



CARE Malawi

ECONOMIC PATHWAYS FOR MALAWI'S

RURAL HOUSEHOLDS

**Report on preliminary research conducted in Malawi
in October 2003**

by Caroline Pinder

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Work in Progress – Discussion Document

ECONOMIC PATHWAYS FOR MALAWI'S RURAL HOUSEHOLDS

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GLOSSARY

| | |
|----------|--|
| ADMARC | Agricultural Development & Marketing Corporation |
| CAP | (DFID's) Country Assistance Programmes |
| CBO | Community Based Organisation |
| CRIMP | (CARE Malawi's) Central Region Infrastructure Maintenance Programme |
| CRLSP | (CARE Malawi's) Central Region Livelihood Support Programme |
| CSAFE | Consortium for Southern African Food Emergency |
| DA | District Assemblies |
| DFID | (UK Government's) Department for International Development |
| DAP | (USAID's) Development Assistance Programme |
| HIV/AIDS | Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome |
| IFAP | (CARE Malawi's) Input for Asset Programme |
| ILTPWP | (CARE Malawi's) Improving Livelihoods Through Public Works Programme |
| GOM | Government of Malawi |
| LEDU | (CARE Malawi's) Learning and Education Development Unit |
| MASAF | Malawi Social Action Fund |
| MPRS | Malawi Poverty Reduction Strategy |
| MRFC | Malawi Rural Finance Company |
| NGO | Non-Governmental Organisation |
| NSNP | National Safety Net Programme |
| TA | Traditional Authorities |
| VAC | Village (AIDS) Action Committees |

Summary of Research Notes available in separate volume from CARE - Malawi

Timetable of Field Research conducted in October 2003

Methodology notes (focus group agendas) developed by CARE Malawi staff in workshop on 21 & 22 October 2003

Chitukula:

- Focus Group Notes
- Problem Analysis Trees
- Case Studies

Chiwele:

- Focus Group Notes
- Problem Analysis Trees
- Case Studies

Khongoni:

- Focus Group Notes
- Case Studies

Mwadzungu:

- Focus Group Notes
- Case Studies

Notes of Synthesis Workshop held on 29 October 2003

ECONOMIC PATHWAYS FOR MALAWI'S RURAL HOUSEHOLDS

SUMMARY

The recent food crisis has drawn attention to the fact that Malawi's poverty is deep-rooted and structural. Provision of temporary humanitarian relief and sustained safety net provision may alleviate the symptoms of chronic poverty but such interventions are not adequate as ends in themselves: they will not prevent similar crises occurring in the future, or develop the kind of resilience that households and communities need to be able to cope with crises.

The objectives of the Economic Pathways research study were:

- To develop an improved understanding of trends relating to the economic aspects of rural livelihoods in Malawi.
- To focus, in particular, on developing an understanding of factors associated with the heightened vulnerability of households and individuals, as a result of the decline or failure of their principal survival strategies.
- To identify the nature of any opportunities that might constitute the backbone for the construction of economic pathways that have the potential to reverse current trends of increasing rural poverty.

Whilst it is clear there is a general commitment amongst the international donor community to supporting GOM in its National Safety Nets Programme, what is less clear is what happens beyond safety net provision: how will safety net provision evolve into long-term livelihood development? how will the transition from 'hand out' to 'hand up' take place? As will be seen from the findings of this research study, this transition is fundamental to moving poor people in Malawi away from a dependency mindset – a dependency on donors and government handouts in substitution of capacity for self-reliance to develop resilient livelihoods.

The food crisis has destroyed most rural households' resource base and their capacity to survive any further shocks, even if they should manage to get over this one. Nor is the crisis over: since many households said they have nothing to plant this year, it can be expected there could very easily be a repeat of the food shortage next year.

Three interrelated issues are critical to the extent to which any long-term economic development strategies can be effective in resolving Malawi's state of chronic poverty:

- how will safety net provision evolve into long-term livelihood development?
- the impact of social unravelling as a result of the HIV/AIDS pandemic, and
- does the institutional capacity exist at local level to deliver the policies of the Government's Poverty Reduction Strategy (MRPS)?

In reviewing its strategy for the future, with the object of building resilient livelihoods that can withstand natural and institutional shocks in the future, principal challenges for CARE Malawi will include:

- Conceptualising and effecting the transition from delivery of emergency relief to safety net provision, and then to production enhancement activities; also influencing, facilitating and supporting others concerned to effect this developmental transformation
- Effecting a change in the dependency mindset of poor rural people towards external organisations such as CARE and donors; also effecting a change in people's perception of themselves, from subject to citizen, through integration of empowerment and rights based approaches
- Seeking to influence and negotiate change in social and cultural structures which are constraining long-term development and poverty reduction, and causing the structural poverty Malawi

Five central issues related to economic pathways emerged from the research:

- i) Ganyu is an economic trap leading to exploitation and reduced capacity of poor rural people to develop long-term livelihood strategies based on agricultural production.
- ii) There is need to review assumptions about the types, usage and relevance of agricultural inputs; also present delivery mechanisms of resource transfers.
- iii) Markets are weak in Malawi, but even if these were strengthened through standard macro-economic growth strategies, poor people are unlikely to benefit because of the unequal power relations in existing market structures and practices.
- iv) The dependency mindset of many poor people is the result of outdated and corrupt traditional leadership and institutional structures. This has led to many poor people accepting their position as subjects of patronage rather than as citizens of a democratically governed state in which they have rights that it is the duty of the government to fulfil.
- v) Any capacity for change in governance, markets and perception of human rights will be influenced by the devastation that HIV/AIDS can be expected to bring to households for at least the next generation.

Brought together, these conclusions lead to two fundamental structural issues which need to be tackled in any future economic pathways model:

- i) Economic exploitation, particularly of women, related to people's lack of basic human rights, unequal power relations in market based growth strategies and the inadequacy of traditional social protection measures
- ii) Weak governance as evidenced by corruption and failure of traditional institutional structures to move from a system of patronage to recognition and fulfilment of people's rights as citizens

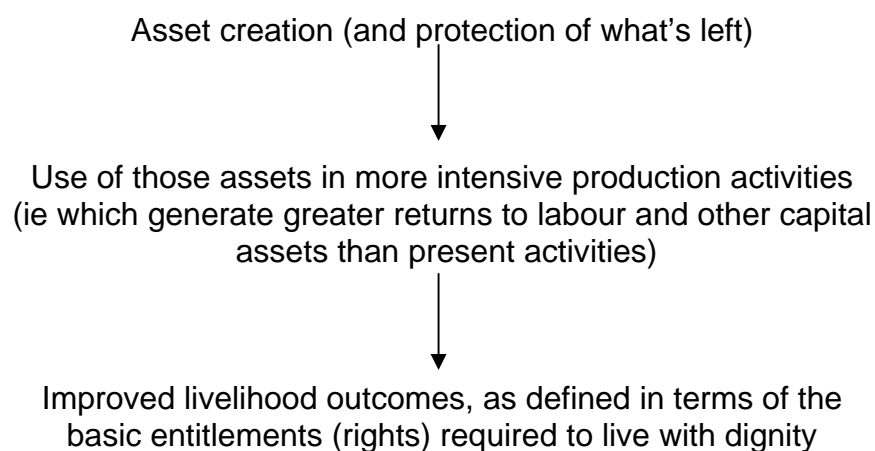
Resolving these issues in terms of programmatic design requires analysing CARE's programming approach, and moving towards a more deeply integrated rights based approach which tackles the reasons why people stay poor through examination of power relations.

Existing livelihood models of development therefore need to pay greater attention to power relations and human rights issues. What is needed is a broad and cohesive framework for an Economic Pathways approach in which rights based approaches are the starting and end points of programme strategies.

Development of a new Economic Pathways Model or framework has to begin with questioning assumptions, in particular

- i) the definition by aid agencies of rural households primarily as agricultural producers is no longer valid for the majority of Malawi's rural population.
- ii) given the irrelevance of this definition (which remains the basis for most aid agencies approaches to livelihood programmes) it is necessary, to develop a clearer understanding of how the Malawian countryside has been transformed by the food crisis, and into what can it feasibly be transformed.

Tactically, ie in terms of its operationalisation, any new model needs to address:



Maximisation of assets depends first on protection and then on opportunities to develop them in new ways that will increase returns to the household. This entails ensuring that mechanisms used to transfer resources to poor rural households will be more equitable and better managed than has been the case in the past.

Asset re-building strategies also need to be based on productive diversification and intensification, probably involving changes in farming systems that will enable individuals and households to improve their returns on labour and other inputs. However, in pursuing such options for product diversification and intensification, care has to be taken that the most vulnerable groups are not further exploited, and that social differentiation is not deepened.

This means that improved livelihood outcomes need to go beyond a food security that is dependent on systems of patronage and exploitation. They need to be based on development of a decent livelihood that results from people's full participation as citizens in a modern democracy in which they are able to exercise their human rights. This requires the development of more inclusive governance structures through which the concepts of rights and entitlements are promoted and achieved.

At this stage no suggestions for specific forms of programmes are being made as it is felt the first need is to clarify the model. This document should therefore be regarded as a discussion document in the process of developing that model rather than as a final product.

The following recommendations are therefore very general at this stage and mostly relate to the next stage in the process:

- i) That the framework and components described in Section 7 of this document be used as the basis of further debate within CARE Malawi.
- ii) That further research be undertaken into:
 - **Impact of HIV/AIDS on the economic potential of Malawi's youth.** If economic pathways are to be developed for the future it is important to know more precisely what is likely to be the effect on the upcoming generation of young adults and their capacity to participate in sustainable economic development of their country.
 - **Social disintegration caused by long-term food insecurity:** The constant lurching from one food crisis to another is likely to be having deeper and more complex impacts on social, economic and institutional structures than has yet become evident. Again, more needs to be known about these impacts and their relationship to economic development.
 - **Social disintegration caused by HIV/AIDS.** It is understood this is to be studied further in the Social Pathways Assignment. The findings of that research need to be brought together with the findings of this research study, in order to get a clearer picture of the links between the impact HIV/AIDS is having on both social and economic structures.
 - **Structure and sources of informal loans.** At the moment it is not clear who is lending to whom, and on what terms and conditions. Since improvement in credit to rural producer households is a policy of the government under the MPRS, it would be useful to know more precisely what is happening at the moment, why past credit schemes have failed and what type of loans are needed in future that do not lead to deepening of debt and poverty.
 - **Existing farming systems and mechanisms for change.** Farming systems need to change to take account of the fact that many rural households are no longer net producers but are more often casual employees of large commercial farming enterprises. How can farming systems change to enable greater diversification and intensification that will produce greater returns on poor people's labour, land, savings and other inputs?

ECONOMIC PATHWAYS FOR MALAWI'S RURAL HOUSEHOLDS

1 INTRODUCTION

1.1 Context of the Study:

The recent food crisis in Malawi was a symptom of a deeper, structural poverty in the country. For the past three decades livelihoods and food security has been declining for the majority of rural households in Malawi. With some of the worst child malnutrition and mortality rates in Africa, two-thirds of the population are now in an almost constant state of chronic poverty, characterised by persistent food insecurity, poor (largely non-existent) markets and institutional failure. Contributing to the recent crisis is the HIV/AIDS epidemic with an estimated infection rate of around 16% for the 15-49 age group¹. It should be stressed, however, that HIV/AIDS is not the cause of Malawi's structural chronic poverty; rather it is an exacerbating factor, impacting on households' labour capacity and utilisation of scarce assets for medical care and funerals.

Results of past interventions aimed at reducing vulnerability by increasing assets and livelihoods were too marginal to prevent many households either remaining in or sliding back into abject poverty. Although it is now known and generally recognised that macro-economic interventions such as Structural Adjustment Programmes have failed to relieve economic hardship for the majority of Malawians, there is need also to look at whether, how and why other development programmes, in this case CARE's livelihood support programmes, implemented at household and community level, also appear to have failed to prevent worsening food insecurity and ongoing chronic poverty.

CARE Malawi has taken a leading role in the delivery of humanitarian aid during the recent food emergency. For the past five years it has been piloting safety net and livelihood programmes initially aimed at meeting households' basic needs but also facilitation of broader economic empowerment and livelihood development. Whilst the households and communities that CARE (and other development agencies) has worked with may have been able to withstand the shock of the food emergency slightly better than those which had not received any attention, it is still the case that those livelihoods were not as resilient to natural and other shocks as they were thought to be.

Now CARE Malawi is reflecting on its past strategies, and taking stock for the design of activities that it is hoped will result in more resilient livelihoods and institutions in the future. Building on the experience of working in consortia during the emergency, CARE is now endeavouring to work more extensively with and through partners, and in this respect is currently developing a long-term five-year Development Assistance Programme (DAP), in conjunction with other NGOs, aimed at facilitating the transition from the current relief work to a longer term programme of safety net support and livelihood development. It is also hoping to bring together a group of its

¹ Conservative estimates put the figure at around 16% nationally for the 15-49 age group; however further estimates in 1998 put 46% of all new adult infections in the age group 15-24 yrs, with most of these infected individuals not yet aware of their status. This suggests the peak of infection has not yet been reached.

livelihood programmes under one Partnership Programme Agreement with DFID in order to maximise synergies between and learning across these programmes. CARE Malawi is also concerned to support and work in tandem with Government of Malawi's poverty reduction strategies and policies relating to safety nets and strengthening of rural livelihoods.

1.2 Objects of the Economic Pathways research study:

As part of this reflection process, CARE Malawi is undertaking a series of studies with the aim of better understanding and dealing with the underlying causes of the growing levels of poverty and vulnerability in Malawi. One of the most critical livelihood trends identified in a recent literature review is that levels of social economic differentiation are continuing to grow, and indeed have accelerated since 1995. Typically, wealth ranking exercises put 70-85% of rural households in poor and very poor categories who are now regularly food insecure.

It is in this context that this research into Economic Pathways has emerged, with three principal objectives:

- To develop an improved understanding of trends relating to the economic aspects of rural livelihoods in Malawi.
- To focus, in particular, on developing an understanding of factors associated with the heightened vulnerability of households and individuals, as a result of the decline or failure of their principal survival strategies.
- To identify the nature of any opportunities that might constitute the backbone for the construction of economic pathways that have the potential to reverse current trends of increasing rural poverty.

Whilst looking at the broad context of poverty and the policy environment in Malawi, for the purposes of this study, we have honed in on three key economic aspects which both embody and are symptomatic of Malawian households' state of chronic poverty:

- **Debt:**

Without investment households cannot expand their livelihood options. A plethora of interventions have been targeted at Malawi's poor rural households over the past couple of decades, from micro-credit, with or without savings elements, to loans of agricultural inputs repayable in cash, or labour or produce. In addition to these formal loan sources, many households take on informal loans, often because they cannot meet the conditions required for accessing formal loans. Does formal or informal debt play any part in households remaining in or sliding back into abject poverty? Is there a danger that debt perpetuates the cycle of poverty?

- **Poor markets:**

Markets in Malawi are weak largely because it does not have a 'market culture' due to historical influences. The result is that many rural households, dependent on one

or two crops, with little or no information about prices and very few sales outlets, face an extremely unequal playing field in market relations. The removal of parastatal institutions and formal market arrangements have left many poor rural households unprotected from price volatility and opportunist traders. What effect did this weak market environment have on households' coping strategies in the crisis? How can Malawi's markets be strengthened to enable poor rural producers to engage in trade from a stronger position and to survive crises in the future? Given that 90% of Malawi's population is rural, and that over two thirds of that rural population is categorised as poor or ultra poor, would increased urbanisation, with access to more dynamic markets resulting from increased demand, help to reduce Malawi's structural poverty? Furthermore, to what extent is it now valid to describe rural people as agricultural producers, given that most of them rely on ganyu (casual labour) as their main livelihood strategy and that the depletion of their seed stock during the food crisis has meant few of them are able to produce enough for their own subsistence? Also, given that most aid agencies continue to base their policies and strategies on the supposition that rural households are primarily agricultural producers, what do these changes in livelihoods imply for development programmes in the future?

- **HIV/AIDS:**

Having the effect of a dark cloud hovering over the whole of Malawi's development is the toll that HIV/AIDS is taking on the country's labour force. This is causing resources to be diverted to treatment and care of those who would normally be financially supporting their families, and the virtual loss of the labour of a generation of able-bodied and skilled people. The impact of HIV/AIDS will be felt beyond the current generation of working people, however: children are being taken out of school early because parents cannot afford fees and/or their labour is needed to support the household; there is a growing number of youth headed households for whom education is no longer viable; and a loss of skill transfer (particularly in traditional farming methods) that would normally take place from one generation to the next.

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There are, of course, other issues – economic, social and political (eg impact of global trade systems, weak and corrupt institutions) which are playing their part in perpetuating Malawi's poverty, but the research for this study has focused on the above three factors because of their reflection of, and direct impact on, households' coping strategies.

These three areas are also closely linked and interrelated to a downward spiral of impoverishment: the family of a person dying of AIDS will frequently sell the household's remaining assets to pay for their care (eg better diet, more firewood for heating water), and eventually have to take out a loan to cover funeral costs. With the loss of the physical labour of a key worker in the household, the remaining family members are unable to maintain the level of agricultural production required to feed themselves throughout the whole year, or to produce a surplus by which to raise the

cash to pay for other basic necessities (salt, soap, clothes, education). Typically, they take ganyu or piecework, for which they are often poorly paid in kind (food or clothes). This leaves them with even less time to work on their own fields so they produce even less food for themselves the following year. Reliance on payment in kind for ganyu also means they cannot raise sufficient cash to buy the fertiliser needed to produce a surplus crop; nor can they repay the loan in cash. Often their last resort is therefore to do further ganyu or to hand over their crop, meagre as it may be, to their creditor. The little surplus produce that some poor people do achieve is of low quality, and fetches only low prices reflecting the seller's desperation for cash; similarly the household assets and livestock they are forced to sell bring in paltry prices.

Parallel to this decline in economic livelihood is the deepening of the link between poverty and HIV/AIDS so that as a person's poverty worsens, in particular women's poverty, so too does their vulnerability to acquiring HIV/AIDS. This occurs at two levels: firstly their own deteriorating health resulting from malnutrition weakens their immune systems and makes them more vulnerable to acquiring the virus; secondly they may be forced into sexual exploitation, and thus exposed to the virus, in order to obtain food for their families.

This scenario is typical of what is occurring thousands of times over across the whole of Malawi and reflects an acceptance of institutionalised abuse - a sense of fatalism - that results from a total lack of power to change their situation. For Malawians to get out of this downward spiral it is necessary for international NGOs such as CARE, amongst others, to look for new ways – new social and economic pathways – that will enable them to get out of the poverty trap and to live a dignified life claiming the rights of citizenship rather than being the subjects of exploitation.

2 RESEARCH METHODOLOGY & TOOLS USED IN THE STUDY

It was agreed that as this was a preliminary research study, participatory methods based on focus groups and case studies in at least two sites where CARE is managing safety net and livelihood programmes, would be the most suitable means of obtaining an overview of the impacts of the food emergency and the underlying trends of chronic poverty. These issues could then be explored further as part of a more thorough study that is to take place in December 2003/January 2004 into the social and cultural issues underlying Malawi's poverty. Findings from both studies would then be brought together to inform the design of the DAP and review of other CARE programmes.

The timetable that was followed by the consultant for the two week period of field research is set out below:

| Day / date | Activity |
|-------------------|---|
| Week 1 | |
| Mon 19 Oct | Desk research / literature review / meetings with CARE managers |
| Tues 20 Oct | Initial planning of research / logistics / agreement on sites / notification to CBOs in those villages |
| Wed 21 Oct | Design of research framework and tools, in workshop with the five-member research team, and representatives from programme staff, facilitated by consultant |
| Thurs 22 Oct | Focus groups and case studies in Chiwele * |
| Fri 23 Oct | Focus groups and case studies in Chitukula * |
| Week 2 | |
| Mon 26 Oct | More focus groups and case studies in Chiwele * |
| Tues 27 Oct | More focus groups and case studies in Chitukula * |
| Wed 28 Oct | Synthesis workshop with research team and programme managers, facilitated by consultant |
| Thurs 29 Oct | Focus groups and case studies in Khongoni * |
| Fri 30 Oct | Write up of notes; put in place further focus groups in an ILTPWP location; wind up / review meetings |

* A wind-up meeting was held at the end of each day of field research, at which discussion took place on topics that needed to be pursued further in subsequent days; in this way the research was an iterative process.

As it had not been possible to make arrangements through the District Assembly for a site of the ILTPW Programme to be included in these two weeks, it was arranged for a further two days research in Mwadzungu to be conducted in the week 10-14 Nov. |

It can be seen from the table that the research was very compacted. The order of sites visited was determined by availability of staff for the workshop and the amount of notice that CBO's required to bring together people for the focus groups in their villages. It must be said, however, that the commitment to the study shown by all involved – villagers, CBO members, community facilitators, and in particular the five-member research team – was commendable, and without that commitment it would

not have been possible to undertake such a comprehensive study in such a short space of time.

Research team:

This comprised:

Consultant / facilitator: Caroline Pinder

From CRLSP: Hanouk Chafulumira and Ivy Luka

From CSAFE: Akim Nyambi and Jessy Nansangu

From LEDU: Biso Kaima (and Francis Lwanda on two days)

All the above also participated in the research, as well as the design and synthesis workshops. In addition the following programme managers and other staff participated in parts of the workshops:

From ILTPWP: Mercy Masoo, Naomi Botolo, Winston Mwamutowe

From CRLSP: Sophie Chitedze

From CSAFE: Sylvester Kalonge

Choice of sites:

The original intention had been to select two sites in which both CRLSP and ILTPWP were operational. However, because ILTPWP is directly managed by District Assemblies, with CARE only providing facilitation and support to the DAs, this had not been possible in the time available. Also, few ILTPWP staff were available during these two weeks due to planned training activities. It was therefore agreed to use two staff from CRLSP and two staff from CSAFE, plus one member of staff from the LED Unit. However, in order to give some indication of impact on participants in the ILTPWP, it was agreed that one site should include a former Community Association established under the CRIMP programme, which was the forerunner / pilot of the ILTPWP.

All the above factors, coupled with transport logistics, led to choice of the following sites:

Chiwele: Located in Chiwele TA; the CRLSP-CBO was formed about a year ago so is relatively new; CSAFE runs two components here: Food for the Chronically Ill and Food for Work

Chitukula: Located in Chitukula TA; former CA-CRIMP group here, and long-established (three years) CRLSP-CBO; no CSAFE activity

Kambudzi: Located in Khongoni TA; CRLSP-CBO established here two years ago; CSAFE runs all three components here: Nutrition programme, Food for the Chronically Ill and Food for Work

Mwadzungu: (to be visited in November) Located in Chadza TA, and has run ILTPWP since 2003; CRLSP-CBO has been operational here since 2002; CSAFE is not active here

Research Framework and Tools

A workshop was held with the five person research team, with inputs from several Programme Managers. Notes of that workshop are contained in the separate volume of data, available from CARE Malawi. The following is a summary of the main research issues and tools used.

It was agreed the main units/levels of analysis should be: households, individuals, community. The main means of data collection were: focus groups, case studies and interviews with communities' key informants (eg CBO and VAC members, village headmen, DA Community Facilitators)

An agenda for the focus groups was drawn up (shown in box on next page); this was the outcome of the team's deliberations on the kind of data wanted in regard to the topic and how best that information might be obtained. The team also 'tested' the tools in the workshop (mapping, ranking etc) as far as was practical, and this was a useful way for the research team to explore the kind of issues that might be raised, and how they would deal with them consistently (eg were we looking for prevalence/volume or depth of an impact?)

Each evening, at the end of the field research, a wind-up meeting was held to discuss issues that had been raised that day so these could be further explored where necessary, and to begin to gather some thoughts from the team on the direction in which the research was heading. Towards the end of the field research a Synthesis Workshop was held with all who had helped conduct the research plus some Programme Managers. The notes of this workshop are contained in the separate volume of data. However, the outcomes of that workshop are reflected and incorporated at various stages in this report, for example: in the summary of findings, and discussion on the implications of those findings for CARE Malawi's policies and approach to programming.

Limitations on the research:

- It is recognised that the way in which sites were chosen was not without bias; however, in the time available and with the constraints on transport, these sites were felt to give a reasonable cross-sectional view: two of them (Chiwele and Khongoni) are quite remote villages whilst Chitukula is within walking distance (5km) of a large suburb of Lilongwe; one of them (Chiwele) is predominantly patrilineal, whilst Khongoni and Chitukula are predominantly matrilineal. Also, ideally, there should have been comparison with villages that had not received any attention from CARE or other donor agencies in the past but, again, in the time available this would have been difficult as it would have meant first entering into a process of negotiation with village leaders for focus groups to be held, and overcoming suspicions and expectations as to the reason for the research.

FOCUS GROUP AGENDA

(as agreed by the research team at the Methodology workshop)

(3 hours: 1 x facilitator; 1 x recorder; 1 x data observer)

1 INTRODUCTIONS (10 mins)

- Greetings and names
- Objectives: we want to know from them the change and impact of the FE on their livelihood activities, incomes, assets and vulnerability (coping strategies). This is part of a bigger survey looking at how CARE can contribute to re-building assets and livelihoods damaged by the FE.
- Process of the research: focus groups, cases, key informant interviews etc

2 OPENING QUESTION (20 mins)

How were they affected by the emergency? Identify/draw out points that link to our main themes: debt, markets, HIV/AIDS.

3 PROBLEM ANALYSIS

- 3.1 Construct problem tree/s that draw out poverty issues related to debt, markets, HIV/AIDS
- 3.2 From the tree/s identify critical problems and issues, and rank/score these (see later notes on this)
- 3.3 Follow with general discussion on relationships between the 3 key areas

4 MARKET ANALYSIS (optional, if time²)

- 4.1 Construct two market network maps (1 x before FE; 1 x after), showing:
 - Products
 - Prices / costs
 - Distances
 - Modalities etc(See mind map constructed in design workshop for 'prompt' of issues)
- 4.2 Choose top 6 products (in terms of their importance to livelihoods), and rank these before and after the FE

5 SEASONAL FACTORS (optional, if time³)

- 5.1 Choose top 3 products from the ranking exercise, and do a seasonal price graph for each of these, before and after FE
- 5.2 Do a seasonal graph reflecting indebtedness and amount, before and after FE

6 SWOT ANALYSIS

Concentrate on Strengths and Weaknesses resulting from the FE (Os & Ts will be covered more in depth at the workshop, as potential pathways out, which CARE can support; however, if there is time get the groups to also do Os and Ts)

7 CONCLUSION

Select case studies and agree arrangements
Summarise findings and discussion. Thanks.

² In fact there wasn't time to produce these maps in any of the sites visited; however, the groups did discuss prices, markets, distances etc in some depth, which covered a lot of the information that might have been gleaned from network maps and product ranking.

³ Again, there wasn't time to produce these graphs in any of the sites visited (one group in Chitukula did very rough graphs for selling prices of a couple of products, maize fritters and tomatoes, but in isolation didn't give us a lot of new information); however, the groups discussed prices, markets, distances etc in depth, and this did give us a lot of the information that might have been gleaned from graphs.

UNITS / AREAS OF FOCUS IN VARIOUS RESEARCH METHODS: (and their prioritisation)
(as agreed by research team at Methodology Workshop)

Male & Female Focus Groups: Priority 1= Household (and 2 = Individual)

Chronically Sick and Affected (CSA) Focus Group: Household and Individual (equal)

CRLSP-CBO: Community

Case Studies: Priority 1 = Individual (and 2 = Individual)

Key Informants: Priority 1 = Community (and 2 = individual)

RANKING AND SCORING PROCEDURE FOR PROBLEM ANALYSIS

We want to measure both prevalence (quantity/volume of impact of the factor) AND depth of impact of the factor.

Ranking will measure depth: ask the group to choose the six factors they think have 'deepest'/longest-lasting depth, and do the matrix ranking method with these

Scoring will measure prevalence: assess these same six by prevalence: 1 = almost never occurs; 2 = occurs occasionally; 3 = occurs quite often; 4 = occurs often; 5 = occurs very often

OUTLINE FOR CASE STUDIES

Follow similar process to focus studies:

- 2 Basic / personal / household data
- 3 Basic livelihood / economic activity data: main sources of income, crops grown and how utilised etc
- 4 How had they (and their household) been affected during the emergency?
- 5 How does their experience relate to the problem analysis done in the focus groups (for poverty generally, debt, markets, HIV/AIDS)? Was it similar / different, in what way? Try to get specific examples of their experience.
- 6 What do they think are their personal (and household's) strengths and weaknesses for coping in the future? What do they visualise occurring in the future with regard to coping? Do they see opportunities and threats for themselves and/or household's and what are these?
- 7 Thanks

• There was no time to test tools in the field, or to assess the time it would take to run focus groups. It became apparent on the first day of field research that much more time was needed if the topics were to be explored in depth. As a result some of the tasks had to be left out. It also became apparent that there was variation in the speed with which groups were able to adequately discuss a topic, yet the time available for the research did not allow much flexibility in the duration of each focus group.

- We were also dependent on the CBO's in the villages inviting people to take part in the focus groups. In most cases, the CBO's simply made it an open invitation to all villagers, although that in itself involves selection as only some people hear of the invitation or are able to attend at such short notice (eg they may already have commitments to ganyu, or be attending market with their products etc.)

Conclusion:

In all, we recognise there were shortcomings in the research methodology, but we were careful to try and triangulate data across the three sites, exploring issues raised in one with the others, and to get some feel for the quantitative aspects of villagers' experiences through ranking and scoring. We feel confident, therefore, that the information gained is broadly reflective of the experience of rural households in Malawi, and that it was an adequate scoping study on which future research can be based.

3 APPROACHES TO POVERTY REDUCTION IN MALAWI

The recent food crisis has drawn attention to the fact that Malawi's poverty is deep-rooted and structural. Provision of temporary humanitarian relief and sustained safety net provision may alleviate the symptoms of chronic poverty but such interventions are not adequate as ends in themselves: they will not prevent such crises occurring in the future, or develop the kind of resilience that households and communities need to be able to cope with crises. The need to tackle the underpinning causes of Malawi's poverty is now well recognised in the policies and strategies put forward for the country by the Government of Malawi, and supported by the international donor community.

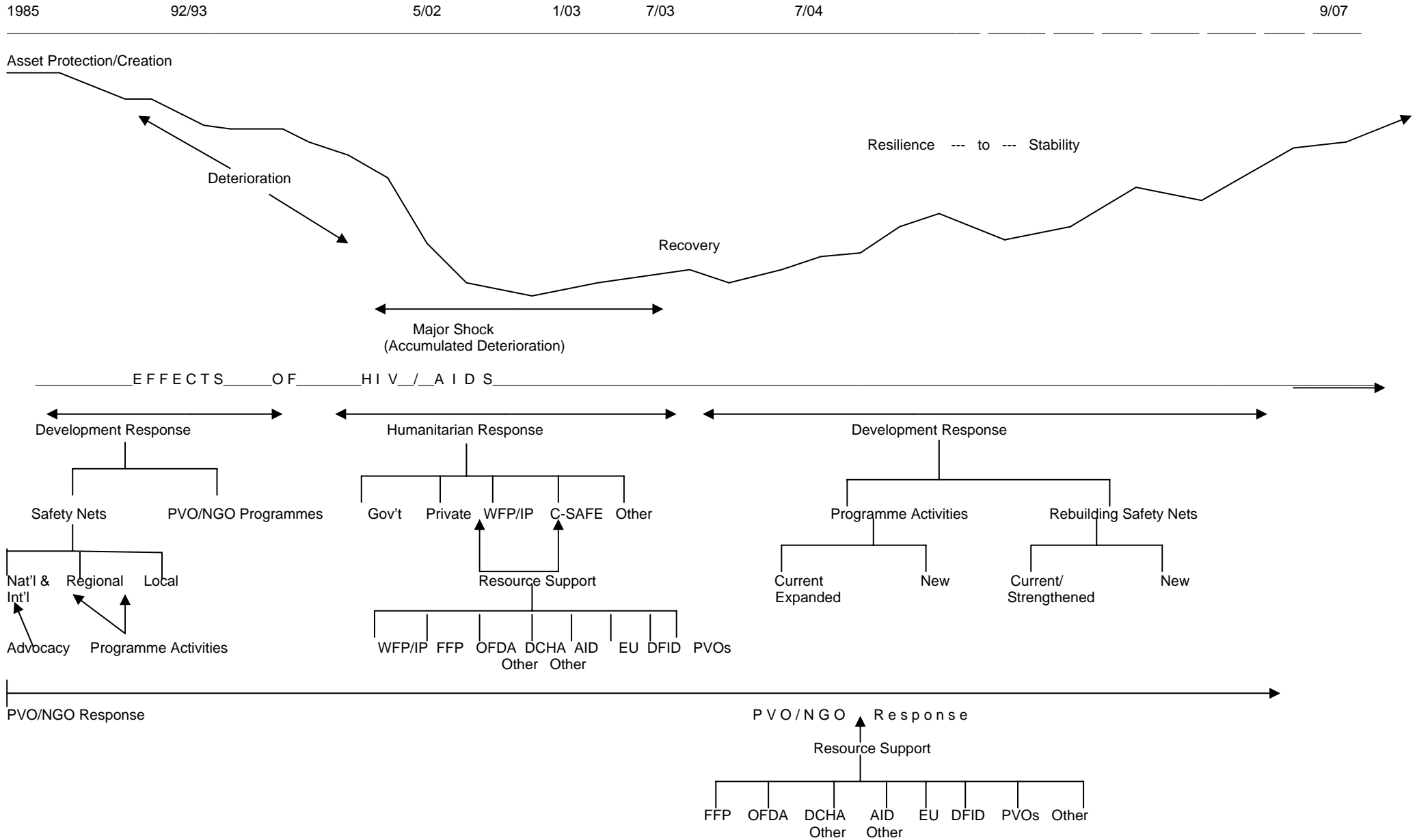
The diagram on the top half of the next page (constructed from a survey by CSAFE) shows the extent to which assets have been depleted amongst poor households over the past two decades.

Indicators of the deepening of poverty in Malawi:

- A study carried out by CARE Malawi and SCF-US in four districts in the Central and Southern Regions of Malawi in May 2002, found two-thirds of all households reported a decline in income over the previous three years; there was also a 25% increase in the school drop out rates.
- A study conducted by CARE Malawi in 2001 across fifteen villages in Central Malawi, found more than 22% of households were affected by HIV/AIDS morbidity and mortality, with the most direct impact being loss of labour. Three of the villages in the study had half or more of their households affected by chronic sicknesses in the past five years, and 41% of surveyed households sold a portion of their assets in order to buy food or pay medical or funeral expenses.
- A study conducted by CSAFE in March 2003 amongst 2030 households, found 14% of all the children under 18 yrs of age had lost one parent, a further 7% had lost both parents, and 12.5% of households were hosting double orphans.
- The same study found chronically ill individuals were present in 30% of households surveyed, and that these households had the largest gap between the amount of land to which they have access and the amount they are able to cultivate, signalling a labour shortage in these households.
- The CSAFE survey also found that households expected the 2003 harvest to only provide about one-half of what they would normally obtain through cropping activities. Female headed, high dependency and asset poor households all averaged less than 230 kgs of cereal production and this is only a third of the cereal volume produced by male headed households.
- 30% of smallholder households in Malawi are female-headed; 41% of rural households are food insecure with 41% of these being female-headed, indicative that the burden of food insecurity is falling on women as a result of their being particularly labour constrained and unable to take advantage of off-farm employment. Further, fewer female headed households report any improvement in economic conditions compared to male-headed households.
- Women are especially burdened by HIV/AIDS since they are often the ones who care for the sick household members; they also represent 55% of all current infections as a result of increased susceptibility due to physiological factors as well as cultural practices and economic conditions that force women to engage in sexual activity in exchange for food or other essential items.
- Half of the surveyed households rely on food aid for meeting part of their nutritional needs; during the previous year almost one in five households experienced at least one death, and the average age of death was 23 years old. Malawi's life expectancy at birth has fallen from 48 yrs in 1990 to 38 yrs in 2002.

CARE Malawi – Economic Pathways (C Pinder, Dec 2003)v4

Protection/Mitigation of Populations Vulnerable to Shocks – a five year strategy concept for Asset Protection/Asset Creation to complement current emergency and development programmes



*C-SAFE is intended as a five year strategy with initial two years of resources requested from USAID/DCHA; it should complement current WFP& other programmes. Note that timeline is not intended to be to scale.

3.1 Government of Malawi's Poverty Reduction Strategy (MPRS):

In the Malawi Poverty Reduction Strategy Paper, the Government of Malawi bases its policies on four interrelated pillars:

- sustainable pro-poor growth
- human capital development
- improving the quality of life of the most vulnerable
- good governance.

It recognises that past policies, in particular Structural Adjustment Programmes, did not lead to sustainable and equitable growth, or reduce vulnerability to shock, because they did not directly involve or benefit the poor. Within the third pillar, "Improving the life of the most vulnerable," the MPRS also recognises that there will be some sections of the population that are unlikely ever to be able to benefit from economic growth due to their entrenched poverty, and that these most vulnerable people will need direct assistance to improve their living standards to a level acceptable in terms of human dignity and their ability to meet basic needs.

A conceptual framework for safety net provision is set out in the MPRS which consists of a series of productivity enhancing interventions for the transient poor (defined as 30% of the population who are capable of moving out of poverty, sometimes also described as the 'economically active poor') and substantial welfare transfers to the chronically poor (the poorest 5-10% of the population).

In the course of developing the MPRS various studies focused on two causes of transient poverty: low incomes and inaccessibility to input credit. GOM's productivity enhancing interventions are therefore aimed at:

- distributing inputs for the capital-constrained poor, and
- public works programmes for the land-constrained poor

(although the two are not mutually exclusive and some households may benefit from both programmes).

Welfare support interventions are also of two types:

- targeted nutrition interventions for malnourished children and vulnerable pregnant and lactating mothers, and
- direct welfare transfers for the poor who cannot be supported by any of the other three types of programmes, ie the chronically ill, elderly and orphans.

3.2 Examples of support for the MPRS from the international donor community

GOM's Safety Net Programme has been well-supported by the donor community.

DFID is committed to spending significant funds on the National Safety Nets Strategy (under GOM's Pillar 3), between 2003 –2006. DFID's Country Assistance Programme will concentrate on three core areas aimed at supporting GOM's implementation of the MPRS:

- Measures to enable sustainable growth and improve livelihoods
- Better service delivery to the poor, and
- Pro-poor governance

DFID's approaches to achievement of these core areas will focus on:

- Food security through provision of assistance to improve food production, marketing and distribution; support to national safety net strategies towards development of a comprehensive long-term national Food Security Strategy
- Development of a rural livelihood strategy through its influential role and support for land policy reform and support for safety nets
- Support for government recognition of a more plural way of working in the health sector
- Co-ordination of efforts to support improved education service delivery via sector wide funding
- Supporting GOM's decision to address all aspects of safety, security and access to justice through a single co-ordinated programme, in order to provide rapid improvement in delivery of services, particularly to the vulnerable.

In conjunction with **USAID**, a Consortium of NGO's are currently developing a Development Assistance Programme (DAP) which is similarly supporting GOM's MPRS and the NSNP, which states it's targeting priorities as being "highly vulnerable areas and population groups." The DAP is evolving out of the current C-SAFE initiative that is being implemented by a consortium of 9 NGO's in 23 districts. The DAP's three Strategic Objectives are:

- Livelihood capacities of vulnerable groups are protected and enhanced, through:
 - Increased agricultural production and productivity
 - Increased rural household incomes
- Nutritional status of vulnerable groups is protected and enhanced, through:
 - Improvement in food utilization of malnourished children and HIV/AIDS-affected households
 - Promotion of improved health behaviour practices amongst households
- Capacity of community and district institutions to protect and enhance food security is improved, through:
 - Institutions effectively managing activities to protect and enhance food security
 - Districts appropriately responding to future shocks and crises in order to protect food security

The DAP also has a cross cutting intermediate result which is 'embedded knowledge management to ensure program quality and influence national policy'.

The **European Union** has also been supporting GOM's MPRS through the Malawi Agricultural Sector Investment Programme (MASIP) and the Joint Taskforce on Food Security Secretariats which brought together several donors keen to work together on the food emergency and safety net provision.

3.3 The challenge of transforming safety net provision into productivity enhancement:

Whilst it is clear there is a general commitment to supporting GOM in its National Safety Nets Programme, what is less clear is what happens beyond safety net provision: how will safety net provision evolve into long-term livelihood development? how will the transition from ‘hand out’ to ‘hand up’ take place?’ As will be seen from the findings of this research into Economic Pathways, summarised in the next section, this transition is fundamental to moving poor people in Malawi away from a dependency mindset – a dependency on donors and government handouts in substitution of capacity for self-reliance to develop resilient livelihoods.

CARE Malawi gave consideration to this issue sometime ago, when the first external impact assessment of the CRIMP programme was conducted, in September 2001, and comparison was made between the Contract Association (CA) and Small Scale Contractor Scheme (SSCS) as two models of public works programmes (see the diagram on the next page.) As will be seen from the evidence collected from this Economic Pathways study in the next section, about ‘the ganyu trap’, the contradiction that was apparent between the two CRIMP models continues to exist between the reality of safety net provision and the desired progression to production enhancement activities: people dependent on low wages or food or inputs remunerated by public works programmes rarely have the time, energy or surplus cash to put into productivity enhancement activities. It is almost impossible for them to move beyond the ‘hand out’ stage.

Furthermore, in analysing weaknesses it perceives in implementation of the MPRS, DFID, in its Country Assistance Programme, makes the point that GOM has not yet been tested in its political commitment to making tough choices over competing demands for scarce resources (para B21 of the DFID-CAP), and that there is a need for GOM “to better integrate trade into each of the four pillars”, in particular “Pillar 3 which is presented largely as a welfare issue and does not emphasise linkages with pillars 1 and 2.”

At a micro level (but which when reflected upwards becomes a macro issue) this question of political choice is critical to targeting of safety net benefits. For example: in theory there should have been sufficient starter packs and other forms of welfare transfer both before and during the food crisis to assist all poor rural households. The reality, as we heard over and over again in our research, however, was that many households who appeared to meet the target criteria did not receive any transfers.⁴ This raises several critical questions: why are ‘official’ targeting policies not being followed in villages? How are traditional leaders managing to get away with not following them but instead pursuing their own interests? To what extent is there a willingness amongst Malawi’s political and traditional hierarchies to move from a

⁴ for example, in Chiwele out of 35 heads of households we met that were caring for chronically sick people, not a single one had received any benefits on that account, and only one of the twelve households amongst these same households which were also caring for orphans under 18 yrs of age, had received anything on that basis. On enquiring why this was so, we were informed that only four starter packs had been received in the village and they had all been distributed to the headman’s relatives and friends. This method of selection seemed to be accepted as the norm.

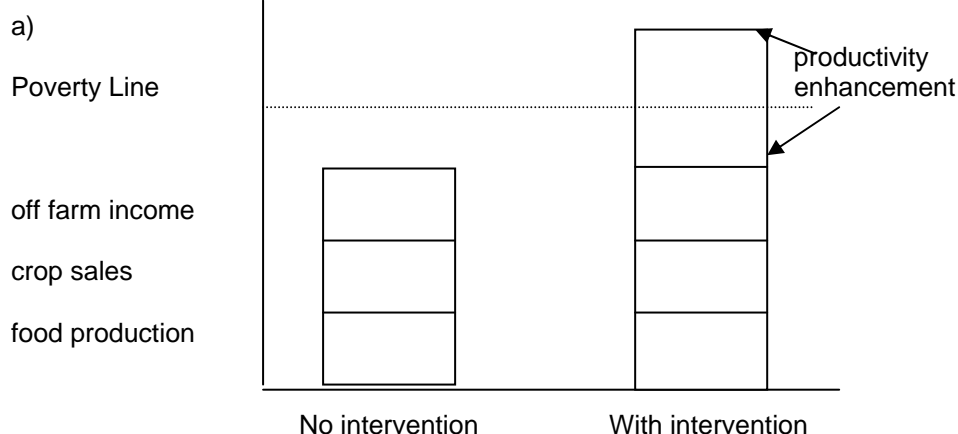
position of delivering short-term favours (ie patronage), to making politically unpopular but necessary long-term decisions about resource allocation and their equitable distribution?

Such abuse and misuse of public resources is clearly indefensible in a modern democracy. Furthermore, implementation of public policy should not depend on the 'willingness' of the powerful. Rather citizens should be able to claim fulfilment by the state to support their right to a dignified life free of hunger, patronage and exploitation. Since localised resource transfer systems are likely to continue to be critical to the asset building process in the foreseeable future, it is essential these systems be reviewed and democratised or alternative mechanisms for resource transfer be found.

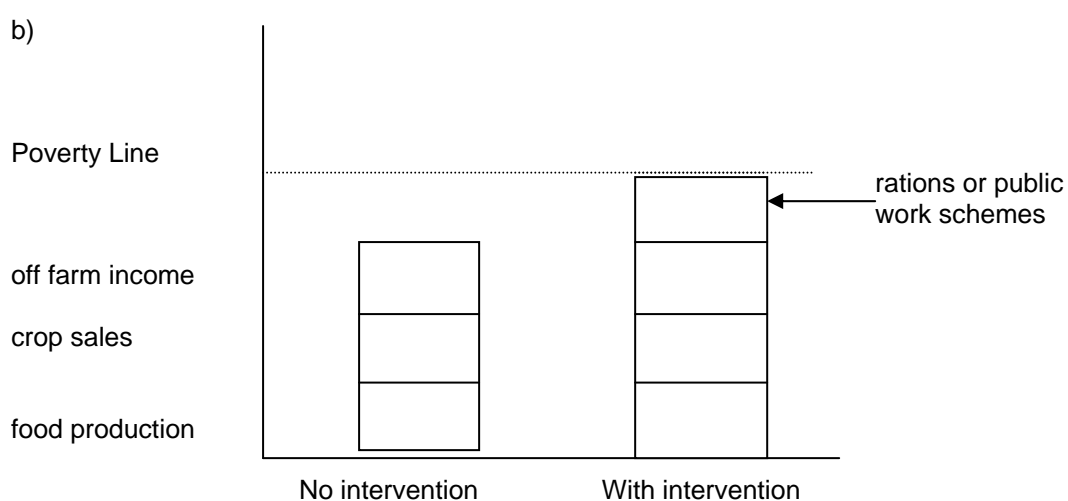
Extract from “The Research, Documentation and Dissemination of Lessons Learnt and Experiences during the Pilot Phase of CRIMP” (Pinder, C., Oct 2001, for CARE Malawi)

Is CRIMP as a poverty alleviation or poverty reduction strategy?

There are two models of Safety Net strategies:⁵



This is a **'poverty reduction by productivity enhancement'** strategy: the aim is to increase income up to, and preferably over, the poverty line by increasing productive capacity. It is a **'hand-up'** from poverty.



This is a **'poverty alleviation by direct transfer of benefits'** strategy: the aim is to bring people up to the poverty line by transferring benefits directly, ie without increasing productive capacity that could be utilised by beneficiaries in the future. It is a **'hand-out'** approach to poverty

Promotion of this distinction between poverty alleviation and poverty reduction should be a central feature of CARE’s advocacy role with regard to safety net strategies.

⁵ This section is based on S Devereaux's presentation to a seminar in Malawi in September 2001.

3.4 Other challenges:

- **Social unravelling:**

The problem is not confined to economic transformation. More importantly there needs to be a change in social and cultural mindsets, not just in relation to moving away from an economic ‘hand out’ to ‘hand up’ model, but in terms of social and institutional constraints and structures, in particular those which violate women’s rights to a dignified life. For example: the cultural constraints that gender relations place on women with responsibility for, but without control of, household and productive assets (eg land use, income from sale of cash crops); the devaluation of women’s humanity resulting from sexual exploitation that is supported by the implicit acceptance – even complicity – of their male partners and relatives; and the fatalistic acceptance of misuse by those in power of benefits intended for the poor.

Furthermore, there appears to be a significant ‘social unravelling’ resulting from the combined impacts of worsening food insecurity and HIV/AIDS. For example: the increase in the number of child headed households who have not benefited from traditional generational transfer of skills and values; similarly the number of elderly people caring for orphans who had expected to be cared for themselves by younger generations; and the enmity that was created between neighbouring households as a result of non-repayment of loans and property grabbing. Time and again we heard about how ‘the village has changed.’

Although these social and cultural impacts are to be the subject of the Social Pathways study, the point is made here because of the impact they will have on economic livelihood development in the future. For example: withdrawal from school has been higher amongst girls than boys; HIV/AIDS infection rates are increasing fastest among girls and women whose labour is critical to food crop farming in poor households; further expected growth of child-headed households, break up of traditional family support networks that gave some economic protection in times of shock; continuation of social systems (property grabbing, polygamy, land tenure etc) which constrain women’s economic capacity.

- **Lack of institutional capacity**

As mentioned earlier there also needs to be an overhaul of current reliance on traditional leaderships structures for delivery of resource transfers, in particular a recognition of the apparent failure of those structures to provide adequate good governance and social protection to poor rural people. Such traditional lineage structures are reinforcing poor people’s view of themselves as feudal-style subjects rather encouraging them to regard themselves as citizens of a modern democracy in which they have rights. There needs to be a re-negotiation and agreement on, firstly, what are their basic entitlements and rights, and then how those rights can be achieved, for example regarding women’s and orphaned youth’s access to and control over productive assets, and their protection from abuse and exploitation.

However, whether the policies of the MPRS will be implemented in such a way as to benefit poor people will not only depend on the government’s willingness to bring about greater equity, good governance and pro-poor growth, but also it’s capacity.

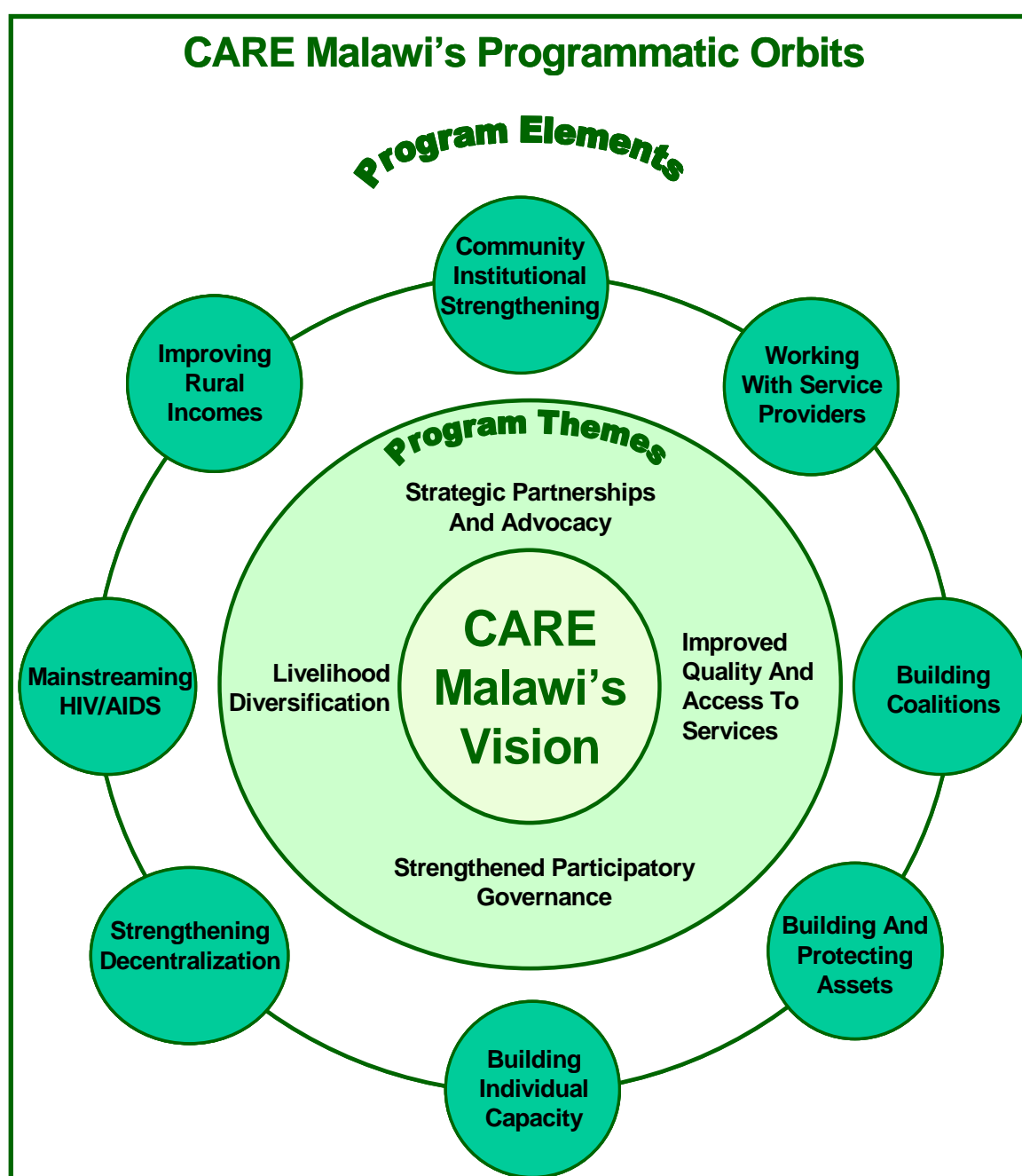
This capacity is needed as much (in fact more) at local level, ie the District Assemblies and Village Development Committees, as at is at national level, in order to provide an alternative, effective and non-patron based, mechanism for delivery of services and transfers

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Clearly these three issues - moving from safety nets to sustainable development, the impact of social unravelling and the lack of institutional capacity - are interrelated, and critical to the extent to which any long-term economic development strategies can be effective in resolving Malawi's state of chronic poverty.

4 CARE MALAWI'S VISION AND CURRENT APPROACH TO PROGRAMMING

CARE Malawi was established in December 1998, and now manages a range of project activities in the following sectors: food security, agriculture, micro finance, education, health, social and economic empowerment (especially of women), safety nets and rural infrastructure. Most projects embody several of these components, and over the past three years there has been a gradual move away from project activities to a broader, more integrated and strategic, programmatic approach. In its efforts to address the multi-faceted and complex nature of Malawi's poverty in a more responsive and flexible way, CARE Malawi has adopted the Programme Orbit model in which different elements can be combined to contribute to achievement of a broader purpose. This is shown in the following diagram:



The box on the next page, summarising programmes managed by CARE that focus on emergency relief, safety net provision and livelihood development, shows how the Orbit Model can be used to bring to together and interrelate various elements within programme themes. Besides enabling a flexible approach to programme implementation, the Orbit model also aims to achieve complementarity and consistency across the Country Office programmes.

CARE Malawi has also identified the need to expand its work with and through partners in order to institutionalise working practices for sustainability and increased scale of impact. Partners include members of civil society networks and coalitions as well as sections of government and consortia of NGOs. In this way CARE has begun to shift from being an organisation that “implements projects” to one that also seeks to “facilitate and negotiate processes.”⁶

This change is further reflected in (and in turn reinforced by) CARE Malawi’s more recent concern to integrate rights based approaches into it’s programmes. The reason for this shift has been the need to understand in more depth the factors that are leading to ever-deepening levels of poverty, marginalisation and rights abuse in the country. Integral to this shift has been the need for CARE Malawi to work closely with government (particularly at District level) to facilitate improvement of its capacity to respond to rights based approaches, and to achieve the greater transparency and accountability required by a rights based focus.

However, a weakness of the Orbit model is that it fails to draw out rights and gender equity issues, both of which are critical in the Malawian context of food insecurity and poor governance. The Orbit model therefore needs to be reviewed and modified to ensure inclusion of these issues as underpinning principles, in keeping with this concern to integrate rights based approaches into programmes.

Also in recognition of this concern for deeper integration of RBAs, CARE Malawi’s recent Programme Quality Audit workshop (Sept 2003) identified two challenges for the Country Office in this respect:

- what are the ways of facilitating increased stakeholder involvement (influencing and advocacy) and participation of representative structures (building democracy)? and
- how do we extend the ability of the Country Office, in concert with others, to influence policy?

The Country Office has undertaken a great deal of institutional development and capacity building work at community level, and in recent years sought to shift the emphasis towards using capacity building models as a means of developing greater local democracy. This shift is evident in, for example, the way that the former CRIMP programme is being implemented through District Assemblies (under the ILTPWP), with CARE’s role now one of facilitator rather than direct delivery; similarly the CBO village based capacity building model that is central to CRLSP seeks to build democratic structures that are inclusive and representative, and capable of putting pressure on or negotiating with service delivery agencies.

⁶ The theme, ‘from community development to negotiated development’ was used at the CARE Malawi Programme Quality Audit workshop in Sept 2003.

However, as was evident time and again from the field research for this study, there remains a tendency for rural people to see themselves, and to allow - **even expect** - themselves to be treated, as subjects rather than citizens. This not only applies to rural people's relationship with the Government, but also with donors and international NGOs such as CARE. Overcoming this dependency mindset is one of the key challenges we identified as having implications for CARE's future role as advocate and negotiator of rights.

In the context of Government of Malawi's PRSP and Safety Net Strategy, CARE has been active at two levels:

- in developing models for Public Works Programmes that contribute to production enhancement as well as meeting basic needs of the vulnerable working poor, and
- seeking to influence the formation and implementation of government policy, directly through participation in government consultation fora, and indirectly through developing the capacity of local based organisations (such as CBO's, Village (AIDS) Action Committees⁷) to enable them to better voice the needs of poor people.

Examples of this approach which takes safety net provision beyond meeting short-term basic needs are included in the programme summaries below.

Summary of programmes managed by CARE Malawi which focus on emergency relief, safety net provision and livelihood development:

Central Region Livelihood Security Programme (CRLSP):

Since February 1999 CRLSP has been piloting a series of livelihood security protection and promotion activities which focus on the overall goal of improving the food and livelihood security of rural households. Communities identified four underlying issues that contribute towards general food and livelihood insecurity:

- Weak community and farmer organisation
- Low agricultural productivity and poor yields
- Weak productive infrastructure, and
- Limited income earning opportunities

It addresses these issues through four objectives:

- Developing and strengthening organisational capacities and partnerships
- Raising agricultural productivity (through crop diversification and improved farming systems)
- Improving water availability, utilization and related natural resource management
- Increased earnings through increased access to financial services, improved market linkages and non-agricultural income generating activities

Improving Livelihoods Through Public Works Programmes (ILTPWP):

In order to achieve the goal of the National Safety Net Programme, the Malawi Social Action Fund (MASAF) and CARE are working in partnership to further develop and replicate innovative safety net models (in this case the CRIMP models) that will result in significant opportunities for rural communities to improve their livelihoods, whilst reducing their chronic vulnerability to shocks and stresses, and ultimately their dependency on continued safety net support. By working in partnership, MASAF and CARE seek to benefit from each others expertise and organisational comparative

⁷ VACS were originally called Village AIDS Committees, but this met with some resistance and stigmatisation of members, so the acronym was changed to mean Village Action Committees; their purpose, however, is to co-ordinate peer education about HIV/AIDS and support for the sick and affected.

advantages, and in doing so, seek to add value to future public works safety net initiatives that impact positively on poverty reduction. The strategic importance of working together lies in their ability to develop and pilot innovative public works safety net approaches that will eventually be incorporated on a larger scale under the MASAF III programme.

Agricultural Recovery through Seed Distribution and Production:

Following the 2001/02 food crisis, and as a first step towards regaining food security through productive orientated interventions that re-capitalize farming systems, CARE Malawi and six other NGO's are implementing an emergency seed distribution programme. CARE Malawi is taking the lead on this programme and is coordinating the efforts of the NGOs to ensure that there is effective distribution of improved groundnuts, beans, cassava and sweet potato planting material to approximately 50,000 farming households, covering fifteen districts across Malawi, and assisting some 250,000 individuals.

Comprehensive Response To Drought Emergencies (CORDE)

The Comprehensive Response to Drought Emergencies (CORDE) project is a one-year project running from November 2002 to October 2003. The main goal of project is to improve food security and asset rebuilding of poor households in the defined project area as they transition out of the food crisis that has gripped Malawi. The project has the three objectives:

- To improve water availability and utilisation; rural road infrastructure and related natural resources management.
- To raise agricultural productivity through crop diversification under irrigation practices.
- To increase earnings through increased access to non agricultural income generating activities.

Project strategies and activities have been developed around best practices and lessons learnt from CRLSP and CRIMP. The approaches have demonstrated a lasting impact on the livelihoods of the beneficiaries, including the promotion of savings to enhance investment into assets and productive activities, building of social capital through group formation in order to maximize social and economic empowerment, targeting the poorest using poverty profiling, and livelihood impact monitoring.

Consortium For Southern Africa Food Emergency

C-SAFE Malawi is being implemented through nine NGOs, with CARE as the lead organization. C-SAFE is a three year initiative who's interventions are consistent with the community needs during the current emergency, whilst addressing the overall goal of enhancing food and livelihood security of the participating households. The objectives of the C-SAFE programme are as follows:

- Improved health and nutritional status of vulnerable communities and households
- Increased productive assets among vulnerable communities and households
- Increased resilience to food security shocks among vulnerable communities and households

Inputs For Assets (IFA)

This programme will support an innovative partnership between 8 NGOs and 4 INGOs, of which CARE will be the lead organization; small-scale private sector input suppliers represented by the International Centre for Soil Fertility and Agricultural Development (IFDC); and local government authorities in eight districts. The object of IFA will be to deliver an 'Inputs for Assets' programme to 100,000 households whereby payment for labour on public works schemes is made in the form of farm inputs (seed and fertilizer). The programme is aimed at food insecure smallholder farmers (cultivating less than 1.0ha of land) who grow maize as a staple food crop. The project purpose is to enhance the food security of marginal farmers in selected areas of Malawi. This will contribute to the achievement of the project goal, enhanced livelihoods for poor people in Malawi, as per the goal of the National Safety Nets Strategy.

From the programme summaries in the above box, can be seen the repetition of themes and approaches relevant to the challenge of transforming emergency relief into sustainable livelihood development; also the range of partners with which CARE Malawi now works, and its transition from service delivery to facilitator and negotiator of entitlements.

In reviewing its strategy for the future, with the object of building resilient livelihoods that can withstand natural and institutional shocks in the future – economic pathways - principal challenges for CARE Malawi will include:

- Conceptualising and effecting the transition from delivery of emergency relief to safety net provision, and then to production enhancement activities; also influencing, facilitating and supporting others concerned to effect this developmental transformation
- Seeking to influence and negotiate change in inequitable social and cultural structures which are constraining long-term development and poverty reduction, and contributing to the structural poverty Malawi
- Effecting a change in the dependency mindset of poor rural people towards external organisations such as CARE and donors; also effecting a change in people's perception of themselves, from subject to citizen, through integration of empowerment and rights based approaches

5 SUMMARY OF FINDINGS FROM THE RESEARCH:

5.1 Overview:

To what extent did people 'survive' the food emergency? How, and at what cost? What do they see as being the ways forward? The following is a summary of the broad issues to emerge from the field research:

- Most have lost any asset base they ever had, including those who had made small gains from participation in earlier programmes (eg former CRIMP-CA members in Chitukula), although these people said they believed they survived better than those without assets, or who were not part of any asset-building programme. (However, some of the newer participants in ILTPWP road construction work, in Mwadzungu, felt being a member of a CA was a disadvantage as the money was insufficient with one third being held back for savings, and it meant they were not able to take up ganyu opportunities.)
- Many are now trapped in the ganyu work cycle, receiving payment in food or other kind, whereby they have no time or energy left to tend to their own gardens, or cash to spend on fertiliser.
- Even if they did have time and energy, they are unlikely to have any seed left to plant because they have either eaten it early or sold it at its lowest value.
- Many people on ganyu or piecework are exploited, working all day for a plate of food (in one case even that was mixed with sawdust, so that it gave them diarrhoea), or all month for a second hand item of clothing.
- Paradoxically, some women (notably in Chiwele) saw one of the 'benefits' of the crisis to have been the provision of food aid, because knowing they had food for the household meant they didn't have to rely on ganyu for food, and instead they could spend more time on their own gardens.
- Women are particularly exploited through prostitution, often agreeing to unprotected sex in return for food or cash; husbands are usually aware that their wives and daughters are doing this but turn a blind eye, or do not mention it, because the food is necessary to the household's survival.
- Many people (particularly members of CBOs, recognised the link between poverty / disease / lack of development in the village -> greater poverty and a downward spiral; of particular concern to them for the future was the number of young people not going to school now. They feared the problems this would have on the village's future development, but also thought it was causing an increase in crime perpetrated by young people (eg robbing, violence) and a reduction in the traditional respect accorded older people.
- Most people said they wanted the cash to buy agricultural inputs, particularly fertiliser, or they wanted the inputs directly, so they could plant enough to feed themselves and have a small surplus to sell. However, we were not sure whether this was because they had heard 'inputs' were the latest safety net

mechanism or if they wanted to lay claim to a 'starter pack' in the future, or because they really felt they had the time and energy to begin over again. Nor was there evidence that they knew how to use the fertiliser to best effect, since Agricultural Extension Officers are no longer visiting some areas (eg Chiwele), and some of the CBOs admitted they have not been trained in these techniques. In further research it would be interesting to compare this view of fertiliser with villages of similar economic standing who have not worked with CARE.

- There was also interest in seed multiplication programmes, particularly amongst the CBOs, and a recognition of the need to diversify crops and get away from reliance on maize. In particular they wanted to give more attention to their wetlands and dimba gardens.
- There was general agreement that the crisis had led to family and marital breakdowns, eg husbands divorcing wives or taking a second wife and adult children not being able to care for elderly relatives. There was also agreement that violence and enmity amongst neighbours had increased due to the crisis, eg regarding non-payment of loans, property grabbing, unfair selection of beneficiaries for welfare transfers.
- It is clear that safety net transfers are not being distributed equitably or on the basis of any rigorous selection procedure. Of 35 (very obviously poor and ill) chronically sick and affected households represented at the focus group in Chiwele, none were receiving food and nutrition transfers. In the village as a whole those present said there were only four households receiving food assistance, and they claimed these were all friends or relations of the headman. They appeared to accept without demure this misuse of welfare transfers. This raises several questions: why are 'official' targeting policies not being followed in villages? How are traditional leaders managing to get away with it? Such abuse and misuse of public resources is clearly indefensible, and current targeting mechanisms therefore need further exploration.

5.2 **Comparison of the research locations:**

5.2.1 **Chitukula:**

- Comparatively better off than the other villages, and at a higher stage of development, being close to Lilongwe and reasonable markets (particularly Area 25), and having had a great deal of attention paid to it (CRIMP, CRLSP, now CSAFE; also various non-CARE organisations). Evident that this village participates much more in a cash economy than the others.
- Private traders regularly come to the village to buy directly from farms, as well as most villagers going out of the village to sell in substantial markets. There is a much wider range of crops, particularly food crops, being grown and sold, and villagers (mainly the women) see going to sell at market as a way of checking prices and attracting traders to the village to buy in bigger quantities, ie they have a more sophisticated approach to product marketing.

- There is a strong CBO/VDC⁸ (formed under CRLSP some three years ago) and VAC. For example, the former had facilitated seed clubs, mobilized the village to construct a fish dam and a bridge, facilitated an adult literacy school and the moulding of bricks for a school. The VAC conducted peer education on HIV/AIDS through drama, had a communal garden in which all worked to assist the orphans with maize flour and money, and tried to give some home care support to the chronically sick.
- Former CRIMP women are certainly among the better off, none having died from hunger during the crisis because they had assets and livestock to sell. However, all except one are now relying on ganyu or piecework at the local milling station; encouragingly all said they felt they had gained a lot from CRIMP in addition to the cash for work, eg new skills that they would be able to call on in the long term: business skills, knowledge of how to run a group enterprise and savings club, awareness of their rights and greater ability to speak up on household and community matters, (for example, one was a member of the VAC, and another of the village funeral committee)
- However, the empowerment in the household that was gained by some ex-CRIMP CA members has waned as a result of most of them having lost their financial independence and role of cash earner. Only a quarter of them (as opposed to two-thirds in the October 2001 Impact Assessment) said they continued to be more respected by their male partners than before their participation in CRIMP, and that their partners continued to assist them with the gardening and household duties and sought their advice on household financial decisions. This would suggest that CRIMP has not achieved a fundamental shift in gender relations in these households, that any enhancement of household status only lasted for as long as they had economic muscle, and was not due to any recognition of their human rights.
- There appeared to have been a spreading of the business skills and confidence that the CRIMP-CA women had acquired to women in the village who had not participated in the programme. In the women's focus group which comprised mostly non-CA members, there was greater understanding and application of markets and business processes than was exhibited amongst women in Chiwele & Khongoni, eg with regard to pricing, promotion, importance of selling for cash not credit, and fast turnover. Of course, this is also likely to be due to the closeness of more dynamic markets in the first place.

ii) **Chiwele:**

- This is probably the poorest of the communities, in that they are totally dependent on the local army battalion for ganyu, medical care, education, transport to markets, etc. Located approx 10 km from the nearest trading centre (Mvera), the only other selling point is the main road, itself several km away.

⁸ In Chitukula the CBO set up under CRLSP had become the Village Development Committee, a part of the District Assembly structure.

- On the one hand their reliance on the battalion causes villagers to see it in a positive light; on the other hand they know the closeness of the battalion is also harmful to their community, particularly as a place for prostitution and consequent source of infection. They also recognise their dependency on the barracks for clothes and other items requiring cash. It is evident they are exploited: they are paid only in food or clothes to work the soldier's gardens so the soldier's wives can get good prices for quality produce at the Mvera market. This leaves the villagers with no time to tend their own gardens. Some of the men said 'we feel like their tenants.'
- The CBO is not yet active, having only been formed a year ago, and there is no VAC. To date, the CBO has only undertaken seed distribution activities, and felt they were not yet well enough trained to give advice or undertake other activities.
- The village is no longer visited by an Agricultural Extension Officer; in fact the AEO's house is now being used by a teacher. The CBO members, and others in the village, said they felt they needed AE advice urgently.
- There appears to be poor understanding of what is meant by an economic market: they wanted CARE 'to provide a market' for them, and they wanted a return to regular traders (ie ADMARC) calling on them to collect their cash crops (mostly tobacco) for guaranteed prices. Most simply said they could not participate in markets because they had nothing to sell, and no cash with which to buy anything.

iii) Khongoni:

- This is the most remote village in terms of distance from markets and trading points: approx 20 km / 3 hours walk from nearest point, Nsundwe which is now barely functioning), and 25 km from a main road.
- Again in a state of dependency, this time on the teachers at the local school, who provide ganyu in return for cash or food or clothes. The relationship does not appear to be quite as exploitative as Chiwele, however, as there does not appear to be a sexual element in it, and there was no reference to a spread of HIV infection being due to that source. In fact the CBO here claimed their village had a lower than average HIV/AIDS prevalence rate, and they attributed this to its relative isolation.
- The activity that was of concern here was the short-term migration of women to Mozambique (a two day walk) to obtain piecework on the Impala (tobacco) estate just over the border. Here they had to commit to working for three days during which they received a bowl of food each day, and at the end of which they were given eight maize cobs to take home with them. Several women who did this week-long round trip, and who were single heads of families, said they returned home to find their younger children 'swelling' as they had eaten nothing for the week. One woman said one of her children died as a result and she had never done the trip again, instead preferring to live on roots of wild plants.

- This village seems to have the weakest cash economy due to its distance from market places; in fact most said they relied on bartering amongst each other but during the crisis most of them had nothing to barter and so they had been forced to go out of the village to look for ganyu and employment on the estate in Mozambique.
- Women claimed more men going out of the village (to Nsundwe, for example, to sell firewood) meant they were going to the beer halls afterwards, spending their money on prostitutes and bringing infections back to the village. The men, however, expressed the view that it was women's greater movement (eg to Mozambique & Nsundwe) that was leading to increased HIV/AIDS infection.
- The CBO had been formed in Khongoni some years ago, and had graduated from the CRLSP programme over a year ago. Although they had been fairly strong during the programme in terms of ability to mobilize the community to build a road and mould bricks for a junior school block, to plant a wood and dig a dam, an indication of dependency was still there. For example, the dam wall needed repairing, and the CBO had done nothing about it, because it said it was "waiting for CARE" to advise them how they should go about it.

iv) Mwadzungu: (visited after the main field study)

- Many people had abandoned their fields completely in search of food. Survival was mostly through ganyu on tobacco estates at Bunda College of Agriculture and cassava fields at Nathenje, both located 10km away. When ganyu became scarce many resorted to digging wild roots and collecting leaves as well as bananas for their meals. The few crops they grew in their gardens were consumed before maturity. Within the hunger period, most of their assets were sold (clothes, plates, livestock etc) for much less than normal market price. Ganyu from neighbors was rarely more than exploitation, for example people were given a place to cultivate but received very little payment, sometimes they were given mangoes or a plateful of flour or 5-8 maize cobs after working for a whole day. Some people, especially men, migrated to town and to some tobacco estates in Mitundu leaving their wives and children suffering. During the FE, less than half the households in each village received the free food which CARE distributed
- People also said high prices of fertilizer and seed contributed much to crop failure and eventually the shortage of food. Lack of capital to run income generating activities affected their cashflow. Trading centers or market places are located far away (about 15km) so business was not viable as people had to travel long distances to sell their commodities. Although ADMARC stopped buying products, other traders had come to buy products at relatively better prices (G/nuts at MK30/kg; soya beans at MK12/kg); the problem was that people could only produce them in small quantities (1-5 bags unshelled g/nuts and 1 bag of soya beans from the entire harvest)
- Many complained that being in the CA or on the ILTPWP road construction work was more exploitation than assistance. They said they are paid MK540/month, and the amount which is not held back is only enough to buy a pail of maize now

costing MK250; this is only enough to feed a household with 8 members for one week. Therefore they are forced to go into debt as they cannot do ganyu and, worse still, they have little time to work in their fields. They have no surplus money with which to hire labour in their gardens.

- However, men said the cash for work provided under ILTPWP road construction programme had helped buffer the hunger situation although the payment is not enough. They are asking the project to consider increasing it. They also said the road construction project has given opportunity to both villagers and traders to interact.
- Financial institutions did not exist in this area. Borrowing was from friends and neighbours. During the hunger period borrowing was often in the form of food, and payment was in-kind (one pail of maize attracted two pails in return) after harvest. People experienced asset grabbing due to failure to repay loan. Mostly people borrowed because of hunger and as they were not able to repay immediately it resulted in ganyu, asset grabbing or forced selling of assets
- Female focus groups reported that there was nobody who died of HIV/AIDS, but said many deaths resulted from hunger and hunger related diseases. However women acknowledged that some were forced by hunger to practice prostitution which might have brought HIV/AIDS in the village. Women also acknowledged the fact that people looking healthy does not mean they are HIV/AIDS free. Another indication that HIV/AIDS epidemic is also of much concern to them was that they mentioned the number of orphans as a big problem
- Male responses on HIV/AIDS were different, however. They admitted that HIV/AIDS does exist in the area and has resulted in an increased number of deaths, orphans, disagreement between partners, increased debts and selling of assets due to prolonged illnesses. On the cause of HIV/AIDS, they mentioned non-abstinence, prostitution, rape, use of unsterilized equipment (injections), and lack of knowledge about the disease

5.3 Three key issues:

5.3.1 Debt

- Many people are trapped in a debt cycle. Most of these appear to have been informal loans, often between neighbours at the start of the crisis. Further research is needed into the mechanisms behind these informal loans, however, eg who is loaning to whom? What are the social relationships between lender and borrower? Are there wider effects within the community, spin-off effects and changes in power relationships?
- Later no one made any loans because no one had any money to lend. Formal lending institutions were virtually non-existent since MRFC left some years ago (Chiwele villagers reported that FINCA had been active in the area during the crisis, but they only lent to the soldiers' wives who had collateral; none of the villagers had been involved in FINCA groups.)

- Those that hadn't been able to repay either the informal loans to their neighbours or the few formal loans that were made by the MRFC⁹, had their 'property grabbed' and usually lost far more of value than the original loan; for example one woman reported having all her (in any case, meagre) possessions (cooking pot, plates, blankets) taken against non-repayment of a loan of 1x50 kg bag of maize seed. Others regularly reported rates of interest (in cash or kind), or seizure of between 50 – 200%. Again, further research is needed into this: who 'permits' this property grabbing and extortion? And why is it permitted? How are they 'authorised' to wield power in this way? What has happened to traditional social protection mechanisms?
- The alternative to seizure of goods was to work off the loan, and this too was often to a far greater value in time than the original amount. It also meant they lost time available for tending their own fields and gardens.
- There was a general preference for food/in-kind loans rather than for cash because of the high cost of purchasing maize.
- Most informal loans were needed for funeral expenses, or costs of care of the sick. Three out of the nine Chitukula CRIMP women who participated in the study had spouses die since the end of the programme which had necessitated selling their assets; a fourth had a daughter die, and two others had to meet costs of siblings' funerals.
- It was also reported that non-repayment of informal loans had led to violence and enmity, which was contributing to the 'social unravelling' of traditional community structures and family relationships: "families are being dismantled by hatred" (Chiwele men's group).
- Lack of agricultural inputs and lack of capital were seen as synonymous, in that the reason people said they wanted cash loans was in order to buy fertiliser (first priority) and seed (second priority).
- In Chitukula where there had been both a Village Savings and Loan Group, and a CRIMP-CA with its own group savings scheme, there was agreement that these savings groups had been important in their survival. Both were intending to start savings groups again as soon as they could (ie the CRIMP-CA women continued to meet and said they wanted to start groups savings and economic activities when they could, and the CBO said they hoped to restart the VS&L group).

5.3.2 Markets

- Few people seemed to have any real idea of what an economic market is apart from reference to the roadside or local market place where vendors gather two or three times a week to sell their produce. Malawi does not have a market culture,

⁹ There seemed to be some confusion about how long ago these MRFC loans had been made: mid-1990s, or more recently. In any case, it appears to have been a bad experience, and not one that most villagers wanted to repeat in view of the losses and property grabbing and even imprisonment that had occurred when loans were not repaid.

with the result that concepts such as ‘value-added’ are unfamiliar, competition is seen only as a threat, and relations between buyers and sellers in rural areas are unequal, with the former able to push prices down below cost effective levels because there are no other outlets.

- However, the former CRIMP-CA women, although only half of them continued to engage in any economic activity other than ganyu, had a much greater awareness of these concepts and were prepared to walk 5km to Mbumbwira and 10km to the Area 25 market to sell their comparatively wider range of produce for a higher price, rather than sell cheap or on credit in the village. They also recognised the importance of achieving fast turnover and high quality produce. They also said they negotiated price levels with other vendors at the market so there was no cut-pricing, and that they liked to work from the market in order to see what other trade opportunities were around.
- Most people in the other villages (ie Chiwele and Khongoni), and non-CA members in Chitukula, however, said they had nothing to sell even if there was a market close by, and whatever they did have tended to be sold locally at low prices. Almost all saw themselves as ‘losers’ and passive players in the market, unable to influence price and other conditions of trade, obliged to accept whatever they were offered. None of them questioned the unequal power relations that exist in Malawi’s markets.
- Some, most notably the male focus group in Chiwele, said simply that there were no markets. When this was explored a bit further what they actually meant was that ADMARC were no longer coming around to collect whatever they produced (principally tobacco and cash crops). They would have liked ADMARC to be fully functioning again, offering them a guaranteed price for bulk purchase of their crops; they saw price fluctuation as one of their biggest problems. In Chiwele, the CBO also thought CARE was going to provide them with a market.
- Almost all the focus groups (male and female, but the women particularly) said they believed that if they had fertiliser (and to a lesser degree) seed, they would be able to produce a surplus for sale. Without fertiliser, they maintained, both quantity and quality of produce were inadequate. The main target for their inputs would be increased utilisation of their wetlands for saleable vegetables, and on their uplands for maize (as food) and groundnuts (to sell). Again, it was unclear whether they had all the information about how fertiliser is best applied, or whether they simply saw it as a ‘magic bullet’ to cure all, and had heard that ‘inputs’ were the latest safety net mechanism.
- Amongst most participants, though to varying degrees with Chitukula women and CBO members of all villages being most clear on the issue, there was a recognition of the need to diversify their crops to avoid future dependency on maize, both for nutritional and economic purposes.
- There was also recognition that besides investing in agricultural inputs in the form of fertiliser and seeds, there was need to invest in more modern farming methods, though not expensive labour-saving technology. (For example, in Chiwele, they said wheel barrows would enable them to navigate the steep hills

more quickly, rather than the oxcarts they use at present; they also said they needed a water irrigation system. Again they said they felt the absence of an Agricultural Extension Officer, with up to date knowledge and skills, to advise them on the best technology.)

5.3.3 HIV/AIDS

- HIV/AIDS has been the greatest cause of households' asset depletion. In all villages there was recognition of this impact, with agreement that the first items to go were livestock which were either sold or consumed. After that, anything and everything was sold to provide better food for the sick member of the family; eventually a loan would usually be taken out to pay for the funeral, leaving the remaining members of the family to pay off that loan, usually by exploitive ganyu.
- Representatives of some households, apparently without a sick member at the moment, and often younger, expressed the view that it would be better for the emergency food aid to be given to healthy people and families who needed it to give them strength to undertake work in the fields, rather than give it to people who were too ill to work and were going to die anyway.
- It was stated several times in the focus groups that young girls and women are agreeing to unprotected sex in return for cash and/or food. It seems partners and male relatives are frequently aware of this but appear to turn a blind eye in recognition of their households' prime need for food. However, according to some of the women (eg at Chitukula and Mwadzungu), it is the men who are perpetuating this sexual exploitation by spending on prostitution any money they earn from sale of produce at markets.
- In both Chiwele and Khongoni there was reference to unhygienic practices being the cause of the spread of infection. On further questioning this turned out to be references to witch doctors who used dirty razors for various practices, and herbalists and 'quack doctors' who passed through the village bringing 'medicines' which were injected into sick people with dirty needles.
- There continues to be considerable ignorance and/or denial of HIV/AIDS. There is little practical prevention of the spread of infection. All villages (though Chitukula less, due to its closeness to Lilongwe) said it was only by chance they ever had access to a free condom. In Chiwele they said male condoms were for sale in some local shops, but the only time they had access to free ones was when women were given them (and female condoms) at the health clinic when they visited there for family planning purposes.
- Views on the use of condoms were mixed: some people (mainly men, including youths) said the message the government is giving out about use of condoms is wrong, and that the message should be for abstinence as the supposition that condoms will protect against infection is giving licence to promiscuous behaviour amongst women wanting to avoid pregnancy. Conversely, some men said that it was women who didn't want to use condoms. Some women, on the other hand, said it was men who didn't want to use them, whilst other women agreed that they didn't want to use them because this suggested to their husbands that they

(ie the women themselves) were infected, and this might be cause for the men to divorce them or take another wife. Either way, the argument is largely theoretical since it seems very few people have access to free condoms and therefore they are not being used.

- Stigma towards families with HIV/AIDS infected members appears to be getting less, particularly where there is an active VAC. However, there were still reports of loans not being given to families with a sick member, although whether this was due to them having no collateral or due to stigma was unclear.
- There is growing concern in villages about the number of orphans resulting from HIV/AIDS, and the numbers of elderly people, particularly women, who are being left to care for young children without the means to do so. Concern was also expressed about the growing number of child headed families¹⁰, and how these are no longer going to school, have no skills, are often unable to look after themselves and sometimes turn to crime for survival. Elderly people expressed worry about the values of some of these young people, and claimed their warnings about risks of infection from unprotected sex were being ignored by the young people in their care (particularly girls) who wanted food and clothes.

5.4 Conclusion on findings and key questions raised:

The food crisis has destroyed most rural households' resource base and their capacity to survive any further shocks, even if they should manage to get over this one. Nor is the crisis over: since many households said they have nothing to plant this year, it can be expected there will be a repeat of the food shortage next year.

Five particular issues related to economic pathways emerged:

- The opportunity cost of being trapped in ganyu:** although some households (notably in Chitukula, where there was more choice of work and employers) said they were glad of opportunities to do ganyu either for food or cash, for the majority of people it was exploitation because they had no choice and had to accept pittance payments of food or clothing, and it meant they had no time or energy left to tend to their own fields, or cash with which to buy seed or fertiliser.
- Agricultural inputs as the magic solution:** The assumption expressed by villagers that if everyone is given a bag of fertiliser then their poverty problem will be solved, is falsely optimistic. That was part of the thinking behind the 'starter pack' which was introduced in 1999: every poor person would get seed and fertiliser to make a start towards food subsistence. Although the programme did result in raised maize production levels in 1999 and 2000, it is doubtful whether the benefit of this was felt by poorer farmers due to the way the packs were distributed and how they were used. Excessive rains caused some people's inputs to be washed away, others used theirs incorrectly, others sold theirs for cash, but a great many people simply never got a pack even though they met the criteria.

¹⁰ [1998 census revealed that 0.6% of households were headed by individuals under 20 years of age.](#)

A part of the problem is that the potential role of fertiliser in the context of sustainable livelihood development is misunderstood, in that it is not a 'cure-all' in itself; rather it should be seen as just one element of a holistic approach to safety net provision and livelihood development. Urea fertiliser that is used on growing maize and other basic food crops is important for the opportunities it presents to households for investment of their time in other crops and productive activities. The theory is that if food needs can be met by using the fertiliser on their food crops, they will not need to do ganyu for food, and then they can diversify and concentrate energy on growing crops which have a greater market value such as vegetables, or on value-added food production activities such as fritters, pickling, processing etc. However, if fertiliser is to be used to bring about food security, people have to know the best ways of applying it, and this entails distribution of information and skills development. There also has to be recognition of the time it takes for the impact of agricultural inputs to be felt: at least one full season, more likely two or three, and in the meantime food and cash have to be available to households to enable them to spend the time required for maximising the impact of those inputs in their gardens and fields.

This raises the whole question of the type, usage and relevance of agricultural inputs; also the role of agricultural extension work and current farming systems in general. Are traditional methods the most appropriate? Do there need to be changes in existing systems in order to produce greater returns to labour and other investments (eg savings, land)? This is discussed further in later sections, but is an area that needs further research in the context of the changes in the rural population structure that have taken place in recent years, and its capacity as a result of those changes.

iii) Lack of a 'market culture' or understanding of the concept of an economic market; also the importance of the close location of urban markets. The latter was the principal reason for Chitukula's relatively higher level of economic development. It has been suggested in recent development debates that increasing urbanisation may be one path to poverty reduction, and from the tentative findings of this study that may well be the case. There is certainly need for further research into this aspect and ways by which rural people can participate in the benefits of urban markets. Weak road infrastructure was a reason why households in Chiwele, Khongoni and Mwudzungu said they were unable to participate in better markets, and why they were generally reliant on opportunistic passing traders to buy their produce. Again, that is just one reason amidst a multitude: the important thing to note is that it is never just one factor which makes or breaks the situation, rather it is the need for a holistic approach that is critical.

Also, whatever the cause of market failure, poor people are unlikely to benefit from any growth in existing market structures for as long as these are based on unequal power relations in terms of trading conditions which leave poor people vulnerable to exploitation. Rather it is those terms and relations which need to be changed and this depends on recognition of people's rights to a fair and decent livelihood, and their capacity to make choices based on accurate and timely market information.

iv) Dependency mindset: Clearly the above three issues are related, but overriding them – and perhaps the most daunting issue of all - was the depth and

perpetuation of the dependency mindset that the research revealed. Far from making people more self-reliant and developing mutual support mechanisms, the crisis (in particular the impact of HIV/AIDS and the resources that households are pouring into that) has made people more dependent on external support, created enmity within communities, and fragmented families. At the end of almost every focus group and interview we were asked: “What is CARE going to do for us?”

At the Synthesis Workshop it was agreed the future challenge for CARE is to turn that question around so people ask “**What can we do for ourselves?**” and “**How can we make government accountable to us for their policies that impact upon us?**” In order to achieve a change in this fatalistic mindset there has to be an overhaul of traditional institutional structures which enables poor people to take up their rights as citizens rather than continue to submit to subjection and exploitation. This depends, in turn, upon development of capacity of elected assemblies to achieve good practice and standards in governance.

v) **HIV / AIDS:** Encircling all these four issues is the impact of the HIV/AIDS pandemic. Resolution of any of the above challenges in terms of economic pathways has to take into account the long-term effect this is having on human capital: lowering of education standards, reduction in skilled and physically able workforce, and the draining of household resources that might otherwise have been invested in productive activities.

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These conclusions raise a number of questions and issues which need further exploration in order that they can be factored into an economic pathways model. These are summarised in the table below:

| Conclusion | Further questions and issues raised |
|---|--|
| <p>Ganyu is an economic trap leading to exploitation and reduced capacity of poor rural people to develop long-term livelihood strategies based on agricultural production.</p> | <p>Safety net mechanisms now supported by aid agencies in Malawi rely on a definition of rural households primarily as agricultural producers. But to what extent can rural people continue to be regarded as agricultural producers when most (55% according to one CARE survey¹¹) are in fact now reliant on ganyu, ie they are casual employees labouring for commercial enterprises (tobacco estates and the like)? Some of this employment is in agriculture but a lot is in domestic and other forms of non-agricultural work. The ganyu trap now prevents them from becoming net producers.</p> <p>This means that future asset building strategies – economic pathways – need to be based on:</p> <p>a) revision of this definition and development of more diversification in viable economic strategies as alternatives to basic agricultural production, and</p> <p>b) for those that remain in basic agricultural production, substantial intensification of small plot agriculture that enables higher returns to labour, land and other inputs.</p> <p>A starting point in analysis of the extent to which these strategies can be developed involves further examination of good practices that have been achieved in CARE Malawi’s livelihood development programmes to date.</p> |
| <p>Markets are weak in Malawi, but even if these were strengthened through standard macro-economic growth strategies, poor people are unlikely to benefit because of the unequal power relations in existing market structures and practices.</p> | <p>Often market strategies fail to focus on empowerment of the producer to obtain information, and instead only deal with distribution of information which does not take account of who compiles that information and to whose advantage, ie agents whose chief interest is to reduce producer profit margins. Market systems work best where producers are empowered and provided with real choice (eg through being able to use cell phones to check on different market/trader prices as now happens in some fishing communities in Kerala, India). This forces traders and agents to be more competitive.</p> |

¹¹ [Shah, 2001](#)

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| | <p>What should be CARE Malawi's role in developing more open and stronger market systems? How can it influence market relations and systems so they become more equitable? How should it position itself in relation to the private sector?</p> <p>How can poor people's access to market information be improved?</p> |
| <p>There is need to review assumptions about the types, usage and relevance of agricultural inputs; also present delivery mechanisms of resource transfers.</p> | <p>Bearing in mind the above points about the assumption that the majority of rural households are primarily smallholder producers, and therefore the relevance of the livelihood inputs currently on offer, there is need to question the authority that is being wielded by traditional leadership in distribution of those inputs and other resource transfers.</p> |
| <p>The dependency mindset of many poor people is the result of outdated and corrupt traditional leadership and institutional structures. This has led to many poor people accepting their position as subjects of patronage rather than as citizens of a democratically governed state in which they have rights that it is the duty of the government to fulfil.</p> | <p>Why is it that traditional social protection measures appear to have been replaced by patronage and corruption? From where do family members and neighbours in their role of debt collectors derive their power to grab poor people's property, and to charge them extortionate rates of interest?</p> <p>What should be CARE's role in promoting new forms of transfer mechanisms?</p> <p>How should CARE Malawi seek to promote 'citizenship' rather than 'subjection'? How can it challenge existing traditional institutions and encourage more inclusive governance structures?</p> <p>As a non-Malawian organisation, what should be its role in advocating and negotiating the rights of poor people in a 'host' country? What forms of influence does it have and how can it most effectively exercise these?</p> |
| <p>Any capacity for change in governance, markets and perception of human rights will be influenced by the devastation that HIV/AIDS can be expected to bring to households for at least the next generation.</p> | <p>How can CARE Malawi contribute to mitigation of the effects of HIV/AIDS on poor people and their communities? How can it draw attention to the link between HIV/AIDS, poverty, and the denial of human rights? How can it facilitate change to farming systems and social structures that are breaking down and mutating into forms where poverty and vulnerability is heightened by reliance on sexual and economic exploitation for survival?</p> |

Although the research produced a disturbing and gloomy picture overall, it must be said in closing this section, that the situation was not all negative. The resilience of many of the people we met, and their determination to put their lives back together was remarkable. One elderly lady in Chiwele, caring for several young orphans declared “we may not have the business skills, but we have the business spirit”. We also met a young man who, through ganyu, had raised his four young siblings over the past ten years, and had succeeded in putting himself and all of them through school to Junior Certificate Level. And even whilst coping with illness and poverty in their own households, members of CBOs and VACs were giving some of their time to produce food for orphans. It is this ‘spirit’ which CARE has to harness in its development of new economic pathways.

6 IMPLICATIONS OF FINDINGS FOR CARE MALAWI'S POLICIES AND APPROACH TO PROGRAMMING

As concluded at the end of the last section, CARE Malawi's greatest challenge is to turn around the question asked by poor people: "What is CARE going to do for us?" to "What can we do for ourselves?" and "How can we make government accountable to us for their policies that impact upon us?"

This entails asking, in turn:

- How do we break the cycle of dependency?
- How do we change mindsets from 'subjection' to 'citizenship'?
- How do we facilitate people to hold government accountable?
- How do we bring a rights dimension into our programmes?
- How do CBO's become ways out as well as ways in?
- How do we find some entry points into market systems? How can we influence a change in power relations to make those market systems more equitable?

Answering these types of question requires analysing CARE's programming approach, and moving towards a more deeply integrated rights based approach which tackles the reasons why people stay poor through examination of power relations.

Extract from "Measurement and Methodological Challenges to CARE International's Rights-based programming" (Picard, M., Nov 2003)

CARE defines RBA as an approach that:

"Deliberately and explicitly focuses on people achieving the minimum conditions for living with dignity (i.e. achieving their human rights). It does so by exposing the roots of vulnerability and marginalization and expanding the range of responses. It empowers people to claim and exercise their rights and fulfill their responsibilities. A rights-based approach recognizes poor, displaced, and war-affected people as having inherent rights essential to livelihood security – rights that are validated by international law." (Jones, July 2001: 1)

"It (this definition) clearly locates human dignity at the core of our worldview, by asserting that we as human beings have an obligation to one another to protect and realize the rights of all individuals. This is an obligation shared by the state, civil society, and the private sector. It is not sufficient for CARE as an aid organization to merely work towards meeting people's basic needs or enabling them to do so; as people have a right to live in dignity, those who deny them their rights must be held accountable. **Thus, the relational responsibilities we have toward one another is of paramount importance in a rights-based approach.**"

In September 2003, CARE Malawi conducted a Programme Quality Audit (PQA) of all its programmes. This entailed reflecting on and learning from past experience, with the aim of utilising that experience in future programming. A similar, though much compacted exercise, took place at the Synthesis Workshop that accompanied this Economic Pathways study.

At the synthesis workshop the research team and Programme Managers were asked to consider the above questions in the context of their programmatic experience. Why did they think their programmes had not contributed to more resilient livelihoods? How did they think CARE’s programmes and frameworks could be improved / changed to ensure greater resilience in the future? How would they change CARE’s programmes and methods to answer the questions posed above, ie to overcome the notion of CARE as provider or deliverer of services?

Interestingly many of the responses were similar to those obtained during the PQA, suggesting a consistency, not just across the livelihood programmes from which the team for this study came, but a shared awareness of the need to rethink programming strategies for similar reasons and in similar ways across the whole of CARE Malawi’s programmes.

The following table summarises the responses given at the Economic Pathways Synthesis Workshop:

| |
|---|
| <p>Programme Design</p> <p>HIV/AIDS, gender and RBA should be mainstreamed at programme level Adopt holistic approach to programming (‘mix and match’ components of Orbit model) Take into account past experiences for designing new programmes Need to define the target group at the programming stage Plan for emergencies (ie build in possibility of inconstancy in circumstances such as weather, political stability) Have graduation/exit strategies in place from inception stage Programmes need to address the root causes of poverty. Proper assessment has to be done before any programme design is approved Develop gender sensitive strategies to livelihood improvement Involve project beneficiaries right from the beginning</p> |
| <p>Programme Implementation:</p> <p>Incorporate reflective learning for continuous programme review during programme implementation Conduct capacity building for both staff and partners (even down to community and VAC levels) Harmonise approach across all CARE projects</p> |
| <p>Donor conditions:</p> <p>Develop longer term strategies that will attract longer term funding for transitioning from relief to development</p> |
| <p>Economic Development:</p> <p>Improve productive capacity Improve economic opportunities and the market environment Facilitate market and enterprise development through training</p> |

Improve market access linkages and productive assets

Aim to improve asset / resource bases

Improve the nutritional status of community

Consider the people's capabilities

Village Savings and Loans

Collaboration:

Strengthen community institutions and structures, and facilitate linkages to District Assemblies

Harmonise programmes to achieve synergy

Have more strategic involvement in the so-called coalitions and consortiums so as to further influence how other organisations operate

Concentrate on partnership capacity building

Improve collaboration and co-ordination between emergency and long-term staff: ensure both understand each other's objectives and roles

GoM's Agriculture Extension worker program

Management:

Re-orientate emergency staff to the development culture

Transfer expertise to local staff (ie from ex-pat emergency staff)

CARE should not merely cut and paste the programmes it has piloted but should look at ways of improving them

New staff should be orientated in CARE's approach and vision

Train emergency people in long-term development issues

Look at ways of developing synergies between the existing programmes for more impact

As an organisation look at ways of influencing government policies that are barriers to development

We should be involved in morally responsible programmes

Implement emergency recovery programmes that really add value to livelihood improvement

Participants of the Workshop also agreed that CARE not only had a role in advocacy and policy influence towards Government through facilitation and negotiation of space for its downward accountability to poor people. CARE also had a role to play in negotiations with other organisations, in particular donors who needed to be encouraged to take a longer term view than is often currently the case, and in social and economic institutions such as trading systems and market relations with the aim of transforming the power balance in these in favour of poor people. The starting point for developing this advocacy and negotiating role needs to be identification of the key components of good practice in rights based programming.

Staff at the synthesis workshop then went on to consider, in the light of the findings from the field research, what should be the components of future programmes, and how should these differ from earlier programmes. It was agreed that in order to overcome the dependency and project culture, the difference was not so much in content but in approach, ie that CARE needs to stand back from direct delivery and work in the background, through better placed partners, in particular government

structures, concentrating on facilitation and negotiation with these other partners to deliver the services. |

It was noted this was the approach of more recent programmes such as ILTPWP which supports capacity development of District Assemblies to enable them to deliver the CRIMP CA-style of cash for work programme, by linking savings and livelihood development with personal empowerment. Similarly, the Inputs for Assets programme aims to influence development of the local agricultural input sector by working with local private sector partners to deliver the inputs through private retailers on a voucher system, thus strengthening this sector of rural trade.

It was also noted at the workshop that the problem with many programmes is that they often:

- cover too short a time spectrum and do not allow the impact of a programme to be embedded so that it becomes sufficiently resilient to shock
- fail to take account of seasonal factors and start or end too late to maximise impact
- they assume an unrealistic constancy in operational environment, and fail to take into account unexpected shocks such as a dramatic weather condition, or political instability

An example of how all the above factors come into play to reduce impact, is the outcome of the CRIMP-CA programme. This is generally regarded as a 'good' programme that made a beneficial impact on participants' household and productive resources, skill levels and their personal empowerment. And indeed, the brief field research for this study suggests that those women who were members of a CA before the food crisis did survive better than those who had not been members, and they survived better than if they had not participated in the programme. Nevertheless, they are now only marginally better off than they were before they started on the scheme, largely due to:

- the programme barely took them through two crop cycles. In the first cycle they underwent training at the end of which they received their first capital instalment from the compulsory savings scheme; most of them spent this on fertiliser. The benefits of that fertiliser could not be felt till the second crop cycle, but meanwhile excessive rains reduced - literally 'washed out' - any gains that most of them could have made from that first investment. So they had to repeat the process, using their second tranche of savings on fertiliser; this time they lost out to the price and market upheavals that took place in their second season. Effectively, therefore, both chances were lost due to external forces.
- Delays in the starting dates for some groups, and the subsequent shortened duration of the programme in some cases, meant they didn't even see through two complete crop cycles, and the timing put them out of sequence with market and production cycles, in the same way that many people received government starter packs too late each year.

- Related to the first point, the two year maximum duration on the programme that was agreed at programme design stage assumed a constancy that if they did x on time, then y would follow, but the reality was that natural phenomena and political failure intervened, creating inconstancy which was never anticipated in the programme design

There was strong agreement at the synthesis workshop that emergencies and inconstancy should be built into programme design in the future, and that the need for this more realistic approach to timing and duration of programmes should be stressed in negotiations with donors and government.

It should also be noted in the context of ILTPWP, the successor programme to CRIMP, that those who have recently begun to participate in a Contract Association (see Annex E, case study and some female members of the focus group in Mwadzungu) are not so enthusiastic about their involvement in the scheme as they say they say the wage, net of the one-third compulsory savings element, is not enough for them to buy the food they need for their households and working on the scheme prevents them from taking ganyu which would provide them with food instead. The same view was expressed by some of the men participating in the SSC scheme there.

Also, as was evident from the discussion with former members of the Chitukula CA, the empowerment and change in household gender relations that the scheme appeared to have achieved was short lived for many of them, only lasting for as long as they had some economic muscle. There does not appear to have been a fundamental shift in gender relations either within their households or their community.

This would suggest that rights based approaches have to be the starting and end points for future programmatic design rather being than just one element of it.

The following is a list, drawn up at the Synthesis Workshop, of possible components or modules which could be included in a livelihood development programme that begins with safety net provision and goes through the spectrum to long-term sustainable development. How these modules are combined would depend on stakeholders reviewing what is best in their circumstances; then, using a refined Orbit process that takes greater account of rights and entitlements, in particular related to gender issues, clustering those components and blending them into a holistic programme design.

| | |
|--|---|
| <p>Improving Rural Incomes</p> <p>Savings and loans Increasing agriculture and non-agricultural incomes:</p> <ul style="list-style-type: none"> - public works: eg roads, dams, afforestation, by inputs/cash/food for work programmes <p>Building dams and infrastructure for improving agricultural production Strategies to support agricultural production:</p> <ul style="list-style-type: none"> - marketing information - improved cultivation - planning cultivation according to agricultural zones - demonstrations - extension advice - formation of producer groups <p>Marketing and enterprise development Information networks and associations Appropriate technologies Farmer field schools</p> | <p>Community Institutional Strengthening</p> <p>Home based care training Training messages / peer education Link livelihoods to general health Basic adult education Free condom distribution Natural resource management Appropriate technologies CBO strengthening (taking over responsibility and removing dependency culture)</p> |
| <p>Building Individual Capacity</p> <p>Rights and empowerment (training) Gender mainstreaming</p> | <p>Building and Protecting Assets</p> <p>Savings and Loans</p> |
| <p>Mainstreaming HIV/AIDS</p> <p>Home based care training Training messages / peer education Probe into current programming with youth re AIDS to get appropriate programmes Free condom distribution Links to social marketing</p> | <p>Working with Service Providers</p> <p>Monitoring and evaluation re sustainability Organisational change Reflective practice Advocacy work</p> |
| <p>Strengthening Decentralisation</p> <p>Supporting decentralisation:</p> <ul style="list-style-type: none"> - district assemblies -> - empowering institutions -> - governmental sustainability -> - advocacy programming -> - give people voice-> - demanding transparency | <p>Building Coalitions</p> <p>Partnership formation and development Capacity building Institutional strengthening Advocacy and influencing work Reflective practice Organisational change Strengthening existing civil society coalitions and networks</p> |

However, whilst these tables cover a broad spectrum of livelihood interventions, very few of them specifically target the critical issues identified in Section 5. What is needed first is a broad and cohesive framework for an Economic Pathways approach which encompasses strategies for programmatic design that aim to tackle the underpinning issues discussed in Section 5. And, as mentioned earlier, rights based approaches have to be the starting and end points for that future programmatic design.

A suggested framework is outlined in the next section.

7: DISCUSSION PIECE : TOWARDS AN ECONOMIC PATHWAYS MODEL

7.1 Summary of underpinning issues

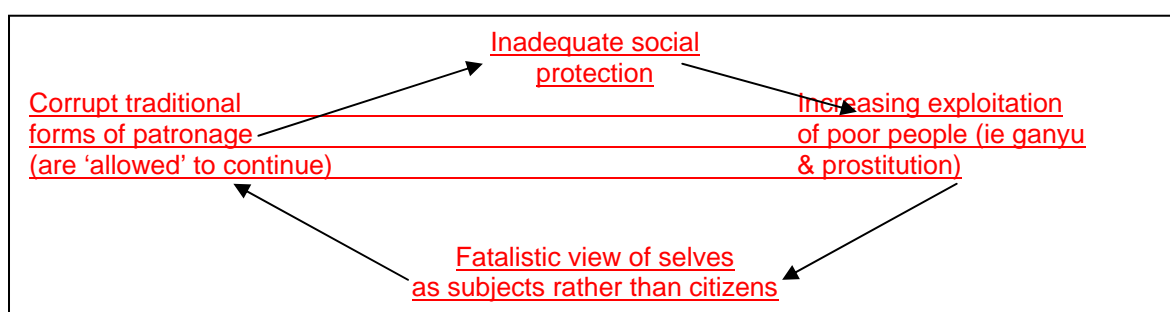
The discussion in Section 5 drew out five central issues to be tackled in developing new economic pathways out of Malawi's structural poverty. To re-cap, these were :

- i) Ganyu is an economic trap leading to exploitation and reduced capacity of poor rural people to develop long-term livelihood strategies based on agricultural production.
- ii) There is need to review assumptions about the types, usage and relevance of agricultural inputs; also present delivery mechanisms of resource transfers.
- iii) Markets are weak in Malawi, but even if these were strengthened through standard macro-economic growth strategies, poor people are unlikely to benefit because of the unequal power relations in existing market structures and practices.
- iv) The dependency mindset of many poor people is the result of outdated and corrupt traditional leadership and institutional structures. This has led to many poor people accepting their position as subjects of patronage rather than as citizens of a democratically governed state in which they have rights that it is the duty of the government to fulfil.
- v) Any capacity for change in governance, markets and perception of human rights will be influenced by the devastation that HIV/AIDS can be expected to bring to households for at least the next generation.

Brought together, these conclusions lead to two fundamental structural issues which need to be tackled in future livelihood programmes:

- Economic exploitation, particularly of women, related to poor people's lack of human rights, unequal power relations in market based growth strategies and the inadequacy of traditional social protection measures
- Weak governance as evidenced by corruption and failure of traditional institutional structures to move from a system of patronage to recognition of people's rights as citizens and fulfilment of those rights

These can be summarised in the following diagram:



7.2 Guiding Principles for CARE’s application of RBAs?

The foregoing discussion points to the need for CARE to work at a deeper, more structural, level than has occurred in the past. The following is an extract from a paper recently produced by a staff member of CARE’s Middle East and Europe Regional Management Unit for a DFID-supported international conference on impact assessment of enterprise development programmes¹². It draws on debates and work being undertaken by CARE International on how to programmatise RBAs, and is reproduced here with the aim of using the principles it lists as the basis of future discussions that might take place in CARE Malawi as it considers the way forward with development of new Economic and Social Pathways.

PRINCIPLES OF A RIGHTS-BASED APPROACH TO PROGRAMMING

CARE has identified six behaviours to enact the vision and mission allied to RBA. These have been translated into programming principles that are still in draft form and may be subject to further revision before final approval is made.

These principles, albeit in draft form, are useful in projecting the emphases that will be given in CARE’s way of working as a rights-based organization. The following explains more explicitly some of these shifts:

Draft Principles

Principle 1: Promote empowerment

We stand in solidarity with poor and marginalized people, and support their efforts to take control of their own lives and fulfil their rights, responsibilities and aspirations. We ensure that key participants and organizations representing affected people are partners in the design, implementation, monitoring and evaluation of our programmes.

Principle 2: Work with partners

We work with others to maximise the impact of our programs, building alliances and partnerships with those who offer complementary approaches, are able to adopt effective programming approaches on a larger scale, and/or who have responsibility to fulfil rights and reduce poverty through policy change and enforcement.

- The first principle will ensure CARE has a full and clear understanding of who the marginalized groups are (not just ‘the poor’) and seek their views on causes for poverty and in all phases of project development, including conceptualizing and monitoring change. This places the ownership of project interventions squarely in the hands of those who would benefit. The notion of *participation* goes far beyond consulting stakeholders or clients but truly making them the owners of the ideas and solutions. Also, CARE’s former principles (that are under review and may be supplanted by the draft principles herewith) referred to *participation* and to *working with the poor*. A stronger sense of commitment to the poor is felt in the words: “*standing in solidarity with the poor*.”

- Principle 2 accentuates the need for meaningful or authentic partnerships, for

greater power sharing, whereby CARE is one player/voice amongst many striving towards the same goals. Coalitions and strategic alliances will enable CARE and its partners to advocate and lobby for change at higher levels.

- Principle 3 shifts our accountability to those we serve and to other stakeholders whose responsibilities are important for the fulfilment of the human rights of marginalized groups. This is a significant change from programming that is geared towards donor accountability, even if not exclusively. It is also makes CARE more accountable to itself to realize its vision and mission.

¹² [Paper presented by Mary Picard to EDIAIS Conference, November 2003, Manchester, entitled “Measurement and Methodological Challenges to Care International’s Rights-Based Programming”](#)

- With principle 4, CARE is compelled to scrutinize its internal environment commensurate with its programming to achieve the diversity that exists within the society in which it operates and ensure non-discriminatory behaviours and attitudes amongst staff. It also implies that in data gathering and analysis, information about the population is disaggregated and target areas differentiated.
- With principle 5, CARE can not deal only with the immediate needs of victims of conflict but should be cognizant of developing, implementing, and evaluating projects in a conflict-sensitive way. Addressing underlying causes of poverty and rights denial also very clearly suggests the need for including power relations in poverty analysis.
- The last principle has various implications for programming, not least of which is a commitment to longer-term programs or initiatives. This is likely to mean bundling projects under a longer term vision in addition to seeking to implement longer term projects. By extension, CARE's relationship with funders becomes critical to this process and the responsibility would seem to lie as much with the NGO to influence donors who share the goal of achieving sustainable impact.

Further, RBA places CARE as an organization much more firmly in the role of facilitator, mediator, or honest broker among multiple stakeholders with different interests, even conflicting agendas, to ensure that marginalized people claim and exercise their rights and duty bearers meet their obligations towards the fulfilment of rights for all groups. As duty bearers are often government agencies, CARE will need to engage them more consistently in its programs. Essentially, CARE will need to reach out vertically and horizontally along a spectrum of stakeholders whose perspectives, actions, and power can determine the rights fulfilment of the marginalized.

Draft Principles

Principle 3: Ensure Accountability and Promote Responsibility

We seek ways to be held accountable to poor and marginalized people whose rights are denied. We identify individuals and institutions with an obligation toward poor and marginalized people, and support and encourage their efforts to fulfil their responsibilities

Principle 4: Address Discrimination

In our programs and offices we address discrimination and the denial of rights based on sex, race, nationality, ethnicity, class, religion, age, physical ability, caste, opinion or sexual orientation.

Principle 5: Promote the non-violent resolution of conflicts

We promote just and non-violent means for preventing and resolving conflicts at all levels, noting that such conflicts contribute to poverty and the denial of rights.

Principle 6: Seek Sustainable Results

As we address underlying causes of poverty and rights denial, we develop and use approaches that ensure our programmes result in lasting and fundamental improvements in the lives of the poor and marginalized with whom we work.

Existing livelihood models therefore need to pay greater attention to human rights issues and status as shown on the next page in Fig 1: Livelihood security components from a Human Rights Perspective¹³. CARE UK has also developed a livelihoods model that places emphasis on the barriers to access, and this is shown as Fig 2, Livelihood Rights Model¹⁴.

¹³ from paper by M Drinkwater, Sept 2003, HIV/AIDS and Agrarian Change in Southern Africa

¹⁴ ibid

Fig 1: CARE’s Livelihood Rights Model (from Drinkwater, M., Sept 2003)

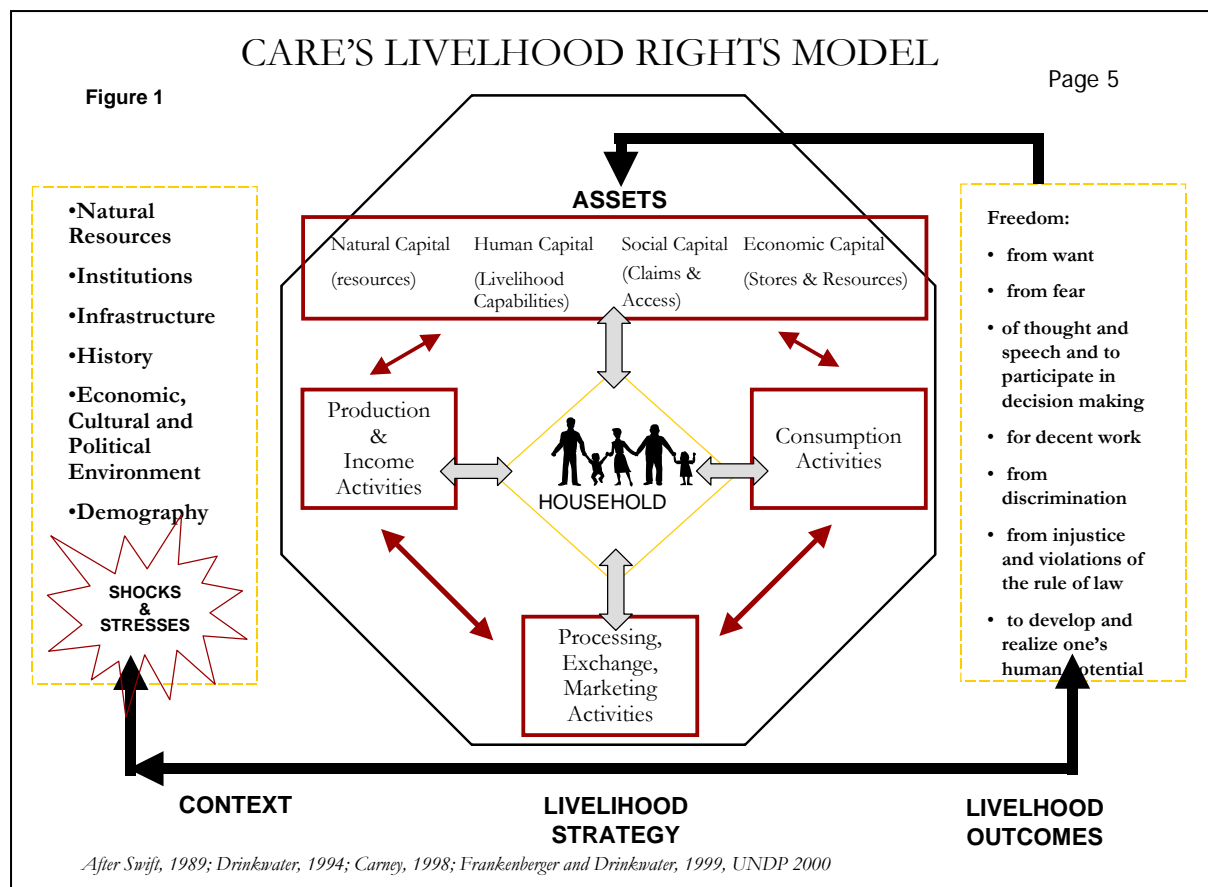
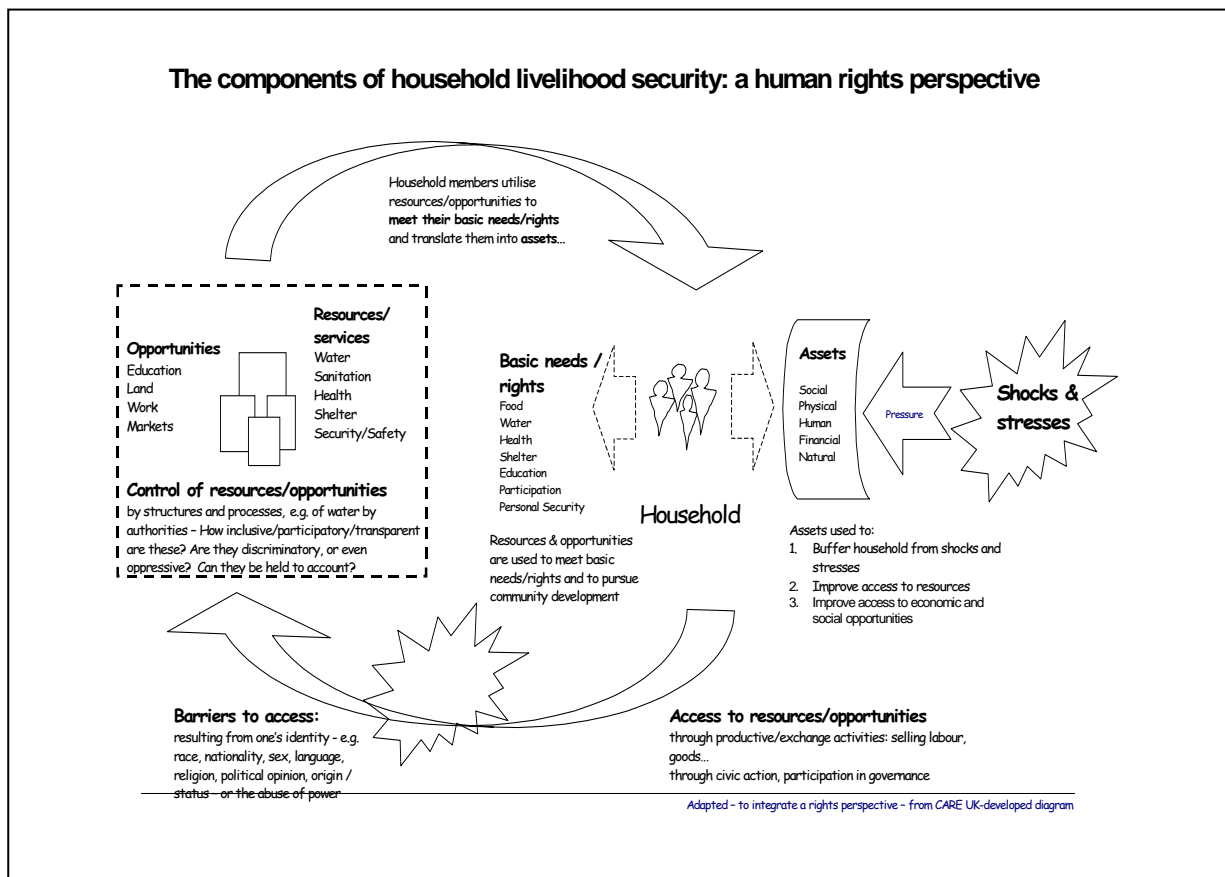


Fig 2: Livelihood Security Components from a Human Rights Perspective (from Drinkwater, M, Sept 2003)

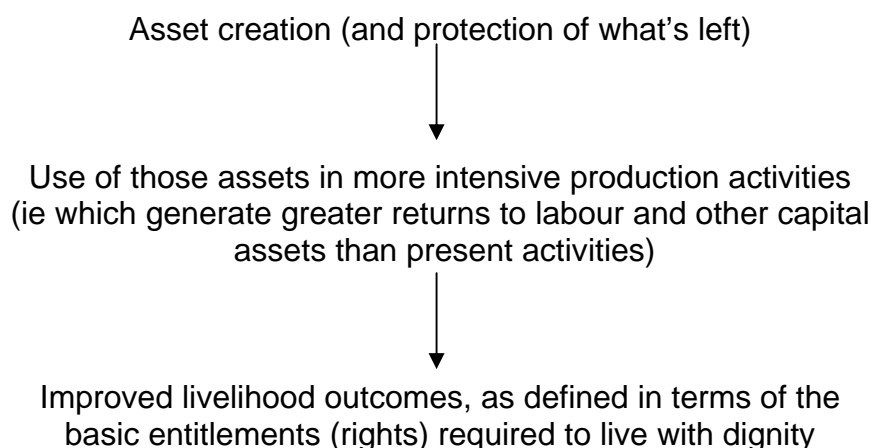


7.3 An Economic Pathways Model?

Any revision of existing frameworks has to begin with questioning assumptions, and in the case of developing a new model for taking forward economic pathways in Malawi this involves questioning the following assumptions:

- i) (as mentioned earlier) the definition by aid agencies of rural households primarily as agricultural producers is no longer valid for the majority of Malawi's rural population.
- ii) given the irrelevance of this definition (which remains the basis for most aid agencies approaches to livelihood programmes) it is necessary, therefore, to develop a clearer understanding of how the Malawian countryside has been transformed by the food crisis, and into what can it feasibly be transformed.

Tactically, ie in terms of its operationalisation, any new framework needs to address:



Taking each of these points in turn:

7.3.1 Assets:

Rural households are losing (have lost) most of their assets, largely because of the impact of HIV/AIDS. As well as needing opportunities to replace those lost assets, they also need to be able to protect their remaining assets. As the research for this study revealed even the poorest people do still believe they have assets and resources they can draw on, principally their land and their farming skills.

Maximisation of these assets depends first on protection and then on opportunities to develop them in new ways that will increase returns to the household. This entails ensuring that mechanisms used to transfer resources to poor rural households will be more equitable and better managed than has been the case in the past.

7.3.2 Production Activities:

Individuals and households need to improve their returns on labour, savings, agricultural inputs and land in order to move out of the poverty trap. Currently,

where land holdings are small or unsuitable for many types of production (eg in Chiwele the land is very rocky and hilly) there are no pathways out for many people; their livelihood options have degenerated and / or stagnated. In the past one way out has been to grow cash crops in preference to food crops, but with reductions in market prices for commodities compared with volatile maize/food prices, this has not worked. Even without these market trends, however, cash-cropping would not have provided the household with its basic subsistence largely because of male control over the cash received for non-food crops.

Asset re-building strategies therefore need to be based on productive diversification and intensification, probably based on changes in farming systems. They also need to be connected to other strategies which create wider choices and opportunities for additional economically feasible activities (for example, strategies which enable rural populations to take advantage of more dynamic urban markets and value-added domestic and export markets). Improved infrastructure (eg roads) is one factor in this but other equally important factors include access to, and training in, improved and suitable technology; also access to market information that is compiled and delivered on the basis of improving producers' returns and extending producers' options.

7.3.3 Improved livelihood outcomes:

However, in pursuing options for product diversification and intensification that will lead to improved returns on poor peoples' investments, care has to be taken that the most vulnerable groups are not further exploited, and that social differentiation is not deepened, for example that women's labour is not used simply to produce more cash over which they have no control, or that child headed households are not denied access to basic education which will prevent them taking up opportunities to participate in more rewarding productive activities in the future.

This means that improved livelihood outcomes need to go beyond a food security that is dependent on systems of patronage and exploitation. They need to be based on development of a decent livelihood that results from their full participation as citizens in a modern democracy in which they are able to exercise their human rights. This requires the development of more inclusive governance structures through which the concepts of rights and entitlements are promoted and achieved.

7.4 Next steps?

The foregoing discussion has sought to set a foundation for further research and work on development of a cohesive framework for rights based livelihood programming.

It is recommended that the framework and components described above be used as the basis of further debate within CARE Malawi.

In addition to the many questions listed in the table at the end of Section 5 which will have bearing on the way an Economic Pathways model is developed, there were a number of other areas where the Research Team felt there was a need for further research. Foremost amongst these were:

- **Impact of HIV/AIDS on the economic potential of Malawi's youth.** It is evident that young people are not only bearing the highest rate of infection at the moment, but also that they are losing out from the impact of chronic illness and poverty amongst their parents' generation, in particular loss of educational opportunity and transfer of skills. If economic pathways are to be developed for the future it is important to know more precisely what is likely to be the effect on the upcoming generation of young adults and their capacity to participate in sustainable economic development of their country. It will also be necessary to consider how young people might alter their decisions based on the current HIV and economic situation (for example, whether they will increasingly pursue livelihood options in urban settings rather than rural areas.)
- **Social disintegration caused by long-term food insecurity:** The constant lurching from one food crisis to another is likely to have had, and is likely to continue to have for the foreseeable future, complex impacts on social, economic and institutional structures, for example: break up of families and enmity between neighbours, gender and generational relations, and mindsets as to what is acceptable in terms of poverty and governance. (For example, in Khongoni the view was expressed strongly that if they could just go back to their way of life before the crisis all would be well again. But of course there was extreme poverty in the village *before* the crisis, which would suggest that poverty is being seen in changing, relative terms rather than as an absolute and as an infringement of human dignity.)
- **Social disintegration caused by HIV/AIDS.** The social unravelling or disintegration that HIV/AIDS is causing has been mentioned several times in this report, and it is understood this is to be studied further in the Social Pathways Assignment. The findings of that research need to be brought together with the findings of this research study, in order to get a clearer picture of the links between the impact HIV/AIDS is having on both social and economic structures, and in development of a cohesive framework for future programming.

- **Structure and sources of informal loans.** The research raised many issues about the nature of informal lending, notably that it is not clear who is lending to who, and on what terms and conditions. Since improvement in credit to rural producer households is a policy of the government under the MPRS, it would be useful to know more precisely what is happening at the moment, why past credit schemes have failed and what type of loans are needed in future that do not lead to deepening of debt and poverty
- **Existing farming systems and mechanisms for change.** Farming systems need to change to take account of the fact that many rural households are no longer net producers but are more often casual employees of large commercial farming enterprises. How can farming systems change to enable greater diversification and intensification that will produce greater returns on poor people's labour, land, savings and other inputs?

8 CONCLUSIONS AND RECOMMENDATIONS

The recent food crisis has drawn attention to the fact that Malawi's poverty is deep-rooted and structural. Provision of temporary humanitarian relief and sustained safety net provision may alleviate the symptoms of chronic poverty but such interventions are not adequate as ends in themselves: they will not prevent similar crises occurring in the future, or develop the kind of resilience that households and communities need to be able to cope with crises.

The objectives of the Economic Pathways research study were:

- To develop an improved understanding of trends relating to the economic aspects of rural livelihoods in Malawi.
- To focus, in particular, on developing an understanding of factors associated with the heightened vulnerability of households and individuals, as a result of the decline or failure of their principal survival strategies.
- To identify the nature of any opportunities that might constitute the backbone for the construction of economic pathways that have the potential to reverse current trends of increasing rural poverty.

Whilst it is clear there is a general commitment amongst the international donor community to supporting GOM in its National Safety Nets Programme, what is less clear is what happens beyond safety net provision: how will safety net provision evolve into long-term livelihood development? how will the transition from 'hand out' to 'hand up take place?' As will be seen from the findings of this research study, this transition is fundamental to moving poor people in Malawi away from a dependency mindset – a dependency on donors and government handouts in substitution of capacity for self-reliance to develop resilient livelihoods.

The food crisis has destroyed most rural households' resource base and their capacity to survive any further shocks, even if they should manage to get over this one. Nor is the crisis over: since many households said they have nothing to plant this year, it can be expected there could very easily be a repeat of the food shortage next year.

Three interrelated issues are critical to the extent to which any long-term economic development strategies can be effective in resolving Malawi's state of chronic poverty:

- how will safety net provision evolve into long-term livelihood development?
- the impact of social unravelling as a result of the HIV/AIDS pandemic, and
- does the institutional capacity exist at local level to deliver the policies of the Government's Poverty Reduction Strategy (MRPS)?

In reviewing its strategy for the future, with the object of building resilient livelihoods that can withstand natural and institutional shocks in the future, principal challenges for CARE Malawi will include:

- Conceptualising and effecting the transition from delivery of emergency relief to safety net provision, and then to production enhancement activities; also

influencing, facilitating and supporting others concerned to effect this developmental transformation

- Effecting a change in the dependency mindset of poor rural people towards external organisations such as CARE and donors; also effecting a change in people's perception of themselves, from subject to citizen, through integration of empowerment and rights based approaches
- Seeking to influence and negotiate change in social and cultural structures which are constraining long-term development and poverty reduction, and causing the structural poverty Malawi

Five central issues related to economic pathways emerged from the research:

- a. Ganyu is an economic trap leading to exploitation and reduced capacity of poor rural people to develop long-term livelihood strategies based on agricultural production.
- b. There is need to review assumptions about the types, usage and relevance of agricultural inputs; also present delivery mechanisms of resource transfers.
- c. Markets are weak in Malawi, but even if these were strengthened through standard macro-economic growth strategies, poor people are unlikely to benefit because of the unequal power relations in existing market structures and practices.
- d. The dependency mindset of many poor people is the result of outdated and corrupt traditional leadership and institutional structures. This has led to many poor people accepting their position as subjects of patronage rather than as citizens of a democratically governed state in which they have rights that it is the duty of the government to fulfil.
- e. Any capacity for change in governance, markets and perception of human rights will be influenced by the devastation that HIV/AIDS can be expected to bring to households for at least the next generation.

Brought together, these conclusions lead to two fundamental structural issues which need to be tackled in any future economic pathways model:

- iii) Economic exploitation, particularly of women, related to people's lack of human rights, unequal power relations in market based growth strategies and the inadequacy of traditional social protection measures
- iv) Weak governance as evidenced by corruption and failure of traditional institutional structures to move from a system of patronage to recognition and fulfilment of people's rights as citizens

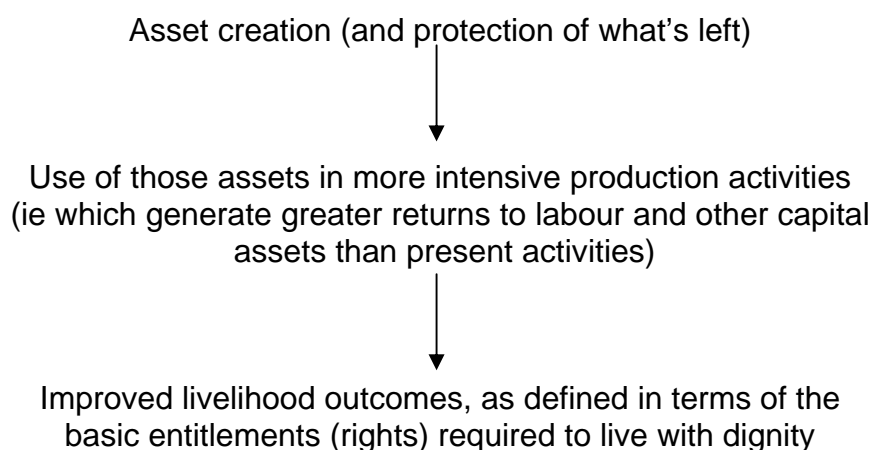
Furthermore, existing livelihood models need to pay greater attention to human rights issues. What is needed is a broad and cohesive framework for an Economic

Pathways approach in which rights based approaches are the starting and end points of programme strategies.

Development of this new Economic Pathways Model or framework has to begin with questioning assumptions, in particular

- iii) the definition by aid agencies of rural households primarily as agricultural producers is no longer valid for the majority of Malawi's rural population.
- iv) given the irrelevance of this definition (which remains the basis for most aid agencies approaches to livelihood programmes) it is necessary, to develop a clearer understanding of how the Malawian countryside has been transformed by the food crisis, and into what can it feasibly be transformed.

Tactically, ie in terms of its operationalisation, any new model needs to address:



Maximisation of assets depends first on protection and then on opportunities to develop them in new ways that will increase returns to the household. This entails ensuring that mechanisms used to transfer resources to poor rural households will be more equitable and better managed than has been the case in the past.

Asset re-building strategies also need to be based on productive diversification and intensification, probably involving changes in farming systems that will enable individuals and households to improve their returns on labour and other inputs. However, in pursuing such options for product diversification and intensification, care has to be taken that the most vulnerable groups are not further exploited, and that social differentiation is not deepened.

This means that improved livelihood outcomes need to go beyond a food security that is dependent on systems of patronage and exploitation. They need to be based on development of a decent livelihood that results from people's full participation as citizens in a modern democracy in which they are able to exercise their human rights. This requires the development of more inclusive governance structures through which the concepts of rights and entitlements are promoted and achieved.

At this stage no suggestions for specific forms of programmes are being made as it is felt the first need is to clarify the model. This document should therefore be regarded as a discussion document in the process of developing that model rather than as a final product.

The following **recommendations** are therefore very general at this stage and mostly relate to the next stage in the process:

i) **That the framework and components described in Section 7 of this document be used as the basis of further debate within CARE Malawi.**

ii) **That further research be undertaken into:**

- **Impact of HIV/AIDS on the economic potential of Malawi's youth.** If economic pathways are to be developed for the future it is important to know more precisely what is likely to be the effect on the upcoming generation of young adults and their capacity to participate in sustainable economic development of their country.
- **Social disintegration caused by long-term food insecurity:** The constant lurching from one food crisis to another is likely to be having deeper and more complex impacts on social, economic and institutional structures than has yet become evident. Again, more needs to be known about these impacts and their relationship to economic development.
- **Social disintegration caused by HIV/AIDS.** It is understood this is to be studied further in the Social Pathways Assignment. The findings of that research need to be brought together with the findings of this research study, in order to get a clearer picture of the links between the impact HIV/AIDS is having on both social and economic structures.
- **Structure and sources of informal loans.** At the moment it is not clear who is lending to whom, and on what terms and conditions. Since improvement in credit to rural producer households is a policy of the government under the MPRS, it would be useful to know more precisely what is happening at the moment, why past credit schemes have failed and what type of loans are needed in future that do not lead to deepening of debt and poverty.
- **Existing farming systems and mechanisms for change.** Farming systems need to change to take account of the fact that many rural households are no longer net producers but are more often casual employees of large commercial farming enterprises. How can farming systems change to enable greater diversification and intensification that will produce greater returns on poor people's labour, land, savings and other inputs?

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