THE EFFICACY OF AGRICULTURAL SUBSIDIES AS SOCIAL PROTECTION MEASURES IN RURAL MALAWI

K. CHIKAFA

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THE EFFICACY OF AGRICULTURAL SUBSIDIES AS SOCIAL PROTECTION MEASURES IN RURAL MALAWI

By

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In accordance with Rule G4.6.3, I hereby declare that the above mentioned treatise/dissertation/thesis is my own work and that it has not previously been submitted for assessment to another University or for another Qualification.

SIGNATURE: 

DATE: 13/11/2014
DEDICATION

I dedicate this piece of work to God Almighty for the gifts of life, strength and protection during my stay in Port Elizabeth and data collection exercise in Malawi. I also dedicate this work to my late father, Watson Butao Chikafa, for being a pillar of strength, for the encouraging memories, and for the belief he had in me.
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To my Supervisor, Dr. Fawzy Basardien, thank you so much for your endless and timely support and advice throughout the research.

To my son Mayamiko, wife Winsome and mother Belita, I thank you for understanding when I could not be with you for longer periods during my study and research period. I thank you for the motivation you have always given me.

To the Malawi’s Ministry of Agriculture and Food Security (MoAFS) Headquarters and Lilongwe District Agriculture Office (DADO), thank you for your timely assistance even on short notices. I am very much indebted for your assistance.
ABSTRACT

Social protection measures are poverty reduction interventions implemented to assist in reducing poverty shocks of communities. This study considered the Farm Input Subsidy Programme (FISP) that has been implemented in Malawi with the aim of reducing poverty amongst subsistence farmers by providing them with subsidized farm inputs. The study was conducted in the rural area of Lilongwe District, under Traditional Authority Kabudula. The study mainly focussed on the outcomes of implementing the FISP and it entails whether or not the poverty reduction intervention is really achieving its goals. Thus, the study greatly evaluates the effectiveness of subsidizing farm inputs in reducing poverty amongst households in rural communities characterised by subsistence farming. This study was mainly qualitative in nature and data was collected through interviews and Focus Group Discussions. Some quantitative data for specific trends of national indicators was collected through document. Mainly, content analysis was used to analyse the qualitative data and descriptive statistical analysis with the aid of Microsoft Excel was engaged to analyse the quantitative data. The study found that that FISP assist in household food security only in the short term. Among the reasons cited, the package size received by households has become smaller with sharing tendencies that have been devised to help households that do not receive the inputs or qualify to receive them. This practice is compromising the agricultural productivity in terms of quantities as it lasts only in the short-term before the next harvest. When households’ food reserves are depleted, households become food insecure and poverty sets in again. The study thus reveals that FISP implementation is not operating as a sustainable programme as its intended goal is not being achieved in the long-term. The study also found that coupled with the fact that there is no clear policy guidelines on graduation and that there is continued benefitting of the same beneficiaries, FISP is nowhere close to its phasing-out stage in social protection perspective.

Keywords: FISP, social protection, poverty reduction, graduation and food security.
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<table>
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<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>ADC</td>
<td>Area Development Committee</td>
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<tr>
<td>DADO</td>
<td>District Agriculture Development Office/Officer</td>
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<tr>
<td>DC</td>
<td>District Commissioner</td>
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<td>DDPS</td>
<td>District Development Planning System</td>
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<td>DEC</td>
<td>District Executive Committee</td>
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<td>EPA</td>
<td>Extension Planning Area</td>
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<td>FGD</td>
<td>Focus Group Discussion</td>
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<td>FISP</td>
<td>Farm Input Subsidy Programme</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
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<tr>
<td>MGDS</td>
<td>Malawi Growth and Development Strategy</td>
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<tr>
<td>MoAFS</td>
<td>Ministry of Agriculture and Food Security</td>
</tr>
<tr>
<td>MPRSP</td>
<td>Malawi Poverty Reduction Strategy Paper</td>
</tr>
<tr>
<td>MWK</td>
<td>Malawi Kwacha</td>
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<tr>
<td>NASFAM</td>
<td>National Smallholder Farmers Association of Malawi</td>
</tr>
<tr>
<td>VCD</td>
<td>Village Development Committee</td>
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<td>US$</td>
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CHAPTER 1
INTRODUCTION AND CONTEXT

1.1 BACKGROUND TO THE STUDY
The entrenchment of poverty in developing countries is necessitating the growth of poverty reduction efforts aiming at reducing poverty shocks and improving sustainable livelihood and development. Malawi is not exempted from such fundamental processes if poverty is to be eradicated. Malawi is an agricultural economy with a substantial contribution to its Gross Domestic Product (GDP) from this sector. About 52 percent of Malawi’s population lives below the poverty line (Malawi Government and World Bank, 2006), necessitating various efforts to alleviate poverty. Among the strategies in the poverty alleviation field is the concept of social protection in agriculture as conceptualised by Chirwa, Dorward and Matita (2011). Malawi has implemented social protection measures in agricultural circles since independence in 1964 through various strategic interventions including the farm input starter pack programme, farming clubs that eased access to inputs and currently, the Farm Input Subsidy Programme (FISP). The current FISP is the most recent of the interventions being implemented to reduce poverty shocks amongst the poor especially in rural areas. According to the Malawi Government (2006b), FISP was introduced to help achieve household food sufficiency through increased food (maize) production, to reduce household poverty. Despite relevant implementation guidelines in place, FISP as Social Protection Measures still faces challenges in its implementation process in striving to reduce household poverty. Against the Malawi Social Support Policy goal, one broad challenge facing FISP interventions is lack of clear impact of the intervention in terms of social protection values of scaling down the efforts and reduction in numbers of beneficiaries over the years.

In Malawi, there is general agreement by such stakeholders as the rural people, politicians and experts that the FISP is not achieving the social support goal of graduating the beneficiaries, scaling down the efforts and household poverty reduction. This suggests that there are factors within its implementation process working against the underlying goal of the programme. This study recognises the fundamental role of the programme in Malawi’s poverty reduction efforts and how modifications on the current implementation processes on the ground can influence
decisions which aim at improving efficiency in the future. Thus, the improved efficiency can have a bearing of increasing achievement of self-sufficiency, poverty reduction and consequent scaling down of the FISP intervention. As such, the main gist of the research was to investigate the effectiveness of the Farm Input Subsidy Programme in reducing poverty in rural areas of Malawi with a focus on rural areas of Lilongwe district.

1.2 CONTEXT OF THE RESEARCH PROBLEM
The current FISP was adopted in the 2005/06 Fiscal Year with the aim of improving household incomes and food security. Consistent with FISP is the social protection notion of graduating the beneficiaries after households have attained self-sufficiency in terms of food security and incomes. The concept of graduation in social protection is relatively recent and has been linked to issues of impact, dependency, exit and sustainability (Chirwa et al., 2011). Other than scaling down the resources being invested in the programme, graduation is being advocated so as to enable the programme to reach out to the equally left-out poor beneficiaries in need of the same incentives as development that can help achieve phasing out stage. Essentially, this chapter provides for the existence of social protection in subsistence agriculture, especially in poverty reduction of rural communities.

Section 13 (e) of the Republican Constitution provides for the enhanced quality of life and recognition of rural standard of living as key indicator of the Government policy (Republic of Malawi, 2002). In line with this Constitutional provision, the Malawi Government (2012b) which is the National Social Support Policy provides guidelines to facilitate the implementation of public and private programmes that aim at enhancing the social status and rights of the poor, the majority of who are based in rural areas. It is against this background that the FISP guidelines are framed within the National Social Support Policy and hence are considered as playing social protection role. The implementation of FISP in rural Malawi, works in perspective with the Local Government Act (1998) and the Malawi Decentralization Policy (1998) and it clearly enshrines the responsibility of reaching out grassroots level in the rural areas under the local councils. The success of the FISP at local level depends largely on efficiency of local authorities. Writers such as Baltzer and Hansen (2011) as well as Dione and Horowitz (2013) affirm that the operational inefficiencies
associated with the subsidy programmes in Malawi and other sub-Saharan countries have been at various stages of their implementation processes. In most cases, these inefficiencies may be attributed to the uncoordinated nature of the social protection interventions (Devereux & Macauslan, 2006). Despite many interventions, levels of poverty and extent of poverty shocks in rural Malawi remain extremely high. According to Devereux, Baulch, Macauslan, Phiri and Sabates-Wheeler (2006), the number of people within the per capita expenditure domain below the poverty line in Malawi is estimated at 52.4 percent. Hence, the need to determine the extent to which current FISP is contributing towards poverty reduction. Apparently, FISP has been chosen over other programmes because Malawi is an agricultural economy, with 80 percent of its population residing in rural areas (Housing and Population Census, 2008) and actively involved in subsistence agriculture. Hence efforts in improving agriculture have a direct bearing on improving the household and national incomes.

1.3 PROBLEM STATEMENT
The Malawi’s Social Support Programme Framework which according to Malawi Government (2012b), is the implementation framework of the Malawi’s Social Support Policy suggest that when households have successfully produced enough food, and raised an adequate income they graduate to self-sufficiency leading to economic growth when the scale of graduating households is increasingly sustained, resulting in scaling down of social protection efforts. Against this background, the number of FISP beneficiaries has persistently remained high, with pockets of food shortages across the country. Hence raising questions as to whether the intervention is achieving the Social Support Policy goal of poverty reduction and graduating the beneficiaries. FISP is one of the many social protection interventions that have been put in place to improve the livelihood of subsistence farmers. This research therefore, stems from an assumption that efforts to graduating the agricultural subsidy beneficiaries are being unsustainable in Malawi. Rather, entrenching dependency and the consequent deepening of poverty in rural communities has been the fundamental result of these programmes. This has been in spite of the fact that FISP has been allocated more resources in the budgetary allocations for the Ministry of Agriculture since its inception. For instance, from the total annual national budgetary allocation for agricultural activities, FISP alone was allocated 41 percent in the 2005/06, 41 percent in the
2006/07 and 42.1 percent in the 2007/08 growing seasons (Civil Society Agriculture Network, 2007).

There have been numerous programmes implemented in Malawi over the years and yet (Devereux & Macauslan, 2006) asserts that there is evidence that poverty emanating from among others, persistent lower agricultural productivity, leading into household food insecurity and low incomes is rising rather than falling, which suggests that some of these interventions are not adding up. In corroboration, Alliance for Green Revolution in Africa (2009), states that millions of African farming households are trapped in poverty. Malawi is mainly an agricultural economy, with about 85 percent of its population living in rural areas (Population and Housing Census, 2008), such that proper utilisation and implementation of FISP can have a bearing of reducing poverty shocks in this bigger portion of the population. FISP has been implemented for close to a decade, hence the need to investigate if indicators of poverty reduction emanating from FISP intervention are there on the ground.

1.4 IMPORTANCE OF THE STUDY

Given that, the Malawi Government with the intention of improving smallholder household agricultural productivity introduced an input subsidy programme in 2005 (Nakhumwa, 2006), it is imperative to unearth challenges being faced during the implementation of these programmes to be addressed for effectively achievement of desirable goals. As such, undertaking this research served the purpose of adding value to the topics of poverty alleviation and social protection in Malawi. This has been done by striving to answer questions on the performance of FISP in helping to reduce poverty and achieving the objectives of the social protection drive.

This study provides the necessary information that is needed to fill in the gaps existing in the current practices and hence helps increase programme efficiency in filling in the policy inadequacy gaps. Torjman (2005) as well as Anderson & Langford, (2013) affirm that policies and their proper formulation impact on the welfare of the state. Thus, chances for developmental activities to achieve their intended goals as state-welfare activities are greater if guided by policies that contain relevant information. Although agricultural production might not be taken as a sole
benchmark in measuring the success of the social protection measures, food security remains the major factor affecting poverty reduction efforts in Malawi.

The use of agricultural inputs is fundamental in pursuit of modern agriculture in developing countries (Baltzer & Hansen, 2011), such that their proper utilisation has a bearing of modernising subsistence farming and maximizing productivity. The agricultural subsidies have been in operation in Malawi for a long time, and poverty has continued to deepen in rural communities. As such, the study suggests complementary activities that can be carried out to ensure that households are empowered, and sustainably utilize FISP.

1.5 RESEARCH QUESTIONS
The research strives to unearth the efficiency problems in FISP implementation which is undermining outcomes of the programmes by addressing the following questions:-

1.5.1 How can the implementation of the social protection programmes in agriculture be effectively used to achieve poverty reduction?

1.5.2 Has the implementation of the agricultural subsidies contributed to poverty alleviation in rural Malawi since its inception?

1.5.3 What are the prospects of achieving household self-sufficiency through agricultural subsidies?

Such questions generally remain unattended in spatial studies of agricultural subsidies and suggestive solutions could bring about efficiency and effectiveness in these programmes.

1.6 AIMS OF THE STUDY
1.6.1 General Objective
The broad aim of the study is to determine the extent to which agricultural subsidies as social protection measures contribute to poverty reduction in Malawi.

1.6.2 Specific Objectives
This research strives to address the following specific research objectives:-
• To investigate how agricultural subsidies promote poverty reduction in Malawi;
• To assess the outcomes from the implementation of FISP as a social protection measure in reduction of rural poverty;
• To explore the extent to which FISP has helped to meet the social support policy goals of poverty reduction and graduation; and
• To assess the challenges facing the implementation of agricultural subsidies as a social protection measure in poverty reduction efforts in rural Malawi.

1.7 OUTLINE OF CHAPTERS
This research report is divided into five chapters. Chapter 1 gives the background information and contextual information about the research problem contained in this study. Chapter 2 consist of three parts; the section that presents FISP implementation system in place in Malawi, Literature Review section and thirdly, theoretical framework upon which this thesis is based. Chapter 3 is the research methodology and the design of the research. Chapter 4 constitutes findings and interpretation of data. The conclusion and recommendations in relation to objectives of this research report are given in Chapter 5.
CHAPTER 2
LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 INTRODUCTION
This chapter 2 reviews literature for the study. Important concepts that dominate the discussion in this chapter include, FISP in relation to poverty reduction and the discussions have considered such concepts as, poverty, graduation, household self-sufficiency, social protection and food security. FISP has been implemented in Malawi since 2005/2006 financial year and the literature review gives some of the FISP issues in relation to social protection and poverty reduction in Malawi. The Chapter also reviews some theories applicable to FISP implementation and necessitating such a poverty reduction effort.

2.2 THE FISP IMPLEMENTATION SYSTEM IN MALAWI
FISP operates in such a way that subsidy vouchers for buying subsidized inputs (seeds and fertilizers) are printed by the central government and distributed to the district councils for distribution to the rightful beneficiaries through the District Agricultural Development Offices (DADO’s), Extension Planning Areas (EPA’s) and then the beneficiaries through the traditional leadership (See Appendix 1). At the district council, Senior Traditional leaders with support from District Council and District Agricultural Office identify and allocate the vouchers to the beneficiaries in villages through the local Village Development Committees (VDCs) (Malawi Government, 2006b). Essentially, the VDC’s are responsible for identifying farm families that are really poor to benefit from the programme, hence its targeted nature. For the purpose of facilitating participation and local development planning, government instituted a District Development Planning System (DDPS) to act as an interface between grassroots communities and the District Councils. Thus all local structures belong to DDPS which offers opportunities for participatory planning and dialogue between citizens and their local leaders in order to influence project priorities of local government (Chiweza, 2010).
2.3 LITERATURE REVIEW

2.3.1 Poverty Situation in Malawi

The prevalence of the poverty situation in Malawi is broken down in such a way that 25 percent of the population in urban areas lives in poverty and 56 percent in rural areas (Malawi Government & World Bank, 2006). Thus, a person in a rural area has about twice as many chances of being poor as compared to someone in an urban setting. Alkire (2007) as well as the United Nations and Government of Malawi (1993) define poverty as the lack of productive means to fulfil basic needs such as food among others. The Malawi Government (2004) defines poor household as a household that fails to attain a minimum acceptable consumption level of food and other basic needs as defined by the poverty line. The Malawi economy has been very stagnant and sustained growth has been difficult to achieve. Malawi is a predominantly agricultural economy, with 85 percent of the population living in rural areas (Malawi Government, 2008). A recent consumer survey in Malawi has revealed that the rural population as of 2014 stands at 86 percent of the national population (Malawi Government and Finmark Trust, 2014). The livelihood in rural areas of Malawi is largely dependent on subsistence agriculture (Malawi Government & World Bank, 2006) and they cultivate small landholdings, largely for unsustainable subsistence consumption.

The subsistence farmers in Malawi have poor socio-economic indicators with food security being a continuing threat to improved poverty shocks (Malawi Government, 2001). There have been various poverty reduction interventions in Malawi and in spite of these developments, Malawi Government and World Bank (June 2006) have asserted that the poverty situation in Malawi has not improved since the 1990’s and that there is little progress in reducing inequalities. The Malawi Growth and Development Strategy II (MGDS II) (2011-2016) which follows the MGDS I and is aligned to Millennium Development Goals (MDGs) and according to Malawi Government (2011), it provides development strategies in poverty reduction perspectives. As provided by both MGDS I and MGDS II, the greatest driver of Malawi’s economy is agriculture and the stagnation of the economy as indicated by the current state of poverty and inequality entail that its performance remains insignificant.
2.3.2 Understanding Social Protection and Agricultural Subsidies

O’Cleirigh (2009) describes social protection as a concept that encompasses a wide range of actions, both public and private, that reduce poverty shocks and pervading conditions that can threaten livelihoods. There have been debates on the evidence of impacts of social protection programmes in poverty reduction. In spite of many social protection interventions in Malawi, many households remain more vulnerable today than in the past because poverty shocks appear to have increased (Devereux et al., 2006).

Despite the benefits embedded in the rationale behind the social protection concept, Temin (2008) suggests that experience indicates that most countries find it difficult to promote a truly comprehensive social protection approach. FISP is an example of the social protection measure being implemented in Malawi and suggests the difficulty of achieving the Social Support goal of poverty reduction. Unlike other interventions, which yield prompt results, Nakhumwa (2006) suggests that agricultural subsidies as social protection measures require some considerable time before production can improve and stabilize. The definition of ‘considerable time’ here is not clear as the nine year period in which the FISP has been implemented is already a considerable period, and yet the exit strategy, in the social protection perspective seem not to be in the offing. Much as there could be many other factors contributing to this trend, Chirwa and Dorward (2013) suggest that lack of exit strategy in agricultural social protection interventions could probably be one of the reasons behind stagnant agricultural production in many parts of sub-Saharan Africa, which is associated with high incidence of food insecurity and rural poverty.

Theoretically, this study is grounded within the theoretical discourse of dependency in development discourse and explores mainly the relationship between the agricultural subsidy beneficiaries and the quest of Government interventional efforts in improving livelihood of the citizens. In the light of Sunkel’s (1969) definition, dependency theory and its concepts applied. This study is also based on two theories of poverty, as expounded by Lehnings (2006) of which one is identified as neo-Marxist class structure theory, which mainly identifies the relationship between those with the means of production and those without. Essentially, the theory justifies
the functions of different classes existing in a society. The study also considers Rawls (1973) theory of distributive justice and the evolution of anti-poverty policies, which mainly describe the role of governments in poverty reduction. These theories justify and put into perspective the synergies existing in the implementation of agricultural subsidies as national development and poverty alleviation efforts in Malawi.

2.3.3 FISP as a Social Protection Intervention in Malawi
FISP in Malawi has been implemented since the 2005/06 growing season to promote among other things, production of maize and other crops. Chinsinga (2011b) states that national food requirements were achieved during the initial FISP period. Maize remains the main staple food crop grown by over 95 percent of all smallholder farmers in Malawi (Wanzala-Mlobela, Fuentes & Mkumbwa, 2013), of which most are subsistence farmers. The implementation of this programme followed a drought that was experienced and badly affected the poor subsistence farmers in the 2004/05 growing season (Ricker-Gilbert & Jayne, 2010). There has been documented evidence to show increased food productivity over the years, a situation that should ensure household food security and self-sufficiency and hence, poverty reduction. The subsequent years of the programme have been faced with high international fertilizer prices and costs and high maize prices (Dorward & Chirwa, 2011), a situation that potentially undermined the food security and poverty reduction policy goal. This may be the reason contributing to sub-Saharan Africa’s low usage of improved methods in agriculture and fertilizer as compared to other regions (Chirwa & Dorward, 2013), leading to low stable food production like maize, and hence subjecting the population to an array of poverty shocks (See Appendix 2). Consistently, Chinsinga (2011a) argues that FISP has considerable challenges that require urgent redress if the agricultural sector is to contribute to sustainable economic growth and poverty reduction in Malawi.

In spite of FISP and many other poverty reduction efforts, Devereux et al. (2006) argue that exposure to poverty shocks appear to be on the rise in Malawi, while the ability to cope in beneficiaries is decreasing. One of the factors giving rise to abilities to cope with the population increase in Malawi is the prevailing food
insecurity amongst rural communities. This is evident in the non-achievement of persistent higher food crops production like maize, hence entrenching of poverty shocks, despite Ricker-Gilbert and Jayne (2010) assertion that FISP has been extended and scaled up for the subsequent growing season.

Dorward (2014) suggests that productivity of subsidised inputs received by farmers depends upon the timing of input received by farmers, on rainfall, and on the overall management of the crop. Thus, the time coupons are distributed affects the time farmers buy the inputs from selling points. In the event that the inputs are bought late, the whole cultivation cycle is disturbed and if coupled with unfavourable climatic condition currently resulting from climate change as stated by Fujisaka, Williams and Halewood (2011), productivity gets compromised. The agricultural sector in Malawi is dominated by smallholder farm households with farm sizes ranging from 0.3ha to 5ha (Holden, 2013). Thus, if not well managed and faced with inefficiencies, the small sized nature of farms can be a delimiting factor to production. Despite all these issues though, Mazunda (2013), on the other hand states that maize production in Malawi has increased considerably with the inception of FISP.

2.3.4 Beneficiary Graduation and Downscaling of FISP Interventions

Holmes and Slater (2008) define graduation from a social protection perspective as the movement of households from a state of being exposed top poverty shocks and stresses to increased resilience to such shocks and stresses, increased investment in productive assets and subsequent improved livelihood security. In the case of Malawi, food insecurity, which is considered as a major contributor to poverty is one major factor that entrenches poverty as per Appendices 2 and 3. The Malawi Social Support Policy which was launched in 2012 sets out a goal to increase the productive capacity and asset base of poor and vulnerable households to move them above the poverty line (Malawi Government, 2012b). Agricultural activities as enhanced by the subsidy programmes are but just one key area in which the Government is investing massively to improve the livelihood of rural people. Moreover, there has been massive scaling up of FISP resources as characterised by the ever increasing year after year budgetary allocation to the programme. Despite the efforts put in place, Chinsinga (2007) asserts that there is to date no tangible
progress on the ground. As such in terms of social protection, a study by Mapila (2013) suggest that an abrupt and complete removal of farm input subsidies in Malawi is not a practical option because complete exit has the potential to negatively affect all outcomes of the agricultural subsector. This study therefore will strive to fill in this gap by revealing issues that are derailing progress in FISP as a poverty reduction intervention.

2.3.5 Political Patronage of FISP in Malawi
Graduation is the critical concept in implementing FISP, and needs to be seriously considered if its sustainability and achievement of its goals are to be met. Among the issues that should call for the critical consideration within the programme, is the high costs of the programme (Chirwa et-al., 2011), which comes at the expense of it being a political feature in modern Malawi politics (Dorward, Guenther and Sabates-Wheeler, 2009). As such, political patronage of FISP compromise possibilities of future phasing out the FISP (Baltzer and Hansen, 2011), in social protection perspectives as it is used as a campaign tool for election into political offices.

2.3.6 Agricultural Subsidy Experiences from Other Jurisdictions
Elsewhere in sub Saharan Africa, the agricultural subsidy programmes have been carried out with similar goals as well as dissimilar ones to those of Malawi whilst enforcing the social protection value of graduating the beneficiaries when poverty shocks ease up with the passage of time. This section discusses three scenarios of agricultural subsidies in Zambia, Ghana and Tanzania based on Baltzer and Hansen’s (2011) analysis, to ascertain their compliance to social protection values.

2.3.6.1 Zambian Fertilizer Support Programme
The agricultural subsidy programme in Zambia which is called Fertilizer Support Programme was planned to be implemented from the 2002/03 to 2003/2004 agricultural seasons. By design, the programme was meant to be implemented for three years, 2002/3 to 2004/5, but the exit strategy has not been adhered to. Apparently, the targeted households were supposed to be graduated from the programme after two consecutive years. The programme has continuously been implemented, and the notion of graduation is not being enforced as planned.
The original design of the programme was that farmers needed to graduate after a three year participation in the programme and the programme scaled down to 25 percent, however, this graduation principle seems to have been set aside (Wanzala-Mlobela et al., 2013). Thus evidently, the Zambian Programme is less effective in terms of adherence to social protection value of graduating the beneficiaries than anticipated from its onset even though it has had a positive impact on maize production. Harvey (2009) concludes that there is substantial lack of proper evidence-based research on which to base judgements on the performance of such social protection measures. The Zambian scenario provides weak systems for graduating farmers, indicating non-compliance to social protection value with no policy frameworks for enforcing the processes, just like the FISP in Malawi.

2.3.6.2 Ghanaian Emergency Agricultural Subsidy Programme

Other than increasing agricultural productivity, the agricultural subsidy in Ghana, just like in Malawi started as an emergency measure to enhance usage of fertilizers as more farmers could not afford the commodity due to extremely high fertilizer market prices. The major goal of the fertilizer subsidy program in Ghana was to mitigate the effects of the food crisis by increasing the use of fertilizer (Wanzala-Mlobela et al., 2013). The fertilizer subsidy programme in Ghana was to be implemented in 2008, and it was extended to 2009. Just as in Malawi, this subsidy programme used the voucher system and as a result of increased usage of fertilizers, maize and rice production increase tremendously in 2008 and 2009, much as this boost in production could not be attributed to the subsidy programme alone. Unlike in Malawi, the programme entails a strong adherence to the social protection value, in that once the goal of the programme was achieved in 2009, it was phased out.
2.4 THEORETICAL FRAMEWORK

2.4.1 Introduction

This study will be based on the theories of dependency in development discourse which will be explored, as the intervention in question strives to achieve its objectives. The study will also be based on Basic Needs Approach as well as the Theory of Distributive Justice and the antipoverty policies discourse.

2.4.2 Dependency Theory

Dependency theory in this study defines the deficiency nature of the rural poor in terms of the means of production and their reliance on subsidized means of production in agricultural settings. Poor people and poor countries are in the present day economies still not able to stop the standing problem of dependency as it is still viewed as a means of achieving development especially in rural communities. Dependency can be defined as the state of being influenced externally in terms of politics, the economy, and culture on national development policies (Sunkel, 1969). Lea and Hanmer (2009) have highlighted that agriculture directly increases the strength in exports. However, the trade balance for Malawi remains negative, with fewer exports and more imports. Additionally, Chinsinga (2007) submits that Malawi’s economy is largely donor dependent and that about 40 percent of the National Budget comprises resources from Development Partners. Thus, this theory explains the practical situation of dependency relationship between the beneficiaries of the FISP programmes on the Government as well as Government on Development partners, hence concurrence with Friedman and Wayne (1977) assertions of World Welfare Systems. Thus, the practical application of the theory is in exploring welfare dependency theory. Karsarda and Ting (1996) view welfare participation as a trap that keeps people in poverty, whilst anticipating for the greater good from the same. Based on this understanding, it could be assumed that FISP beneficiaries will continue to depend on the agricultural subsidies to sustain their livelihood.

2.4.3 Basic Needs Approaches

This approach considers development from the restructuring of the economy such that poverty and social injustices are eradicated in domestic economic systems in
what is known as a new internal economic order (Streeten, 1980). This approach takes cognisance of the Neo-Marxist class structure that arises based on modes of production (Lehning, 2006) or the nature of the economy. The approach generally suggests that poor communities have to be provided with basic needs that enhance their living to improve their livelihood and move out of poverty. In this perspective, FISP acts as a catalyst to help the poverty stricken achieve their desire of moving out of poverty.

However, by providing basic needs to rural communities, government contributes to the dependency culture of communities (Austin, 2006). FISP inputs could be an example of basic needs being provided to the poor to improve the agricultural productivity and improve the household incomes. Ellis, Kutengule, and Nyasulu (2003) suggest that the rural subsistence farmers face production constraints and have little room to manoeuvre the incidences of poverty shocks at times. As a result, farming households in rural areas are mostly exposed to an array of poverty shocks. Different development commentators have quite often raised the concern that social support programmes create a sense of dependency amongst the beneficiaries (Samson, 2009), in the course of improving their living through provision of such basic needs as FISP inputs. The Malawi FISP which is a targeted programme nonetheless was introduced to improve the agricultural productivity, household incomes and poverty reduction by incorporating the very basic needs approach that triggers dependency and entrenches dependency in poor rural communities.

2.4.4 Theory of Distributive Justice
The Rawls (1973) Theory of Distributive Justice is very much in tandem with the role of governments in alleviating poverty and reducing the inequality existing within the precincts of their geographical space. Lehning (2006) expounds the theory in that political arrangement and ideologies determine the allocation of a host of goods. Thus, this is the reasoning that has resulted in evolution of poverty reduction policies and the role of governments in ensuring equitable distribution of development of which social protection as a broad strategy and FISP as a specific one are some of them. If fairly distributed, and the deepening culture of dependency dealt with, this
system of distributive justice has the potential in shaping towards the positive social and economic changes in a country.

However, implementation of social protection measures of greater magnitude like the FISP have large and long-term liabilities that may be generated beyond the budgetary capacity (Nino-Zarazua, Barrientos, Hickey & Hulme, 2012), hence ignoring resource allocation to other equally important sectors of societies. FISP as an anti-poverty intervention in Malawi could be an example of the notion which aims at distributing the so-called justice in Malawi as it redistributes resources to the poor to improve their poverty statuses, even though Samson (2009) states that rigidly applied social protection measures create welfare traps which undermine incentives to work. From the discussion, it could be claimed that subsidy programmes in the development processes are offering an opportunity for governments to redistribute resources to the rural poor to improve agricultural productivity and household incomes, much as the same could be deepening the spirit of dependency amongst the household beneficiaries.

2.4.5 Conclusion

This chapter has highlighted some of the available literature by experts and put it into perspective regarding the relevant concepts of this study. The chapter has also looked at some scenarios on the implementation of subsidy programmes in other countries in sub-Saharan Africa. Much as these programmes have been implemented with different goals and objectives, there is a variation in terms of adherence to social protection objectives of scaling down the intervention and graduating the beneficiaries, suggesting a variation on attainment of the intended goals in these cited jurisdictions. As such, such concepts as poverty and vulnerability, social protection, subsidy, farm-inputs, graduation, assume centre stage in this chapter. Chapter 2 further briefly discussed the theoretical framework being adopted by this study. Since the study is being developed around a poverty reduction notion, the framework considers the dependency theory, basic needs approach and the theory of distributive of justice. This section compliments the literature that has been reviewed in Section 2.2 above and highlights the theoretical connotations on which the study is grounded. These theories have connotations on
economic structure in a country based neo-Marxist class structure as well as poverty reduction, and it is against this background that this study has situated FISP implementation, which is a poverty reduction intervention in Malawi within these specific theories.
CHAPTER 3
RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN
This study adopted a qualitative research approach which Henning (2005) defines as a study that aim at understanding the meanings people construct from their various experiences in the world. Within the qualitative research approach, this research was a qualitative evaluation study, which Bryman (2001) describes as the one that is undertaken to assess the effectiveness of the programme being implemented. The choice of this approach was grounded in the understanding that this study was looking at the impacts of FISP on poverty reduction in rural Malawi. The nature of this study is such that it explored the perceptions of different players on the role of FISP in poverty reduction in rural Malawi and this information constituted primary data for the study, hence phenomenological methods were engaged. Phenomenology in research emphasises exploring lived individual experiences, beliefs, and perceptions of people about an issue being investigated (Smith, Flowers, & Larkin, 2009; Kadzandira, 2007; and Moustakas, 1994).

Based on the approach being adopted by this study, data for the study was collected through interviews with agriculture officials and traditional leaders as key informants, Focus Group Discussions (FDGs) with VDCs and FISP beneficiaries. The existence of at least two population groups in the study is based on criteria that enhance reliability of the evidence as they expressed their different experiences. Furthermore, validity of the research was enhanced by formulating and asking questions that brought out relevant information that answers the research question. External validity or applicability of the study to the broader phenomena was enhanced by using more probing questions during the interviews and FGDs. Documentary research was also used to collect existing and documented data. This study adopted thematic analysis and an interpretivism approach to analyse collected data so as to reveal deeper meanings of the experiences to which FISP beneficiaries are subjected to by participating in the programme and also the interpretation of data respectively. Some numerical information collected from the analysis of documents was analysed as descriptive statistics using Microsoft Excel for production of tables, bar and column charts for better explanation of trends.
**Figure 1: Flow Chart Depicting the Summarised Research Process**

**Topic:** The Efficacy of Agricultural Subsidies as a Social Protection Measure on Poverty Reduction

**Study Area:** Lilongwe Rural District – Central Malawi

**Participants:** Line-Ministry’s Officials at Management level, and Traditional leaders, VDC’s and some households at local levels

**Criteria/Indicators at Management Level (Line – Ministry Officials):** Budgetary allocations, maize production trends, Programme implementation Challenges

**Criteria/Indicators based on Local Level experiences:** Affordability, Accessibility, living conditions, food security, extent of non-farm activities and challenges

**Data Collection: Tools**

- **Interviews:** With Line-Ministry Officials
- **Focus Group Discussions:** With VDCs together with some households
- **Document Analysis:** On some scholarly works in related studies and Malawi Government documents

**Type of Data:** Qualitative

**Data analysis procedure:** Thematic Analysis of qualitative information

**Type of Data:** Quantitative

**Data analysis procedure:** Descriptive Statistics

**Interpretation of results**
3.2 DESCRIPTION OF THE STUDY AREA

Data for this study was collected from rural areas of the Lilongwe district of central Malawi, in the Traditional Authority Kabudula’s area. The district covers an area of 6,159 km² and is centrally located in the central part of the country bordering the districts of Salima to the east, Dowa to the North and North-East, Dedza to the south, Mchinji to the west, Kasungu to the north-west and the Republic of Mozambique to the South West. The topography of the district is such that it ranges from extensive plains lying at mid-latitude with isolated hills. Lilongwe District has a warm tropical climate with warm-wet and cool-dry weather condition (Malawi Government, 2006a). The lowest temperatures across the country are experienced in July and the highest temperatures in October. The rainy season, which is the crop cultivation period, is experienced between November and April with almost no rainfall during the rest of the months. The district has over 350,663 farm families from a total population of about 1.5 million, according to the 2008 Population and Housing Census (2008).

3.3 STUDY POPULATION AND SAMPLING FRAMEWORK

3.3.1 Study Population

The study considered all subsistence farmers in rural Malawi as its population. This is because the subsistence farmers in rural areas of Malawi are the target group of the FISP implementation activities. The target population for the study comprise the total number of households in the four villages from which data for this study was collected.

3.3.2 Sample

The subsistence farmers in four villages of the Traditional Authority Kabudula area of Lilongwe district constituted the sample to the study. The study thus had a sample size of 58 respondents, with 2 line-Ministry officials as key informants, 52 participants in FGDs, and 4 traditional leaders as key informants from the four villages that were randomly selected in Kabudula area. The villages 1, 2, 3 and 4 from which data was collected from had at the time of collecting data, household populations of 78, 56, 63 and 48 respectively, and an aggregate of these populations constitute the target population sample. A sample size of 52 respondents, represent
approximately 21 percent of the household population in the 4 villages that were involved.

### 3.3.3 Sampling Technique

The participants of this study were Ministry of Agriculture officials, VDC members and some members of households which have benefited from the FISP. As such, the study adopted the following sampling techniques:

#### 3.3.3.1 Purposive Sampling:

Purposive sampling was used because the study targeted specific line-Ministry’s officials as key informants. Neuman (2007) as well as Hennink, Hutter and Bailey (2011) have described this mode of sampling as a technique that is basically the decision that determines the specific participant for the study. Thus, depending on the nature of information the researcher was looking for, respondents were determined by the researcher to be key informants. Consistently, the desirable key informants from the line-Ministry were labelled using alphabetical letters A and B.

#### 3.3.3.2 Convenience Sampling:

Convenience sampling technique was used to identify the available members of the VDCs and household members/representatives to form focus groups at the time of collecting data in the Lilongwe Rural area. According to Hennink et al. (2011), this sampling technique has a bearing on saving resources that include time and effort. With the help of agricultural officers and traditional leaders, focus groups were formed by the households and VDC members who were conveniently available in the four villages in which data was collected. Two FGDs had twelve participants each, of which one had seven females against 5 males and the other had nine males and three females. For the other two FDGs, one had thirteen participants, with seven females and six males, whilst the other had fifteen participants of which five were males and ten were females. Thus the study, strived to balance up the gender participation in the study. The researcher labelled the four villages along with their village leaders who were key informants using numerical numbers 1, 2, 3 and 4. FGDs made use of the same guide that was used for interviews as a guide for the discussions.
3.3.3.3 Simple Random sampling: - Simple Random Sampling was used to identify the four villages and their traditional leaders. This was done by selecting four villages from the list of over 25 villages under Traditional Authority Kabudula. Village headmen of these villages were also considered as key informants and were labelled as explained in Section 3.3.2 above. This technique was used because FISP implementation practice is the same everywhere across the country, and as such experiences to which people in the villages are subjected by participating in FISP were likely to be the same.

3.4 DATA COLLECTION TOOLS AND PROCESSES

3.4.1 Interviews with Key-Informants

The data collection process used unstructured interview guides in interviews to get technical views and insights about the problem being investigated from key informants. The researcher used a phenomenological approach, which emphasises objectivity when conducting interviews, so as to get real feelings of the participants about the FISP. This tool used open-ended questions which according to Kalof, Dan, and Diet (2008) and Boyce and Neale (May 2006) allow for more insights and allow respondents to answer objectively in their own words. The interviews sought information on individual perception and personal experiences from people about FISP. The key informants to this study included; Ministry of Agriculture officials both at Ministry and Lilongwe District levels, as well as traditional leaders as they work directly in the subsidy programmes.

3.4.2 Focus Group Discussions (FGDs)

The Focus Group Discussion is a qualitative data collection technique in which people are informally interviewed in a group-discussion setting (Neuman, 2007). FGDs were used to collect data from VDCs and households. The study earmarked communities in four separate villages under Traditional Authority Kabudula area. According to Creswell (2003), FGDs have the capacity to generate vital information such as historical information, and give the researcher room to control the line of discussion in a group.
3.4.3 Documentary Analysis

The review of documents was done on studies that have been undertaken in the agricultural subsidies field as well as relevant public documents, to generate the required data. This document review process involved collecting, reviewing and transcribing the necessary information. Kalof et al. (2008) state that the sample for document review should be carefully selected to avoid biased findings. Other than scholarly articles, the study reviewed some government documents to collect some national level data, based on questions that were not quantifiably responded during interviews. Such questions guided the document analysis for specific information needed and it included information on; the extent of poverty in Malawi, the common food production assets as well as the trends in FISP funding, beneficiary figures and maize production. The choice of this method is based on Creswell’s (2003) assertion that data collection through document review can be convenient, time-saving and present thoughtful information.

3.5 DATA ANALYSIS

The study employed a thematic analysis method in the analysis of data which strives to deduce meanings being given by data that is entered into analysis. This approach is more concerned in interpreting deeper meaning in discourse that is represented in a collection of personal narratives or observed behaviours and activities Smith et al. (2009). Under this approach, content that is analysed comprises interpretative and material practices that make the World visible (Denzin & Lincoln, 2003). In corroboration with Denzin and Lincoln (2011), an interpretivism approach was used to interpret the analysed data. Thematic analysis of data was employed because the qualitative nature of the study involved searching the collected data to locate units which convey meaning. The units were grouped based on the broad thematic areas as given by the research objectives. Consistently, the research objectives formed basis of broad thematic areas of the study. Relevant responses from questions during the interviews and FGDs were grouped in these thematic areas explained to convey meanings they have. Data from the document review, key informants and FGDs was examined, sorted out, evaluated, compared, synthesized, reviewed, and placed within themes as given by the research objectives as well as emerging thematic areas from data.
The quantitative data in this study, which included numerical values of qualitative variables was analysed qualitatively. Variables such as national consumption patterns, household food production assets, as well as FISP budgetary and beneficiary figures were analysed as descriptive statistics using Microsoft Excel, to come up with summaries of tables, graphs as well as charts. This helped to explain patterns within information collected from key informants and FGDs. Essentially, this technique compresses large volumes of data into simple and clear units of information for ease of explanation in report writing.

3.6 ETHICAL CONSIDERATIONS

Ethical considerations in research generally entail issues to do with informed consent, right to privacy and protection from harm for the research participants (Gromm, 2008). In corroboration, Neuman (2007) states that research ethics help to define legitimacy for conducting a particular study and the moral research procedure to be used. As such, the researcher operated and conducted this research within acceptable ethical standards that guide social research. In the first place, the researcher sought the relevant permissions from the supervisor and relevant authorities to go ahead collecting data. At the beginning of interviews, the researcher, introduced himself and introduced the study he was conducting and informed the participants that it was purely an academic study with no known threats. The researcher also sought consent from study participants prior to their participation in the study, as they had to append their signatures on the consent forms.

3.7 LIMITATIONS OF THE STUDY

This study was mainly a qualitative research which collected data from the small selected population groups and as such the data collected constituted the feelings of those particular population groups. As such, the study did not make generalisations beyond population groups involved in the study. Furthermore, in qualitative research, drawing of lessons as knowledge claims and conclusions depends so much on the researcher and as such, some of the findings and conclusions are based on the researcher’s understanding of the collected data drawn into analysis. However, this challenge has been remedied by engaging more probing questions during interviews and FGDs to increase applicability of findings. The third limitation of this research
design was the choice of one district to collect the data from as opposed to 28 districts in Malawi. The major reasons that limited the study to rural areas of Lilongwe district in Malawi are the time and resource constrains that were required to finalise the study and produce a research report. In spite of this challenge, it is still anticipated that the findings and lessons from this study may still be used to explain other similar scenarios.
## CHAPTER 4

### STUDY RESULTS AND DISCUSSIONS

#### 4.1 INTRODUCTION

This Chapter presents the findings of the research that was carried in Malawi between July and August 2014. The overall question of the study was: How can the implementation of FISP, as a social protection measure, be effectively used to reduce poverty in Malawi? In line with this broad question, the study posed three sub-questions as follows: Has the implementation of FISP, since its inception, helped to enhance the Malawi Social Support Policy goal of graduating the beneficiaries? What has been the trend in achieving household self-sufficiency through FISP? and what innovative improvements can be brought into the FIPS to advance the social support values and long-term sustainability. Thematic analysis has been used to analyse the collected data where themes have been developed around research objectives. Much of the information was collected through interviews with key informants as well as FDGs as such, small narrations by respondents have been used to give clear information on findings under various themes. The findings under Section 4.2 and 4.3 were collected from secondary sources through document analysis. As much as the study has unearthed a number of negative issues within the FISP implementation, it should be highlighted that its main aim is to understand and contribute to improvement in achievement of FISP implementation goals as well as Social Support Policy goals.

#### 4.2 EXTENT OF POVERTY AND FISP INTRODUCTION IN MALAWI

##### 4.2.1 Consumption Trend in Monetary Terms

<table>
<thead>
<tr>
<th>Area</th>
<th>MWK Value</th>
<th>Equivalent US$ Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>National level</td>
<td>54,568</td>
<td>125.44</td>
</tr>
<tr>
<td>Rural Areas</td>
<td>43,055</td>
<td>98.98</td>
</tr>
<tr>
<td>Urban Areas</td>
<td>118,840</td>
<td>273.20</td>
</tr>
</tbody>
</table>

*Source: Malawi Government (2012a). US$ Values are Author’s computations based on the exchange rate of MWK435=US$1*
Table 1 presents figures for the consumption per capita of the Malawi population in urban as well as rural areas. The per capita consumable income of people in rural areas stand at US$98.98 (MWK43,055) against US$273.20 (MWK118,840) for urban areas. The effect of the rural consumption per capita could be having an effect lowering the National per capita consumption which stands at US$ 125.44 (MWK54,568).

Table 1 gives a general picture of the per capita incomes of the Malawi population. In corroboration with the Malawi Government & World Bank (June 2006), the per capita consumption in urban areas is slightly higher in urban areas possibly because of the diversity of economic activities available, whilst the lower per capita consumption in rural areas entail the unsustainable economic activities in rural communities. Malawi Government (2008) states that 85 percent of the Malawi population resides in rural areas, and coupled with low incomes as indicated by Table 1 subsistence agriculture becomes the means to their survival. Malawi Government & World Bank (June 2006) and Chinsinga (2007) have asserted that the poverty situation in Malawi has not improved since the 1990’s and that there is little progress in reducing inequalities. Consistent with Table 1, the prevalence of poverty situation in Malawi is broken down in such a way that 25 percent of the population in urban areas lives in poverty with twice as many for rural areas (Malawi Government & World Bank, 2006; Devereux et al., 2006). Hence, the rationale for interventions that reduce the poverty shocks amongst the poor, mostly in rural areas. The study thus, found that FISP was conceptualised to help the poor who Alkire (2007) described as those lacking the productive means to fulfil their household basic needs such as food.

4.2.2 Household Food Production Assets
The Malawi Government (2012a) indicated that most households on a national scale are subsistence farmers, cultivating small fragmented pieces of land. As such, the survey indicated that in terms of food production assets, 86 percent of the population own a hoe which is the principle tool for cultivation, of which 45 percent of them are in urban areas and 93 percent are in rural areas. There are also regional disparities in terms of ownership of this principle farming tool as well as other assets as shown by Table 2 below.
Table 2: Summary of Production Assets at Different Levels in Percentages

<table>
<thead>
<tr>
<th>Area</th>
<th>Hoe</th>
<th>Livestock Kraal</th>
<th>Granary</th>
<th>Ox-Cart</th>
<th>Panga-Knife</th>
<th>Watering-Can</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malawi</td>
<td>86.3</td>
<td>12.2</td>
<td>11.9</td>
<td>1.6</td>
<td>51.9</td>
<td>20.8</td>
</tr>
<tr>
<td>Northern Region</td>
<td>91</td>
<td>13</td>
<td>20</td>
<td>3</td>
<td>38</td>
<td>24</td>
</tr>
<tr>
<td>Central Region</td>
<td>95</td>
<td>15</td>
<td>20</td>
<td>3</td>
<td>57</td>
<td>31</td>
</tr>
<tr>
<td>Southern Region</td>
<td>84</td>
<td>10</td>
<td>5</td>
<td>0.2</td>
<td>51</td>
<td>11</td>
</tr>
<tr>
<td>Lilongwe District</td>
<td>90.4</td>
<td>7.8</td>
<td>13.3</td>
<td>3.3</td>
<td>56.4</td>
<td>40.2</td>
</tr>
</tbody>
</table>

*Source: Malawi Government (2012a)*

In terms of Livestock kraal, Granary ownership, Ox-cart ownership, panga-knife and watering-cane, central region, in which the study was conducted, leads in terms as per the percentage population that own each of these assets. Ownership of a hoe in Lilongwe District is slightly lower at 90.4 percent of district population as compared to that of central region at 95 percent in which the district is situated because partly the district is an urban area, comprising the capital city where cultivation and food production through cultivation is not the principle means of earning a living. This same explanation could be applicable to the lower ownership of granary, livestock kraal and panga-knife by households in the district, standing at 13.3 percent, 7.8 percent and 56.4 of the district population as compared to regional percentage at 20 percent, 15 percent and 57 respectively of the regional population. Farming households in Central region and Lilongwe District, have higher ownership of Ox-Carts standing at 3 percent and 3.3 percent as well as watering-cans at 31 percent and 40.2 percent respectively.

Higher usage of a hoe in Table 2 at all levels entail persistent use of primitive tools that cannot allow efficient cultivation of bigger pieces of land, in a quest to increase agricultural productivity. Thus, this agrees with Holden (2013) assertion that the agricultural sector in Malawi is dominated by smallholder farm households with small farm lands where cultivation is mostly done with a hoe. Farm machinery mechanisms like the ox-carts are used to fill this gap, as they can help with the cultivation of vast land areas but the challenge is that the usage of such mechanisms is low at National, Regional and District levels in Malawi as per Table 2. According to the
Malawi Government (2006), agricultural productivity in general and maize production in particular has declined in the last six (6) years and this is attributed to among other factors, inadequate technology use and development. Higher poverty levels in rural areas mean that the subsistence farmers in rural areas are not able to acquire the right technology hence the continued use of such primitive means. Again, the lower percentages of granaries as storage facilities for households in Table 2 means that only up to 11.9 percent of farmers on the national scale manage to keep their produce with 20 percent for central region in which this study was conducted. Low percentages of livestock kraals and watering-canals also suggest lack of diversification amongst the smallholder farmers in Malawi, and heavy reliance on cultivation agriculture. As such, when the produce from cultivation agriculture of such food crops like maize does not perform well, poverty settles in easily and FISP was introduced to fill in this gap by making farm inputs accessible to increase agricultural productivity.

4.2.3 Household Enterprises

Table 3: Percentage Distribution of Non-Farm Activities in Malawi

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage Distribution of Non-Farm Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malawi</td>
<td>20</td>
</tr>
<tr>
<td>Urban</td>
<td>36</td>
</tr>
<tr>
<td>Rural</td>
<td>17</td>
</tr>
<tr>
<td>Lilongwe</td>
<td>14.2</td>
</tr>
</tbody>
</table>

*Source: Malawi Government (2012a)*

Table 3 above, depicts that the non-farming activities in Malawi stand at 20 percent, of which 36 percent are households in urban areas and 17 percent of those in rural areas. In general Lilongwe District, which is the study area for this research, has 14.2 percent of its population involved in non-farming activities.

The fewer non-farming enterprises in rural areas entail that reliance on farming activities is great and that any failures in their farming activities expose the rural farming households to poverty shocks like food insecurity as expounded by Baulch et al. (2006) and Alkire (2007). The greater extent of farming activities with less non-
farming activities in rural areas could be attributed to as the only means of survival for households, hence FISP to fill-in the farm input gap which are not affordable.

4.3 IMPORTANT INDICATORS OF FISP STRUCTURE

4.3.1 FISP Funding at National and Lilongwe District Levels

Figure 2: Government Expenditure on FISP in Billions Malawi Kwacha

![Figure 2: Government Expenditure on FISP in Billions Malawi Kwacha](chart.png)

Source: Author’s Computation based on Data from Wanzala-Mlobela et al. (2013) and Malawi Government (2013)

Figure 1 is a bar graph depicting the actual expenditure pattern of the Malawi Government on FISP as well as the percentage of the FISP budgetary allocations on the National Budget over the years. The graph shows that the expenditure on FISP by the Malawi Government has increased steadily from its inception in the 2005/2006 fiscal year to the current one. There was a sharp rise in FISP expenditure between the 2005/2006 and 2008/2009 fiscal years. The expenditure has been close to uniform between 2009/2010 and 2011/2012, and this is being followed by a sharp increase in FISP expenditure from 2012/2013 to the 2013/2014 fiscal year.
Figure 2 is a column chart showing the trend in FISP funding allocation for Lilongwe District between the 2005/2006 and 2012/2013 fiscal years. The overall picture of this trend depict a sharp increase in FISP funding to the district from the 2005/2006 to 2010/2011 fiscal years. There was a slight decline in funding for FISP to the district, but the trend increased again in the 2012/2013 fiscal year. The actual figure for FISP budgetary allocation for 2013/2014 was not available at the time of collecting data, however key informant B indicated that there was an increase from the 2012/2013 fiscal year’s FISP funding for the district allocation in the 2013/2014 fiscal year.

Figures 1 and 2 entail that on average, Malawi Government expenditure on FISP has been increasing over the years since inception in the 2005/2006 fiscal year. As much as the sharp increase in resources towards FISP suggests that Government efforts towards poverty reduction by curbing food insecurity amongst households are in operation the trend does not auger well with the social protection perspectives. With no clear exit strategy for the programme, FISP seem to be an on-going programme (Baltzer & Hansen, 2011). However, the financial resources towards the programme increased in the 2008/2008 fiscal year because the fertilizer prices on the international market increased in the years 2007 and 2008 (Wanzala-Mlobela et al., 2013; Chirwa & Dorward, 2011). The same reason could be attributed to the
increases of the resources towards FISP in the 2012/2013 and 2013/2014 fiscal years, coupled with devaluation of the Malawi currency against major currencies in these years. Considering this trend, the scaling down of the intervention in social protection perspective seems not to be adhered to, and this suggests little impact on poverty reduction. Hence in terms of funding, both national and district trends are not complying with the Social Support Policy goal of scaling down the efforts in terms of resource allocation for a possible termination of the programme in future.

4.3.2 FISP Beneficiary Trends at National and Lilongwe District Levels

Figure 4: National FISP Beneficiary Trends in Millions since its Inception

![Graph showing national FISP beneficiary trends](image)

**Sources:** Author’s Computation based on Data from Wanzala-Mlobela et al., (2013) and Malawi Government (2013)

Figure 2 is a column chart showing trends for the number of FISP beneficiaries at the national level. The chart shows that the number of FISP beneficiaries steadily decreased between the 2005/2006 and the 2008/2009 fiscal years. A different trend is being depicted between the 2008/2009 and the 2013/2014 fiscal years, where the number of beneficiaries has varied from years to year. Thus, there have been variations with slight increases and decreases in the number of beneficiaries with the passage of time.
Figure 5: FISP Beneficiary Trends at Lilongwe District Level

Source: Author’s Computation Based on Data from MoAFS (2014)

Figure 4 is a bar chart showing the trends in the number of FISP beneficiaries in Lilongwe District. There is a great variation in the number of households that have benefited from the FISP over the years since its inception. The bar chart shows that the number of beneficiaries increased in the early years of the programme up to 2010/2011 fiscal year. The numbers started to drop again and so far as per the chart, the current beneficiary figure stands at more or less the same as that of the first year of the FISP programme.

On a national level, the number of FISP beneficiaries has predominantly hovered between 1.4 and 1.5 million beneficiaries, except for the first two years of the programme when the number of beneficiaries was 2.5 million and 2 million respectively. According to Ricker-Gilbert and Jayne (2010) the first two years of the programme, were specifically for cushioning of subsistence farmers from the effects of drought in the previous growing season. The trends in beneficiary numbers have been changing over the years due to among other factors available resources as well as targeting processes of the poor population group. The programme has increased in size, as measured by the proportion of poor smallholder farmers able to access the subsidy vouchers (Wanzala-Mlobela et al., 2013), and not necessarily the beneficiary number as per the criteria of the first two years of the programme. In terms of the social protection goal of scaling down the efforts in social protection perspectives, national FISP beneficiary trend as given in Figure 3 are not complying with this specific policy goal.
Whereas the trend in the later years of FISP seemed to be hovering around the 1.5 million on average at national level, the trend at Lilongwe district level rose steadily in the early years of the programme before starting to decline again after the 2010/2011 fiscal year. The decline in FISP numbers of beneficiaries in the recent years could be in compliance with the Social Support Policy goal, even though the efforts to wean off some beneficiaries may not be deliberate, but rather arising mainly from the Government resource constraint situation. In corroboration with the trend as given in Figure 4, Key informant B indicated that the beneficiary figures are never consistent as they can increase or decrease depending on the political climate and funding Government made available for the programme.

4.3.3 Maize Production Trends in Lilongwe District

Figure 6: Maize Production Trend in Lilongwe District in Metric Tonnes

![Maize Production Trend in Lilongwe District](image)

**Source:** Author’s Computation Based on Data from MoAFS (2014)

Figure 5 is a column chart showing the maize production trend in Lilongwe District in metric tonnes for the period between years 2008 to 2014. The trend as per the chart, suggest that the maize production in the district has varied since the onset of FISP. The Chart shows higher maize yield in the 2008/2009 agricultural season, followed by a slight drop in yields in 2009/2010 and then a slight rise in 2010/2011, then another drop in maize yields in 2011/2012 and again increases in the 2012/2013 and 2013/2014 agricultural seasons.

Crop cultivation in Malawi is largely rain-fed and the nature of agricultural produce is generally dependent on this factor. Figure 5 depicts some variation in terms of
weighed maize produce over the recent six (6) consecutive growing seasons. Seemingly, some years have had higher yields and other lower yields. As reasoned by Key Informants A and B as well as FGDs 1 and 4, natural factors in the form of poor weather conditions leading into erratic rainfall and dry spells could be the cause of low maize harvest yields in some years. Thus, where rains are late or subsidy vouchers are distributed late, the cycle of crop cultivation is disturbed and consequently crop yields tend to be low like in the 2011/2012 agricultural season. This scenario agrees with Chinsinga (2011a), that FISP is facing considerable challenges that require urgent redress if the agricultural sector is to contribute to sustainable economic growth and poverty reduction in Malawi. Inconsistencies in maize yields as depicted by Figure 5 hamper the whole goal of FISP to enhance household food security and incomes and by extension derails poverty reduction in rural communities.

4.4 FISP IMPLEMENTATION OUTCOMES

4.4.1 Structure of FISP Implementation in Malawi

The study found that FISP is implemented through various structures from national level to grassroots level. At national level, FISP is coordinated by the Ministry of Agriculture and Food Security which is centrally located in the Capital, Lilongwe. The Ministry produces the FISP vouchers (coupons), which are distributed to the District Agricultural Development Offices (DADOs). The bulk of the FISP activities are carried out at the district levels where the programme is implemented through Ministry of Agriculture structures and through the Extension Planning Areas. However, District Council structures such as District Executive Committees (DECs), Area Development Committees (ADCs) and VDCs are incorporated into the system and so are other specific stakeholders as per the narration below:

“District council is used as a back-up in case of capacity shortages, in sensitizations, coupon distribution, monitoring of distribution, and sales of subsidized inputs and we sometimes include other stakeholders like NASFAM officials as well as forestry officers”

Key Informant A
The linkages amongst the structures in FISP implementation from the national level to grassroots entail participations of stakeholders at different levels of the implementation process. The major activities of the programme are carried out at district level where contact with the grassroots beneficiaries is the ultimate goal. Contact with grassroots level farmers helps in identifying grassroots problems and finding the best possible way on the best way of implementing FISP. In using the district councils as back-ups to the FISP implementing personnel, the programme tend to follow Wanzala-Mlobela et al. (2013) schematic structure of FISP implementation (Appendix 1). Thus, FISP implementation structure is incorporated into the DDPS, and agrees with Chiweza’s (2010) assertion that it fosters participatory planning and dialogue between citizens and local leaders in striving to achieve meaningful common programme goals.

4.4.2 Action Plans for FISP Implementation

As per Key Informant A, at the end of each FISP programme, all implementing stakeholders meet to draw up lessons from the just ended programme and a report is drafted. Districts reports are consolidated into a national report. Lessons from these consolidated reports are considered as action points for the FISP programme of the following agricultural season. Each year in July an action plan containing FISP implementation guidelines is developed for FISP implementation and this action plan runs up to March the following year, when the programme comes to an end. In terms of community participation in coming up with FISP guidelines or action plans in local structures at district level, the study found that communities are least consulted as per the following narrations:-

“Local structures at district and community level conduct review and draw lessons which are drafted into national report which is in turn used for formulation of guidelines for next growing season”

Key Informant B

However, a grassroots Key informant had this to say:-

“Agricultural extension workers have conducted meetings within the community on other issues and not FISP”

Key Informant 1
Essentially, the disparity in community participation in coming up with guidelines could mean that the programme reviews are mainly undertaken at higher levels of district council and agricultural structures, members from VDC, ADC, DEC, DADO and other stakeholders participate in evaluating the programme based on experiences incurred in their course of implementing the programme. The community perceptions apparently are taken care of by the VDC members who belong to the very communities they represent, through their participation in evaluating the programmes. By taking the views and perceptions of the communities they come from in action plan formulation, VDC members support the functionality of the DDPS as expounded by Chiweza (2010), and entail good local governance practice.

4.4.3 Innovations in FISP Implementation Processes

The study found that the continued implementation of the programme since its inception nine years ago has resulted in the perfecting the implementation process through the lessons coming from preceding programmes. According to Key Informant A, all the concerned sectors and stakeholders in the implementation of FISP have clearly defined roles and responsibilities. In terms of specific innovations, Key Informant B stated that Blocking System is one of the most efficient innovations that has been brought by continued implementation of the FISP for the past nine years. Some of the benefits of the blocking system are given by his narration below:

“The improvements bought by this system include; reduction in congestion at selling points, very few cases of malpractices were reported as compared to previous seasons, it has been easy to track remaining coupons in villages and there was little room for vendors who try to buy inputs unscrupulously”

Key Informant B

Key Informant B also highlighted that security of inputs, from the deports to the selling points has improved at least for his district, and that the introduction of voter registration as a mode of identification has reduced incidences of acquisition of inputs by dubious and undeserving buyers.
The innovations in FISP suggest the level of perfection in implementing the programme and ensuring that anomalies that compromise its intended goals are amicably mitigated. Like most programmes of a similar nature, FISP faced plenty of challenges at its inception in the 2005/2006 fiscal year. Such challenges included; incidences of fake coupons (vouchers) due to weak features on the coupons, incidences of ghost villages and ghost beneficiaries (Chirwa & Dorward, 2013), selling of coupons to non-deserving beneficiaries as well as the prevailing corrupt practices by the selling personnel at selling points. Innovation in implementing FISP has been devised to remedy and mitigate such challenges and other emerging ones, so that the programme achieves its intended goals. As a result of innovations in dealing with all these challenges, FISP implementation has targeted and maintained a broader beneficiary population group as stated by Wanzala-Mlobela et al. (2013).

4.4.4 Immediate and Long-Term Impacts of FISP Implementation

An interview with Key Informant A revealed that the immediate result of FISP implementation is the achievement of food self-sufficiency. This interview also found out that there are no clear-cut long-term results from implementing FISP on subsistence farming households. These assertions by Key Informant A were also reiterated in FGD 3 as follows:-

“The impacts are not much because the maize we harvest only lasts us before the next harvest. This is because our gardens are so small and the yields are not substantive to last us the whole year”.

Participant in FGD 3

The study also unearthed views of participants about their perceptions on the impacts of FISP on poverty reduction. FGDs 1, 2 and 4 indicated that incidences of poverty remain high in their villages and that the maize or food they manage to produce is not enough to be sold for monetary gain. Specifically, to show knowledge of a possible way FISP can help promote poverty reduction, a participant in FGD 3 indicated that:-

“When households have enough food, they can think of other activities that brings in money like selling items at local markets or findings piece-works to get an extra income and boost their household incomes”
It was also indicated in all FGDs that the smaller sizes of the gardens they cultivate and the limited quantities of the subsidized inputs they are required to buy as reasons behind their continued food insecurity status and poverty. FGD 3 stated that the food produced through FISP intervention suffice for subsistence purposes as it only enables them to survive in the short term, for mostly less than a year, and that they survive the later part of their year through monetary gains they get from other on-going programme interventions. One of the programme interventions they highlighted was the food for work and food for cash programmes as the ones they survive on in the later part of the year. These are essentially public works programmes in which the communities are involved for either monetary or food gains. The study also found that impacts of FISP on poverty reduction being being aggravated by the recent practice that communities have devised in ensuring that more households have access to the farm inputs, as the narration below:-

“Generally there is no significant improvement in poverty reduction due to sharing of inputs among the village members and as a result the production has not been satisfactory”

Key Informant B

FISP has been the main force behind the improved food security status among the households in Malawi. This particular finding by this study which largely depends on FISP agree with Dorward (2014) that productivity of subsidised inputs received by farmers depends upon the timing of input received by farmers, on rainfall, and on the overall management of the crop. In addition, to the prohibitive nature of the FISP package to enable beneficiaries to cultivate more, the study found that fluctuations in weather conditions, and the small size of the cultivated lands in subsistence agriculture have over the years have hampered the anticipated productivity by the programme. The agricultural sector in Malawi is dominated by smallholder farmers owning farms with sizes ranging from 0.3ha to 5ha (Holden, 2013). When all productivity factors are favourable, households have managed to achieve a higher yield from these small-sized farms, and maize production has increased considerably as depicted by Figure 5 in Section 4.3.3 for some years. Thus, when there is a change in productivity factors, the contrary happens to agricultural productivity. In terms of long-term impacts, the finding by the study that there are no
clear-cut long-term impacts of FISP agrees with Mazunda’s (2013) assertion that the programmes immediate impacts in maize production are clear and that long-term effects require further analysis. Thus, the long-term impacts and sustainability that can facilitate a possible graduation of beneficiaries and termination in social protection perspective are still not clear.

4.4.5 Solving Emerging Challenging in Implementing FISP

The FGDs 1, 2, 3 and 4 indicated that problems that arise in the course of implementing FISP are solved by their traditional leaders and the VDCs. Much as most members of the FGDs indicated that they are not aware of the existence of FISP guidelines and their stipulations, they stated that the traditional leaders and their VDCs have been forthcoming in sort out problems when they arise in the course of FISP implementation. As an example, they cited the sharing of inputs with their fellow villagers whose names went missing during coupon (voucher) distribution when actually they were registered as potential beneficiaries, as per the narration below:

“We share these inputs these days because most names of our friends are missing when coupons are being distributed and we believe their coupons are being diverted to other people mostly influential people…”

Participant in FGD 2

As such, the VDCs and traditional leaders have had to help those, whose names were missing by consulting those that manage to get the coupon to share the cost of inputs and then the inputs with those colleagues that did not receive coupons. In-depth interviews with a Key Informant B highlighted that the FISP implementation guidelines are generally straightforward to follow and there has been no external influence as insinuated by Participant in FGD 2 above, however, in corroboration with FGDs, it was indicated that:

“…there are changes that are made by the local leaders like sharing of the subsidy package, and these changes are done inorder to reduce the problems that may arise at village level due to missing names on beneficiary lists”

Key Informant B
Both Key Informants A and B also indicated that traditional leaders have a role of ensuring that those entrusted with the role of identifying the beneficiaries are working in transparent manner. As such where there are chieftaincy wrangles amongst tribal groups, the processes of registration could be extremely difficult as identification of rightful beneficiaries to the programme becomes difficult. When the FISP beneficiary registration process is faced by such a challenge over the years, a higher traditional leader is always asked to intervene for the Agricultural Officers to work properly. In addition, they also highlighted that the involvement of the police help to handle all issues of crime during FISP implementation and that the DCs and DADOs together with grassroots leadership are always in consultation to solve problems that emerge during FISP implementation.

The aspect of solving the problem incurred in the course in FISP implementation is done within the frameworks as provided by the Local Government Act (1998) and Decentralisation policy (1998). Thus, the problems arising from the implementation of FISP uses the local government structures in place in striving to reach at a possible solution. For instance, the communities or villagers when airing their grievances about the implementation process of the programme have to pass them to their VCD through their village head. In the event that the VDC cannot solve the grievances, they are passed on to the ADC and then DEC at district level. Instructions and solutions from the highest authority at district level are channelled to the grassroots through the same structures. According to Chiweza (2010) this arrangement provides an opportunity for dialogue amongst stakeholders at different levels of the FISP implementation process within DDPS structure.

4.5 EXTENT OF FISP’S ROLE IN REDUCING POVERTY

4.5.1 The Role of FISP in Poverty Reduction and Social Protection
The study attempted to establish the place of FISP in the social support programmes in Malawi and it was found that the place of FISP in social protection is a two-fold one of which the first view is given in the narration below:-

“Because the guidelines for identification of beneficiaries stipulate that the criteria for selection include the poor for whom all social protection system are
meant. These people are predominantly primary beneficiaries of social protection”

Key Informant A

As per this narration, the study found that FISP has the poor subsistence farmers as its target population group which makes it a social protection intervention. However, a dissenting view on this social protection role of FISP was raised by Key Informant B, who in his response to the same question opposed the view by Key Informant A, in saying that much as the intention of the programme remains consistent with the social support policy in Malawi, the practice on the ground has not been moving the beneficiaries out of poverty. As a practical example, aspect of sharing subsidized inputs was cited as not a progressive way of moving the beneficiaries out of poverty because it minimizes usage of improved farm-inputs and compromises the production of maize and other food crops from their already small farm gardens and hence deepening of poverty shocks.

The study finding that FISP is a social protection intervention as it targets the poor population with the aim of reducing their poverty shocks is very much consistent with the National Social Support Policy (Malawi Government, 2012b; Chirwa et al, 2011). Over the years, FISP has helped to improve maize production, with sustainable fluctuations in quantities. Dorward (2014) suggests that a higher maize production in turn should lead to increased national maize production, reduced domestic maize prices, and improved household food security, income growth, and welfare. The finding under Section 4.4.3, however reveals that the food (maize) produced by households only last them in the short-term (mostly a period of less than a year). Coupled with the new practice of sharing the inputs meant for one household amongst many households, Key Informant B affirmed that FISP in its current nature of the ongoing implementation is very unlikely that it will reduce poverty at household level, much as positive trends seemed to be achieved at national level.

4.5.2 Extent of Beneficiary Graduation from FISP

The study also attempted to find out what FISP has done so far in moving the rural-poor households out of poverty, also known as graduation in achieving its poverty
reduction role in social protection perspective. Based on responses from Key Informant B and all FGDs, food sufficiency is achieved in the short term, because the produced staple food has mostly lasted them a year or less before the next harvest. This indicates that in this short-term period when they are food secured, household poverty is contained as they are able to sell some of their produce for cash which they can use for other things. According to the FDGs, poverty shocks returns when the food in the households is depleted, with food shortage as the primary factor triggering all sorts of problems in the households. They also indicated that the subsidized input package has just been enough for short-term subsistence purposes. Key Informant B categorically stated that some FISP beneficiaries have benefited from the program many times and this practice hardly helps achieve the social protection goal of graduating the beneficiaries and instead it has been increasing beneficiary reliance on FISP. Based on these assertions, FISP has only achieved reducing poverty in the short-term and not in the long-term, hence non-compliance to social protection perspectives.

Based on findings in this section, poverty shocks amongst households in rural areas are only reduced and mitigated in the short period they are food secured. However, with events such as the practices of sharing the inputs meant for one household amongst many households as stated by Key Informant B above, the question on whether FISP can reduce poverty shocks remains open. This assertion agrees with Mazunda (2013) that the effect of the program on food security and poverty mitigation over the implementation period remains an open question. In social protection perspective, FISP implementation guidelines do not indicate the exit strategy and it is being portrayed as an on-going programme. This attribute of the FISP defeats the National Social Support Policy goal as given by Malawi Government (2012b) and agrees with Baltzer and Hansen’s (2011) assertion that Malawi’s FISP has no documented plan of phasing out in future. Moreover, as raised by Key Informant B, continued benefiting from the programme by the same beneficiaries for years entails that there are no mechanisms and efforts of enforcing beneficiary graduation from the programme in striving to achieve the social protection goals. The justification for Government’s continued implementation probably lies in the understanding that poverty is very much entrenched in Malawi.
especially in rural areas and that according to Mapila (2013) exit from farm input subsidies can only lead to the detriment of the sector being subsidized, which can potentially affect the entire economy. This is in addition to the understanding that some social protection measures, like FISP, take a longer period to start achieving their intended goals for consideration of the phasing out of the social protection measure (Nakhumwa, 2006).

4.6 CHALLENGES FACING FISP IMPLEMENTATION IN MALAWI

4.6.1 General Challenges in FISP Implementation

Based on Key Informants A and B, the study found that lack of specific policy direction in implementing FISP and inadequate funding have been the greatest challenges for proper implementation of the FISP programme. They further stated that as one of the biggest government programme running for 9 years since its inception and with no documented phasing out period, needs its own proper policy direction. On funding challenges, Key Informant B stated that the DADO in Lilongwe District which is charged with the programme implementation has a single vehicle running for the whole district. Accordingly, the allocated funding to the programme in the district is said never to be enough and that the resources are not provided according to the planned budget estimates.

Both Key Informants A and B as well as FGDs 1 and 4 highlighted the erratic rainfall and droughts as some factors hampering the desirable impacts of the FISP. They cited droughts which come as prolonged dry spells during growing season as compromising maize and other crops yields. Key Informant B and FGDs 3 and 4 also indicated that there have been times when the coupons were distributed to the beneficiaries late and this led to some farmers planting uncertified late maturing seeds in areas that receive early rainfall or vice versa. Coupled with changes in weather conditions, this hampers the yields at harvest time.

The study found that there is no specific policy direction to guide the implementation of FISP in Malawi. Rather, there are implementation guidelines that are formulated every year to guide the annual FISP implementation programme. Much as these guidelines are flexible based on the assumption that they give room for improvement
on lessons from previous experience, Imperial College, Wadonda Consult, Michigan State University and Overseas Development Institute (2007) consider such a direction as unstable. Thus, specific policy direction in implementing this programme can enhance focussed objectives and their achievement. This is in agreement with Torjman (2005) and Anderson and Langford’s (2013) affirmation that policies and their proper formulation impacts on the welfare of the state. The impact of climate change in agricultural activities has sparked debates in different forums by different experts in recent times. Fujisaka, Williams and Halewood (2011) stated that, on average, global temperatures will increase worldwide by 0.2 degrees per decade, leading to droughts among other things. The impact of such climatic changes in Malawi has at times been adverse on cultivation agriculture in Malawi by among other things compromising the anticipated optimum agricultural productivity due to prolonged dry spells. As highlighted by Key Informants A and B, as well as Focus Groups 1 and 4, droughts have been a major set-back in some years in achieving higher agricultural productivity, especially for maize produce.

4.6.2 Specific Challenges Facing Communities in FISP Implementation
The communities as per the assertions of all the FGDs indicated that one of the challenges they are facing in participating in FISP is the reduced number of beneficiaries every time vouchers are distributed. The participants reiterated that fewer recipients of coupons (Vouchers) for FISP was resulting into hatred amongst the villagers since most of them were being left out without reasons given. In trying to reduce tensions amongst the villagers, they devised a way of sharing the inputs but this still hampers maize and food crops yields at the end of the day. As an example, Key Informant 1 stated that his village has seventy-eight (78) potential FISP beneficiaries who were registered but only thirteen (13) received the coupons (vouchers) in the 2013/2013 agricultural season. As such, as leaders of the communities they asked for sharing of the farm inputs so acquired by the few coupons received.

Key informants 1, 2, 3 and 4 bemoaned the fact that dependence on these subsidized inputs has grown greatly as there are new families being formed periodically within their villages which are mostly poor. Instead of curbing poverty,
they indicated that dependence on FISP is still growing in their villages partly due to these new households being formed.

All the FGDs also highlighted other challenges such as attempts to divert some inputs at some markets as evidenced by some pre-marked registers before the actual selling dates of inputs by the village heads and input-selling clerks. Key Informant B, asserted that members of staff were manning the markets with no incentives and that tempted them to engage in some corrupt practices. The FGDs corroborated with this assertion by highlighting that some clerks were asking for extra on top of the official price of MWK500 per 50kilograms bag of fertilizer of up to MWK3000 and those who cannot afford are deprived of their right to buy the inputs. The study findings entail that the number of beneficiaries in communities or villages where data was collected has been reducing over the years. This challenge was raised by all the four focus groups that were conducted. This challenge may be coming out because Government has been striving to implement FISP within its resource constraints state by taking into consideration the higher international farm input procurement cost as expounded by Wanzala-Mlobela et al. (2013) and Chirwa and Dorward (2011) hence reduction in poor beneficiary households in rural areas. The study take note of the concern of Key Informants 1, 2, 3 and 4 about new households being formed in their villages. This could be attributed to rapid population growth which Malawi continues to experience, and this is coming with the increased level of dependence on FISP and other similar programmes. This is consistent with Dorward (2014) affirmation that addressing this challenge in the context of both limited fiscal resources and rapidly growing population pressure is a major challenge facing this Government programme. The increased level of dependence emanating from Malawi’s population growth over the years, is leading to formation of more households depending on FISP. This understanding explains national beneficiary figures which have consistently averaged 1.5million beneficiaries per year in the recent past consecutive years (see 4.3.3).

4.7 CONCLUSION
This Chapter presented the findings and discussions of the study. The indicators as per the consumption trends in monetary terms, household food production assets, as
well as ownership of non-farm income generating activities remain low among the households in rural areas of Malawi, suggesting that poverty remains high in Malawi. The findings of this study depict FISP is a social protection programme that is being implemented with clear aims of improving food security and incomes of the concerned households. However both Interviews and FGDs revealed a number of issues hampering the social protection value of graduating the beneficiaries to self-sufficiency. This therefore suggest that there is a lot more that need to be done to FISP to enhance its usefulness and sustainably bringing long term benefits in poverty reduction to the beneficiaries of these public goods for a possibility of graduation of beneficiaries to self-sufficiency and scaling down of the intervention.
CHAPTER 5
CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION
The broad aim of the study was to determine the extent to which agricultural subsidies as social protection measures are contributing to poverty alleviation in rural Malawi. The study mainly focused on four villages, under Traditional Authority Kabudula, in Lilongwe Rural District.

The objectives of the study were to:

- To investigate how agricultural subsidies promote poverty reduction in Malawi;
- To assess the outcomes from the implementation of FISP as a social protection measure in reduction of rural poverty;
- To explore the extent to which FISP has helped to meet the social support policy goals of poverty reduction and graduation; and
- To assess the challenges facing the implementation of agricultural subsidies as a social protection measure in poverty reduction efforts in rural Malawi.

The study aimed at finding the factors that indicate poverty reduction resulting from the implementation of the Farm Input Subsidy Programme in rural Malawi. The researcher observed that the population of Malawi is growing rapidly and a bigger proportion of this population reside in such areas as Lilongwe rural. This is resulting in an increase in the number of farm families in need of the subsidized inputs. On the other hand resources towards FISP have not increased to match the increased number of farm families in need of subsidized farm inputs. This indicates the problem of sustainability in implementing FISP in Malawi. Thus, the study unearthed some factors impeding desirable goals of FISP in achieving household food security and sustained incomes, as a social protection measure.

5.2 KEY FINDINGS OF THE STUDY
Lilongwe rural, where part of the study was conducted has poverty as its major challenge affecting households. Almost all the households in this area are farm families who cultivate small fragmented pieces of farm-land using hoes. This study
covered factors that determine the role of FISP in reducing poverty in communities of rural areas of Lilongwe district. The broader picture that has been revealed by this study shows that the current practice of FISP implementation is not achieving its programme goals of improving household food security, incomes and falls short of sustainably reducing poverty in rural areas of Lilongwe district. Consequently, as revealed in Chapter 4, poverty remains high in Malawi with per very low per capita consumptions.

The study revealed that food insecurity perpetrates poverty in the rural areas of Lilongwe district. Thus, the inadequacies of FISP inputs to cover more households are resulting more households remaining food insecure and they consequently remain trapped in poverty. In Chapter 4, it is indicated that in almost all FDGs that were conducted, participants indicated that food security situation is only achieved in the short-term before the next harvest and therefore they are food insecure in the other part of the year. Thus, the food security situation emanating from FISP helps to overcome poverty shocks in the short-term in rural areas of Lilongwe district. This demonstrates that there are problems with FISP implementation as the inputs are covering a bigger section of community households. Nonetheless if properly implemented with necessary adjustments, FISP has the great potential reducing poverty as addressing food insecurity brings an improved ripple effect on household income.

In the case of rural areas of Lilongwe district, the study found that communities have devised innovations that solve emerging challenges. Generally, each year FISP has faced various challenges and these have prompted communities to devise innovative ways of dealings with them. In Chapter 4, the study revealed that FISP communities have come up with a blocking system at input selling points to reduce congestion. Because the number of FISP beneficiaries is less each year, communities now share the inputs with those whose names are missing in the registers. Much as the practice is socially binding, it is compromising the food crop production and hence households remain trapped in poverty.
In a social protection perspective, Chapter 4 revealed two contrasting views regarding the role of FISP. On the one hand, the study found out that FISP adheres to the social protection norm of targeting the poor population group. On the other hand, there is a dissenting finding that FISP is failing to reduce poverty amongst the beneficiaries. In Chapter 2, Social protection intervention was defined as measures aimed at reducing poverty shocks and once the shocked have been addressed, the intervention is terminated or individuals are graduated. Thus, this study concludes that FISP is a social protection measure that is conceptually not adhering to the social protection principle of reaching its exit and beneficiaries remain dependent on the programme. This conclusively agrees with Nakhumwa’s (2006) statement in Chapter 1 where he asserted that social protection measures like FISP take longer to start showing intended results.

In terms of FISP challenges, the study revealed that the programme face a number of challenges that can potentially compromise the achievement of its goals. Some of the major challenges raised include; decreased number of beneficiaries against the population increase of households in communities, increased dependency of farming households on FISP as evidenced by the same people benefiting from the programme as well as corruption and theft of farm inputs in selling points, a development that deprives the beneficiary. FISP is a Government programme and the available resources and international input prices determine the number of beneficiaries as highlighted in Chapter 4. Thus, with this trend, as households increase the beneficiary figures will continue to become less because of resource constraints.

5.3 STRENGTHS AND LIMITATIONS OF THE STUDY

5.3.1 Strengths of the Study
This study revealed that the sharing of inputs by beneficiaries as given in Chapter 4 is a current pertinent challenge entrenched in FISP implementation. As much as this is an innovation devised by communities, the study found that it has the bearing of negatively affecting crop yields and hence contributing to the prevailing household food insecurity and poverty in rural areas.
Chapter 2 of the report has some literature which states that FISP sometimes receives political patronage, as it has been used as a campaign tool by political parties in a run-up to elections. Chapter 4 found that as much as the programme has political connotations, there is no external manipulation of the programme and that it still has improved the national food security situation, whilst the household food security situation is only remedied in the short-term. Thus, the study reveals that improvement of household food security in the short-term does very at reducing household poverty as it requires long-term and sustainable household food security.

5.3.2 Limitations of the Study
The major limitation of the study is grounded in the understanding that the study was limited to the four villages of Lilongwe rural, in the area of Traditional Authority Kabudula. As such the study findings might not be the representative sample of perceptions of all rural areas of Malawi benefitting from FISP, as data that was entered into analysis represents views of specific individuals and communities and was broadly qualitative in nature. The limited nature of the study to rural areas Lilongwe district was due to time and resource constraints for the researcher faced in undertaking the study.

5.4 OVERVIEW OF POSSIBLE IMPACTS OF THE STUDY
5.4.1 Theoretical Contribution
Chapter 2 of this report highlighted the literature of the theories applicable to this study. The findings in Chapter 4 have revealed the associations in terms of the highlighted theories as well the FISP implementation practices. The dependence of the rural communities which are generally poor on FISP presents a typical capitalist structure with an established neo-Marxist class structure. The classes in this study are those that can afford the inputs and those that cannot afford them, are also known as the poor. The basic needs approach in this study, is in FISP which came in to provide the basic needs in the form of farm inputs which the poor, who are mostly in rural areas cannot afford, so as to reduce the incidences of poverty amongst them. The subsidy as brought by FISP entails distribution of resources in geographical space to reduce poverty where it is entrenched and to bring about even
development. This in a greater sense suggests that FISP is an anti-poverty initiative with its motives well placed in the theory of distributive justice.

5.4.2 Impact on Government Intervention
The challenges revealed by this study suggest that some of the causes of FISP failures are from inadequacies in its implementation. Thus, the findings of this study have highlighted specific issues in rural communities that require various redressing measures to ensure that the programme achieves its intended goals. This in the long-run can possibly enhance achievement of the social protection goals in starting to graduate the beneficiaries and scaling down the intervention efforts.

5.4.3 Impact on Other Intervenitional Programmes
Chapter 4, revealed that dependence on FISP by rural communities keeps growing as shown by prevailing higher beneficiary figures, yet the impacts in rural communities still remain undesirable. Based on this trend, it could be argued that the impacts of other interventional actions that can complement FISP are probably not visible or limited in scope; hence communities tend to rely heavily on FISP. This also suggests that local level activities that empower rural communities are not well established and might not be reaching out to the bigger portion of the rural population. Such other interventions include microfinance activities that are mostly coupled with imparting of entrepreneurial skills.

5.5 CONCLUSION
Poverty is a multi-dimensional phenomenon with different causes. Food insecurity in most cases remains the primary cause of poverty in households especially in rural areas. Such interventions as FISP are required to move people out of the poverty situation to self-sufficiency. Consistently people who are not food secured are unable to improve their living conditions. In a social protection perspective, when the programme implementation is satisfied that beneficiaries have attained self-sufficiency, they ought to be graduated out of the programme. As much as the study reveals that the targeting aspect fulfils the social protection perspective, its performance in terms of household poverty reduction still has a long way to go. To effectively eradicate poverty in rural areas, the study found that programmes like
FISP do not only require laid down guidelines, but also reconsideration of processes and the overall sustainability aspect.

5.6 RECOMMENDATIONS AND AREAS FOR FURTHER RESEARCH
This study was limited to one poverty reduction projection. The programme that was put under study was the Farm Input Subsidy Programme in rural areas of Lilongwe District, in Malawi. The researcher therefore makes the following recommendations:

5.6.1 Improve Cultivation Methods
In Chapter 2, Section 2.2.3 as well as Chapter 4, Section 4.2.2 include literature that describe Malawi small-holder cultivation as heavily dependent on the use of hoes on small fragmented pieces of land. The use of hoes in modern agriculture is a primitive way of cultivation and limits the amount of land that can be cultivated for food production. This study recommends that, along with FISP implementation, Government should consider procurement of modern farm machinery for cultivation. This machinery could be among rural communities for the cultivation of their fields. In addition, the study recommends that Government should be supplying FISP inputs for wetland cultivation during the dry season. This could ultimately increase the amount of agricultural production and can potentially reduce household food insecurity and poverty.

5.6.2 Enhance Other Interventional Activities and Entrepreneurial Skills
Interaction with communities through Focus Group Discussion revealed that most of the respondents are not well versed in how to transform their farm produce into business assets. Communities should also be sensitized as how they can make use of available microfinance providing agencies as well as Non-Governmental Organisations at their disposal for the financing of their agricultural production and reduce their heavy reliance of FISP alone. Government thus, should ensure facilitation of entrepreneurial training for FISP beneficiaries in rural communities, to efficiently transform their farm produce into monetary income.
5.6.3 Allocate More Resource for Achievement of Exit Strategy

Both Chapters 1 and 2 highlighted a great deal of literature on graduation of beneficiaries and Chapter 4 revealed the problem of sharing inputs among so many households as opposed to the laid down requirements in the guidelines. This study therefore recommends that there should be deliberate steps to allocate more resources towards FISP and increase the programme scale in terms of beneficiaries if the prevailing household food insecurity and the overall incident of poverty are to be reduced in rural subsistence farming and also to achieve exit strategy.

5.6.4 Emerging Gaps and Areas for Further Research

The first gap of this study is in the limited nature of the study to the four villages of Lilongwe rural. Thus, a replication of the study with a sample of more rural areas and more districts is required to obtain a well-represented result of the findings. Secondly, since the study considered FISP only as a poverty reduction intervention, there is also a need to find out how other similar programmes are contributing to poverty reduction in rural areas. Thirdly, since this study was mainly qualitative in nature, further research might consider acquiring more primary quantitative data as poverty attributes have tendencies of changing with the passage of time.
6.0 LIST OF REFERENCES


Chinsinga, B. 2007. Reclaiming Policy Space


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7.0 APPENDICES
7.1 APPENDIX 1: SCHEMATIC STRUCTURE OF FISP IMPLEMENTATION IN MALAWI

7.2 APPENDIX 2: VICIOUS CIRCLE OF THE LOW PRODUCTIVITY MAIZE PRODUCTION TRAP

Source: Imperial College of London (ICL), Wadonda Consult, Michigan State University and Overseas Development Institute, 2007.
To whom it may concern

Re: Mr K Chikafa: Research

Dear Sir/Madam

This letter serves to confirm that Mr K Chikafa is a registered student in the Masters programme in Development Studies at the Nelson Mandela Metropolitan University, with student number 213418533. He is conducting his research project in 2014 as a requirement for completion of the MA Development Studies degree. His research will be conducted on the topic of "The Efficacy of Agricultural Subsidies as Social Protection Measures in Poverty Reduction in Rural Malawi".

Please assist Mr Chikafa in the completion of this relevant research project. Please do not hesitate to contact me if there is any further information you require in this regard.

Yours sincerely

Prof JM Cherry
Research Coordinator
7.4 APPENDIX 4: LETTERS OF INTRODUCTION, PERMISSIONS AND CONSENT FORM

27th July 2014.

Dear Sir/Madam,

REQUEST FOR YOUR PARTICIPATION IN THE RESEARCH

I am currently a registered student at Nelson Mandela Metropolitan University for a Master's Degree in Development studies. Part of the fulfilment of the degree involves a research study. I will be conducting a research study on efficacy of agricultural subsidies on poverty reduction in rural Malawi and will focus on Lilongwe Rural District.

It is vital to involve the Government Officials, Village Headmen and Village Development Committees (VDCs), and other influential members of the community in Lilongwe Rural. Therefore, your participation is of the utmost importance to the study. I would appreciate it if you could spare some time to participate in this study. Participation in this study is voluntary and involves no feasible risks or harm.

Please take your time to understand and respond to the questions or statements accordingly. If you need more clarity on the questions about the study, do not hesitate to ask me or call me in future (Mr Kondwani W. Chikafa) on +265 888 216 636.

I am looking forward to your participation.

Yours faithfully,

Kondwani Chikafa.
28th July, 2014

Dear Mr. Chikafa,

RE: REQUEST TO CONDUCT RESEARCH

Following your request through a letter from your University to conduct an academic research within the structures of the Ministry of Agriculture and Food Security, you are hereby granted a permission to go ahead conducting the research. The Ministry is wishing you all the best and hope to interact with you in future.

T. B. Nsandula
For: DIRECTOR OF AGRICULTURAL SERVICES
28 July, 2014

Dear Kondwani Chikafa

RE: ACCEPTANCE TO COLLECT DATA FOR YOUR ACADEMIC RESEARCH

Reference is made to the above mentioned subject and I would like to inform you that your request to collect some data within the structures under the Ministry of Local Government and Rural Development has been accepted. As such you may proceed to consult the Lilongwe District Council for further guidance.

Please enjoy the rest of your academic research.

Mr. S. Banda
For: PRINCIPAL SECRETARY
Consent Form for Participants

Description of the research and your participation
I will be conducting a research study on efficacy of agricultural subsidies on poverty reduction in Lilongwe Rural District. You are kindly requested to participate in the research on voluntary basis. Your participation will involve giving your ideas on the agricultural subsidies on poverty reduction in rural areas.

Risks and discomforts
This research does not have known possible potential risks and discomforts.

Potential benefits
There are no known benefits to you that would result from your participation in this research. This research may help policy makers on how they could effectively implement Farm Input Subsidy Programmes in order to improve household food security and incomes in rural areas.

Protection of confidentiality
The researcher will maintain confidentiality of the information which you shall provide as well as protect your privacy if you participate in this research study. Your identity will not be revealed in any publication resulting from this study.

Voluntary participation
Your participation in this research study is voluntary. You will not be penalized and be taken to task in any way should you decide not to participate or to withdraw from this study.

Contact information
If you need more clarity on the questions about the study, do not hesitate to call me (Mr. Kondwani Watson Chikafa) on +265 888 216 636. If you have any concerns about your rights as a research participant, please contact the Postgraduate Coordinator in the Department of Development Studies at Nelson Mandela Metropolitan University.

Consent
I ____________________________ give my consent to participate in this study.

Organisation: ____________________________ Contact Number: ______________

Participant's signature: ____________________________ Date: ______________

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7.5 APPENDIX 5: GUIDE FOR INTERVIEWS AND FOCUS GROUP DISCUSSIONS

7.5.1 Part A: Introduction and Justification

I want to thank you for taking the time to meet with me today. My name is Kondwani W. Chikafa and I would like to talk to you about your experiences in participating in the Farm Input Subsidy Programme. I am conducting a research study on “the efficacy of agricultural subsidies on poverty reduction in rural Malawi”. Specifically, as a component of my academic research project, I wish to capture lessons that can be used in future interventions. The interview should take less than an hour. I will be taping/or taking notes in the session because I do not want to miss any of your comments. All responses will be kept confidential. This means that your interview responses will only serve academic purposes and I will ensure that any information we include in my final report does not identify you as the respondent. Remember, you do not have to talk about anything you do not want to and you may end the interview at any time. You may ask if you have any questions pertaining to this study and this exercise. If you are willing to participate in this study, you will be required to complete and append a signature on the forms with which you will be provided before we start the exercise.

7.5.2 Part B: General Information

Name of Interviewer: ____________________________________________________________
Date: ________________________________
Place: _______________________________________________________________________
Start time: ___________________________________________________________________
Name of Interviewee: __________________________________________________________
Job title or Relationship to agricultural subsidies: ________________________________
Organisation/Institution: _________________________________________________________
Sex: _________________________________________________________________________
Level of Education: _____________________________________________________________

7.5.3 Part C: Background Information about the Interviewee

1. How does the Ministry view the Farm Input Subsidy Programme in Malawi?
   What is your role or interest in the programme?

2. What is the extent of poverty in Malawi in monetary consumption trends?
3. What are the common food production assets amongst the subsistence farmers in Malawi?
4. What is the extent of complementary non-farm income generating in terms of household enterprises in Malawi?
5. For how long is the government going to fund the FISP? Which donors have indicated some support to the programme?
6. Does the programme increase dependency on the part of beneficiaries?
7. Are there any plans of scaling up or scaling down the programme in view availability of resources?

7.5.4 Part D: In-depth Interview and Focus Groups Discussion Guiding Questions

7.5.4.1 Structures of the Farm Input Subsidy Programmes (FISP)
1. Why was FISP introduced?
2. What structures are in place for the implementation of FISP?
3. Do you have action plan in the implementation process of the FISP?
4. When is the last time you produced the action plan?
5. How do the local structures influence the FISP guideline formulation at National level?
6. Do the communities participate in coming up with the guidelines? If yes, How?
7. What have been the trends in FISP funding at both national and Lilongwe district levels since its inception?
8. What have been the trends in number of FISP beneficiaries at both national and Lilongwe district levels since its inception?

7.5.4.2 FISP Processes and Implementation
1. What external influences are there in implementing the FISP?
2. If, any, what are the effects of such influences on the outcomes of FISP?
3. And what roles do Traditional Leaders play in the whole FISP Implementation process?
4. How do the roles of the Traditional Leadership and that of District Agriculture Officials complement each other to ensure grassroots participation?
5. How does the secretariat of the District Council operate in the FISP implementation process?
6. At the district level, what are the trends in figures like in terms of the figures of beneficiaries over the years? What are the major topics to explain these trends?

7.5.4.3 Results of Implementing FISP
1. What is the relationship between local government and agriculture structures during FISP implementation?
2. Which innovations in FISP have been introduced to improve the implementation process?
3. What are the immediate or long-term results that can be pointed out as being the impacts of FISP and other similar interventions in achieving the Social Support Policy objectives?
4. What do you think, have been the impacts of FISP on the extent of poverty?
5. What has the maize production trend been for Lilongwe district since its FISP inception? What explanation can be given for such trends in maize production?
6. How have FISP Implementation guidelines helped in solving/resolving problems of implementation at the local and grassroots level? What are some of the problems that have been solved? Can you give examples?
7. What has been the contribution of politics in the implementation of FISP? To whom do the local actors prioritise between those involved in politics and the grassroots people earmarked by the interventions? How true are stories that politicians benefit immensely from these programmes?
8. How do the District Council and grassroots structures resolve the problems the communities encounter in the course of the FISP implementation process?
9. Other than problems with future sustainability, what are the operational challenges facing FISP implementation?

I thank you for participating in this research.
7.6 APPENDIX 6: SCHEDULE OF INTERVIEWS AND FOCUS GROUP DISCUSSIONS

7.5.5 Interview with Key Informant at Ministry of Agriculture Headquarters
Date: Tuesday, July 29, 2014.
Started at 9:44am and ended at 11:17am.

7.5.6 Interview with Key Informant at Lilongwe District Agriculture Office
Date: August 1, 2014.
Started at 10:25am and ended at 12:16pm.

7.5.7 Interviews and Focus Group Discussion with FISP Beneficiaries
- Village 1 (August 6, 2014): Interview with Key Informant started at 1:23pm and ended at around 2:20pm. FGD for Village 1 started at around 2:40pm and ended at 4:57pm.
- Village 2 (August 7, 2014): Interview with Key informant started at 10:07am and ended at 11:11am. FGD in the village under Key Informant 2 started 2:05pm and ended at around 4:00pm.
- Village 3 (August 8, 2014): Interview with Key Informant started at 2:00pm and ended at around 2:50pm. FGD in the village 3 started at around 3:20pm and ended at around 4:30pm.
- Village 4 (August 12, 2014): Interview with Key Informant started at around 1:50pm and ended at around 2:00pm. FGD for village 4 started at 2:30pm and around 3:40pm.