divergent outcomes. Khan (2010) argues that the main challenge is that political settlements in most developing countries are clientelistic. They are thus characterized by the significant exercise of power based on informal institutions, typically patron client relationships of different types. This does not, however, mean that developing countries are doomed altogether since “political settlements are continually evolving” (Khan, 2010: 4). Political settlements are underpinned by an on-going process of contestation and bargaining between elites and social groups and those who occupy positions of authority within the state, economy and society more widely.

This suggests that there is need to fully understand the key features of a political system as the basis for understanding the underlying dynamics of policy processes in the agricultural sector. In particular, policy choices and modalities of implementation can be understood by looking at the incentives produced by the formal and informal political institutions that characterize the distribution and organization of power (Whitfield and Therkildsen, 2011). This draws attention to the fact that, contrary to the highly stylized good governance perspective, policy processes are less of a linear sequence but more of a political process underpinned by a complex mesh of interactions and ramifications between a wide range of stakeholders who are driven and constrained by competing interests and the context in which they operate.

The Political System

This section examines the features of Malawi’s political system in order to set the context for understanding the dynamics of the policy processes pertaining to the FISP. The detailed discussion of these features helps to further grasp the underlying logic of the various design, implementation and management elements of the FISP. These are critical in order to provide a fairly definitive answer to the debate that has inspired this paper. The various aspects of Malawi’s political system described in the rest of this section provide pointers to underlying nature of policy processes especially in terms of who drives the processes, what are their incentives, what are their patterns of interaction and the likely consequences.

Malawi has experienced tremendous political changes since the turn of the 1990s. It is a democracy with a new constitution that is widely considered as progressive, providing since 1994 for fundamental liberties and freedoms as well as a set of institutions to promote, protect and safeguard democratic governance. From probably the most repressive regime in the entire southern African region, Malawi reinstated multiparty democracy following both relentless donor and domestic pressures (Chirwa, 1998 and Dulani, 2005). The transition to democracy saw the ouster of the late Dr. Banda and the Malawi Congress Party (MCP) and the ascendancy of the United Democratic Front (UDF) with Bakili Muluzi at the helm.

The basic structures of the state have at least taken shape to the extent that the liberal constitutional framework is generally acceptable to all stakeholders as the basis for organizing political competition although there are some challenges from time to time. The
The relative autonomy of the incumbent President is attributed to the enormous powers vested in the presidency both formally and informally. The question of expansive powers of the presidency was hotly debated during the transition as it was projected as one of the factors that entrenched dictatorship during the reign of the MCP regime (Banda, 1998). However, very little success was achieved in trimming the powers of the President, who thus has enormous powers to appoint a wide range of senior staff in government without viable systems of checks and balances. Broadly speaking, the president presides over an expansive patronage network which he strategically exploits in order to keep and maintain a tight grip on the governing coalition.

The relative autonomy of a president is further reinforced by the weakness of both civil society movements and the private sector. This and the president's control over MPs, suggests that there are hardly any effective checks on the Executive. According to donors, in the 1980s the private sector existed in Malawi but it was not only weak but it was also owned by the state (Harrigan, 2001). This is because the state is the major dispenser of lucrative contracts. Meanwhile, most civil society organizations have been captured by their funders to serve as instruments for their livelihoods (Chirwa, 2000 and Chinsinga, 2006). They are mostly simply used as tools to gain power, run clientelist networks, select and control MPs and do little to aggregate public interest (Magolowondo and Svasand, 2010). There is little room for internal debate about issues and personal disagreements between and among leaders often result in a party split and the proliferation of small parties. The majority of political parties in the country are splinter groups from the initial seven parties that contested the May 1994 elections. They form when a new ‘big man’ contests for power and when (s)he is shoved aside. Diversity of opinion within political parties is perceived as a sign of weakness and division. In short, it could be argued that parties are established to advance the individual interests and concerns of the party leadership and its close allies.

The political party machinery is very important in helping presidential candidates capture state power. Beyond accession to power, presidents do not rely on any specific elite groups in order to retain power except perhaps their funders. Political parties are therefore simply used as tools to gain power, run clientelist networks, select and control MPs and do little to aggregate public interest (Magolowondo and Svasand, 2010). There is little room for internal debate about issues and personal disagreements between and among leaders often result in a party split and the proliferation of small parties. The majority of political parties in the country are splinter groups from the initial seven parties that contested the May 1994 elections. They form when a new ‘big man’ contests for power and when (s)he is shoved aside. Diversity of opinion within political parties is perceived as a sign of weakness and division. In short, it could be argued that parties are established to advance the individual interests and concerns of the party leadership and its close allies.

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their support especially in areas not considered as their strongholds (Chinsinga, 2006 and Moto, 1998).

The regionally fragmented voting patterns mean that presidents do not often enjoy similar levels of legitimacy across the country. To boost their legitimacy, Presidents have resorted to chiefs as influential among their subjects. Their word is trusted and respected. Former President Muluzi used chiefs to drum up support for his third term bid (Dulani, 2005 and Kanyongolo, 2009). Similarly, chiefs are being used to legitimize the candidacy of Peter Mutharika ahead of the May 2014 polls. For this reason, chiefs are enmeshed in a patron-client relationship practically with any government that comes to power. The chiefs are considered as an integral part of the Executive branch of government and their motto is serving the government of the day. In the last decade, the honorarium of chiefs has been raised by more than 1000 percent. Although the amount of honoraria to lower ranking chiefs is still very low, it is much higher for the high ranking chiefs comparing favorably with salaries of some senior civil servants (Chiweza, 2005 and Chinsinga, 2009).

A glimpse into the nature of Malawi’s political settlement is provided by Cammack, et al., (2007) and Cammack (2010). In both pieces of work, political culture is used to provide pointers to some of the key elements of the country’s political settlement. Political culture entails widely held and shared fundamental beliefs that have political consequences. Thus political culture determines the type of government institutions, how authority is vested in government, who is given authority and power in society and government, who is allowed to participate in policy and decision making and how citizens hold their leaders accountable (Gumede, 2009). Political culture is considered critically important because it sets ethical norms and standards. For this reason, political culture constrains the actions of politicians and public officials even if inclined otherwise. They thus refrain from taking positions or from implementing policies that blatantly violate the elements of political culture.

The main challenge for Malawi is that the one party political culture has persisted without major modifications. The multiparty political settlement is therefore to a great extent shaped by the one party political culture which has simply adjusted to the pressures of a multiparty political dispensation while remaining squarely intact. Cammack (2010) argues that Malawi’s political culture is expressed as a set of political behaviours and beliefs which are a norm even if they are non-democratic and anti-developmental at times, and contravene formal rules. The key elements of Malawi’s political culture include the following: prevalence of patronage, clientelism, opportunism and corruption, centralizing authoritarian tendency of the executive, relative weakness of the citizenry and civil society vis a vis the state, narrowness of the public sphere, deference to hierarchy and gender discrimination (Cammack, 2010).

There are several implications arising from Malawi’s political culture that highlight key attributes of the de facto political settlement. Political parties are built around a big man with followers drawn together because of their shared loyalty to him rather than a common ideology. Consequently issues are relatively unimportant and party platforms are more or less the same across parties. Formal rules are often ignored and a more personal, irregular agenda dominates when hard decisions must be taken. This makes it easier for politicians to advance their personal agendas because there is little clearly or widely shared understanding of what is in the public interest. For instance, Mutharika’s refusal to accept the court’s ruling on section 65 which regulates floor crossing among parliamentarians was sold to the public as a defence of national development and food security rather than an attack on the rule of law (Cammack, 2010 and Mayaya, 2011).

Cammack (2010) argues that Malawi’s political culture is to a very great extent a reflection of the nature of the country’s political parties, especially in terms of how they are funded, the relative powerlessness of party members and how and why candidates are selected. She describes Malawi’s democracy as not bottom up arguing “it is not a government of or by the people except once in every five years at election time” (Cammack, et al., 2010: 162). This is compounded by the fact that loyalties for most Malawians are influenced by their primordial identities: ethnicity, regional and religious affinities. It is argued that these primordial identities will remain robust as long as the economy leaves people isolated on rural smallholdings and communications and education are not able to bring peoples across such distances and divides to debate, organize and campaign. This has, in turn, made it attractive for politicians not to base their campaigns on ideologies or issues but instead promise goods or have simply appealed to ethnic, regional and religious identities to gain support.

Commenting on the May 2009 elections, Cammack (2010) observes that there was apparent tension between the old political culture and an emerging political culture based on a relatively functioning state that delivers public goods and responds to the needs of an increasingly urbanized electorate. She concluded that “support for Mutharika came from the public that was relatively pleased with his development performance and fed up with the shenanigans of opposition politicians”, (Cammack, 2010: 180). As pointed out above, regionalism, religion and personal loyalties appear to have played a less important role in winning votes than in the previous three general elections.

She, however, expressed doubt as to whether the results of the May 2009 elections portended a radical transformation in Malawi’s political culture to promote good governance, fairer elections and faster economic growth. While treating the May 19 2009 elections as an important development, Cammack (2010) observed that there were no signs yet to indicate radical transformation was underway. She observed that political parties are no less owned by their patrons now than before; the
public sphere is still narrow and the public interest is still largely under-debated and unarticulated; government is still largely non-transparent and not overly participatory; and the public continues to long for development (especially food security), order and security, seemingly even at the cost of the rule of law and parliamentary independence.

The preceding discussion shows that Malawi’s political settlement is clientelist in nature. This is clearly manifested in its political culture which is at variance with the expectations of a genuine democratic dispensation. The regional orientated political support and recruitment does not provide strong incentives for parties to develop broad based programmes because once in power they can survive by delivering clientelist goods to their supporters. The clientelist tendencies are further reinforced by the apparent weak and limited mechanisms of accountability. Both formally and informally, the President as ‘the big man’ is not subjected to any form of stringent accountability. The prospects for political accountability are further limited by the existence of very weak civil society and private sector. As a result, public officials can practically get away with anything even though it may contravene the basic ideals of a democratic dispensation.

This is aggravated by a political culture that promotes subservience and obedience to authority without question. Consequently, policy outcomes are tied to individuals and not to policy systems, crowding out opportunities for policy dialogue that could further strengthen the technical soundness and viability of policy options. Political leaders care less about the technical viability of the policies but more about whether the policies will be able to deliver desired electoral outcomes to access and maintain themselves in power. As stated earlier, understanding the dynamics of the country’s political settlement would help to understand the political economy of the FISP in terms of its design, implementation and management since its inception in the 2005/06 growing season. The next section therefore examines various design, implementation and management experiences of the FISP paying particular attention to how they reflect and underpin the underlying logic of the country’s political settlement.

The Fertilizer Subsidy Programme

The origins of the fertilizer subsidy programme can be traced back to the electoral campaign leading to the May 2004 elections which saw the election of President Mutharika on a United Democratic Front (UDF) ticket. In these elections, the reintroduction of fertilizer subsidy as a strategy for addressing the question of chronic and pervasive hunger featured prominently. In fact, the distinctive feature of the 2004 electoral campaign was that “it reflected a strong national consensus for the fertilizer subsidy, as all leading candidates promised some kind of support to the smallholder agricultural sector” (Chinsinga, 2007: 4). The differences were only in terms of the magnitude of the subsidy and the indicative range of crops that would benefit from the subsidy programme. The ruling UDF advocated for universal fertilizer subsidy for maize only while the opposition block led by the Malawi Congress Party (MCP) advocated for a universal subsidy programme targeting maize and tobacco farmers. The differences reflected agricultural interests of geographical enclaves considered as their strongholds.

UDF won the polls but did not implement a fertilizer subsidy programme in the 2004/05 growing season as implied in the electoral campaign. Instead, it implemented the Extended Targeted Input Programme (ETIP). The UDF government under Mutharika was somewhat reluctant to implement the fertilizer subsidy programme as implied in the electoral campaign because it did not want to jeopardize its relations with donors. Mutharika’s priority was to get an agreement with IMF so as to kickstart economic recovery, which would have been jeopardized if the government proceeded to implement the universal fertilizer subsidy programme, as many donors did not approve of it (Chinsinga, 2010). However, political events in early 2005 led to the President breaking away from the UDF and forming his own party, the Democratic Progressive Party (DPP), which did not have any parliamentary representation. The UDF was thus pushed into opposition, which created an opposition-dominated legislature (Chinsinga, 2008 and Kanyongolo, 2010).

The complexion of the legislature made it extremely difficult for the government to resist calls to implement a fertilizer subsidy programme, as the MCP continued to call for such a programme and the President now needed their support. The government’s initial proposal was to give the subsidy to maize growers only but, taking advantage of their numbers in the National Assembly, the MCP managed to force the government to extend the subsidy to tobacco farmers. This was in the interest of the MCP since its stronghold in the centre is a major tobacco growing area. The government agreed to the MCP’s demand because otherwise the combined opposition threatened to use its dominance to frustrate the rest of the government’s legislative agenda including the budget. The subsidy programme was extended to legume seeds in the 2007/08 growing season at the insistence of donors as a means of facilitating crop diversification (Dorward and Chirwa, 2009).

The political context in which the fertilizer subsidy programme was conceived is critical in order to understand how it has evolved over time. Also, these developments are quite important in order to understand the political economy of agricultural policy processes in Malawi more generally. As indicated earlier, Mutharika was elected on a UDF ticket as a handpicked successor of President Muluzi. As a handpicked successor, it was widely expected that Muluzi would in turn continue to pull strings from his position as the ruling party’s chairman. However, barely eight months after the May 2004 elections Muluzi and Mutharika fell out dramatically. While Muluzi wanted to dictate the shape and form of the cabinet and to have a say in government affairs, Mutharika was determined to create an independent base of political power and legitimacy, especially since
he had not been the architect of his own political campaign and had won the presidency with the slimmest of margins.

Mutharika’s determination to extricate himself from Muluzi’s grasp was apparent in his inauguration speech, in which he called for a new beginning, which would be underpinned by inclusive governance, genuine commitment to poverty reduction by reorienting the people’s mind-set and attitudes, and a zero-tolerance anti-corruption strategy (Lwanda, 2005 and Phiri, 2008). It is the persistent tensions created by Mutharika’s desire to create his own political base and Muluzi’s desire to pull strings from behind the scenes that eventually culminated in Mutharika breaking away from the UDF to form the DPP. This led to an unprecedented development.

The dispute plunged the country into a state of tension which left it teetering on the brink of political paralysis until the eve of the 2009 elections. The repercussions were manifest mainly in acrimonious engagements between the government and the opposition, driven, to a great extent, by the imperatives of neopatrimonialism. Taking advantage of the strength of combined numbers the opposition was determined to wrestle power from the minority DPP government, which had only six legitimate MPS (elected in by-elections in December 2005), while the government was determined to stay in power at all costs. This resulted, inter alia, in excessive judicialization and informalization of politics, as each party was determined to achieve its goals. Both the government and opposition made use of formal and informal means to advance their own selfish motives (Cammack, et al., 2007 and Chinsinga, 2008).

Despite the persistent political tension between government and the opposition, the period between 2004 and 2009 is widely described as successful in terms of economic growth and development performance (Chinsinga, 2010 and Cammack, 2010). At the time Mutharika came to power, Malawi was in a deep fiscal crisis, development was stagnant, GDP fell below population growth rates and inflation rose to a record high and there was a serious breakdown in the state’s capacity to formulate and implement policy. However, within a relatively short period Mutharika and his experienced Minister of Finance managed to create stable macroeconomic conditions that saw the country register impressive economic growth rates for several successive years. Between 2006 and 2011 the economy consistently registered GDP growth rates above the 6 percent threshold which is critical for a country to reduce poverty levels. The critical question is how has the fertilizer subsidy programme featured as an integral part of this story?

The fertilizer subsidy programme has been a huge success contrary to the initial reservations of some major donors who did not support its implementation when it was launched in the 2005/06 growing season (Chinsinga, 2007 and Dorward & Chirwa, 2009). In all growing seasons since its launch, Malawi has consistently produced over 500,000 metric tonnes of surplus maize against the national food annual requirements estimated at 2.1 million metric tonnes. This success has invariably enticed other Africa governments “to take this (subsidy) path to revamp their agricultural sector against the World Bank’s stance to discourage agricultural subsidies”, (UNESCO, 2009: 99). There are, however, several issues worthy of consideration that touch on the political economy of the agricultural policy processes. These would be critically important in considering the replication of the Malawi’s programme as a proven strategy for kick-starting the fledging agricultural sector across the continent.

Success and Evolution of the Fertilizer Subsidy Programme

The success of the programme forced a change of mind on the part of donors that had initially resisted its implementation. When the fertilizer subsidy programme was launched in the 2005/06 growing season, maize farmers were entitled to one 50kg bag of basal and top dressing fertilizers. Both fertilizers were sold at MK 950 compared to the market price of MK 5000. Tobacco farmers were entitled to one bag of CAN and D compound each at MK 1450 per bag against the prevailing market price of MK 6500. Maize farmers had access to 3kg OPV maize at MK 150/3kg compared to the market price of MK 500/kg (Dorward and Chirwa, 2009). The distribution of the inputs was done entirely by two government agencies, namely: Agricultural Development and Marketing Corporation (ADMARC) and Smallholder Farmer Revolving Fund of Malawi (SFFRFM). Private sector companies were involved in the procurement of fertilizer for the programme alongside SFFRFM through a competitive tendering process.

Donors were motivated to engage with the government on the subsidy programme in order to contribute to the improvement of the programme’s design, efficiency and effectiveness (Chinsinga, 2007 and Mangisoni, 2007). The main thrust of the donors’ argument was that the involvement of the private sector would facilitate the diversification of the fertilizer subsidy programme beyond maize and tobacco which, in turn, would stimulate progressive and sustainable private sector growth and development. The private sector would ensure farmers’ access to other crops through the programme beyond maize and tobacco. Donors were concerned that the exclusion of the private sector from the fertilizer subsidy programme would slow down, if not reverse, gains from economic liberalization, which was vital to the development of a private sector-led agricultural growth and recovery. As a result of their pressure, the private sector has been consistently involved in the delivery of seed since the 2007/08 growing season and was involved in the distribution of fertilizers in the 2006/07 and 2007/08 growing seasons. The other four years (of the 6 year programme) the distribution of fertilizer has been restricted to the two state agencies- ADMARC and SFFRFM (Chinsinga, 2007 and Chinsinga, 2010).

The debate between the government and donors on the involvement of the private sector in both the
procurement of fertilizer and seeds and the apparent insistence of the government to exclude the private sector in the distribution of fertilizer underlies the political sensitivity of the programme. The private sector was excluded in the maiden fertilizer subsidy programme because the country was reeling from the devastating effects of the 2004/05 hunger crisis and the government did not want to take a chance by involving the private sector in a programme in which the political stakes were huge. The government therefore wanted to take full responsibility for the programme to ensure that it delivered but also that it was strategically administered to shore up the new government’s/DPP’s fledging support (Chinsinga, 2007 and Dorward&Chirwa, 2009).

The minority status of the government during the 2005-2009 period was a double-edged sword. It had a fairly positive impact on the technocratic orientation of the programme especially in the first two years since the government was determined to see it succeed “as a strategy for building up its own legitimacy since it did not have a support base of its own following the fall out of the President with UDF”3. This was inevitable because maize, as stated above, is at the heart of the social contract between the rulers and the ruled (Sahely, et al., 2005 and Anderson, 2011). The regime needed to demonstrate tangible achievements to the people to get their support since the President had won the May 2004 elections with the slimmest margin since the transition (at 36 percent) and his party had no parliamentary support.

As indicated earlier, the DPP government was under constant pressure from the opposition-dominated Parliament that was often threatening to invoke section 65 which regulates MPs’ crossing the floor from one party to another, and to impeach the President for a series of serious constitutional violations. The fact that he had ditched the UDF riled its leadership, which was keen to pay Mutharika back for his treachery. Besides the DPP wanting to make a difference in the lives of the people (Kanyongolo 2010), it wanted to demonstrate to the people that the strong opposition had nothing to offer apart from politicking, and trying to eject a well-performing government from power.

This perhaps explains the government’s positive reception to the overtures of the donor agencies to the proposals to improve the efficiency and effectiveness of the fertilizer subsidy programme during the second year of implementation (Dorward, et al., 2007). Following the success of the programme in its first year of implementation, most donors started providing support to it. The government agreed to the involvement of the private sector in the procurement and distribution of both fertilizer and seed although the involvement of the private sector in the distribution was subsequently discontinued. The government further agreed to broadening the scope of crops involved in the subsidy programme, particularly the inclusion of legumes as a means of diversifying away from maize, improving soil fertility and boosting farmers’ income and nutrition. However, as further demonstrated below, these are the only technical suggestions about the improvement of the programme that the government has taken on board to improve its overall efficacy.

While working hard to deliver on development including food security, the government was simultaneously courting chiefs as a strategy for propping up its legitimacy (Chinsinga, 2008 and Chiweza, 2008). Chiefs have become important players in Malawi’s politics since there is evidence that they are influential in the lives of their subjects due to the fact that “their word is much respected, their praise is appreciated, and their example is emulated” (Chinsinga, 2006: 37). The rise to prominence of chiefs in the multiparty political dispensation is attributed mainly to the regionalistic orientation of politics in Malawi. Parties in power often turn to chiefs as a strategy for extending their reach and authority in areas where they have anaemic support. Chiefs play a key role in determining the political level playing field by either opening up or denying political space to competitors.

The Chiefs Act has been instrumental on the part of the government to court support of chiefs since it empowers the government to hire and fire them (Chiweza, 2010). In addition, several inducements are targeted at the chiefs. The President promotes chiefs to higher ranks which was not previously the case; chiefs are now on the government’s payroll and in the last five years, their salaries have been revised upwards by over 1000 percent; and a housing scheme has been introduced for them. Salaries of some grades of chiefs are higher than the salary of fresh graduates in the civil service (Chinsinga, 2008 and Chiweza, 2010). The attempts to draft in chiefs to bolster the regime’s legitimacy across the country have further strengthened and deepened patronage links between chiefs and the governing elite.

Several evaluations have shown that the government has exploited the fertilizer subsidy programme to shore up its popularity and legitimacy. This is the case because the fertilizer subsidy programme has become the centrepiece of its agricultural policy whose main goal is to achieve food security at national and household levels (GoM 2006 and GoM, 2008). The government has exploited the subsidy programme through populist pricing of fertilizers. Tobacco and maize fertilizer prices started off at MK 1, 450 and MK 950 respectively. They were harmonized at MK 900 in the subsequent growing season; reduced to MK 800 before being slashed to MK 500 in the lead up to the May 2009 general elections. In the third year of its implementation, the subsidy programme was extended to cotton farmers and there were indications that it would be extended to coffee and tea growers during the 2009/10 season. The cotton, tea and coffee areas are widely perceived as strongholds of the governing party.

This did not happen, however. Instead the government even withdrew the subsidy from tobacco and cotton farmers during the 2009/10 growing season. The focus is now exclusively on maize and legume seed which is often not readily available to farmers. This could be attributed to the landslide victory of the governing party in the May 2009 polls. From only six seats in the previous
Parliament, the governing party now controls 114 seats out of the 193 seat legislature. In addition, the majority of the 33 independent legislators are aligned to the governing side. As a result of this victory, the DPP now knows its decisions cannot be challenged. The withdrawal of the subsidy from tobacco farmers was justified as a means of controlling costs for the subsidy programme but it can also be argued that the government now has considerable room of manoeuvre because of a substantially weakened opposition. Tobacco farmers do not have any voice in the government dominated legislature whose primary base is outside the tobacco growing areas. Indeed, the government discontinued subsidizing tobacco without any notable ramifications at all, whereas it could not have been able to do this when it was a minority government, even when it was clear that the programme was costly.

The fact that the government has held onto the distribution of fertilizer could be seen in a similar perspective. The private sector is involved in the procurement of fertilizer through a competitive tendering process but as indicated above it is entirely excluded from distribution. This reflects the fact that the distribution of fertilizer provides politicians with significant opportunities of patronage since the whole question of food security lies at the heart of the country’s political economy. According to Holden and Tostensen (2011), the disposition of the government underlies the fact that the fertilizer subsidy programme is the most expedient vehicle for garnering rural support. For this reason, they argue that government is likely to cling to it whatever its other merits.

**Design of the Subsidy Programme**

The design has been debated in several respects. However, the main issues of intense and protracted debate have included the modalities of delivering the subsidy packages to the beneficiaries, the mechanisms of accurately identifying deserving beneficiaries of the programme and the potential exit strategies from the programme (Chinsinga, 2007; Dorward & Chirwa, 2009; Holden & Tostensen, 2011).

The argument is that very little progress has been made to improve the technical robustness of the programme in these areas because “the President has had a decisive hand in both the design of [the subsidy programme] and its implementation and was Minister of Agriculture and Food Security until 2010 bearing his personal imprint on the direction of the programme” 4. This, in itself, does not automatically mean that the programme cannot be technically robust. The main concern relates to how the direct involvement of the president has constrained the uptake and subsequent implementation of potential technical improvements (Holden and Tostensen, 2011: 11). For instance, some informants observed that “improvements to the programme are difficult because the programme is used for political goals” 5. It was argued that technical improvements “would run counter to the desire of politicians to add extra coupons which Ministers and MPs are personally responsible for distribution” 6. This underlies the justification of the subsidy programme not only in terms of its stated objectives but also its underlying political rationale and ramifications.

This should not, however, be understood as implying that there have not been significant technocratic contributions to the design, implementation and management of the programme. The concern is that the uptake of the technocratic insights has been very low especially “in areas that would have positively contributed to the enhancement of the overall efficiency and effectiveness of the programme” 7. The observation of the informants is illustrative: “what we think should be happening technically is not presented to the outside world; we have been conditioned by the president’s thinking about the programme” 8. In short, the technical improvements are difficult to implement because they are not in favour of the political goals of the programme.

The debate about the modalities of delivering the subsidy package has focused on two main aspects, namely: the use of coupons by beneficiaries to access the subsidy inputs and the involvement of the private sector in the procurement and distribution of the subsidy inputs, a subject that has been dealt with at some length in the previous section. The debate about the use of coupons is as old as the programme itself (Chinsinga, 2007 and Dorward, et al., 2007). The opposition has had serious reservations with the use of coupons arguing that the coupon system is prone to manipulation and corruption especially when administered by a government that had a very weak and fragile political base. The government defended the use of coupons as a viable strategy for targeting the poorest of the poor. Moreover, the use of coupons works to systematically limit the amount of fertilizer that households could access justified both as a control mechanism and as an equity strategy. Ideally, those accessing the subsidized fertilizer would be only those that have been formally identified as beneficiaries.

The use of coupons as an allocative mechanism of the subsidy programme is at least in theory based on the area planted to maize, the number of farming households and soil characteristics across districts. A distribution matrix based on these variables is developed each year to guide the distribution of coupons in order to maximize the programme’s efficiency and effectiveness (Dorward and Chirwa, 2009). There is, however, evidence that the tender for printing as well as the distribution of coupons is not transparent and accountable which provides for frequent and substantial irregularities. In the interviews, many informants observed that “there are often two rounds of coupon distribution, formal and informal” 9. They further observed that “informal distribution of coupons is presided over by political functionaries mainly MPs and Ministers targeting existing and potential supporters” 10. There are allegations that the distribution of coupons “favours politically important districts at the expense of other districts especially where the opposition is particularly strong” 11. This is further elaborated below. There are thus strong sentiments about the objectivity
chosen according to the stipulated guidelines, boasting lists of beneficiaries of the subsidy, replacing those governors, MPs and Ministers] have brought their own have been cases when these functionaries [party interference from party governors at different levels, MPs have to constantly contend with undue political and Ministers. Some informants observed that “there

13. This was deemed “particularly pronounced in the election year during which households in southern region received an average of three coupons with some districts such as Thyolo, Phalombe and Mulanje standing out”14.

Several cases were reported in which committees at district levels entrusted with the distribution of coupons have to constantly contend with undue political interference from party governors at different levels, MPs and Ministers. Some informants observed that “there have been cases when these functionaries [party governors, MPs and Ministers] have brought their own lists of beneficiaries of the subsidy, replacing those chosen according to the stipulated guidelines, boasting that they are government”15. To illustrate the impact of political interference in the subsidy programme, a story was told of by-elections in a particular district during which the District Agriculture Development Officer (DADO) was transferred to the Ministry Headquarters for acting professionally. This allowed the subsidy programme to be run by the District Commissioner who has stronger ties to the politicians as well as chiefs. Consequently “the programme was administered in a way that ensured that the governing party manipulated it to achieve some political dividends”16. The campaign slogan of the governing DPP was that subsidy beneficiaries would be only those that would have demonstrated commitment to vote for it.

The programme has been debated with reference to the soundness of its targeting criteria in order to ensure efficiency and effectiveness. As stated above, the justification for targeting the subsidy programme is that it ensures that poor smallholders are reached and to avoid large farmers benefitting disproportionately from subsidies (Dorward and Chirwa, 2008). It would make sense to target productive farmers as beneficiaries of the programme but “it is the political imperatives of the programme that makes it sensible to target poor farmers most of whom do not make productive use of the inputs as potential voters and resist any improvements that would have enhanced the efficiency and effectiveness of the programme”17. Moreover, targeting helps to minimize crowding out demand for commercial fertilizer which, in turn, “enhances the smartness of the subsidy”18.

The concern is that the targeting criteria for the beneficiaries have not been very clear and consistent. Many informants observed that “the targeting criteria are vague and they keep on changing from year to year which simply creates confusion”19.

The popular view is that the vagueness of the targeting criteria is deliberate “because it provides room for flexibility in the implementation of the programme especially since the programme is primarily a political programme”20. This is underscored by the apparent failure by the Ministry of Agriculture and Food Security (MoAFS) and the National Statistical Office (NSO) to agree on the exact size of the rural household population in Malawi. Yet the actual number of households is critically important for determining the targeted share of beneficiaries and by implication for assessing the efficiency of targeting and possible leakage of inputs (Holden and Tostensen, 2011). The NSO and MoAFS project the numbers of rural farm families at 2.52 and 3.3 million respectively but of particular concern is that there is no political will to reconcile the disparity. As one of the supporters of the fertilizer subsidy programme, the Norwegians sponsored an agricultural census which would have helped to rectify the results but MoAFS has reportedly been reluctant to release the results. The key question is what is it that motivates the reluctance of the government to resolve an issue that would enhance the integrity of the programme? This suggests that key players have an interest in keeping the picture equivocal or blurred because it affords opportunities for manipulation and fraudulent behaviour. According to Holden and Tostensen (2011), the failure to reconcile household data creates considerable room for corruption at all levels of the programme. Since the launch of the programme the number of beneficiaries has fluctuated between 1.4 and 1.7 million. This concern is more credible when the issue of supplementary or second round coupons is taken into account (Dorward and Chirwa, 2011). They estimated that the second round coupons in the election year peaked to about 1 million resulting in enormous cost overrun of the planned expenditures.

The final area of debate has centred on the proposal by donors about developing a medium-term plan for the subsidy program as a critical first step toward exit. This debate can be traced back to the 2006/07 growing season. Donors have pushed for a medium term plan for the subsidy programme for several reasons. They argue the medium term plan would ensure predictable as opposed to ad hoc annual planning that has characterized the programme thus far. The medium term plan would clearly spell out the goals and objectives of the programme, lay out procedures for critical elements such as procurement and indicators of success or failure. The medium term plan would further allow for a balanced
planning process in the agricultural sector that would equally pay attention to such activities as research, extension and commercialization and trade among many others. The medium term plan would also serve as a planning tool for donor support. Many donors observed that “without a medium term plan, it is difficult for us to justify to our respective headquarters the basis for funding the subsidy programme, its success not withstanding”21. The donors have pushed for the medium term plan with “full recognition that the fertilizer subsidy programme is a home-grown programme but that doing so would enhance the quality of support and technical advice we offer”22.

Two drafts of the medium term plan had been produced by the time of the fieldwork towards the last quarter of 2010 but there was consensus among both government and donor officials that the plan would not have any significant impact on the design of the programme. This was attributed to the overwhelming influence of the President who until April 2010 was also the Minister of Agriculture and Food Security. In response to the demands for an exit strategy of the programme, the President has publicly stated that he has “never heard anywhere in the world about exiting from eating”23. Against this backdrop, the medium term plan “is widely seen as a gimmick on the part of the donors to force upon the government to exit from the programme yet it is home-grown”24. The tone of the President has therefore set the parameters of policy engagement between technocrats and donors. This is reinforced by the fact that the subsidy programme is a successful home-grown grown solution to the intractable hunger problem that was implemented in total disregard of fierce donor resistance which is why none of the donors supported the FISP in its maiden year of implementation.

Many informants argued that the fate of the medium term plan for the subsidy programme exemplifies how technical advice toward the potential improvement of the programme is regarded. The popular view is that the medium term plan is resisted because it would hurt the political goals of the programme since “the scope for political manipulation and reaping political capital is widened when supporters can be rewarded with no effect on the number of beneficiaries” (Holden and Tostensen, 2011: 11). The desire at the political level is “for a programme that is successful but which they [politicians] can control with a great deal of flexibility”25. Another view is that the adoption of the medium term plan and a series of technical improvements suggested would make the programme complex. The argument is that “politicians want to keep it simple, with straightforward messages which the masses can understand since it is a populist programme meant to achieve political goals”26.

Many informants therefore argued that “the political imperatives of the programme are making technocrats dull since all they have to think about is how to distribute coupons, support the party in power and how to please political masters which does not provide any tangible learning about the potential improvements in the programme design”21. This is exacerbated by the numerous international awards that have recognized the efforts of the President in making Malawi food secure. While the awards serve to strengthen the political will for the programme, they have also negatively affected technocratic policy engagement. Both donors and technocrats argued that the awards have amplified the political significance of the programme to the extent that they “have transformed the President into the master of everything”22. This has invariably crowded out any potential for serious technocratic engagement on the design of the programme.

**Subsidy Programme and Rent Seeking**

There is evidence that the fertilizer subsidy programme has been exploited as a source of rent seeking activities in the award of procurement and transport contracts (Holden and Tostensen, 2011). A recent World Bank, et al., (2011) review of the procurement of fertilizer and transport for the subsidy programme revealed enormous irregularities which have greatly undermined the programme’s overall efficiency and effectiveness. Since its launch, the programme expenditures have exceeded the initial budgets by between 41-105 percent (Dorward and Chirwa, 2010). The over expenditures could be attributed to the fluctuations in the prices of fertilizer but according to the World Bank, et al., (2011) assessment this does not tell the full story. It is argued that the cost of the subsidy could have been inflated by as much as 50 percent due to favouring of certain contractors rather than applying competitive pricing. These contractors among other include Mulli Brothers and Simama General Dealers who are allegedly very close to the regime. They reportedly played a key role in bankrolling the May 2009 electoral campaign for the DPP as a governing party 33.

The verdict of the assessment is that the apparent competitive tendering exercises for both fertilizer and transport are not adhered to. The transparent and accountable tendering exercises are apparently smokescreens since the final results are often substantially
different from the initial ones. The award quantities kept changing between evaluations to contract signature with some bidders losing out completely in the process without specific reasons; some bidders who offered relatively good prices were not awarded anything without strong justification; and some bidders who were disqualified during the evaluation were brought back (Holden and Tostensen, 2011 and World Bank, et al., 2011). The review underscored the fact that the procurement exercises for both fertilizer and transport have been marred by excessive irregularities strategically influenced by the political machine at the highest possible level. Some informants observed that “there is reordering of decisions made on the tenders in the transparent and accountable manner directing who should be involved, the quantities assigned and the prices by the owner of the programme” 34.

The major concern in the assessment was that “large quantities were repeatedly awarded to some companies whose bids asked for considerably higher prices than those with the lower prices” (Holden and Tostensen, 2011: 12). In addition, some of the successful companies, such as Mulli Brothers and Simama General Dealers, have no previous experience in the fertilizer industry. A particular concern was raised with the failure to award fertilizer procurement contracts to established fertilizer companies such as Norsk Hydro, Yara and Kulima Gold “who have invested extensively in the fertilizer supply systems” 35. Most informants observed that “established fertilizer firms have been substituted by briefcase companies which are simply political cronies who are likely to exit the fertilizer industry once the subsidy programme comes to an end” 36. Companies such as Yara were rejected on the account of inadequate logistical support in “total disregard of the fact that Yara had been supplying up to 60 percent of fertilizer to Malawi before the subsidy was introduced and continues to supply much fertilizer to the commercial sector in the country” 37.

In the 2009/10 season, Mulli Brothers were offered the largest contract even though its prices were much higher than those of the lowest bidders yet they only delivered 14 percent of the NPK by the end of the initial contract period. MulliBrothers also dominated transportation of fertilizer with government paying MK 30-34/10km while the comparable rate for the private sector is MK22/10km (World Bank, et al., 2011 and Holden & Tostensen, 2011). The exploitation of the subsidy programme in this way is thus perceived as “a means of paying back political debts to those who supported the DPP financially to secure landslide victories at presidential and parliamentary levels” 38. The discrepancies in the award of fertilizer and transport contracts suggest that some companies are making huge profits while others are left out altogether even if they are competitive.

The concern is that these practices are not in favour of investment in public goods upon which the potential transformation of the agricultural sector is dependent. The favoured companies are not necessarily credible fertilizer dealers but those who have emerged simply to exploit the largesse associated with the subsidy programme. They are very unlikely to invest in long-term fertilizer supply systems while those already experienced in the industry are being marginalized. The subsidy takes up to 75 percent of the total annual budget of the Ministry of Agriculture and Food Security (MoAFS). There is very little that is left for research and development, extension and many other functions that are vital to ensure sustainable transformation of the agricultural sector (Chinsinga, 2010 and Dorward&Chirwa, 2010). The major conclusion from the critical review of the subsidy programme is that political priorities are the major drivers of the programme. Consequently, there is, as consistently demonstrated above, strong political resistance to closing the loopholes in the programme that facilitate the extraction of rents.

The Paradox of the May 2009 elections

Many scholars credit the historical electoral triumph of the DPP to the success of the fertilizer subsidy programme “whose implementation ended years of chronic hunger and food shortages, according Malawians the dignity they deserve as a people” 39. Overall, therefore, it appeared that a national ethos had emerged that emphasized on policies and issues as determinants of voter choice rather than the ethnic affiliations and the regional bases of political parties. The May 2009 election results were thus widely heralded as a potential turning point in the country’s quest for fundamental and sustainable democratic transformation since the results had, inter alia, demonstrated that “Malawians were anxious for a new brand of politics where leaders were accountable, transparent, visionary and able to harness diversity for the good of the nation” (Chinsinga, 2010: 149). There are nonetheless those who argue that Mutharika won a landslide victory because there were no credible opposition candidates to challenge him.

The DPP led government had not only been successful in bringing to an end years of chronic hunger and food shortages through the subsidy programme, it has also presided over unprecedented economic recovery, improved infrastructure especially the road network, and demonstrated commitment to the fight against corruption. Since these successes had a huge effect in popularizing issues rather than identity considerations in exercising the right to vote among Malawians, the stage appeared to have been set for entrenching issued based politics “because the regime had reaped tangible returns for delivering public goods that had positive impact on the livelihood of voters” 40.

With respect to the subsidy programme, the decision to shelve plans to extend the subsidy to tea and coffee and the discontinuance of the subsidy on tobacco and cotton were seen as positive indicators of the government’s commitment to policy-based politics. This was because the evolution of the subsidy programme up to that point had been largely driven by patronage considerations. As stated above, the extension of the subsidy to cotton, tea and coffee was meant to serve DPP’s strongholds in the south (Chinsinga, 2010). The hope of a new emphasis on policy-based politics was
further underpinned by the fact that the President stepped down as Minister of Agriculture and Food Security (MoAFS) in April 2010. For many donors and technocrats, the President’s decision opened up new opportunities for engagement that would deal with issues of design of the programme in order to enhance its overall efficiency and effectiveness. This, however, did not happen, as illustrated by the failure of donor engagement with MoAFS on the medium term plan and related issues such as transparent and accountable procurement processes that would have enhanced cost efficiency of the programme. The reason for this was that, although the President has stepped down as the Minister of Agriculture and Food Security, he still maintains tight control over the programme. According to one informant, “the President has stepped down as Minister of Agriculture and Food Security only in name; he still effectively controls most of the things to do with the FISP. The Minister of Agriculture and Food Security cannot take any major decision on the FISP without consulting the President” 41

Instead, there appears to be a dramatic regression to the politics as usual mode and, in many ways, with a great deal of intensity that has never been seen before. Through the MulhakowaAlhomwe, a tribal grouping to which the President belongs and is its patron, there is a palpable return to using the state as an instrument of patronage in tune with the tribal, ethnic and regional orientation of Malawi’s politics which many thought had been effectively dismantled by the uniqueness of the May 19 2009 election results (Holden and Tostensen, 2011). One of the traders that is favoured in the award of inflated subsidy fertilizer procurement and transportation contracts is a member of the MulhakowaAlhomwe tribal grouping. A recent governance report compiled by civil society shows that most of the key positions in the civil service are monopolized by the President’s tribal grouping (CPSP, 2010). Instead of being harnessed as a mechanism for facilitating transformation, the DPP’s parliamentary majority is being exploited for selfish political goals at the expense of greater common good. The DPP’s parliamentary dominance is being used to restrict rather than widen the deliberative public sphere.

The government has engaged in several practices and passed several retrogressive pieces of legislation in the post May 2009 period which do not clearly promote and entrench issue-based politics. Criticizing the government has been declared unconstitutional. There was to this effect a press statement released by the State House that threatened to ban all civil society organizations that are critical of its performance and to take to task all individuals talking ill about the government. 42. The justification is that the overwhelming victory has given the government a mandate to do as it pleases. All parliamentary committees are chaired by DPP MPs, including those such as the Public Accounts Committee, the Public Appointments Committee and the Budget and Finance Committee, which play vital roles in promoting a robust system of checks and balances (Chinsinga, 2011). Traditionally, these committees have been chaired by opposition MPs as a way of expressing commitment to a strong system of checks and balances. The Local Government Act (LGA) has been subjected to sweeping constitutional amendments which ultimately amount to the reversal of the democratic disposition of the country’s local government system. In addition, the Electoral Law has been amended to empower the President to decide on the date of local government elections -formerly set in the LGA. The amendments were justified on the basis of efficiency and effectiveness but clearly at the expense of the democratic robustness of the local government system as envisaged in the initial framing of the legislation. The overall effect of these amendments is that they undermine local governments as a democratic arena where people can organize, mobilize and assert themselves for fundamental and sustainable democratic transformation. In other words, these amendments are in keeping with other administrative reforms and practices that empower central government at the expense of local authorities, public servants and the public. Yet local governance is critical for capacitating government structures for policy processes generally and with particular reference to agricultural policy processes. This is because each local government when fully constituted is expected to have several committees one of which is a committee on agriculture which is mandated to oversee the implementation of agricultural activities at the district level.

The irony is that the regime is turning to traditional leaders as a mechanism for social control. There is thus apparent abandonment of popular participation in policy processes in favour of social control through traditional leaders. Yet popular participation is a key mechanism for institutionalizing democratic practices, traditions and ideals in a body politic. The use of traditional authorities to do as it pleases. All parliamentary committees are chaired by DPP MPs, including those such as the Public Accounts Committee, the Public Appointments Committee and the Budget and Finance Committee, which play vital roles in promoting a robust system of checks and balances (Chinsinga, 2011). Traditionally, these committees have been chaired by opposition MPs as a way of expressing commitment to a strong system of checks and balances. The Local Government Act (LGA) has been subjected to sweeping constitutional amendments which ultimately amount to the reversal of the democratic disposition of the country’s local government system. In addition, the Electoral Law has been amended to empower the President to decide on the date of local government elections -formerly set in the LGA. The amendments were justified on the basis of efficiency and effectiveness but clearly at the expense of the democratic robustness of the local government system as envisaged in the initial framing of the legislation. The overall effect of these amendments is that they undermine local governments as a democratic arena where people can organize, mobilize and assert themselves for fundamental and sustainable democratic transformation. In other words, these amendments are in keeping with other administrative reforms and practices that empower central government at the expense of local authorities, public servants and the public. Yet local governance is critical for capacitating government structures for policy processes generally and with particular reference to agricultural policy processes. This is because each local government when fully constituted is expected to have several committees one of which is a committee on agriculture which is mandated to oversee the implementation of agricultural activities at the district level.

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The paper has demonstrated that agriculture is a highly politically sensitive sector in Malawi. Its policy processes are shaped by the underlying logic of the country’s overarching political framework. As the country’s main staple, maize plays a critical role in shaping the social contract between the state and the citizens. As a result, the legitimacy of the Malawi state is closely linked to its ability to make maize available either through subsidized production or affordable prices in the market (Harrigan, 2005 and Sahely, et al., 2005). The centrality of maize in the country’s political economy is further heightened by the fact that maize is a national crop due to its overwhelming victory has given the government a mandate to do as it pleases. All parliamentary committees are chaired by DPP MPs, including those such as the Public Accounts Committee, the Public Appointments Committee and the Budget and Finance Committee, which play vital roles in promoting a robust system of checks and balances (Chinsinga, 2011). Traditionally, these committees have been chaired by opposition MPs as a way of expressing commitment to a strong system of checks and balances. The Local Government Act (LGA) has been subjected to sweeping constitutional amendments which ultimately amount to the reversal of the democratic disposition of the country’s local government system. In addition, the Electoral Law has been amended to empower the President to decide on the date of local government elections -formerly set in the LGA. The amendments were justified on the basis of efficiency and effectiveness but clearly at the expense of the democratic robustness of the local government system as envisaged in the initial framing of the legislation. The overall effect of these amendments is that they undermine local governments as a democratic arena where people can organize, mobilize and assert themselves for fundamental and sustainable democratic transformation. In other words, these amendments are in keeping with other administrative reforms and practices that empower central government at the expense of local authorities, public servants and the public. Yet local governance is critical for capacitating government structures for policy processes generally and with particular reference to agricultural policy processes. This is because each local government when fully constituted is expected to have several committees one of which is a committee on agriculture which is mandated to oversee the implementation of agricultural activities at the district level.

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Concluding Remarks and Reflections

The paper has demonstrated that agriculture is a highly politically sensitive sector in Malawi. Its policy processes are shaped by the underlying logic of the country’s overarching political framework. As the country’s main staple, maize plays a critical role in shaping the social contract between the state and the citizens. As a result, the legitimacy of the Malawi state is closely linked to its ability to make maize available either through subsidized production or affordable prices in the market (Harrigan, 2005 and Sahely, et al., 2005). The centrality of maize in the country’s political economy is further heightened by the fact that maize is a national crop due
to the relative homogeneity in the country’s agro-ecological conditions. This presents the potential for technocratically driven agricultural policy processes given the dominance of the rural population within the framework of democratization (Ellis, et al., 2003 and Anderson, 2011).

However, the case of the fertilizer subsidy programme demonstrates that the prospects for technocratically driven agricultural policy processes have to contend with the contextual political realities and challenges that promote neopatrimonial rather than policy-based politics. The evidence from the case study demonstrates that the push and pull between policy and neopatrimonial based politics tend to skew the balance toward personalization of agricultural policies, driven to a large extent by the primacy of maize in the social contract between the state and the citizens. This has influenced and shaped the manner in which the fertilizer subsidy programme has been designed, implemented and evaluated. These have systematically been tailored to bolster the political fortunes of the incumbent DPP government by satisfying both the interests of the masses and the elites. This is not new. It can be traced back to the Starter Pack (SP) implemented in the late 1990s that was greatly used for electioneering purposes during the UDF government. The absence of clear targeting criteria, the failure to reconcile household statistics produced by the Ministry of Agriculture and Food Security (MoAFS) and the National Statistics Office (NSO), the serious anomalies in the award of procurement contracts for fertilizer and transportation of inputs and the failure to sign up to an elaborate midterm plan for the fertilizer subsidy programme illustrate the precedence of political rather technical considerations in the design and implementation of the fertilizer programme. It is therefore not surprising that the fertilizer subsidy programme is widely seen as the most expedient vehicle for garnering rural political support in order to consolidate and retain the power, authority and influence of the governing elite, and to pay back those who have helped to fund politics.

This perhaps explains why the uniqueness of the May 2009 elections alone could not fundamentally alter the broad contours of the country’s political settlement which requires changing how power is held and exercised. The design, implementation and evaluation of the fertilizer subsidy programme underlie a political settlement that thrives on patronage. This has, in turn, created a situation in which the country’s democratic institutions do not function in the manner they are expected to function (Chirwa, 1998 and Chinsinga, 2011).

This is worsened by a political culture that promotes subservience and obedience to authority without question. Consequently, policy outcomes are tied to individuals and not to policy systems, crowding out opportunities for policy dialogue that could further strengthen the technical soundness and viability of policy options. The incumbents care less about the technical viability of the policies but more about whether the policies will be able to deliver desired electoral outcomes to access and maintain themselves in power. According to Therkildsen and Kjaer (2009), such policies are targeted countrywide, have immediate, visible results, and implemented through the public sector rather than the private sector.

The fertilizer subsidy programme perfectly shows how it has been exploited in terms of design, implementation and evaluation to achieve political dividends while guaranteeing food security since its inception in the 2005/06 growing season. The President had a decisive hand in both its design and implementation which underlies its justification not only in terms of its stated political objectives but also its political rationale and ramifications. While technical and professional inputs have proven useful to the design and implementation of the programme, these have almost always been subordinated to the political precepts and priorities (Holden and Tostensen, 2011). These experiences buttress the fact that the design and implementation of policies such as the fertilizer subsidy programme can be fully understood by thoroughly unpacking the configuration of power relations, incentive structures and dynamics of processes of change in a country context.

END NOTES

1 The author would like to thank Diana Cammack and the Future Agricultures Consortium (FAC) Political Economy of Agricultural Policy in Africa (PEAPA) Team for constructive comments on an earlier draft of this paper. Any remaining errors are his own.

2 The subsidies were restored in 1998 in form of the Starter Pack initiative under which each farming family was given hybrid seed and fertilizer adequate for 0.4 ha.

3 Interview with a government official, 18th August 2010.

4 Interview with an official from the Ministry of Agriculture and Food Security, 19th December 2010.

5 Interview with a donor agency official, 16th October 2010.

6 Interview with a government official, 1st November 2010.

7 Interview with an official from the Ministry of Agriculture and Food Security, 28th October.

8 Ibid.

9 Interview with a civil society organization official, 18th October 2010.

10 Interview with a government official, 29th August 2010.

11 Interview with a government official, 19th November 2010.

12 Interview with a civil society organization official, 29th August 2010.

13 Interview with a civil society organization official, 21st August 2010.
Interview with a government official, 26th November 2010.

Interview with a government official, 1st December 2010

Interview with a government official, 17th October 2010.

Interview with an NGO official, 12th August 2010.

Interview with a donor agency official, 9th August 2010.

Interview with a donor agency official, 22nd August 2010.

Interview with a donor agency official, 5th December 2010.

Interview with a donor agency official, 28th November 2010.

Interview with a donor agency official, 14th October 2010.

Interview with a government official, 27th August 2010.

Interview with a government official, 23rd September 2010.

Interview with a civil society organization official, 18th September 2010.

Interview with a donor agency official, 19th September 2010.

Interview with a government official, 3rd October 2010.

Interview with a donor agency official, 14th October 2010.

Interview with a government official, 27th August 2010.

Interview with a donor agency official, 19th October 2010.

Interview with a civil society organization official, 25th October 2010.

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