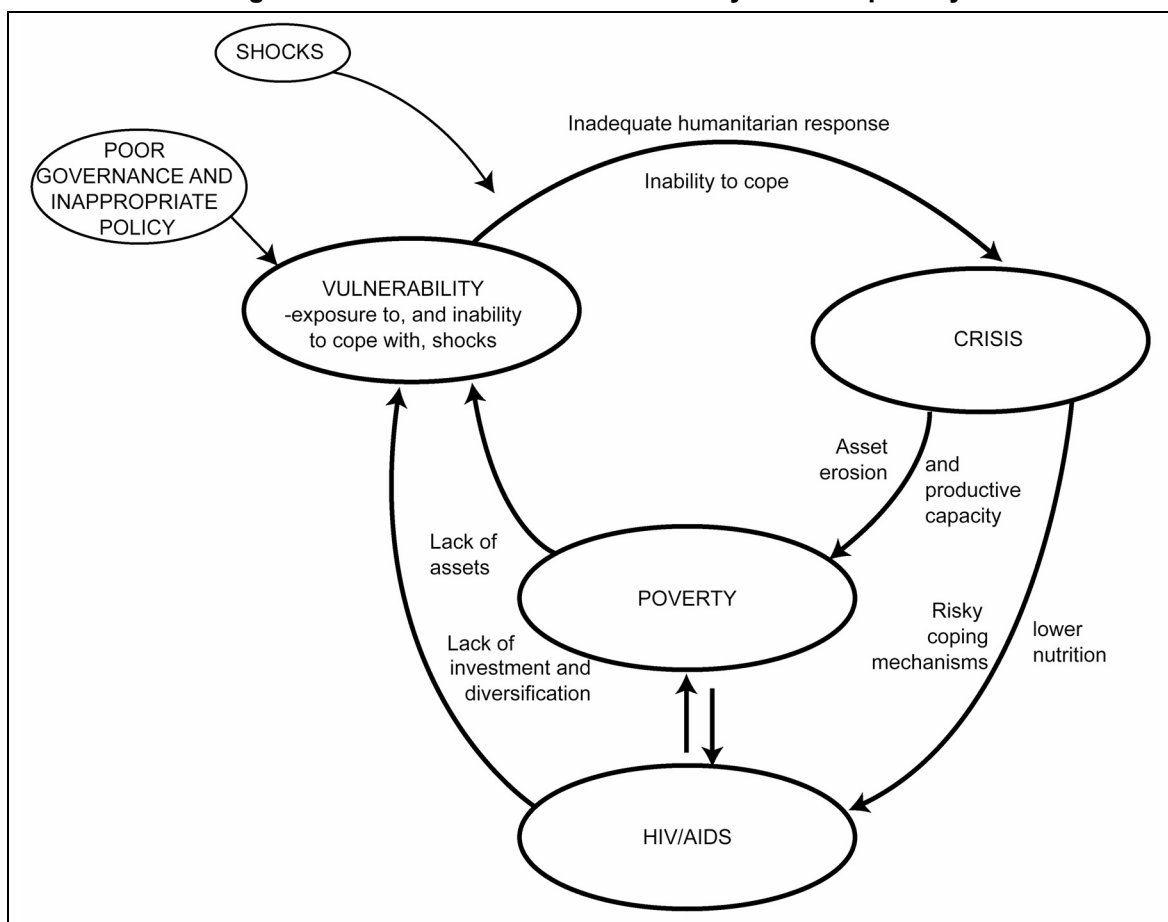


### III. VULNERABLE LIVELIHOODS: FROM SHOCK TO CRISIS

#### The vicious circle: Poverty, vulnerability and crisis

20. The humanitarian crisis in southern Africa is not simply a short-term food crisis. Rather, it is a complex humanitarian crisis with multiple causes and effects, and with long-term developmental as well as short-term humanitarian aspects. It is important that the crisis is understood in these terms because responses to the crisis are shaped by perceptions of it. The crisis in southern Africa has come about because of a long-term deterioration in the sustainability of rural, predominantly agricultural, livelihoods, and an increase in vulnerability due to poverty, poor governance and inappropriate policies, and the devastating impact of HIV/AIDS (see figure 2). As Christian Aid emphasised in their memorandum: “Environmental shocks such as drought bring collapse only to systems that are already weak owing to poor policies and governance. ... National Vulnerability Assessment Committees in the six countries have confirmed that: ‘those most affected by the current crisis are poor, have few assets, few entitlements and are therefore highly vulnerable to livelihood failure.’”<sup>43</sup>

Figure 2: The vicious circle: Vulnerability—crisis—poverty



Source: Committee's own

<sup>43</sup> Ev 52 [Christian Aid memorandum]

21. Vulnerability has two aspects, external vulnerability or exposure to shocks, and internal vulnerability or inability to cope with shocks.<sup>44</sup> Humanitarian crises occur when vulnerable populations are subjected to shocks which they cannot deal with, and which make their already precarious livelihoods impossible. Such shocks might be primarily natural (drought, flood or erratic rainfall), or economic and political (currency devaluations, governance crises or conflict), and are compounded by poor governance and inappropriate policy. Crises in turn increase poverty, as people sell their assets and engage in risky coping mechanisms, in order to survive. Such strategies undermine productive capacity, resulting in deeper poverty. Hungry people do not have the energy to climb out of poverty; hungry people who sell their assets do not have the tools either. As DFID notes: “When people are malnourished, their ability to benefit from social sector investments and respond to livelihoods enhancing opportunities is diminished.”<sup>45</sup> Deeper poverty—fewer assets and a lack of investment—combined with the twin threat of HIV/AIDS, leads in turn to increased vulnerability. The cycle, if unchecked, continues. If the poor people and countries of southern Africa are to escape the cycle of poverty, vulnerability and crisis, interventions must address the longer-term developmental issues—tackling poverty and reducing vulnerability—as well as providing much-needed food aid to prevent famine and starvation in the short-term.

### Sources of vulnerability

22. A major drought throughout southern Africa in 1991 caused a greater production shock than the erratic rainfall of 2001/02, but had less severe consequences on livelihoods, and no reported excess mortality.<sup>46</sup> As CARE explained in their submission, the bad weather that triggered the food crisis of 2001/02 “has served to expose the underlying vulnerability of the region.”<sup>47</sup> Livelihood vulnerability has increased over the past decade, for a combination of reasons, including: deepening poverty; growing population pressure and declining soil fertility in some areas; poor governance and inappropriate policies, including externally imposed policies of rapid agricultural liberalisation; and a rapidly rising incidence of HIV/AIDS. As Christian Aid put it: “This crisis cannot be divorced from the continuing realities overshadowing most people’s lives and livelihoods.”<sup>48</sup>

23. Rural livelihoods in southern Africa are extremely vulnerable because the dominant livelihood activity—subsistence farming—is highly risky, being dependent on inputs that are either unreliable (in the case of rainfall), declining (farm size, soil fertility), or financially inaccessible to the poor (fertilisers and improved seed). Opportunities for off-farm employment are limited, markets are weak, and vulnerable households (female-headed households, people living with HIV/AIDS) face severe labour constraints. These problems are compounded by limited livelihood diversification, either within agriculture or beyond agriculture. When bad weather affects the agriculture sector, employment on neighbouring farms and estates is also affected, as is demand for goods and services from local communities. Rural households have limited assets to buffer them against shocks, as their assets have been steadily eroded in recent years by the costs of caring for

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<sup>44</sup> DFID (2002), *Eliminating hunger: Strategy for achieving the Millennium Development Goal on hunger*, p. 13. See [www.dfid.gov.uk/Pubs/files/elimhunger.pdf](http://www.dfid.gov.uk/Pubs/files/elimhunger.pdf)

<sup>45</sup> *Ibid.*, p. 7.

<sup>46</sup> Christopher Eldridge (2002), “Why was there no famine following the 1992 southern African drought?”, *Institute of Development Studies Bulletin*, vol. 33, no. 4, pp. 79-87. Copy placed in House of Commons Library.

<sup>47</sup> Ev 114 [CARE International UK memorandum]

<sup>48</sup> Ev 51 [Christian Aid memorandum]

family members affected by HIV/AIDS, rampant food price seasonality, and rising levels of insecurity (for example, livestock theft).

24. In their memorandum, Christian Aid explained that: “Almost two thirds of the region’s population live below the poverty line and are chronically food insecure; up to two thirds live in rural areas, trying to make a living from infertile land with very little opportunity to earn off-farm income (three quarters of those living in rural areas also live beneath the poverty line); in some countries up to a third are estimated to be living with HIV/AIDS; public funds for health, education and agricultural services are extremely limited; public institutions (including legal and regulatory ones) are weak; and staple food markets have failed to stabilise staple food prices for both producers and consumers.”<sup>49</sup> If future crises are to be avoided, these sources of vulnerability must be addressed.

### ***Poverty***

25. Levels and causes of poverty and vulnerability vary from country to country across the region. In Zimbabwe, for instance, poverty is much lower than in Malawi, Mozambique or Zambia, but the policies of Robert Mugabe’s ZANU-PF government are clearly to blame for rapidly rising vulnerability. In Lesotho, where agricultural productivity has been falling for the past thirty years, macroeconomic factors such as declining employment opportunities in South Africa and rising food prices due to the devaluation of the Rand are most important.<sup>50</sup> Malawi and Mozambique are chronically poor.

26. Poverty at national level has left the governments of many southern African countries structurally dependent on international assistance, in particular on structural adjustment loans from the multilateral financial institutions (International Monetary Fund, World Bank) since the 1980s. Bilateral and multilateral donors, notably DFID and the European Union (EU), have also provided a great deal of financial and technical assistance in this period. More recently, the governments of Lesotho, Malawi, Mozambique and Zambia have completed Poverty Reduction Strategy Papers, usually as a precondition for obtaining debt relief under the Heavily Indebted Poor Countries (HIPC) initiative. In all these cases, accessing international assistance has been contingent on ‘hard’ or ‘soft’ conditionalities: either concessional finance is provided on condition that certain policy reforms are implemented, or technical advice orients policy and spending priorities towards donor priorities, for instance towards education rather than agriculture.

27. This is not to suggest that debt relief is unwelcome; rather, careful attention must be paid to the conditions which donors attach to such relief. Indeed, submissions to the inquiry have identified unsustainable debt burdens as a contributory factor to the crisis. According to the World Development Movement: “the donors have insisted that Malawi continue to service its foreign debt at a time when there is widespread hunger. Even after debt reduction under the Heavily Indebted Poor Countries (HIPC) initiative, debt service still amounts to around 29% of Malawi’s Government spending.”<sup>51</sup> Repaying or simply servicing debts uses scarce resources which might otherwise be spent on humanitarian assistance and longer-term development. Oxfam argues that “Malawi, Mozambique and

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<sup>49</sup> Ev 51 [Christian Aid memorandum]

<sup>50</sup> Ev 1, para 3 [DFID memorandum]

<sup>51</sup> Ev 129, para 10 [World Development Movement memorandum]

Zambia should be granted an immediate suspension of their HIPC debt repayments.”<sup>52</sup>  
**We would not wish to see the HIPC process undermined, even for the best of motives, and fully understand that debt relief is not the only form of development assistance. But we do urge DFID and its international partners to consider seriously the possibility of revising the HIPC framework. Realistic debt relief must take account of the resources which creditors/donors are prepared to spend, but development-focussed debt relief should surely take more account of poor countries’ development needs. We would like to hear DFID’s views about the role of debt relief, and about whether or not the HIPC initiative should be revised to take more account of poor countries’ development needs.**

28. Most poor and vulnerable households in southern Africa are dependent on low-input, low-output agriculture. They have restricted access to yield-enhancing inputs, for reasons related to poverty but compounded by economic liberalisation policies (for example, spiralling fertiliser prices following the elimination of subsidies, commercialisation of agricultural credit, scaling down of agricultural marketing parastatals, and cutbacks in agricultural research and extension services). Local varieties of white maize remain the dominant food-crop, despite their low yields and high vulnerability to drought. There is limited evidence among the rural poor of diversification, either: towards other food staples (such as cassava) to spread agricultural risk, or towards cash crops (such as paprika) to enhance cash income, or out of agriculture (into industry or services) to reduce agricultural risk.

29. Stagnant or declining agricultural productivity has two related consequences in terms of poverty: it reduces the amount of food grown for household consumption, and it increases the household’s dependence on market purchases for some of their food needs. The inability of households to acquire sufficient cash to bridge their consumption gap, exacerbated by seasonal price fluctuations—which cause food prices to double or treble in the annual “hungry season”—is responsible for persistently high levels of under-nutrition throughout rural southern Africa.

30. In most of southern Africa, household livelihood strategies include seasonal or permanent migration by one or more household members to towns or other rural areas, to supplement household income and diversify risk. In Malawi one of the world’s least-urbanised countries, this option has been limited by a lack of non-agricultural employment opportunities. In Zimbabwe, as DFID officials told us, “the most common coping strategy, that of having one or more family members in paid employment, has been eroded by the contraction of the economy and high levels of unemployment.”<sup>53</sup> Similarly, retrenchments in South Africa’s mining sector, plus stricter immigration controls, have reduced opportunities for families throughout southern Africa to supplement their production and limited local incomes with remittances from migrant relatives. Southern Mozambique, Swaziland and especially Lesotho, where unemployment rates have now reached 40%, have been particularly severely affected by reductions in this source of employment and income.<sup>54</sup>

31. As a consequence of limited incomes from agriculture and off-farm activities, household assets have declined over the past ten years as remittances from mining jobs have decreased, livestock levels have reduced because security is deteriorating in rural

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<sup>52</sup> Ev 82, para 21 [Oxfam memorandum]

<sup>53</sup> Ev 1, para 3 [DFID memorandum]

<sup>54</sup> Ev 54 [Christian Aid memorandum]

areas, and communal assets such as woodlands and wild resources have dwindled.<sup>55</sup> Many families have sold all their animals and other possessions simply to survive, leaving them with no resources with which to deal with future shocks and shortages.<sup>56</sup> Over the past year, in order to feed their families, households have depleted their remaining savings, livestock and other assets. Their recovery will be gradual and difficult.<sup>57</sup> **Deep poverty at national and household levels is a major source of vulnerability. The depletion of household assets, together with declining opportunities for off-farm employment have raised vulnerability to future shocks throughout southern Africa. DFID and its donor, government and civil society partners must support strategies to restore household assets and to generate non-agricultural employment.**

### ***Governance and policy: From corruption to liberalization and market failure***

#### *Corruption and weak governance*

32. Weak governance and inappropriate policy is a key source of vulnerability and a major cause of the ongoing humanitarian crisis. In Zimbabwe particularly, the disruption caused by the government's disastrous land reform programme has severely undermined agricultural production and created "an entire new class of vulnerable people, farm workers and their families, who have lost their livelihood as a result of the land resettlement programme."<sup>58</sup> According to UN-OCHA: "The fast track land reform process has effectively killed off the ability of the commercial farming sector to provide for the country as well as Zimbabwe's neighbours."<sup>59</sup> We would not deny the importance of land reform in Zimbabwe, but if land reform is to lead to poverty reduction rather than contribute to political turmoil, governments need to ensure that it is carefully planned, through broad-based consultations, and<sup>60</sup> integrated into poverty reduction strategies.

33. The dire situation in Zimbabwe has major implications for the rest of southern Africa too, as regards both the availability and price of food, especially maize, and the delivery of food aid and commercial imports. According to DFID: "The fact that Zimbabwe, normally a food supplier and a key transit country, has suffered such a collapse in agricultural production has made the situation in neighbouring countries worse and weakened the prospects for recovery; for the longer term, it throws into question one of the bases of food security planning in southern Africa for the last 20 years, namely that surpluses would normally be available in Zimbabwe."<sup>61</sup>

34. Lower production in Zimbabwe means that maize is in short supply regionally, and hence sells for higher prices. Zimbabwe's deteriorating transport infrastructure, restrictions imposed by the government on the commercial importation of maize, and security concerns, make the use of Zimbabwe as a transit corridor untenable, forcing deliveries to Malawi and Zambia to follow longer and more costly routes.<sup>62</sup> This problem is amplified further by restrictions on the transport of genetically-modified

<sup>55</sup> Ev 1, para 3 [DFID memorandum]

<sup>56</sup> Ev 119 [Stephen Carr memorandum]

<sup>57</sup> Ev 47 (SCF-UK memorandum)

<sup>58</sup> Ev 2, para 5 [DFID memorandum]

<sup>59</sup> Ev 24, para 1 [UN-OCHA memorandum]

<sup>60</sup> DFID (2002), *Better livelihoods for poor people: The role of land policy*, Consultation paper. See [www.dfid.gov.uk/Pubs/files/landpolicy\\_consult.pdf](http://www.dfid.gov.uk/Pubs/files/landpolicy_consult.pdf)

<sup>61</sup> Ev 1, para 2 [DFID memorandum]

<sup>62</sup> Q 9 [John Winter, DFID]

(GM) maize (see paragraphs 93-98). Economic uncertainty, including inflation rates of around 175%, have also reduced the opportunity for poor people from neighbouring countries to provide their families with remittances from employment in Zimbabwe. As Clare Short told us: “The Zimbabwe crisis and tragedy is the explanation of this [the crisis in southern Africa] being such a monumental, serious catastrophe. If Zimbabwe was not in trouble it would be a fairly easily handleable crisis which we could cope with well.”<sup>63</sup> **We believe that the UK Government is failing to communicate clearly the ways in which Zimbabwe is exacerbating food insecurity in southern Africa. DFID should explain clearly the culpability of Robert Mugabe’s policies on land reform, and emphasise too that restrictions placed on the movement of genetically-modified maize have hampered the relief effort and contributed to the deteriorating situation across the region. If he continues with the same policies and approach, Zimbabwe will remain part of the problem rather than part of the solution to famine and food insecurity in southern Africa.**

35. In Malawi, despite the establishment of a Presidential Land Commission in the mid-1990s to examine and reconcile the enormous disparities in land holdings between the commercial estates and the smallholder sector, little progress has been made with land reform. Uncertainty about the likely direction and pace of change, along with increasing population pressure especially in the south of the country, contribute to food insecurity. We welcome the fact that DFID are now putting their resources—“quite a lot of money and effort”—behind efforts to address the land issue at national and SADC regional levels.<sup>64</sup> If a regional approach to the land issue is adopted, this might encourage cross-border solutions to be found. For instance, formalising the informal arrangement whereby farmers from land-scarce southern Malawi are moving into northern Mozambique and cultivating land which is under-utilised as a consequence of the civil war.

36. Problems of weak governance are manifest in Malawi in other ways too. First, governance concerns—a lack of transparency and allegations of corruption—surround the sale of the Strategic Grain Reserve in 2001 (see figure 3). Christian Aid’s Memorandum referred to “a culture of non-accountability” in both Malawi and Zimbabwe, and noted that “legitimate concerns about government corruption [have] led several donor agencies to suspend their aid budgets to Malawi at a time of great uncertainty and increasing vulnerability.”<sup>65</sup> Indeed, the suspension of donor aid reveals a further source of vulnerability, the fact that donors—major contributors to the budgets of the countries of southern Africa—may change their policies, and suspend or withdraw their funds.<sup>66</sup>

37. Second, despite several years of donor technical and financial support, Malawi’s National Safety Nets Programme had still not been put into place prior to the crisis of 2001/02<sup>67</sup> (see paragraph 111). A third indication of governance problems is given by the protracted and heated debate about whether the constitution should be amended to allow President Muluzi to run for a third-term in office. Such matters are important, but have been a distraction from the country’s pressing humanitarian needs. In late January

<sup>63</sup> Q 182 [Clare Short]

<sup>64</sup> Q 22 [John Winter, DFID]

<sup>65</sup> Ev 56-58 [Christian Aid memorandum]

<sup>66</sup> In Malawi, we were told that 80% of the development budget, and 40% of the recurrent budget was financed by donors. In 1999, aid as a percentage of Gross National Income was: Lesotho, 3%; Malawi, 25%; Mozambique, 3%; Swaziland, 2%; Zambia, 21%; Zimbabwe, 5% (Source: World Bank, World Development Indicators, 2001).

<sup>67</sup> Ev 2, para 6 [DFID memorandum]

2003, protestors on the streets of the commercial centre, Blantyre, reportedly forced Muluzi to abandon his plans for constitutional change. Fourth, as we saw, civil society is lacking, in part as a result of years of repression under the previous regime. Many of the NGOs in Malawi are focused on service-delivery and seem ill-equipped to play the role of holding the Government of Malawi to account. A healthy civil society, including, but not limited to development NGOs, is essential to the development of a vibrant democracy with accountable government.

### Figure 3: The sale of the Strategic Grain Reserve

In 2000, the Government of Malawi commissioned a study, financed by the European Commission, to inform future food security policy, and to include recommendations on the size and management of the Strategic Grain Reserve (SGR). The study recommended that the size of the SGR be reduced from its existing level of 167,000 Metric Tonnes (MT) to between 30,000 and 60,000 MT. The study argued that this would be sufficient to deal with a localised crisis, and would also reduce operating costs. Over the course of 2001, most of the SGR was sold off, largely, it seems, within Malawi.

In September 2001, the Anti-Corruption Bureau received a complaint alleging that top United Democratic Front officials, including Cabinet Ministers, had purchased maize from the SGR cheaply, which they had then resold at high prices, to the detriment of the people of Malawi. The Anti-Corruption Bureau inquiry reprimanded Leonard Mangulama (Minister for Relief and Rehabilitation) and Friday Jumbe (General Manager of Agricultural Development and Marketing Corporation—ADMARC—the parastatal grain marketing agency) for “criminal recklessness and negligence”. Leonard Mangulama was sacked in August 2002. Friday Jumbe is now Malawi’s Finance Minister. After our visit in October 2002, the Director of the Anti-Corruption Bureau, Gilton Chiwaula, was replaced, shortly before the Bureau was to interview senior ministers in connection with the sale of the SGR.

In November 2001, the UK, EU, Denmark and the USA suspended their aid programmes to the Government of Malawi: Denmark and the EU following evidence of corruption involving their funds; DFID complaining about political violence and the suppression of political debate; the United States Agency for International Development (USAID) in protest at the suspension of Malawi’s privatisation programme. Concerns about the sale of the SGR “clouded” discussions between the Government of Malawi and DFID about how to respond to the emerging food crisis.

Over the course of 2002, questions about the sale of the SGR—where the grain went, if it ever left the grain silos or the country, what happened to the proceeds of the sale—remained unanswered. The International Monetary Fund (IMF) was involved in discussions with the government and—at the very least—supported the advice to reduce the size of the SGR. The role of the IMF has since been distorted by those who seek to deflect attention away from the corruption which lay at the heart of the sale. The IMF itself vehemently rejects the allegations that it advised the Government of Malawi to sell the SGR, and emphasises that it has no competence to advise on food security issues.

In Malawi, the local press reported that Joe Manduwa, the chair of the parliamentary Agriculture Committee, had produced a report providing evidence of wrong-doing by prominent Cabinet Ministers. Joe Manduwa was thrown out of the United Democratic Front in October 2002 but reinstated in January 2003.

President Muluzi has ordered another inquiry, and external audits of the management of the SGR are due to be carried out by the National Audit Office, and by a team headed by Ernst and Young, Nairobi.

38. In Zambia, the Government stands accused of denying its people food aid by making an ill-informed decision to refuse GM food aid. In Swaziland too, concerns about governance and the priority accorded to poverty reduction and food security have been highlighted by the King's decision to press ahead with purchasing a luxury jet, in the face of opposition from the Swazi Parliament.

#### *Agricultural liberalisation*

39. Policies of agricultural liberalisation have been implemented throughout southern Africa since the 1980s, with mixed results. There has been growth in selected sub-sectors for some groups of (mainly better-off) farmers, but rising food insecurity for others. NGO witnesses were especially critical of the implementation and impacts of liberalisation. According to CARE: "Structural adjustment in the early 1990s saw the demise of state marketing institutions that had, however inefficiently, supported rural communities with agricultural inputs and output marketing services. These have not been replaced by adequate private sector mechanisms."<sup>68</sup> Christian Aid identified four effects of liberalisation that have been detrimental for maize yields and household food security in Malawi, Zambia and Zimbabwe: "reduction in rural credit subsidised by the state, a decline in subsidies for agricultural inputs such as fertiliser and seeds, declining public investment in agricultural marketing services, especially in remote rural areas, as well as a decline in government advice and extension services."<sup>69</sup> Initiatives such as the targeted inputs programme which DFID funds in Malawi (see paragraphs 120-122), are important and necessary, but may send confusing messages to farmers and traders. Furthermore, they do not address the structural problem of constrained access to seeds and fertiliser that smallholders have faced throughout southern Africa, ever since liberalisation made these inputs unaffordable for the majority of farmers.<sup>70</sup>

40. The World Development Movement argued that donor-supported liberalisation policies "have failed" because they assumed "that markets will be able to meet social aims; to supply food at affordable prices throughout the country, and to ensure that smallholder farmers can feed their families."<sup>71</sup> For some witnesses, it was far from surprising that markets did not spring up to serve the needs of poor rural communities. As Christian Aid put it: "Markets can only respond to purchasing power, not to needs."<sup>72</sup> Jonathan Kydd too told us in evidence that: "In agriculture, our complaint is that reform has been, if you like, too rapid, too broad brush, too ideological and not sufficiently well thought through."<sup>73</sup> We believe that this illustrates a wider problem in international development, the tendency of policy makers to latch on to the latest fashion in the hope that it will provide a solution to development problems. ActionAid suggested to us that there is a need to revisit some of the economic reforms that were implemented under structural adjustment programmes.<sup>74</sup> Clare Short commented in evidence that:

Probably in hindsight you have got to manage change in a way that ensures that you do not do away with something that is maybe inefficient and over-subsidised without making sure that something else is coming in to take it over. I think it was probably done a bit too absolutely and there were lots of views

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<sup>68</sup> Ev 115 [CARE International UK memorandum]

<sup>69</sup> Ev 57 [Christian Aid memorandum]

<sup>70</sup> Ev 50, para 6 [Christian Aid memorandum]

<sup>71</sup> Ev 128, para 3 [World Development Movement memorandum]

<sup>72</sup> Ev 61 [Christian Aid memorandum]

<sup>73</sup> Q 141 [Jonathan Kydd, Imperial College at Wye]

<sup>74</sup> Ev 114 [ActionAid memorandum]



that the private sector would come forward supplying seeds and fertiliser and purchasing but those institutions did not appear as quickly as was predicted and there should have been more preparation.<sup>75</sup>

**41. We are pleased that the Secretary of State is keen to learn from the past, and we welcome DFID’s support for Poverty and Social Impact Assessments. We trust that such assessments will be made in the field of agricultural and food security policy, so that policy decisions and DFID’s position itself are evidence-based rather than reactive, broad-brush and ideological. Oxfam called for mandatory impact assessments of the likely impacts of agricultural liberalisation. They recommended that donors, particularly the World Bank and IMF, end all lending conditions that promote further liberalisation of agriculture in Malawi, Mozambique and Zambia, pending thorough Poverty and Social Impact Assessments on agricultural policy reform in these countries, which can be used to inform policy choices about long-term food security and sustainable livelihoods.<sup>76</sup> We endorse Oxfam’s recommendation and urge DFID to do the same.**

#### *Market failure*

42. In addition to weak state governance and inappropriate policies, the failure of markets for food is another source of vulnerability. Apart from food-crop production, the main sources of food in the region come from commercial imports (by governments and commercial traders), informal cross-border trade, and food aid. At the national level, South Africa and Zimbabwe have historically been surplus maize producers, meeting their own domestic requirements and exporting to deficit neighbouring countries such as Lesotho, Swaziland and (southern) Mozambique. Although there is a good deal of informal cross-border trade within the region—for instance DFID suggested that 100,000 tonnes of maize had moved from northern Mozambique to Malawi and Zambia in the last year<sup>77</sup>—Malawi was normally self-sufficient in the past, and did not supplement its maize production with large-scale commercial imports until relatively recently. In fact, there has been a trend of increasing dependence on food imports since the 1970s in all of the six crisis-affected countries except (until the last two years) Zimbabwe.

43. At the household level, however, the market is a vital source of food for poor farmers throughout southern Africa, most of whom are not self-sufficient even in good rainfall years. A survey in Malawi by Carlos Barahona and Sarah Levy—consultants to DFID for its Targeted Inputs Programme (see paragraph 120-122)—found that “86% of rural smallholder households bought maize in the 2002 lean period.”<sup>78</sup> Because of this market dependence, the level of food prices has a direct impact on household food security. Rapid price rises undermine household purchasing power and trap people in poverty by forcing them to grow sufficient food for themselves and to engage in risky coping strategies. Since the removal of price controls in the mid-1990s, maize prices in Malawi vary by approximately 150% each year, but the production shock exacerbated normal price seasonality. Maize prices increased by 400% or more over post-harvest lows and made staple food inaccessible for the poor, who were priced out of the market in some isolated communities.<sup>79</sup> For this reason Barahona and Levy conclude that:

<sup>75</sup> Q 190 [Clare Short]

<sup>76</sup> Ev 82, para 19 [Oxfam memorandum]

<sup>77</sup> Q 34 [John Hansell, DFID]

<sup>78</sup> Ev 122, para 3 [Carlos Barahona and Sarah Levy memorandum]

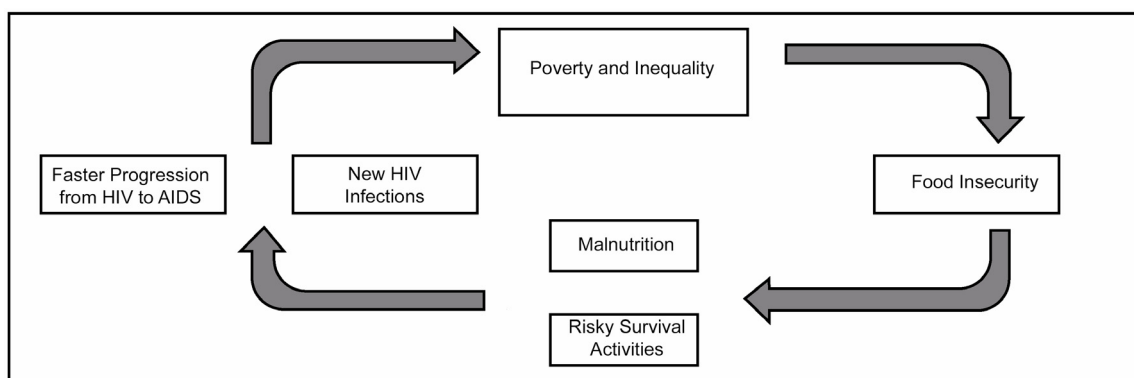
<sup>79</sup> Ev 129, para 6 [Oxfam memorandum]

“policies that help to keep maize prices low are pro-poor policies”<sup>80</sup> (see paragraphs 134-136).

### **HIV/AIDS**

44. HIV-prevalence rates average 24% over the six crisis-affected countries. The range extends from 13% in Mozambique to over 30% in Lesotho, Swaziland, and Zimbabwe,<sup>81</sup> with prevalence rates for young women often twice as high as those for young men. As the UN’s Mid-Term Review states: “The attack on women—the lifeline for African societies—is unprecedented and is serving to unravel the entire fabric of the region.”<sup>82</sup> In an extremely useful paper which we have used extensively below, Oxfam and Save the Children Fund, UK (SCF-UK) describe the HIV/AIDS pandemic as being “at the heart of the crisis.”<sup>83</sup> The United Nations Children’s Fund (UNICEF), in their memorandum, reminded us that as well as contributing to household food insecurity, AIDS has killed and will kill many more people in southern Africa than hunger.<sup>84</sup> HIV/AIDS is creating new groups of vulnerable people, in particular orphans, child-headed and grandparent-headed households. There are already 3.2 million AIDS orphans in the six crisis-affected countries, most of whom are living in grandparent-headed or child-headed households, or fending for themselves on the streets. The numbers are increasing dramatically. By 2010, between one-fifth and one-quarter of all children under 15 years old will have lost their mother or both parents to AIDS.<sup>85</sup>

**Figure 4: HIV/AIDS and food insecurity**



Source: Oxfam/SCF-UK paper on HIV/AIDS and food insecurity (see footnote 83)

45. HIV/AIDS has the greatest impact on productive members of society, such as teachers, farmers, traders, and agricultural extension workers, and therefore increases the number of dependants in a household. This reduces household productivity and caring capacity, and interrupts the transfer of local knowledge and skills from one generation to the next. In Malawi between six and eight percent of teachers die each year, and the cost of their funerals takes up a major slice of the education administration budget. In Zimbabwe, maize production on communal farms fell by 54% between 1992 and 1997

<sup>80</sup> Ev 122, para 4 [Carlos Barahona and Sarah Levy memorandum]

<sup>81</sup> Ev 1, para 4 [DFID memorandum]

<sup>82</sup> UN, *Mid-Term Review*, February 2003, p. 1. Available at [www.reliefweb.int](http://www.reliefweb.int)

<sup>83</sup> Oxfam/SCF-UK (2002), *HIV/AIDS and food insecurity in southern Africa*, p. 1. See [www.oxfam.org.uk/policy/papers/hivsa/hivsa.pdf](http://www.oxfam.org.uk/policy/papers/hivsa/hivsa.pdf)

<sup>84</sup> Ev 127 [UNICEF memorandum]

<sup>85</sup> Oxfam/SCF-UK (2002) *HIV/AIDS and food insecurity*, pp. 5-6 – see footnote 83.

because of AIDS-related illness and death. The impact on the public-health sector is also devastating, as health workers either die or leave employment to care for family members, leaving clinics with low levels of qualified staff. This in turn undermines preventative health measures and increases the burden on public-health structures.

46. At a macro level, HIV/AIDS has a direct impact on rates of economic growth. Where HIV-prevalence is predominantly urban, as in Zambia and Zimbabwe, remittances from urban to rural areas have declined, reducing an important source of supplementary income. In rural areas HIV/AIDS has critically diminished the agricultural labour force and reduced production. Many are dead, and those who are living with AIDS are weakened and—having sold their assets and farming implements too—are less productive. As the Vice-President of Malawi explained to us, not planting at the appropriate time due to sickness, could lead to a 20% fall in smallholders' production. As labour is lost, nutritious leafy crops and fruit are replaced by starchy root crops such as cassava. Protein is lost as livestock assets are sold to pay debts. Labour losses are estimated to reduce food consumption by up to 32%.<sup>86</sup> Households with reduced income, and increased medical expenses are less able to access food, so the stability and quality of food supplies is likely to fall. This leads to chronic food insecurity, high levels of protein-energy malnutrition and micro-nutrient deficiencies, which further compromises immune systems, and speeds up the contraction of AIDS-related diseases.<sup>87</sup> Children are often taken out of school to help with production or to take care of younger siblings; a short-term coping strategy with long-term consequences.<sup>88</sup>

47. As a result of HIV/AIDS, more households are now headed by women, children, and elderly people. They are particularly vulnerable because they have often sold off many of their assets to care for sick family members, and have fewer opportunities to earn an income or grow crops. Many of these households also need to take care of sick relatives and orphans, which further stretches traditional family-based support networks. As Oxfam pointed out, HIV/AIDS “is creating an enormous strain on communities, which are increasingly dependent on dwindling numbers of able-bodied and healthy workers. The pandemic places a particular burden on women, as caring for sick family members falls most often to them, depriving them of opportunities to earn an income outside the home.”<sup>89</sup> Finally, HIV/AIDS kills the very people needed to respond to the current crisis: government officials, civil servants, members of civil society, and staff in the private sector. **HIV/AIDS is central to the unfolding humanitarian crisis in Southern Africa. In a continent ravaged by the HIV/AIDS pandemic, southern Africa is at its epicentre. The first defence against HIV/AIDS is food. Famine exacerbates disease, as disease exacerbates famine, in southern Africa. In creating new groups of vulnerable people, and exacerbating existing vulnerabilities, HIV/AIDS plays a major role in the cycle of vulnerability, crisis and poverty.** We return to the issue in subsequent chapters, examining the extent to which the humanitarian response has taken account of HIV/AIDS, and the ways in which both social protection measures and longer-term development strategies must be designed with HIV/AIDS very much in mind.

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<sup>86</sup> Ev 17, answer 3 [DFID supplementary memorandum]

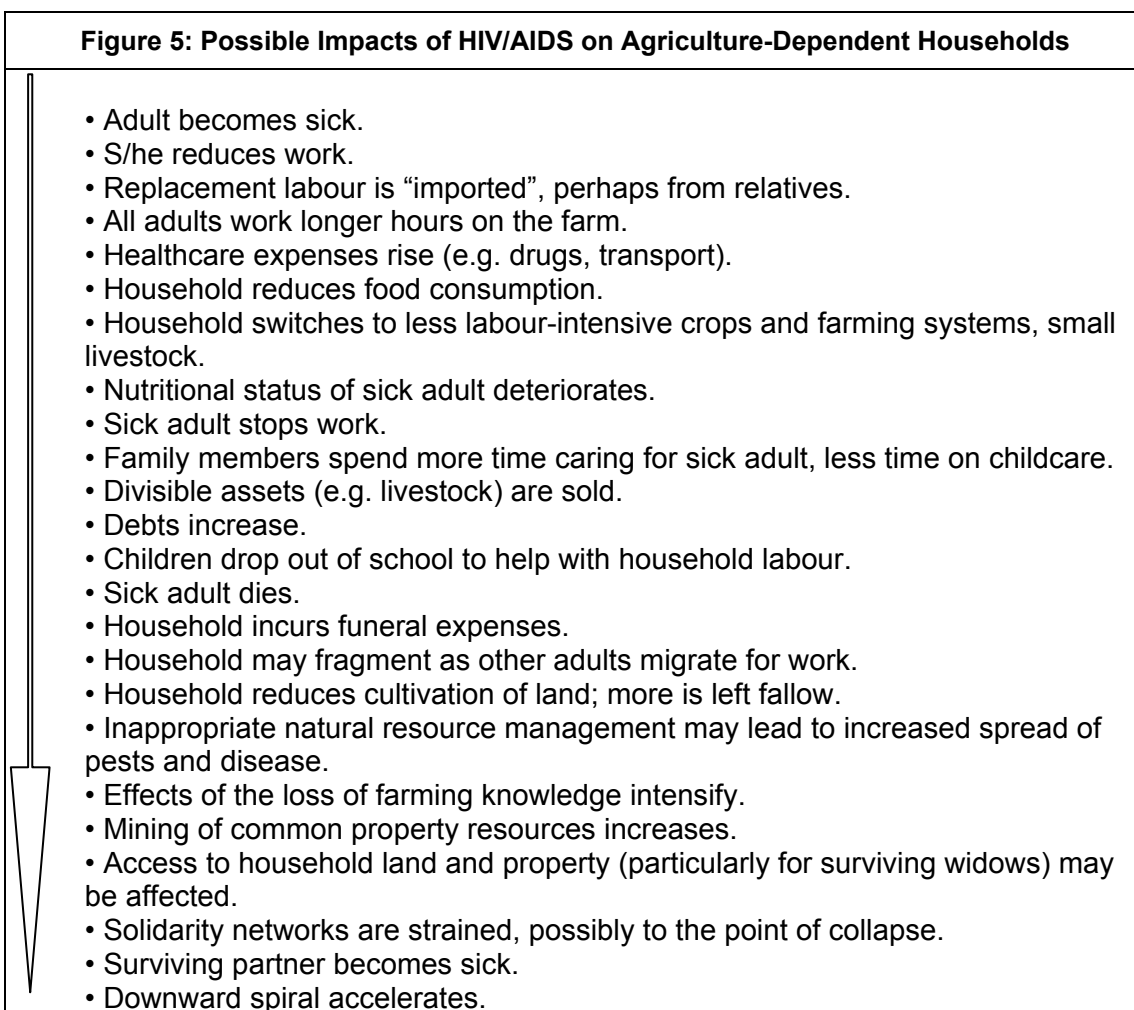
<sup>87</sup> *Ibid.*

<sup>88</sup> *Ibid.*

<sup>89</sup> Ev 81, para 16 [Oxfam memorandum]

## Shock and crisis

48. The food crisis was precipitated by erratic rainfall over much of southern Africa during the peak growing season months of December 2001 to March 2002. Normal or excessive rains in the early part of the season were followed by patchy and inadequate rain in later months, with localised water-logging of fields and lack of sunshine in some places (lowland areas of Malawi, Mozambique and Zambia), and frosts and hailstorms in others (mountainous Lesotho and Swaziland). This combination of bad weather events was directly responsible for depressing maize yields and the national cereals harvest in all six affected countries.<sup>90</sup>



Source: International Food Policy Research Institute 2001/02 Annual Report – available at [www.ifpri.org](http://www.ifpri.org)

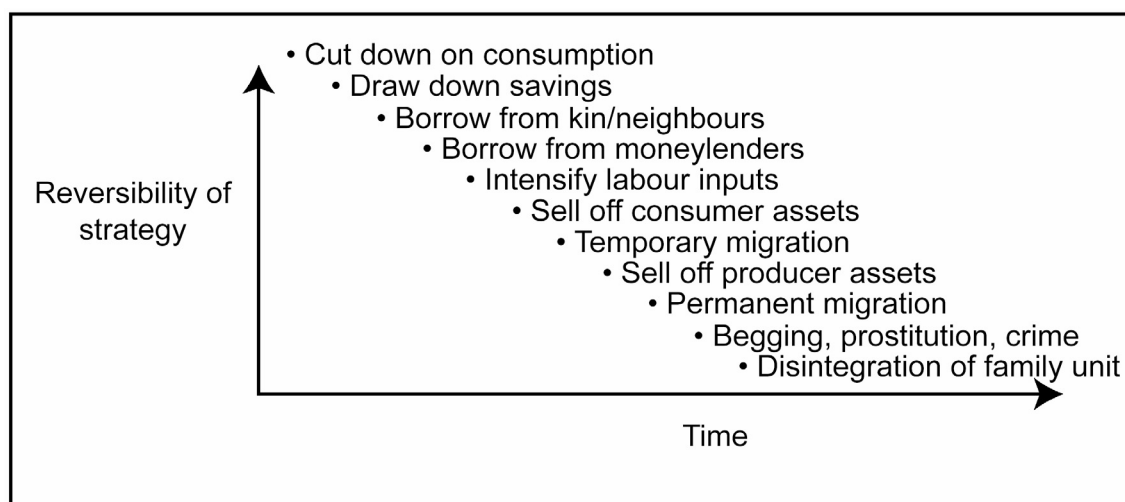
49. The food crisis has had multiple impacts, ranging from the most severe—starvation deaths—to the adoption of various coping strategies that have helped people survive but increased their vulnerability to future livelihood shocks. While there are no official estimates of the scale of hunger-related mortality that can be attributed to the food crisis, unofficial estimates range from a few hundred to several thousand people—including

<sup>90</sup> Ev 2, para 8 [DFID memorandum] and Ev 119 [Stephen Carr memorandum]

many adults—in Malawi, where the crisis was worst in 2001/02.<sup>91</sup> It is important to note that these deaths occurred in a context of tens of thousands of infant and child deaths each year, and that this “low-level crisis” of poverty and hunger, though it receives less media attention than that generated by famine, presents even greater challenges to policymakers in national governments and the international development community. Nutrition surveys commissioned by SCF-UK in two districts of Malawi in late 2001 and early 2002 found a rapid and dramatic rise in under-nutrition levels. Whilst the food crisis attracted most of the media attention in 2002, the donor community recognised that the emerging humanitarian crisis is multi-sectoral. As DFID noted, “the WFP appeal [for food aid] was accompanied by plans for urgent inputs for the next planting season, health (especially for drugs and epidemiological surveillance), water and sanitation and protection of the extremely vulnerable.”<sup>92</sup>

50. The term “coping strategies” refers to unusual behaviours that people adopt in response to an external shock, with the objective of helping them survive the short-term threat with minimum long-term disruption to their livelihoods and way of life. The adoption of coping strategies tends to follow a sequence of increasing cost and irreversibility (see figure 6). Eating less food is an early response while selling assets and borrowing to buy food comes later, and leaving the land to start a new life in urban areas is a final “distress response” that is resorted to only after all efforts to preserve the viability of the farming household’s way of life have failed.

**Figure 6: Reversibility of coping strategies**



Source: Naila Kabeer (2002), in *Development Policy Review*, p 594 – see footnote 184

51. Many of the coping strategies observed are adopted annually by poor rural households in response to seasonal hunger which is prevalent throughout southern Africa. With the current humanitarian crisis, the difference is that, “consecutive crop failures have forced households to rely on these coping mechanisms much earlier this year.”<sup>93</sup> According to Christian Aid, consumption rationing was widespread in 2002, as people skipped meals or reduced portions to make their limited food stocks and incomes go further, and many ate wild foods, often incurring health risks. People raised money to

<sup>91</sup> See footnote 1.

<sup>92</sup> Ev 3, para 12 [DFID memorandum]

<sup>93</sup> Ev 54 [Christian Aid memorandum]

buy food by selling livestock, farm tools and household goods (furniture, clothes, even kitchen utensils), all at low “distress sale” prices due to excess supplies on the market. For instance, in Zimbabwe, livestock prices fell 80% between July 2001 and July 2002. Children were withdrawn from school to save on education costs and to help forage for food or earn income. Women engaged in prostitution to earn money, accelerating the spread of HIV/AIDS. Opportunities for casual work, limited even in normal years, became increasingly restricted as more people searched for work (including children, people living with HIV/AIDS and the elderly) but fewer people could afford to hire them.<sup>94</sup>

**52. If the people of southern Africa are to escape from the cycle of vulnerability, crisis and poverty, the sources of vulnerability—poverty, weak governance and inappropriate policy, and HIV/AIDS—must be understood and addressed, both in terms of immediate humanitarian response and in laying the foundations for longer-term development. This will also require that policy-makers do not latch onto the latest fashion in the misplaced hope that it will provide a solution to development problems.** In the following chapter, we investigate the response to the humanitarian crisis, and in chapter five we examine what is needed in terms of both social protection and diversification, if the rural poor in particular are to escape from poverty and move towards sustainable livelihoods.

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<sup>94</sup> *Ibid.*