

LOSING FAITH: FERTILIZER AND DEMOCRACY IN MALAWI

By

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To my late parents, Mario and Gertrude Uttaro, and sister Maureen, for all their support, unwavering faith, and infinite love that sustained me throughout and nourishes me still.

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By default, all dissertations are dishonest in one respect: they carry only the name of the individual who wrote it. The truth is that no dissertation is a sole effort or as lonely an undertaking as is often portrayed. Behind the name of the author are scores of individuals without whom no dissertation would ever reach completion. No one knows this better than I do. Although this dissertation is my work, I am only at the top of a pyramid of people upon whose broad and strong shoulders I stand today.

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TABLE OF CONTENTS

	<u>page</u>
ACKNOWLEDGMENTS	4
LIST OF TABLES	10
LIST OF FIGURES	12
ABSTRACT.....	13
CHAPTER	
1 THE (UN) MYTH OF SISYPHUS	15
Fertilizer Subsidy Removal: Exposing Asymmetrical Power Relations	23
Contested Perspectives on Development’s Purpose.....	26
Research Setting	29
Methodology.....	31
Outline of the Study.....	32
2 AFTER THE WAVE.....	36
A Different View of State Significance	40
Democratic Consolidation	43
Democratic Consolidation and Economic Liberalization	48
Hypothesis.....	50
Structural Adjustment Justified in the Context of African Politics	53
Politics in Africa.....	54
Malawi as a Case Study.....	63
Conclusion.....	72
3 SETTING THE CONTEXT: MALAWI’S STRUCTURAL ADJUSTMENT EXPERIENCE.....	74
Structural Adjustment: An Overview	76
Oil Shocks and the Foundation for the World Economic Order	80
Neoliberalism and the New Architecture of Development	82
Effects of Structural Adjustment	87
Structural Adjustment in Malawi.....	88
Fertilizer Subsidy Removal	90
Criticism of SAPs and Fertilizer Subsidy Removal.....	93
Conclusion.....	95
4 STRUCTURAL ADJUSTMENT AND DIMINISHING CHOICES AT THE VILLAGE LEVEL.....	98

Household Food Security.....	108
Decision Tree Modeling	113
Research at the Village Level.....	114
Constraints to Using Chemical Fertilizer.....	116
The Decision to Use Small Bags of Fertilizer	125
The Decision to Plant Hybrid Maize	130
Conclusion.....	138
5 A MATERIAL VIEW OF DEMOCRACY: DATA	143
The View from the Ground.....	147
Problem Identification.....	154
Importance of Perceptions of the Promise of Democracy.....	162
Social and Economic Variables	163
Political Implications: Voting and Participation	169
6 CONCLUSIONS	175
Resurgence of the Personality Politics	179
Reflections on the Role of the State	184
A Different Approach: Reinstating the Fertilizer Subsidy 2006	196
LIST OF REFERENCES.....	204
BIOGRAPHICAL SKETCH	222

LIST OF TABLES

<u>Table</u>	<u>page</u>
2-1 Measure of democratic consolidation of sub-Saharan African states.....	38
2-2 Ranking of Malawi’s human development index 2005	70
2-3 Ranking of Malawi with selected indicators of human poverty (2004).....	72
4-1 Farmers ranking of reasons for planting pigeon pea.....	122
4-2 Farmers ranking of reasons for planting mucuna	123
4-3 Farmers not using fertilizer likely to have cash for small bags	126
4-4 Farmers choice between manure and chemical fertilizer for best hybrid yields.....	131
4-5 Number and percent of farmers planted hybrid maize.....	136
4-6 Change in percentage of farmers who planted fertilized hybrid maize	137
4-7 Change in amount of fertilizer applied and hectares of hybrid, 1995/96-1996/97	138
5-1 Identification of problems ranked by frequency and percentage.....	156
5-2 Households unable to produce enough food by frequency and percentage.....	157
5-3 Farm production and food security by frequency and percentage.....	157
5-4 Fertilizer use on crops compared to previous year by number and percentage	158
5-5 Amount of fertilizer use and food security	159
5-6 Solutions for government to address ranked by frequency and percentage.....	161
5-7 Respondents believing the promise of democracy has been kept.....	164
5-8 Is life better or worse after MCP and one party rule?.....	164
5-9 Relationship between perceptions of democracy and agricultural production	166
5-10 Relationship between perceptions of democracy and government responsiveness.....	167
5-11 Perceptions of political leaders’ awareness and concern.....	168
5-12 Voting turnout 1993 – 2004.....	169

5-13	Logistic regression models predicting perception of whether the promise of democracy has been kept or not.....	172
5-14	Predicted probability on dependent variable.....	174

LIST OF FIGURES

<u>Figure</u>	<u>page</u>
2-1 Human Development Index	39
4-1 Decision tree for using chemical fertilizer.....	119
4-2 Decision to use small bags of fertilizer.....	128
4-3 Decision to plant hybrid maize	133

Abstract of Dissertation Presented to the Graduate School
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Since the end of the Cold War, countries in sub-Saharan Africa have been simultaneously undergoing economic and political liberalization. Under the auspices of the international financial institutions of the World Bank and the IMF, the success of structural adjustment policies and democratic consolidation is assumed to be inherently bound up in the complementarity of the two processes. However, skeptics argue that the simultaneous processes of democratization and economic liberalization are particularly incompatible in sub-Saharan African countries due to the severity of the conditions they face. Indeed, for those countries that have followed the IFIs dictates, the record is dismal on both counts.

It is argued in this dissertation that the World Bank, the IMF and the donor community, unbending in their belief in neoliberal economics, pushed policies on Malawi that were inappropriate for the unique circumstances Malawi faced. Consequently, not only did these policies negatively affect the lives of the vast majority of Malwians but they also impeded democratic consolidation. A key mistake was that the priorities of the IFIs as expressed in their structural adjustment policies were widely different from what the people expected from their new democratic government. Failing to comprehend the difference, the IFIs placed Malawi's new

democracy under great stress by removing specific policy instruments from political discussion and contest. The outcome was to severely limit government responsiveness to people's demands.

One policy in particular, the removal of the fertilizer subsidy, was a key decision by the Bank and the IMF. This action is used to see how it affected people's belief in the promise that democracy would improve their lives. A material perspective on democracy is adopted to argue that removing significant policies such as the fertilizer subsidy from democratic political contestation illustrates how democratic consolidation and economic liberalization processes actually work at cross-purposes. As a result, neither democratic consolidation nor economic growth occurs.

One of the greatest challenges facing new democracies in Africa is proving to people that their faith in democracy's promise to significantly improve their lives is not misplaced. To that end, government responsiveness is crucial. Democratic consolidation requires a state that has the ability to respond to people's demands. In doing so, democracy reforms the state and its institutions. Responsiveness to people's demands not only strengthens the bond between state and society but also increases the legitimization of the state and in the process developing state capacity to carry out economic structural adjustment. Ultimately, a re-examination of the role of the state is necessary if the two processes are to become complementary.

It is concluded that the World Bank and other international institutions need to abandon the "one-size-fits-all" neoliberal approach to structural adjustment and allow individual countries input in the design of policy packages necessary to solve their unique problems. In this way, structural adjustment policies sensitive to the specific contexts of each country can foster economic growth without hindering democratic consolidation.

CHAPTER 1 THE (UN) MYTH OF SISYPHUS

I came to Malawi for the first time in 1995 with the purpose of nosing around a bit, meeting people, making appointments and with other sundry activities, nail down a research agenda for a dissertation. I had three weeks and no idea what so ever how I would manage to do it. It was June, the start of the dry season, but I did not notice. I liked the idea that one bright sunny day would follow another and even more grateful of that fact as I walked the streets of Lilongwe, the capital city. At first, it was intimidating because I had never been to a developing country before. However, within a few days, I was comfortable enough to explore other areas of the city. I would set up appointments, meet with a number of people in the government, ask questions, and take notes. In the afternoon, I would return to the guesthouse to look over my notes hoping that somehow, the direction of my research would be revealed. Somewhere in those notes, the spores of the greatest dissertation ever written were waiting for that moment to explode.

On days where I had no appointments, I would walk around the city, curious and amazed at the number of street vendors along the sidewalk selling all types of items. I also noticed that all were selling much the same items. It did not matter whether one was shopping for bowls, bags, or batteries, quality was the same. In the main market, I noticed virtually the same only many more stalls and many selling second hand clothing. All these things and more I noticed but it meant nothing to me. I was in tourist mode and Malawi was ‘exotic’ and ‘different’. I was in Africa.

I headed to Zomba where I spent a few days before continuing on to Blantyre where I wanted to interview Emmie Chanyika, a civil and gender rights advocate. On the first morning in Blantyre, I woke up early, had breakfast and headed down the hill to the Red Cross in the city

center. It was about 8:30 and the path along the main road was busy with pedestrians. Almost all would look at me especially the children in tow. I figured their interest in me was because I was white. Only later did I realize that was only part of it. I would smile, nod and say hello to everyone I passed. On that particular morning, a small boy, maybe around twelve years old, was coming up the hill balancing a very large bag of charcoal on his shoulder. He wore a brown shirt, black shorts and he was barefoot. The bag was clearly very heavy but I was amazed at how well he had it balanced, holding the outside with his left hand, and “locking” it in place with his head. I remember thinking what a strong, little boy he was. As we approached, I smiled and said hello in Chichewa. He did not smile back nor say anything. He just looked up at me with a stare that I interpreted to be a mixture of shyness and curiosity. I assumed he was heading to the squatter settlement farther up the hill where he would sell the charcoal. I continued on my way excited about the possibility of meeting Mrs. Chanyika.

The next morning, following the same routine as the previous day, I headed down the hill to Blantyre. Just as the day before, I passed many Malawians, smiled, nodded, and said hello. I would be in Blantyre for two more days before heading back to Lilongwe and flying home. As I walked down the hill, I was occupied with thoughts about my research, putting together a research prospectus and returning home where I suspected everyone would be curious to hear about my experience. I sensed an expert was being formed and I was pleased.

Then I saw him. The same small boy was coming up the hill just as he had the previous morning. He carried another bag of charcoal in the same way, heading to the same market. He wore the same clothes only this time I saw them in every detail. The brown shirt that seemed sufficient the day before now looked as the rag it was. It had no buttons exposing his thin chest to the morning cold. There were several holes and tears as well as a rip at the seam where the

sleeve met at the shoulder. His black shorts were equally tattered displaying numerous holes and a tear up the seam on the side. One pocket was only partially attached and dangled uselessly. Just as the day before he walked up the hill barefoot. As we passed I did not say hello, I tried to smile but could only nod my head. His eyes looked at me in the same as the day before yet, this time when our eyes met, something inside of me shattered. Everything was the same as the day before except in me, nothing was the same. We passed but this time, I only took a few steps and stopped. I turned and watched as he walked up that hill carrying that heavy bag on his small frame and at that moment, everything changed. The day before I noticed this boy but this morning I understood him.

This boy's life had suddenly opened before me. Invisible to me the previous day, now the entirety of his life, past, present and future, was plainly exposed. Questions that have no answer, the ones that torment, rose inside me. They still do. Why is he not in school? Why is he not playing soccer with his friends? There are many things he should be doing other than carrying a bag of charcoal up a hill. Why is he not doing what twelve-year-old boys do? I stood there watching as this young boy, bent at the waist, his thin legs pushing forward, walked on up the hill defying all that was stacked on top of him and before him. I wondered if the same questions rose within him and swirled about in his head as they were in mine. Or did he one day find in that heavy load the irreducible answer that arises when the powerless confront the Fates: this is how it is and you need to eat.

I had been in the country for almost three weeks yet I first encountered the "real" Malawi while descending the hill on that cool July morning in 1995.

In Greek mythology, the gods condemned a man to push a rock up a hill for eternity for defying the gods and thinking he was their equal. As I watched this small boy slowly going up

the hill, that story I learned so many years ago in high school invaded my thoughts. It was no longer a myth. For me, that small boy was the condemned Sisyphus and a metaphor for all the interminably tormented people like him. The only difference between the myth and this boy is that at least Sisyphus was guilty of something. What gods, I thought, condemned this boy to carry such a burden up a hill?

Most dissertations do not start with such long stories. Usually by now readers already know the main question that guides the research. Nevertheless, this story is relevant. It is not just an incident but also a condition and raising important questions and issues. If a young boy is carrying charcoal up a hill everyday instead of being in school, then what does this say about development? If only his was an isolated case. It is not. Throughout Malawi, there are hundreds of thousands of children working, struggling along with their family simply trying to survive. If this is the result after decades of “development” then what does no development look like? How is it that so many people, particularly what Paul Collier calls “the bottom billion” in the twenty first century live in conditions reminiscent of the fifteenth century? What could the people of Malawi have done that left them in such appalling conditions? Where does responsibility lie? Broad questions like these midwived this dissertation. Malawi is a good place to try to find answers.

Malawi is ranked in the bottom five by the United Nations Human Development Index and thus is one of the poorest countries in the world (UNDP/HDI, 2005). There are many statistics to confirm this fact but numbers only go so far. Statistics force us to think abstractly and that may be why answers to the above questions remain theoretical at best while solutions prove elusive. Statistics provides indications of poverty, illiteracy, hunger, etc. but we cannot understand any of these with just statistics.

This dissertation attempts to answer the broad questions above by examining how people in rural Malawi feel about their government. More specifically, this study is about their faith in democracy and its power and promise to improve lives. After all, democracy is preferable because within it is the means to do just that. Democracy is reformist on many dimensions. It changes government institutions, procedures, and rules. It opens government up, providing transparency and it makes leaders accountable, a corrective to irresponsibility. Moreover, democracy requires not just rules but those rules structure how elites and leaders are to act.

Democracy reforms society by establishing a protective environment for the expression of freedom and protecting civil rights as well as property rights. The rule of law maintains that there is freedom of the press so ideas circulate as well as criticisms. Laws protect the freedom to associate and form interest groups to press demands into the political system but also to interact, exchange ideas and discuss public issues publicly. In such an environment, there is prosperity because transaction costs are minimized. Prosperity ensues, growth commences and society benefits.

Democracy reforms economic conditions. It is a system that provides the means by which citizen preferences are reflected in policies. Economic and social inequalities are lessened because elected leaders use the power of the state to address such concerns. In this way, democracy helps build a middle class reducing the tensions and potential conflicts that would arise from wide disparities in income and wealth. From a structuralist perspective, the proof in the pudding for democracy is in the improvement in the quality of people's lives. Democracy has to operate at the micro-level as well as at the macro or else it loses meaning and possibly support.

In this sense then and very importantly, it is democracy's task to create a state that connects with society. By responding to the preferences of citizens, people see the system as one to uphold, protect, and foster. Democracy is legitimized when most groups receive some material gain or at least believe they will. There are many ways to define and describe democracy. For me, the one that captures the essence of all that I believe about democracy is reciprocity.

None of this is happening in Malawi and that is why the story of Sisyphus is no longer a myth to me. If there is a common theme weaving through this study, it is diminishment. From the time of this study, Malawi experienced diminishment on all three dimensions: crop yields are diminishing, lives are diminishing, and politics is diminishing. As a political scientist interested in politics and policy, I believe a deeper investigation is necessary.

How is it that life for the majority of Malawians has simply gotten worse? What explains this and what does it mean for Malawi's democracy? I hope this study sheds some light on these questions.

To begin, it is important to understand that there are two processes occurring relatively at the same time. The first is economic structural adjustment. Since the early 1980s, Malawi has been undergoing economic adjustment to correct structural imbalances that threatened economic collapse. It is widely accepted belief that undergoing macroeconomic structural adjustment is difficult and painful at first but is necessary if positive economic growth is to be attained. Yet, Malawi has been structurally adjusting for over twenty-five years and the pain continues with no end in sight. It is a long time and so worth asking why is it that so many people continue to bear the pain and reap no benefit?

The second process concerns Malawi's democracy. In 1994, Malawi held the first multiparty elections in thirty years. Democracy arrived with much hope, none more so than the promise it held out to people that finally they could shape the policies that would improve their lives. After more than ten years, this promise has not been redeemed. Why has democracy failed to deliver on that promise?

The answers to why both economic adjustment and democratic consolidation failed lies somewhere in the fact that neither has been completed. Structural adjustment and democratic consolidation, the ends of each process are stalled. There is something to this fact that opens the door for further inquiry. This research proceeds under the assumption that the two are related. In regards to democracy, I argue that consolidation has been stalled due in part to the IMF, World Bank and international donor community and the macroeconomic structural adjustment policies they required Malawi to adopt. In a larger sense, Malawi's path to democratic consolidation is embedded in the greater global capitalist system and the "transnationalization of international relations" (Grugel, 1999: 19). Although adoption of structural adjustment policies (SAPs) is expected to create economic dislocations for people, there is little understanding on how the same SAPs can effect democratic consolidation. Democratic consolidation takes place in this context.

One possible reason why less attention is given to the contextual factor is that structural adjustment and democratic consolidation are often treated separately although not by all. Chazan, Lewis, Mortimer, Rothchild and Stedman (1999) as well as Healy and Robinson (1992) are examples of studies exploring the link between democratization and global economic policies but the attention they devote to it less than sufficient for a deeper understanding. Abrahamsen (2000) provides a much more thorough and provocative study regarding the convergence of

these processes. Her argument coincides with the one in this study, that is the hegemony of World Bank structural adjustment has profound negative influences over democratic consolidation. Others perceive the link as complementary in that African regimes, being dependent on the aid of foreign governments are required to adopt policies of democratization (Pinkney, 1994; Grugel, 1999). In other words, political democratization flows out of the aid dependency of African governments (Grugel, 1999). Still others focused internally, pessimistically questioning whether the governments in Africa can achieve either (Jeffries, 1993; Huntington 1991; Callaghy 1994; Bienen & Herbst, 1996).

The role of non-state actors is not given the necessary scrutiny it deserves. It is likely that aid dependency affects consolidation of democracy but the evidence is less than clear and allows only for speculation. Linking further aid to conditionalities such as political liberalization is not a bad thing in and of itself but it provides us with at least a better awareness of the asymmetrical power relationships that aid dependent countries are in with non-state actors. If the international financial institutions (IFIs)¹ and donors have the power to persuade governments to institute both political and economic reforms, then we need to ask in whose interest are they being implemented? Who benefits? Rural Malawians certainly are not.

My own skepticism about the complementarity of structural adjustment and consolidation processes began at the time the government of Malawi ended subsidies on fertilizer in 1995. I knew Malawi was a poor country and the people were highly dependent on agriculture. Moreover, most of the people were peasant farmers primarily engaged in subsistence agriculture. Additionally, the country's soils were nutrient deficient and food insecurity was a major concern. Therefore, fertilizer is essential for food security and it seemed at the time that removal of

¹ From hereon, I will use the acronym IFIs when referring to the World Bank and the International Monetary Fund (IMF).

fertilizer subsidies was the wrong policy for all those reasons and more. If the policy was unpopular, there was ample reason.

Fertilizer Subsidy Removal: Exposing Asymmetrical Power Relations

However, there is more to this story. The policy was just one within the larger structural adjustment program advocated and pushed by the World Bank and the IMF. If removal of the fertilizer subsidy seemed to be pushed vigorously by the World Bank and donor community, it was done so as part of this larger, encompassing program. One particularly strong advocate for it was USAID. Since the United States provided support for Malawi's balance of payments, Malawi's government was notified that any wavering on the removal could result in US support withdrawal. What unfolds in the story is therefore more than just following policy prescriptions but the asymmetrical power relations evident in the way the donors and IFIs work together in seeing that Malawi adheres to the program.

The power of international donors and the IFIs was starkly apparent at a conference I attended in February 1997 in Lilongwe. The conference was called because of the growing concern about low yields and subsequent starvation facing Malawi. Donors, World Bank officials, Government representatives and NGOs all gathered to discuss policy options. What I witnessed troubled me as much as the impending starvation. A group of consultants, researchers, and NGO officials admitted that the only way to avert the disaster was to reintroduce subsidized fertilizer for the short term. As reasonable as that sounded, USAID responded swiftly saying it was a policy option that was dead on arrival and government official's attending the conference were told so in no uncertain terms. There was no vote, no consultation, no consideration. Mostly, there was no one speaking on behalf of the people. There may have been democracy in Malawi but it certainly was not in that conference.

In this context, it is hard to believe that democracy is doing well in Malawi. One way of taking its temperature is to see how people feel about it particularly in regards to holding up its material end of the bargain. More precisely, how well is democracy responding to the economic and social needs of citizens. Although, this study focuses on the materialist aspect of democracy, I do not assume that the other values intrinsic with democracy – rule of law, freedom, civil rights – are not important. Indeed, I stress that a robust and healthy democracy functions well on both the intrinsic and the materialist dimension. Nevertheless, this study focuses on the materialist dimension because it has the most significance in people’s everyday lives. I maintain that in desperately poor countries, the materialist dimension is the horse that pulls the cart.

The connection to consolidation should not escape us, either. How people feel about democracy’s ability to deliver the goods and to improve their lives is a significant factor in the consolidation process, particularly in a poor country. In this respect if democracy fails then that suggests that democratic institutions are weak and undeveloped creating an opening for a return to clientalism and neopatrimonialism. It is in this sense, that this study bears significance.

To address the problems facing Malawi I mentioned above, fertilizer is the key. Without it, yields decline, food insecurity increases and hunger takes hold of household decisions. With diminishing yields, scarce cash goes towards food purchases and when that runs out, people start selling the few possessions they have. In the worst cases, women turn to prostitution, children are sold or abandoned, and crime goes up as people resort to stealing and hope for a better life unravels.

The stories are heartbreaking. There is the young woman, a prostitute who said she was twenty but she looked younger. She left home, she told me, to earn money so her mother and siblings could buy food. In a village not far from Lilongwe, I met a village headman’s wife. She

was terribly concerned because they had no money to buy food and her husband was ill. She told me of the hunger in the village. “Njala, bambo,” she said. (“There is hunger, sir.”). As we spoke, I heard some rustling in the nkhoekwe or storage bin near the house and turned to see what was making the noise. A young girl was scavenging around to find a few ears of maize. It was her grand daughter. I could see that the nkhoekwe was nearly empty and here it was only August. They would have to wait until the next harvest, which was not until March and April.

These are not isolated stories; they indicate more than just very difficult times. Without exaggeration, they are the stories of all those condemned to carry a burden just like the little boy in Blantyre. However, unlike Sisyphus, all are innocent of any personal transgression against the gods.

Undoubtedly, outside influences have played a major role in shaping Malawi’s recent economic and political history and continue to do so. Pressures from the IFIs have essentially taken the autonomy of the state to conduct and design domestic policies. If democracy is suppose to ensure that the preferences of citizens are reflected in policies (Dahl, 1971) then there is a paradox here. The democracy that the IFIs propose is a democracy where the space to maneuver is considerably narrow while the donors place political conditions to aid requiring an opening up of the political space. Their understanding of democracy is limiting and from my perspective, it is very difficult to see how a restricted democracy has any chance of being consolidated. The democracy in Africa envisioned by the international donor community weakens the chances for consolidation because democratic reforms do not have any influence on policymaking.

In such a scenario, the processes of democratic consolidation and economic adjustment are working not complementary but against each other or, as I put it, at cross-purposes.

However, that is misleading as it provides an image of democracy and economic adjustment are on equal footing. That is not the case, as the brief discussion above confirms. Instead, concurring with Abrahamsen's thesis (2000), the IFIs and donor community have the upper hand as they have the greater power. Nevertheless, even as the IFIs dictate policy options, by limiting democracy in Malawi they not only stall consolidation but also derail the economic growth that is suppose to follow the implementation of their structural adjustment policies. Thus, working at cross-purposes captures the dynamic very well.

Stalling consolidation can have serious consequences. By restricting the policymaking arena Malawi's democratically elected government cannot respond to citizen preferences, which provides the opening for a return to the neopatrimonial politics. Malawi's democracy is very young and fragile. The ghosts of the past still tempt ambitious elites despite political reforms and personal notions of power continue to influence state formation in Malawi. What is emerging politically is a politics much more in common with the past regime than what the people had in mind at the time of the first multiparty elections.²

Contested Perspectives on Development's Purpose

Even as much of the power to shape politics resides with the international donor institutions, the contest is between different interpretations of development. On the one hand, the World Bank and others reduce development to economic development while on the other hand, democracy by nature defines development much more broadly. Diane Elson captures the difference very well as she describes the IFIs view as 'money-centered development' compared to 'people-centered development' (Elson, 1994). The IFIs priorities are evident.

² See Harri Englund "Winning Elections, Losing Legitimacy: Multipartyism & the Neopatrimonial State in Africa" in M. Cowan and L. Laakso (Eds) *Multiparty Elections in Africa*, 2002.

Generally, everyone accepts the democratic framework that organizes Malawi's political competition. The IFIs and donor community, frustrated with the ability of the one-party authoritarian regime to implement their policies, promoted democracy as the means of bringing about economic growth. It was finally clear to them that the corrupt and neopatrimonial networks failed to implement structural adjustment reforms and it was time for transparency. The hope was that democracy would transform politics and, among other things, bring about economic recovery and social development. This has not happened in Malawi.

The reason is that the IFIs perspective supported the basic structures of a democratic state but little else. With a narrow focus on money-centered development, the democracy promoted by the IFIs was one that they hoped would best serve their interests; the interests of the people of Malawi were secondary, if at all.

In sharp contrast, democracy came to Malawi promising to transform life. For very poor people, that is neither a complicated nor a far-fetched idea. To them, it simply means that democracy their having a say in the way resources are allocated would change their lives. In other words, democracy was specifically promised to address and improve their socio-economic status. This, too, has not happened.

Because of both of these failures, politics in Malawi has not changed to the extent and degree necessary for democratic consolidation. With economic, social, and political life deteriorating in Malawi, it is important to find plausible explanations. One area of investigation is to discover what rural people think about the promise of democracy. This is important since, as mentioned above but bears repeating, if democracy is not living up to the promise of delivering the goods and improving lives, the return to neopatrimonial politics greatly improves

making consolidation even more difficult. It is the goal of this work to show that perceptions about democracy's ability to transform lives condition the type and practice of politics.

Ultimately, this study is about the role of the state – and by default non-state actors - in development. It brings back that old debate and jumps into the fray with both feet. Why structural adjustment and democracy work at cross-purposes centers on conflicting views of the state. The IFIs, with their neoliberal paradigm, conceive of a minimalist state and requiring of recipient governments to implement policies to achieve that goal. For them, the free market can work miracles but only if the state has little if any interference. It is a belief that represents the best expression of what 'money-centered development' means.

On the other side is the democratic state, profoundly different from that conceived in the neoliberal paradigm. Simply put, a democratic state is dynamic because it changes relationships with society. The nature of a democratic state is to be responsive because it is accountable and leaders who wish to remain in office cannot afford to neglect responsiveness. Responsive democratic states are also effective for the same reasons. Failed policies are as likely to result in a change in leadership as is neglecting popular aspirations. By adopting policies reflecting the desires of people, the democratic state connects to society, enhances its appeal, and in the process, consolidates.

The conflict between these two perspectives highlights the difficulty for Malawi's democracy. With little choice and less power, the IFIs have confined Malawi's democracy to a situation rendering it unable to respond to the needs of the people and impossible to connect with society. Without the means and the tools to do so poor countries such as Malawi have little chance at consolidating democracy. Under these circumstances, consolidation is a daunting endeavor; as daunting as that hill Sisyphus is condemned to climb.

Research Setting

Rarely does one find a description of Malawi that does not refer to the deep impoverishment of her people. Geographically landlocked, resource poor and rain dependant, it is an overwhelmingly rural country with high population growth and limited arable land. The population is currently about 12 million with a growth rate of about 2 percent per year. Incomes are insufficient even to provide for basic food security for a large share of the population. Malawi ranked 176 out of 177 on GDP per capita, with a per capita GDP at purchasing power parity (PPP) of only \$605 in 2003 (UNDP, 2005). According to the World Bank, Malawi had a per capita GNI of \$170 in 2000, placing sixth from the bottom of the countries based on that measure (World Bank, 2002). Close to 50% of children under five are chronically malnourished and nearly every family is affected by disease, notably malaria and HIV and AIDS (UNDAF, 2007).

Economic structural adjustment and the shift to political democracy, has not changed Malawi's ranking and remains one of the poorest countries in the world. A variety of indicators confirm this, whether GNP, the United Nations Development Program (UNDP), Human Development Index (HDI) or its Human Poverty Index (Chinsinga, 2007). According to the Integrated Household Survey (IHS) done in 2005, it is estimated that about 52% of the population lives below the poverty line and more than 22% live in ultra poverty³ unable to meet their minimum food requirements the majority of these are women (*Integrated Household Survey*

³ An absolute poverty line divides people into two groups and is defined in simple physical needs based on a scientifically determined minimum requirement for human survival. There are various opinions about the relevance of an absolute poverty line since some argue that it is contextual. For example, Chen and Ravillion (2001) taking data from the International Comparison Project of 1993, calculated an absolute poverty line of \$1.08. The World Bank defines national poverty lines as the thresholds usually set for households of various compositions to allow for different family sizes and they may be defined as the level of income required to have only sufficient food or food plus other necessities for survival. Malawi's poverty line, particular to Malawi, is measured as \$0.50 per person per day while ultra poverty is less than \$0.31 per person per day (NSO,2005).

2004-2005, NSO, October 2005). In other words, nearly 7 out of 12 million Malawians live in poverty and up to 19% of the population do not have the income to meet even the daily recommended food requirements (Chinsinga, 2007; NSO, 2005; GoM/World Bank, 2006; Devereux, Baulch, Phiri, & Sabates-Wheeler, 2006).

Structurally, Malawi's economy is heavily dependent on donors. Agriculture is the most significant sector responsible for approximately 39% of gross domestic product, 85% of the labor force and 83% of foreign exchange earnings (Chirwa, Kidd & Dorward, 2006). Manufacturing plays a much less significant role accounting for only 11% of gross domestic product of which 26% is agro-processing (Chinsinga, 2007; Chirwa, *et al.*, 2006).

Food insecurity remains a serious challenge (Orr & Mwale, 2001). Studies estimate that yearly maize productivity ranges between 320 and 770kg per household, which results in over 70-80% of all rural households being short of self-produced staple foods for 4 to 5 months (Owusu & Ng'ambi, 2002; Chinsinga, 2004 and 2007). Members of poor households in rural Malawi can only satisfy 66% of their calorific requirements (Chinsinga, 2007). Households unable to produce sufficient amounts of food must either purchase food, work as ganyu (casual) labor on other farms or join a food for work program. Two periods of extreme hunger, one in 2001/2002 and the other in 2004/2005 underscore the severity of the situation. These experiences have turned food security into a highly charged political issue. Indeed, the 2001/2002 hunger crisis affected so many that food security "appeared in the platforms of politicians, on the agendas of policy makers, in the programs of public bureaucracies, among the duties of village chiefs, and on the pages of national newspapers ..." (Sahely, Groelsema, Marchione & Nelson, 2005: 17)⁴.

⁴ Quote for Chinsinga, 2007.

Methodology

The research for this dissertation began in December 1996 after returning to Malawi to do research under a grant from the *Gender and Soil Fertility in Africa Soils Management CRSP* and continued through December 1998. The research covered the entire country but centered entirely in the rural areas where food security and fertilizer decisions are important. The fact that Malawi, like Caesar's Gaul, is divided into three regions where political attitudes are influenced by ethnic identity, it was important to have the number of respondents be proportionally representative of the general population distribution. Respondents in the Northern region, where population is much less than in the Central or the Southern regions were limited to 50. In the Central region, 100 interviews were conducted while there were 150 interviews in the heavily populated Southern region. A total of 294 responses were collected.

Six research assistants were trained for the interview process. Assistants were chosen by education level⁵ and regional identity. One assistant from the Northern region conducted interviews in the North, two from the Central region conducted interviews in that region, and three assistants from the Southern region conducted interviews there. Respondents were picked by a systematic process that was based on breaking larger units into smaller ones. As mentioned above, the country is already divided into three regions. Each region was divided up by traditional authority (TA) and five villages were randomly chosen in each TA with no village within five kilometers of the other. Respondents in each village had to comprise at least one male, one married woman, and one female-headed household. Research assistants were to conduct no more than four interviews in a village and each assistant had to conduct a total of 50 interviews between October and December 1998.

⁵ All but one were students at Chancellor College. The other was a school teacher from Malosa.

As I mentioned earlier, this research was conducted in the rural areas of Malawi. As such, the focus is at the local level on a population whose views and opinions are considerably less represented in the literature on politics and democratic consolidation. Much of the literature on politics in Africa focuses more on institutions and activities at a higher level of politics. Attention to phenomena such as elections and political parties are just an example and there is an abundance of literature attesting to this fact. Less attention is paid to rural villagers although they represent the bulk of Malawian society. For this reason, it is important to hear from them since they potentially have the numbers to change elections.

Outline of the Study

This study is divided into six chapters. In addition to this introductory chapter that provides the overview for this study and the pertinent issues, the second chapter contains the theoretical perspectives with a literature review of works regarding democratic consolidation and theories of the role of the state in development. In a much deeper discussion, it is shown how the two processes taking place almost simultaneously in Malawi affected each other from achieving what was initially promised. The analysis focus is on the structuring of power relations between Malawi and the international donor community in general and the IFIs in particular framing the discussion on why structural adjustment has not turned Malawi's economy around and democracy has not responded with the policies that rural producers want. Both processes are embedded in a different and contradictory view of the role of the state, which I argue conditions policy making. Of the two, the influence of structural adjustment policies on democratic consolidation is great enough to affect people's faith in the ability of democracy to improve their lives. A political economy approach based on the IFIs belief that good economic policy comes about when the state is restricted from interfering is used for explanation. Teivainen (2002) refers to this as the politics of economism, which establishes "reserved domains" by the

insulation of specific concerns of government authority and substantive policy making from elected bodies. Di Palma (1997) calls it “pre-empted democracy,” designed to freeze or precommit the initiatives of the government and the government alike and Mkandirwire (1998) calls “choiceless democracies.

Chapter 3 reviews the literature regarding structural adjustment in general and then proceeds to discuss it in Malawi. The chapter establishes the context of structural adjustment within which democratic consolidation takes place. The focus is on fertilizer policy and the rationale for the removal of the subsidy is investigated. Chapter 4 is a discussion about research I conducted on decisions rural people make because of the structural adjustment policies that resulted in the lack of access to fertilizer. Decision tree models illustrate the constraints and choices available to rural producers because of economic structural adjustment. Chapter 5 provides the empirical evidence that tests the main hypothesis of this dissertation. The thesis is supported by people identifying the main factors influencing their lost faith in the promise of democracy. People expected democracy to address their material conditions and improve their lives. When the power to that is restricted, democratic consolidation becomes less likely.

Chapter 6 concludes with a discussion on the significance of the study on the prospects for democratic consolidation. The premise is that the neoliberal ideology of the IFIs led to their insistence on removal of the fertilizer subsidy without considering other possible consequences, one of which was weakening people’s faith in their government and in democracy. One question of the many that arise from this work is whether that faith can be restored. The chapter concludes by examining the recent shift in policy by the newly elected president with the reintroduction of fertilizer subsidies. Although a policy long desired, in the short run it appears

to make sense economically. Politically, speculation also tends towards the positive but that remains an empirical question.

This work has two ambitions. The first, rooted in the thesis, is to shed additional light on what should the role of the state be in newly democratic countries that also are very poor. Citizens in a poor country have greater material needs than in richer, developed, and established democracies and thus context matters. The socio-economic conditions in poor countries suggests that if people are to broadly support democratic governance – a necessary condition for a new democracy to consolidate - it must be able to respond effectively.

The point is particularly important for both political scientists as well as development economists. For political scientists, understanding that democracy has both intrinsic and substantive dimensions and that neither can be neglected if consolidation is to take place. However, as it is argued here that the context within which consolidation takes place matters and matters a lot, in poor democracies the material concerns of people have to be effectively addressed.

The other issue is for the development economists, particularly those who find the idea of a free market very appealing. The point to ponder for them is why structural adjustment has not supplied the benefits to Malawi after democracy. One place to look for an answer is in limiting the policy domain for the new government. Without the opportunity to respond with policies that address citizens preferences, the new democracy cannot increase state capacity making affects democratic consolidation as conceived and practiced by the international community has not worked. Building state capacity is not just essential for the consolidation of democracy; it is vital for the carrying out of economic reform. It is time to reconsider the means to the end.

The second ambition of this study is to confront what has been done to people in Malawi in the name of structural adjustment and ask why, when faced with facts and evidence of mounting suffering, there was no wavering or reconsideration, only a great unwillingness to abandon the theory and side with people. As yields went down and food insecurity went up, hunger increased, and famine rose, the donors and IFIs determination to keep fertilizer subsidies from being reinstated forces us to admit that we have the answer to the question that haunted me on that morning in July 1995. What does no development look like? Look at Malawi and see.

The little boy in Blantyre might pose a much different question yet it is one echoed by millions all wanting to know why they are made to carry so much of the burden. The gods of Greek mythology are long gone but there are new gods of modern times and they reside not on Mt. Olympus but in Washington, D.C. The epicenter of their power is at the World Bank and the IMF, two buildings next to each other, a couple of blocks from the White House and the Treasury Building. If Sisyphus could put down his burden for a moment and go to where he could ask that question, he would want to go to Washington.

CHAPTER 2 AFTER THE WAVE

Two things tend to happen: your economy grows and your politics shrinks... that is why it is increasingly difficult these days to find any real differences between ruling and opposition parties in those countries that have put on the golden straightjacket. Once your country puts on the golden straightjacket, its political choices get reduced to Pepsi or Coke – to slight nuances of tastes, slight nuances of policy, slight alterations in design to account for local traditions, some loosening here or there, but never any major deviation from the core golden rules – Thomas Friedman (cited in *The Economist* 2001:22).

In 1990, the third wave of democratization⁶ arrived at the African country of Benin.

Soon thereafter political change was sweeping away many citadels of authoritarianism across the continent and in the process awakening a palpable sense of hope and optimism dormant since the early years after independence. In 1993, a referendum on multiparty democracy announced that the wave arrived on Malawi's shore. People greeted it with great enthusiasm and anticipation.

It was not just Africans who suddenly found themselves facing a future full of possibilities. Scholars interested in politics and democratic transition in Africa began to imagine the Africa about to emerge. Most were optimistic.⁷ Considering sub-Saharan Africa's political history since independence (from here on referred to as Africa), the optimism was understandable and deserving. However, in a very short time the initial euphoria and enthusiastic belief that African societies had turned a corner began to erode under a growing sense that not all was well with democracy (Barkan, 2000; Ottaway, 1998; Joseph 1999a). The prospects of consolidating democracy started to fade in one country after another (Diamond, 1996; Decalo, 1992; Joseph, 1999b). Soon the World Bank and other international donors, in what Ayittey calls "a futile exercise in grand delusion" (Ayittey, 1998:12) were parading the few

⁶ Samuel Huntington used the metaphor of a wave as a way to think about the rapid ascendancy of democracy taking place throughout the world in the last third of the twentieth century. See *The Third Wave: Democratization in the Late Twentieth Century* University of Oklahoma Press, 1991 by Samuel Huntington.

⁷ See for example Diamond, 1990 and Gyimah-Boadi, 1998.

African success stories out as if three or four countries out of forty-seven was enough proof of a positive trend to somehow turn the tide on a growing skepticism.⁸ As seen in Table 2-1, there is little change in the few countries ranked by Freedom House as “free” over the past fifteen years and provides some basis to why faith in democratic consolidation is fading. Democratic consolidation in Africa appears stalled or as Richard Joseph says, “settled in some half-way house” (Joseph, 1997: 378; Barkan, 2000; Carothers, 1997; Sandbrook, 1996; Ihonvbere & Mbaku, 1998; Ottaway, 1999; Lemarchand, 1992). A much more cynical view is expressed by Ayittey who points to elite rule even after elections as still the “parasitic vampires” who head a “vampire state” gorging themselves on the production of the poor (Ayittey, 2005: 21-22). Why has this occurred in a continent where for decades so many millions bore the burden of venal government and suffered unsparingly? How is it that so many countries have frustratingly achieved only partial democratization?

No single explanation suffices. It is a very complex affair the result of many different processes across the historical and cross-cultural context that is Africa.⁹ The shape, form and direction of political liberalization varies considerably across the continent. Previous regime type out of which liberalization emerges is very influential on the process but it is not the only factor. Social structures and multi-ethnic societies, religion and language differences also have tremendous influence as does the structure and health of economies. One thing is clear and that is the transition from authoritarian regimes is a dynamic process influenced by both domestic and

⁸ According to the World Bank, sub-Saharan Africa is comprised of forty-seven states.

⁹ Not all democratic transitions are the same nor are they all “stuck” in the same degree. Freedom House (mentioned above) indicators show how countries are sliding forward and back on its scale. However speaking of Africa in this broad and general way regrettably conflates all democratizing countries losing the distinctive qualities in the process. Acknowledging the differences however does not weaken the generally accepted conclusion that democratization in Africa has stalled and most countries exist in a grey area between authoritarianism and consolidated democracies

external factors. Nevertheless, democracy arrived but progress towards consolidation remains up in the air. Looking at Table 2-1 begs the question: what caused consolidation to run out of steam?

Table 2-1: Measure of democratic consolidation of sub-Saharan African states

Year	Number of states			Total
	Free (%)	Partially free (%)	Not free (%)	
1990	4 (9)	15 (33)	27 (59)	46
1991	8 (18)	19 (41)	19 (41)	46
1992	9 (19)	23 (50)	14 (30)	46
1993	8 (17)	15 (32)	24 (51)	47
1994	8 (17)	17 (36)	22 (47)	47
1995	9 (19)	19 (40)	19 (40)	47
1996	9 (19)	19 (40)	19 (40)	47
1997	9 (19)	18 (38)	20 (42)	47
1998	9 (19)	20 (42)	18 (38)	47
1999	8 (17)	23 (49)	16 (34)	47
2000	9 (19)	23 (49)	15 (32)	47
2001	9 (19)	24 (51)	14 (30)	47
2002	11 (23)	20 (42)	16 (34)	47
2003	11 (23)	19 (40)	17 (36)	47
2004	11 (23)	20 (42)	16 (34)	47
2005	11 (23)	22 (47)	14 (30)	47
Average	9 (19)	20 (42)	18 (38)	47

Source: Calculated from Freedom House data 2008

One contributing factor concerning this dissertation is that Malawi, like virtually all the countries of Africa, experienced an earlier wave of change: economic structural adjustment. In Malawi's case, the wave of structural reform arrived in 1981 when Malawi agreed to a program of structural adjustment with the International Monetary Fund. Few would argue that at the time structural adjustment was urgently necessary in order to restore a deteriorating economy back to health. However, structural adjustment had another unforeseen affect: it would establish the context within which political democratization was to take place. Although structural adjustment was expected to be a short-term project lasting no more than three to five years, Africa's economic situation proved to be much more intractable and political regimes more

resistant to full implementation, significantly expanding the time line to economic stability and growth (Ravenhill, 1988; Sahn & Arulpragasam, 1994; World Bank, 1989).

Nonetheless, most African countries undergoing political liberalization do share one thing and that is economic underdevelopment. African countries are disproportionately occupying the bottom third of the poorest countries in the world¹⁰ and are falling further behind the rest of the world as Figure 2-1 shows.

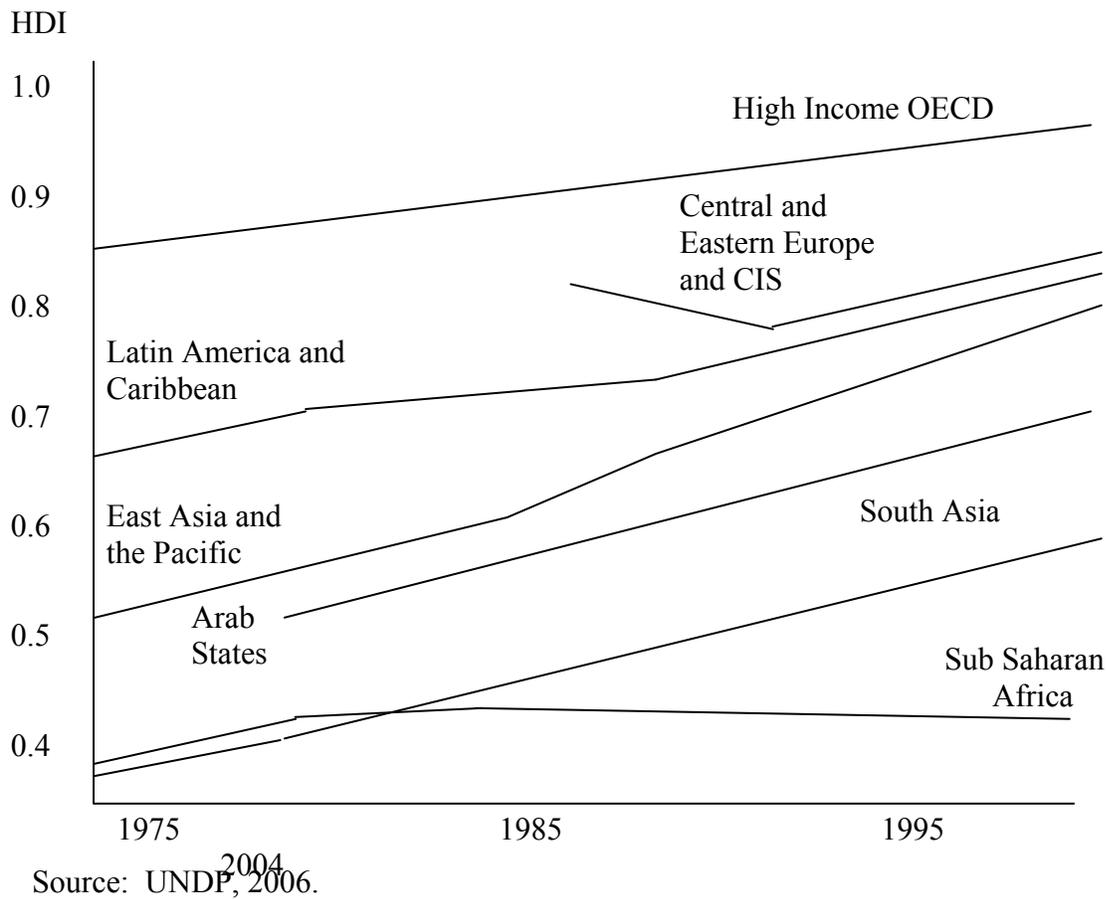


Figure 2-1: Human Development Index

¹⁰ According to the United Nations *Human Development Report*, 28 of the 31 poorest countries in the world are in Africa. Of the 30 “least livable” countries in the world, 28 are in Africa. See *Human Development Report 2006*, UNDP, website: <http://www.hdr.undp.org>.

As such, structural adjustment essentially occurs at the same time political reform was introduced but having already established the framework for policy decisions. It is in this sense that the political economy of structural adjustment may have a greater influence on Malawi's – and by extension, Africa's – consolidation of democracy.

Using Malawi as a case study, this dissertation examines the effect SAPs have on the prospects for democratic consolidation. It places itself in the middle of the policy debate regarding structural adjustment and political development in Africa. The relationship between the economic and the political strongly suggests that SAPs will have an influence on democratic consolidation. However, I believe that influence will be negative in that it hinders democratic consolidation. The basis for my belief rests on the fact that the requirements of consolidation and the requirements of structural adjustment are inadvertently working at cross purposes starkly exposed by each one's perspective on the role of the state. To make such a claim, it is important to recognize that the interaction between economic structural adjustment and democratization creates a dynamic that can affect the implementation and completion of both processes. Adam Przeworski writes that "The strategic problem of transition is to get to democracy without being either killed by those who have arms or starved by those who control productive resources" (Przeworski, 1991:51). Although Malawi's new democracy fortunately has little reason to fear those with the arms, it may be worth paying attention to those who control the policymaking instruments.

A Different View of State Significance

Key to my investigation is first to understand the logic or assumptions of both political and economic liberalization and how each considers the role of the state. Political liberalization or democratization in effect means the process that begins the opening up of the political space. Moreover, it assumes a dichotomous representation of two spheres, one public, and one private

and that the political space exists within the public sphere. It is here where politics, which is all activities that shape and produce public outcomes, takes place. Economic policy is situated in the public realm and therefore is a political activity.

Democratization is a process that conceptually means that as the politics as defined above moves away from authoritarianism, power once concentrated under authoritarianism is diffused to formerly excluded groups resulting in an expanded political sphere. Naturally, the newly included interested groups and constituencies will influence public policy making. The belief in the instrumentality or effectiveness of democracy – that is it “delivers the goods” – is strengthened by the subsequent openness providing vital energy to democratic institutionalization and ultimately consolidation. In short, democracy broadens the boundaries of the public sphere as more people influence and shape the policies that affect them the most and in doing so, deepen democracy. How they go about influencing and shaping public policies is not my concern at this point.

Central to my thesis are two closely related phenomena that I argue are indispensable for the consolidation of democracy. The first is the transformative power of democracy regarding the political and is evident in the link between the opening of political space and the deepening of democracy as suggested above. However, as democracy enlarges the public sphere it necessarily expands the role of the state since there is increasing demands for public policies (Pzeworski, Stokes & Manain, 1999). This distributional or distributive characteristic of democracy is what instigates the second phenomena: increasing the role of the state. As democratic institutions deepen and mitigate conflicts between groups the state’s role as the implementer of policies and distributor of resources requires increasing state administrative capacity (Putnam, 1993;

Diamond, 1999). Democracy not only disperses power but, in doing so, also increases the scope and capacity of the state. Moreover, by responding to popular expectations it is not just the scope and capacity of the state that experiences an increase. Indeed, responsiveness helps create and maintain state legitimacy immeasurably (Rothstein, 2007; Dahl, 2006; Putnam, 1993).

As to economic structural adjustment, the second is equally transformative in its power. However, structural adjustment policies are based on a much different perspective and logic than democracy. They are specific instruments of a process of economic liberalization nested in the ideology of neoliberalism. This perspective regards the dichotomous spheres as not that of public and private but of political and economic (Teivainen, 2002). It is an important distinction because in the former – the democracy perspective - economic policymaking is a public function and thus political. However, in the neoliberal perspective, specific economic policymaking takes place outside of the political or public. In essence, the neoliberal view removes economic policies from public struggle and deliberation effectively detaching an integral area of state functions from society (Teivainen, 2002). Structural adjustment policies expose the separation between the economic sphere and the political sphere by creating a boundary that domestic political activities cannot cross (Teivainen, 2002; Mkandawire, 1998). The consequences are far ranging and deserve serious reflection. One consequence in particular concerns state legitimization, which is particularly challenging in Africa (Chabal, 1994). By separating the economic from the political, structural adjustment policies, being nested in the neoliberal perspective, make state legitimization much more difficult.

This is clearly apparent in the purpose and implementation of SAPs, which are designed to address critical and dysfunctional macroeconomic policies. They reveal a very different view of power and the role of the state as to the one held by theorists of democratic consolidation. Paradoxically, the role of the state is to implement the policies however, implementation in this context requires a non-intrusive, deflated, weakened state with minimum capacity to derail economic liberalization. The question is whether a state with minimum capacity to derail economic structural adjustment is also a state with minimum capacity to implement the same policies.

This contradictory and paradoxical view of the role of the state and what is required of it, is where the problem between economic liberalization and democratic consolidation emerges and it leads to questions of who controls state power and how does that affect state institutional performance? On the one hand, as many scholars argue, a deep democracy with functioning institutions requires a state capable at not only mediating political conflicts within state institutions but also responding to popular expectations concerning the distribution of services and resources (Grugel, 1999; Pzeworski, *et al.*, 1999; Putnam, 1993; Daimond, 1999). On the other hand, SAPs require a smaller state with reduced capacity to engage in such activities. The tension between democratic consolidation and economic liberalization is evident.

Democratic Consolidation

To have a better appreciation of the tension between these two processes it is important to understand just what consolidation is and what factors influence democratic consolidation. I argue that consolidation of democracy is difficult to attain because it depends on many factors, which are very contextually rooted. Thus, the prospects for consolidation require a much wider

and multi-dimensional approach all the time being sensitive to the context within which it occurs.

In its most basic sense, consolidation results with regime institutionalization and legitimization (Morlino, 1995). At that point, democracy is resilient and able to fend off alternative forms of governance. However, for democracy to achieve consolidation it has to mean more to the majority of the people than just through its formal features such as free elections. The focus needs to expand to those factors that either enable or constrain the stabilization and legitimization of new democracies (Scmitz & Sell, 1999). Consolidation is not simply the continuation of reforms and the changes to the status quo that began with liberalization and transition but “aims at *solidifying* the new achievements,” habituating the new ways of political interaction and “*deepening* the nature of the new democracy” (ibid: 25).

Consolidation goes beyond the basic conceptualization of movement away from authoritarian rule to democracy. Other developments need closer and fuller examination. With a much-broadened view, consolidation is more likely to occur when democracy becomes substantive. Two indicators help determine the development into a substantive democracy. The first is when the intrinsic values and ideas within the new democratic institutions are accepted throughout society without any real opposing alternative to democracy being offered or discussed. The second indication of substantive democracy is the participation of the majority of people in the political process. However, what is meant by participation of the majority is deceiving since a majority of 50% plus 1 is very different from 60% or above. Instead, participation in a substantive democracy may be a better indication of consolidation if it is monitored over time as well as stays above a certain threshold.¹¹ This is particularly true in a

¹¹ Diamond (1999) suggests that public support for democracy should be at a minimum threshold of two-thirds with 70-75 percent a much stronger indication. He, too, argues for a time element that consistently shows support at

new democracy where legitimacy is still developing. For example, if the participation in elections is declining or people choose not to participate in other ways such as attend meetings to address issues and concerns, then that raises questions whether a substantive democracy exists.

There is good reason to be concerned about democratic consolidation. Not long after the arrival of the third wave of democracy, there were indications that substantive democracy was still some distance away. By the mid to later 1990s, new and less promising adjectives such as illiberal (Zakaria, 1997), limited or pseudo (O'Donnell, 1994) were used to describe the new democracies. It became very clear that consolidation would be more difficult than at first believed. As Grugel (1999: 163) incisively states, "Not all democratization leads to democracy."

As the third wave ebbed, a search for explanations filled the space. Potter (1997) broke down the search into three broad approaches with different foci. First is the transition approach that focuses on political processes and elite choices and maneuverings that accounted for the shift from authoritarian to liberal democracy (Potter, 1997). Labeled transitology, the significance of this approach is that it highlights the choices and strategies that influence democratization and would naturally have to influence the prospect of consolidation. One serious flaw with the transitology approach is that its focus is too limited in that it looks almost exclusively at formal developments such as elections, political parties, and rule of law.

Theoretically opposite the transition approach is the structuralist. Here the emphasis is on relations and structures of power in society that are either favorable or unfavorable to democratization and consolidation (ibid). According to the structuralist approach, the chances for successful consolidation in particular societies hinges on these power relations. How power

these levels as well as only a minority of around 15 percent question the democratic legitimacy. He does not put as much emphasis on voter turnout arguing that democracy can be consolidated with even low turnout, although pointing out that it would most likely be a "low-quality democracy that gets consolidated" (Diamond, 1999: 68)

is structured helps us understand why some societies have a much harder time achieving consolidated democracy than others. Although there is a tendency to reject the conclusion of path dependency that naturally comes out of structuralism, nevertheless, its usefulness is gathering adherents.

The third explanatory approach is modernization theory. Once the leading theory in development, it has been resurrected by scholar and more vigorously by the IFIs although with some adaptations. Modernization has a long history going back to Lipset (1959) who was one of the first to argue that democracy highly correlates with social and economic development. In the early years, modernization theory dominated the development discourse but within a decade, events around the world either disproved modernization theory's assumptions or greatly weakened its explanatory power. Modernization theory waned as scholars adopted other perspectives. However, never pronounced dead modernization theory has since made a strong comeback (Inglehart & Welzel, 2005; Daimond, Linz & Lipset, 1995). After nearly two decades of state led development failures, this revised version of modernization once again linked political development and economic development only now political development meant democracy. A number of scholarly works appeared arguing that in regards to development, the political mattered. For example, Lipset, Seong and Torres (1993) argued that the correlation between development and democracy was stronger and "more pronounced by the early 1980s than in the late 1950s" (Lipset *et al.*, 1993: 157) when Lipset's original landmark study was carried out.

According to modernization theory, one significant reason why democracy fails to consolidate is poor economic development. The argument is made that the consolidation process is better understood when socio-economic conditions are included. Democracies thrive or die

based on socio-economic variables. For example, democracies are more likely to survive “where poverty and inequality are limited and levels of education and income generally high” (Diamond, Linz & Lipset, 1995: 53). New democracies with great and widespread poverty are therefore greatly challenged.

Embedded in this view is that the performance of democracy has to be significant enough for the public to insist that democracy remain. As Diamond says, “Performance of the regime is a crucial variable affecting the development and internalization of beliefs about democracy” (Diamond, 1999:77). Thus, consolidation is the process “by which democracy becomes so broadly and profoundly legitimate and so habitually practiced and observed that is very unlikely to breakdown” (Diamond, *et al.*, 1995:53). However, to arrive there the regime has to respond to public needs.

What we see unfolded in this line of argument is that legitimacy and consolidation are tightly bound together. Regime legitimacy is not solely dependent on responding to what the people want; other values that come with democracy are important. However, it is, as Diamond says, “crucial.” A regime seen as responsive “builds a large reservoir of legitimacy” (ibid: 77). Moreover, as responsiveness continues legitimacy deepens which in turn signals elites and others that democracy is the only “game in town” (Linz, 1990).

Another benefit of responsiveness and deepening legitimacy is that a reciprocal relationship develops between the democratic regime and society (Diamond, 1999). Thus, by responding to what people want, a democratic regime “banks” the earned good will for future use. At some point when confronting serious problems that necessitates unpopular policies, the good will is returned with support and patience (ibid).

Democratic Consolidation and Economic Liberalization

It is very clear that responsiveness is a key variable in consolidating democracy. Responsiveness builds legitimacy and that in turn, helps consolidation. Therefore this inquiry into how economic liberalization influences the prospects for democratic consolidation in a poor country particularly salient. As noted by Przeworski, Alvarez, Ceibub, and Limogi (2000) economic development matters as to survival of democracy. They show quite convincingly that prospect of democracy enduring correlate significantly with GDP per capita. For example, in their findings democracy persists and consolidates in countries where the GDP is above \$6000. However, in countries where the GDP per capita is \$3000 or less, democracies have very short life spans. The strong relationship between a threshold level of economic development and sustaining democracy is instructive but the contrary is worrisome for deeply impoverished countries like Malawi. One reason why broad based poverty threatens democracy is that poor countries foster poor states and poor states are incapable of responding to the needs of the people and in turn, throws the legitimacy of the state into question. If a better way of addressing the socio-economic needs of the people is offered, then people are likely to take it. Essentially, the prevalence of poverty and low income doom democracy to a short life, perhaps an interregnum between two undemocratic regimes.

Przeworski *et al.*, (2000) work accentuates the importance of what is at stake as these two processes occur at relatively the same time. In Malawi's case, the essential challenge of democracy is to establish institutions rooted in society where poverty as well as other social problems impose their own interpretation of how democratic institutions should function. Greater demands and expectations on democratic governments can - and should significantly arrange institutional development to bring government and society together. However, as discussed above, SAPs place different demands and requirements on government, restricting

latitude in policy formulation. Where democracy requires a greater sensitivity of government to social demands, structural adjustment reorients government away from society and towards fiscal austerity. There is, then, a conflict in philosophy regarding the state: democracy calls for state capability while structural adjustment calls for state contraction.

The two are not necessarily incompatible. Where democracy has already been consolidated with deep institutions, a diminishment of state welfare provision poses a much more limited effect on democracy's sustainability (Pzeworski et.al, 2000). However, in a poor country that transitioned to democracy and seeks now to consolidate, the weakening the state may result in neither economic growth nor democratic consolidation. Without question, Malawi faces a daunting challenge of deepening democratic institutions while implementing economic reform policies; policies that just about everyone agrees are necessary for economic stability.

It is also vital that we recognize that deepening democratic institutions is not the litmus test of consolidation. Important as that is, we cannot ignore democratic politics if we want a fuller understanding of what consolidation entails. The two are different yet as I argue, form a dyadic relationship, which without both being considered makes consolidation processes incomplete. As for democratic consolidation in Malawi, Mkandawire (2006) provides a useful distinction between the two while emphasizing the significance of their relationship. Whereas democratic institutions are the "methods and procedures for legitimizing rules and assuring that political contestation that is free and fair," democratic politics "emphasizes participation, equality and emancipation" (Mkandawire, 2006:26). He goes on to state that

[W]e have learned that concern for democratic politics without due respect for institutions can lead to populist authoritarian regimes. But we also know that democracy is not simply a question of rules and institutions, but also of the content and purpose of these institutions and rules and that the failure by democratic institutions to foster democratic politics has produced lifeless institutions that have done little to address serious issues of poverty and inequality, producing instead

‘democracy with tears’ which has in many cases has rebounded on itself (Mkandawire, 2006:26)

Mkandawire’s point is at the heart of this dissertation. Limiting the democratic process to the extent that policies once considered worthy of political deliberation and contestation are no longer within the scope of politics shows the futility of considering democratic spaces as the place to compete over state resources. Like Mkandawire, I argue that consolidation falters and in its place personalistic politics, neopatrimonialism and clientalism become the means by which state resources are dispersed. Diminishing democratic politics encourages the return of the old political order threatening both consolidation and economic growth.

Hypothesis

Africa’s persistent economic and political underdevelopment provides strong evidence of how difficult simultaneous adoption of economic and political liberalization can be. After over three decades of economic reform policies and over twenty years of political liberalization, performance in both areas falls far short of initial expectations. Moreover, there is little evidence to encourage even the most optimistic observer that the trajectory for growth and democracy is sufficient to say that a corner has been turned. Since political and economic reform are occurring at virtually the same time throughout the continent, it is worth questioning whether the two processes are compatible particularly in light of the fact that historically very few societies simultaneously embarked on radical economic and political reform in such a short time frame.¹² Africa’s grand social experiment has so far produced little success (Chazan & Rothchild, 1993;

¹² After the fall of the Soviet Union, Eastern Europe, Russia and former republics in the Soviet Union embarked on the economic and political reform (capitalism and democracy) with varying degrees of success. For a good review of the different experiences see Jan Svejnar “Transition Economies: Performance and Challenges” *The Journal of Economic Perspectives*, 16(1) (Winter, 2002), pp. 3-28.

Easterly, 2001; Przeworski, et.al 2000; Mkandawire & Soludo, 1999; Iheduru, 1999; Rodrik, 2002).

The main issue that this study explores is how economic adjustment has influenced the institutionalization and consolidation of democratic principles and procedures. In order to answer that question, I am exploring the perception of democracy in regards to government effectiveness and performance in rural Malawi where over 80% of the population is economically active. I hypothesize that government failure to respond to the expectations of the rural population will weaken their faith in democracy. This perception of democratic performance goes beyond the formal definition of democracy. Important as the formal definition is, it is incapable of capturing this idea of state legitimacy tied to popular expectations. Although I find criticism with much of the transition literature that tends to separate the political from the economic, I am not dismissing the significance of that important stream of literature nor of the vital meaning of free and fair elections, an independent judiciary, a free, unrestrained press, role of civil society.¹³ Instead, my interest is centered on policies and the politics (or lack of) that produce those policies. It is my argument that just as a free press, secondary elections and an independent judiciary are important developments in democratic institutionalization and consolidation, so too is the responsiveness of democratic government to popular expectations and demands, particularly those that deal with the very basics of subsistence and survival.

¹³ For example, regarding elections and their repletion as significantly contributing to deepening democracy, see S. Lindberg (2006), *Democracy and Elections in Africa*, John Hopkins Press as well as “The Surprising Significance of African Elections” *Journal of Democracy*, 17(1) January 2006. Regarding civil society and democratization see L. Diamond (1994) "Rethinking Civil Society: Toward Democratic Consolidation," *Journal of Democracy* 5(3), July, pp. 4-17. Also see Bratton (1989) “Beyond the State: Civil Society and Associational Life in Africa”, *World Politics*, Vol.41, No. 3, April. For a more general description of civil society in Africa see E. Gyimah-Boadi, (1996) “Civil Society in Africa” *Journal of Democracy*, 7(2), April pp: 118-132. For a thorough discussion on transitions see M. Bratton and N. van der Wahl (1997) *Democratic Experiments in Africa: Regime Transitions in a Comparative Perspective*, Cambridge: Cambridge University Press.

When Malawi's democratically elected government came to power, it was confronted by two distinct constituencies each with their own demands. On the one side stood the World Bank, the IMF¹⁴ and external donors and creditors demanded that economic liberalization proceed under the guidance of market forces and limited or no state interference. On the other side the poor domestic majorities demanded the new government implement policies addressing their economic and material condition.

The government was in the middle, caught in a difficult situation. Its financial survival was dependent on the IFIs and external donors but its political survival was in the hands of the voters. It could not respond satisfactorily to both at the same time. Continuing with economic liberalization would result in frustration and unpopularity with the majority of the population. However, yielding to the majority demands would most likely result in the withdrawal of financial support from the donors.

For a number of reasons, I believe that Malawi's democracy became the victim of this dilemma. Due to Malawi's heavy dependency on foreign aid and assistance, and the powerlessness that ensues from it, Malawi's government resorted to maintaining a democracy with little substance. Elections are held, debate rages in Parliament, there is a constitution proclaiming the rule of law¹⁵ - the minimum requirements for meeting the political conditionalities of international donors. As to responding to the socio-economic demands of the

¹⁴ From here on when referring to both the World Bank and the International Monetary Fund I will use the acronym IFIs for International Financial Institutions.

¹⁵ The rule of law is the essential foundation of a democratic society and formally, it exists in Malawi. However, it has different meanings for different groups. While Malawians profess a commitment to the rule of law, (according to Afrobarometer) the weak state that underpins structural adjustment is unable to enforce the rule of law in the countryside. There is a sad irony that for the most part the rule of law in Malawi is more about procedural and constitutional issues. In the countryside, village justice is frequently applied sometimes in a very appalling manner.

populace, the government usually ignores them although in urban areas and during election campaigns, it resorts to the some of the old authoritarian practices of clientalism.

The paradox with economic liberalization and democratic consolidation occurring simultaneously is that neither is achieving their objectives and their failure poses a threat to the emergence of a consolidated democracy. Moreover, promoting democracy and economic liberalism together has not only prevented the process of democratization from progressing beyond the electoral stage, but as I will argue, has reduced the ability of a democratic state to build the capacity necessary to carry out policies geared towards a more equitable social and economic order.

By narrowing the policy agenda, structural adjustment changes the relationship of the state to society. Essentially, by insisting on a policy framework that effectively sealed off specific policies donors and creditors exhibit the power to curtail government's ability to respond to the demands of the majority in a substantial and meaningful way but also severs the ability of citizens to influence government decision processes. For this reason, the World Bank's "good governance" discourse has 'midwived' the birth of fragile and incomplete democracies, deforming the relationship of the governed to the government by adjusting the lines of responsiveness and accountability away from the voices of the poor and towards the demands of external actors.

Structural Adjustment Justified in the Context of African Politics

It has been somewhat fashionable in the past two decades to criticize the World Bank, IMF and other proponents of structural adjustment (Dembele, 2004; Dreher, 2006; Kherallah Delgado, Gabre-Madhin, Minot, & Johnson, 2000; Green, 1998; Cornia & Court, 2001; Fantu, 1995; Gibbon, 1992). Much of the criticism has concerned the pain caused by imposing these policies, which called for fiscal balance and debt repayment at the expense social safety nets and

investments in human development. Indeed even the World Bank came to some realization that the social cost of adjustment was unsustainable “adjusting” its aim by calling for an “adjustment with a human face” (Cornia, Jolly & Stewart, 1987; Jolly, 1991; Adedeji, 1988). Other criticisms centered more on SAPs as a new colonialism and evidence of the neoimperialism of globalization processes dominated by the developed North (Ayttey, 2005; Grugel, 1999; Loxley & Sedden, 1994; Campbell, 2001; Leonard & Straus, 2003; Ohmae, 1995; Arrighi, 2002). Here the issue was about infringement on state sovereignty with policies that were forced onto countries with the imperatives of solidifying world capitalist domination.

Both streams of critical literature make strong arguments and suggest that SAPs may be driven by multiple agendas. However, there is rationality under girding SAPs and the role of the state and that is the absolute lack of faith in the ability of the African state to carry out necessary macroeconomic reforms. Even if we admit that the neoliberal ideology is problematic and falling short for African countries to achieve economic prosperity, proponents could convincingly argue that “business as usual” would be worse (Sahn, 1992; Noorbakhsh & Paloni, 2001). This “business as usual” means past politics as practiced in Africa and how it contributed to Africa’s profound underdevelopment.

Politics in Africa

The perception of politics in Africa is not charitable by a long shot. Corrupt, unstable, violent, and oppressive are adjectives commonly used in both the past and present to describe African politics (e.g., Joseph, 1999a; Bayart, 1993; Zakaria, 1997). Moreover, Africa’s persistent and devastating poverty is seen because of the failure of politics (Chabal, 1994; Bates, 1981). It is what drives the rationality mentioned above of economic liberalization as applied to Africa and the impetus behind the curtailment of the state. A brief overview of the relationship

between politics and development highlights the literature that has helped frame one of the more common perceptions of politics in Africa.

Numerous works essentially characterize politics in Africa generally as “malgovernance.” For example, one of the earliest works on clientalism and its effects on development was by Rene Lemarchand and Keith Legg (1972) as well as the particular problems patron-clientalist politics posed in trying to create a nation out of the colonial legacy (Lemarchand, 1972; Lewis, 1996a; Lemarchand, 1988). Others have noted both the durability and malleability of patron-clientalism in Africa even as economic and political liberalization supposedly mounted a serious if not mortal challenge to the practice and usher in good governance (Lemarchand, 1988; Hyden, 2006). Along the same line as well is a very recent contribution by van der Walle (2006) arguing that political clientalism is very flexible.¹⁶

Arguably, the most durable description of politics in Africa is the “personal rule paradigm.” (Leonard & Strauss, 2003: 2). Although the concept of personal rule is mostly associated with Jackson and Rosberg’s influential work on personal rule (1982), they were not the first to identify this “type” of politics in Africa. Variations on the theme include patron-clientalism, neopatrimonialism, rent seeking and prebendalism but all fit nicely under the more embracing concept of personalistic rule.

Jackson and Rosberg’s concept of “personal rule” stands out because focuses on the role of the head of state as key to understanding how patrimonialism operates and goes farthest in capturing the sense of what is ultimately at stake in terms of politics in Africa (Jackson &

¹⁶ For a discussion on the origins of neopatrimonial economic policy that condition implementation of structural reforms see van der Walle *African Economies and the Politics of Permanent Crisis, 1979-1999*, especially chapter 3.

Rosberg, 1982). Viewed through this paradigm the African state is exposed as the “prize” in politics and the means for personal gain (Chabal, 1994; Bayart, 1993).

Some might temper this characterization of politics in Africa as too narrow for a full appreciation of the context within which African politics takes place. Chabal and Deloz (1999) have a much different interpretation of the effects of personal rule arguing that if politics in Africa is framed by disorder, then patrimonialism and patron-clientalism are the means to manage the uncertainty that accompanies disorder. Going deeper and relating to social relations, both Hyden (1980) and Scott (1976) say that personal rule and patron-clientalism is not about individual gain. They argue that it is embedded in community and cultural norms or what is called a “moral economy” (Scott, 1976) or “the economy of affection” (Hyden, 1980).

Other scholars see politics in Africa as much less flexible. For example, structuralist arguments highlight Africa’s socio-economic factors as a more powerful explanation for underdevelopment (Hyden 2006). Leonard and Straus (2003) cite “enclave economies” as effectively obstruct development. These structuralists proceed to argue that politics in countries that produce oil, gold, and other valuable minerals are significantly more vulnerable to civil strife and conflict (Hyden 2006:3).

Others claim that it is Africa’s position in the world economy that determines development. Africa’s production of primary commodities and dependence on manufactured imports and energy, and asymmetrical terms of trade makes countries highly vulnerable to world price swings and external shocks (Mkandawire & Soludo, 1999). Similar perspectives look at the power and control foreign countries have on African economies. For example, Yates (1996) shows how France remains significantly involved in its former colony Gabon and how that relationship has contributed to Gabon’s lack of development. Research in countries with rich

resources claims that democracy is not a high priority and in fact, there is no incentive by the leaders to initiate democratic transitions.¹⁷ However, countries with little or no mineral wealth provide little incentive for direct foreign investment. Many African states that are in this situation remain highly dependent on foreign aid and assistance, which has “the same perverse incentives as enclave production limiting the interest of political rulers to develop a set of rights and obligations with the public” (Hyden, 2006: 4).

Significant as this structuralist perspective is, it failed to give as equal an influence on politics as the choices of African leaders had on state performance since independence. For many, Africa’s dismal situation is better explained by rational choice theory and individuals incentives to use the state for political gain. In this stream of literature, Robert Bates’ groundbreaking study of agricultural markets in Kenya has been singled out as the work that rationalized structural adjustment and to this day stands out as one of the seminal works in the African political economy literature.

Providing a powerful perspective on state economic policy, Bates opened the gates for the advocates of new measures for Africa’s economic recovery. Arguing that bad economics makes good politics, Bates convincingly demonstrated that policies that were neither economically rational nor beneficial to the majority of society were politically rational and that the social and economic costs of bad policy were outweighed by the political benefits that accrue to political leaders and the groups that maintain them in power (Bates, 1981).

Bates analysis reached sympathetic audiences in the development community and academia frustrated with the deteriorating economic conditions, malfunctioning markets,

¹⁷ A good description of how resources are a disincentive for democratic change set in an African context is Yates, 1996 *The Rentier State in Africa: Oil Rent Dependency and Neocolonialism in the Republic of Gabon*, Trenton, NJ: Africa World Press

blatantly corrupt and despotic rulers and the persistent stagnation on the continent. The World Bank lined up with Bates issuing what would be known as the Berg, after its chief author. The report was significant for stating its opinion that Africa's stagnating economies were more the result of poor politics (World Bank, 1981). The ground shifted quickly and as a result a reassessment of development theory in general and the relationship of regime types and development in particular was erected upon Africa's plight. Politics in Africa was seen less and less as being about state legitimization and the building of state capacity to carry out development and more concerned about personal political survival and endurance. Patron-clientalism, neopatrimonialism, rent seeking, prebendalism, personalistic rule continued to be synonymous with governance in Africa (van der Wahl, 2006). Although it would take almost another decade before the end of the Cold War brought the third wave of democracy to Africa, in effect the weakening of authoritarianism and the context within which political liberalization would take place arrived with the first wave of change: structural adjustment.

With the Cold War still ensuing, the IFIs had no intention of weakening existing political authority or radically changing anything. Structural adjustment was designed to address a spreading and severely deepening macroeconomic crisis in order for African governments to be able to pay their debts, and not to deal with political regime-type. In fact, if anything, political change went against accepted belief at the time of the initial loans (Huntington & Nelson, 1976; Kohli, 1986; Beckman, 1992). As noted at the time by Almond and Powell, "state building and economy building are logically prior to political participation and material distribution, since power sharing and welfare sharing are dependent on there being power and welfare to share" (Almond & Powell, 1966: 363). Initially, the IFIs adopted a "technicist position" where it was assumed that they "could remain politically neutral (Bangura & Gibbon, 1992: 11). After all,

when the first stabilization and structural adjustment policies were adopted, authoritarian regimes were thought to be better suited for implementing economic policies, particularly policies that would be painful for society (Lal, 2002). It was not just theoretical either. Even as Huntington's earlier work was seen as providing the intellectual rationalization for acceptance of authoritarian regimes in developing countries, it was the East Asian countries and Pinochet's Chile that provided the empirical support.¹⁸ However, Africa helped break that faith and under the harsh realities of the 1980s confidence in authoritarian regimes eroded.

Nevertheless, structural adjustment policies had the unforeseen consequence of altering the relationship of state and society. Economic policy now was made in Washington and the government's role was reduced to carrying it out. This shift in policymaking represented a shift in the balance of power in economic sphere. Under authoritarianism, this "removal" of policymaking from the internal state function was less of a problem than it would be for a democracy. As mentioned, it was believed that an authoritarian government could muster the will to carry out the policies and withstand any popular unrest. In the past, rewards and repression were the tools to subdue unrest and it was assumed they would continue to be effective. For the IFIs the end justified the means and the most important end was for a country to continue paying back its international debt obligations. However, this confidence was misplaced as the economic crisis only worsened throughout the 1980s. By the time the World Bank concluded Africa's crisis was a crisis in governance the processes initiated by structural adjustment would resonate very differently in a democratic political realm.

¹⁸ Huntington constructed a thesis for countries undergoing rapid social-political change. One of the earliest "transition" scholars, his work focused on the need for a strong authoritarian government that would not be afraid to control the rapid mobilization of new groups into politics where political institutions lagged behind economic and social change. See Huntington's *Political Order in Changing Societies*, (New Haven: Yale University Press 1968).

As the third wave of democracy began to recede in Africa, frustration joined with despair as Africa became a continent increasingly described as one of missed opportunities and pessimism (Chege, 1997). Even as the “lost decade” of the 1980s became history and 1990s ushered in the optimism of democracy, a palpable sense of gloom once again gripped the continent within a few years. In light of the IMF’s gloomy assessment of Africa in 1994, some scholars claimed that since the majority of African states will not obtain even a semblance of economic take-off, “with or without democracy, at least in the foreseeable future, a roll-back of democratic gains if any, is in the cards” (Decalo, 1995: 103). Minus an infusion of economic aid and a real commitment over the long term by the international community, the consolidation of Africa’s nascent democracies was in peril (Decalo, 1995). Reasons for such pessimism ranged from cultural and the pervasiveness of clientalism to the structuralist and Africa’s dependent economies to the unusually high levels of rent seeking in the economy (Mkandawire, 2001).

Throughout the 1980s and into the 1990s a new literature emerged that suggested that Africa’s trajectory was inhospitable for the materialization of developmental states. Following Bates line of inquiry, the analyses of ‘Afro-pessimists’ focused on the highly detrimental results when political logic trumped economic logic (Chabal, 1994; Bratton & van der Wahl, 1997). The call was growing for a new paradigm for Africa’s development and new, and in some cases very radical approaches. The tenor of the literature also affected even the optimistic who had to switch to a smaller glass in order to see it as still half full.

The futility of African governments to improve the economic life of its citizens finally found a concept to carry forward. The IFIs promoted “good governance” to explain the failure of SAPs in the 1980s (World Bank, 1989; Santiso, 2001). In step with the portrayal of African

governments as corrupt, neopatrimonial and rent-seeking, (Bratton & van der Wahl, 1997) it followed that SAPs failure to transform economies was seen in large part because of the nature of African states.

As the World Bank pushed for “good governance” it became clear that in the dismal context of African politics and the role of the state, good governance meant erecting a “neoliberal state subservient to the IFIs, able to effectively implement ‘sound policies’ and to protect the interests of foreign investors” (Mentan, 2007: 152). Critics of the IFIs agenda, nonetheless accurately point out that the IFIs favor market-led strategies and are opposed to state-led development strategies targeting the role of the African State in economic and social development (Abrahmasen, 2000; Barratt-Brown, 1997). Once again, terms like “predatory,” “corrupt,” “rent-seeking” and “wasteful” are used extensively in describing the nature of the African state, which in turn adds weight to their argument that the African state is responsible for failing economies (Abrahmasen, 2000). Portrayed as an obstacle to growth and development for its mismanagement of the public sector, the IFIs had the basis for calling for the dismantling of the public sector and introducing privatization.

With little faith in the capability of the African state, the IFIs and their economic liberalization agenda nevertheless missed the crucial juncture that democratization offered. Instead of adopting more instruments that could have strengthened transitioning democracies, economic structural reform created difficulties for new democratic governments in low-income countries in two profound but related ways. First, SAPs have significant implications for domestic agricultural production, investment flows, changing agricultural comparative advantage, as well as trade and food security, both on a national and regional basis. Policies technically designed to rescue an economy from further erosion are also painful for the masses

and unpopular to many groups in society (Green, 1998; Gladwin, 1992; Dreher, 2006; Cornia & Court, 2001; Due & Gladwin, 1991). In this manner, the policies took on a political dimension as well as an economic one. Since the pain is not evenly distributed across society, the government loses support from affected constituencies, some potentially able to mount a challenge to the regime.

The second difficulty arises from the fact that being externally driven policy, SAPs are cordoned off from domestic politics. This especially thorny dilemma potentially threatens the transition process on several related fronts. Since democracy promises to establish a new social contract, it is vital that political leaders have the space to respond to people's demands. The strength of the social contract depends on it being negotiated between various interest groups and policymakers. Another problem lies in removing economic policy from public debate and negotiation not only weakens the contract but also as a result creates fragile democratic institutions. When the economic sphere is inaccessible to political contest and popular participation, policymaking becomes policy administration from the top. Essentially, as Abrahamsen argues, "exclusionary democracy" results as governments, beholden more to the IFIs and donors, are unable to "incorporate the majority of the population and their demands in any meaningful way" (Abrahamsen, 2000: 113). Isolating public affairs from popular control marginalizes democratic instruments of change, weakens representative institutions and threatens the task of building state capacity.

The upshot is that the crisis of legitimacy - one of the most serious challenges facing the African states since independence – perpetuates (Chabal, 1994). By remaining outside the public sphere, SAPs not only weaken the social contract and create fragile democratic institutions but significantly increases the crisis of state legitimacy.

Malawi as a Case Study

Malawi represents a good case study for an empirical investigation into the relationship between structural adjustment and consolidation. Malawi was already undergoing structural adjustment when political liberalization occurred setting the context within which the two processes would unfold. Additionally, Malawi's surprisingly and unexpected peaceful political transition from an especially heavy-handed authoritarian regime mitigate any resistance to democratization that often accompanies violent responses from supporters of the previous regime. Other favorable factors include Malawi being a very poor country where eighty percent of the population engages in agriculture, the majority of it subsistence based. In addition, there is no tradition of democracy and therefore no institutionalized democratic practices. Finally, compared to the majority of African states, Banda's one-party state penetrated Malawian society down to the village; the MCP was everywhere.

Beyond that, Malawi presents other interesting characteristics. For one, the impoverishment of society under Banda's authoritarian regime suggests that Malawi's democracy is fragile. Unlike the scenario described by Przeworski and Limongi (1997) who found that dictatorships will democratize under the stimulus of economic development and that economic development predicts both transitions to democracy and the stability of democratic regimes, Malawi's experience is far different. However, observing, "[There] are no grounds to believe that economic development breed democracies" (ibid: 167) cautions anyone, including myself, to be duly diligent in linking democracy to development without considering other influential factors. Equally sobering is their claim that the higher frequency of democracy among high-income countries is fully explained by the fact that "once established, democracies are likely to die in poor countries and certain to survive in wealthy ones" (ibid: 167). This finding echoes an earlier work where Przeworski and Limongi (1993) found that wealth and

democracy go together and democracies in countries already developed are more likely to survive.

In line with that thinking and reaching back to Lipset's (1959) premise, Diamond, Linz and Lipset (1995) state that democratic consolidation is more likely to take place within favorable social structures. According to Diamond, et.al (1995), structural factors are important for the likelihood of democracy, but do not make democracy "inevitable nor impossible" (Diamond, 1995:52). Although democracy is more likely to occur and survive "where poverty and inequality are limited and education and income levels high" (ibid: 53) other factors such as commitment by political participants to democratic institutions cannot be overlooked.

For new democracies, consolidation is a complex undertaking requiring more than just the right conditions and leaders committed to democracy. In order to achieve consolidation, new democracies must build the state's capacity to carry out popular generated policies. If institutions matter - (and they do) - then efforts should be undertaken with that goal in mind. The role of the state is crucial in consolidating democracy and what that role is and how well it is carried out will have much to say about the degree of state legitimacy and the health of democracy in Africa.

Malawi's democracy is fragile and consolidation is still some distance off. As argued in this study, restricting the government from adopting and implementing policies that are particularly desirable for improving the lives of rural people has essentially made the prospects for consolidation much more difficult. In order to understand how restricting government policy options make democratic consolidation in Malawi as well as in other new democracies similar to Malawi, very difficult, it is important that a definition of consolidation also not be limited. It is not an easy task because conceptually, consolidation is visually seen as the end of a continuum

with authoritarian rule as the beginning point. Even if consolidation is the end of the democratization process, we cannot appreciate the difficulty poor countries have in arriving at that point. Perhaps from our own vantage point, having lived with our own consolidated democracy for so long, we might mistakenly think that consolidation is more related to a time component. In this sense, some scholars marked the end of transitioning to democracy with the first or foundational election as long as it was free, fair and competitive (Linz & Stapan, 1996; Bratton & van der Wahl, 1997).

Others within this strand of the literature emphasize that more than just free, fair and competitive elections are required for consolidation. Huntington (1991), for example, argues that a “two turnover test” where in the course of two elections, the government changes hands and the opposition is allowed to govern without being challenged by the military or the defeated party. Lindberg argues quite convincingly that repetitive elections have an intrinsic value that also contribute to towards consolidation in that, much like iterative game theory, elections teach democratic behaviors (Lindberg, 2006a). Elections serve a deeper purpose in that they not only channel regime change into a peaceful method, but they create a climate where democratic behaviors are learned and accepted as the only method of political change (Lindberg, 2006b).

Still, underlying much of the literature on consolidation is this relationship with time that understandably comes out of this conceptualization of the linear continuum. Time is a useful and even an important tool for determining consolidation but it is not sufficient. There are other factors equally important than just specific events occurring over time. For there to be any confidence that democracy will endure, consolidation needs to be seen as a multi-faceted process that includes three areas of development: institutional, changes in behaviors and attitudes of officials and constituents, and government responsiveness. Moreover, all three need to develop

in conjunction with each other. It is hard to see how consolidation could occur otherwise particularly in a country like Malawi where for thirty years the authoritarian regime had tight control on society.

Fortunately, institutional development in Malawi appears to be progressing. For one, there is little chance that the government will be changed by a coup or any other type of force. The recent attempt by Muluzi to amend the Constitution so he could seek a third term is both informative and encouraging for consolidation. Strong protests and demonstrations as well as the judiciary ruling that such a maneuver was unconstitutional ended Muluzi's grab for power and threat to return Malawi to a de facto "Life" President. Although his ploy was not overtly forceful, it nevertheless was deemed extra-constitutional by the judiciary and a majority in the Parliament.

Another good sign is at the street level, where overall citizen attitudes in Malawi are favoring democracy (Erdman, Patel & Schweitzer, 2004; Meinhardt & Patel, 2003; Bratton, Mattes & Gyimah-Boadi, 2005) although under the surface there are troubling regional differences (International IDEA, 2002). Attitudes of some government officials may be lagging behind as evidenced by Muluzi's attempt at changing the Constitution, but it is an extremely noteworthy event and therefore very encouraging for consolidation that most members of society including the government, agreed that specific laws, procedures and institutions have to be used to govern society (Linz & Stepan, 1996). Surveys show that a large majority of Malawians see democracy as the proper form of governance for their society and few wish to return to authoritarianism (Erdman, *et al.*, 2004, Bratton *et al.*, 2005).

Government responsiveness is struggling, throwing into question whether consolidation can be achieved. Malawi's young democracy is being overwhelmed by socio-economic

problems and the institutional capacity to address them is simply not there. The government is unable to respond to the basic needs and concerns of the citizenry mainly due to the restrictions placed on the state by the IFIs. Thus, without government capacity to respond the third area of development towards consolidation is instead opening up the political realm for deeper and pervasive clientalism.

To make the point, it is necessary to view the role of the state in tandem with the faith people have in democracy. The state is for all practical purposes still the main source to wealth, power and status (Meinhardt & Patel, 2003). Political elites are therefore very much aware of the costs to losing power. There is an incentive for political elites, then, to respond to the shrinking of the state enshrined in orthodoxy and required of the IFIs by positioning themselves as the ones who can do something about rural poverty. Under the tarpaulin of democracy, political parties are able to mobilize their constituents to vote but they do so with gifts and money while echoing the same promises of the past.¹⁹ With the state constrained in its responses to socioeconomic concerns, political allegiance is reduced “raising the political returns of neopatrimonial over developmental leadership” (Englebert, 2000: 167). Consequently, elections become less about choice over policy and more about who will show up with gifts. As a result, constraining government policy making tests the faith in democracy. Is it turning the promise of democracy into as an empty one? If so, what are the implications for Malawi’s democracy?

¹⁹ In countless interviews, respondents told me that they never saw their MP until election time when he would show up in party vehicles loaded with maize and sometimes fertilizer as well as distribute small sums of cash promising that his election will mean more food, more fertilizer, and more development. President Muluzi was also very good at this practice of politics, always handing his own money out to people, especially women who would dance for him, just as they did for Kamuzu. When asked if they intended to vote for their MP, for the most part the responses mostly clustered around “maybe” and “yes.” The reason was not so astonishing: their MP brings them food and money even if it only every five years which is better than nothing. As far as the promises go, most respondents did not believe them. There is probably much more to this but it highlights the efficacy of clientalism in the absence of government responsiveness.

One other distinction is worth noting and that is between political attitudes and my research, which is based on this idea of materialist democracy. Attitudes towards democracy are not the same as those attitudes concerning what is expected from democracy. People can decide that a democratic form of government is best for them and democratic institutions such as elections, multiple parties, independent press, and judiciary are preferable over any alternative form of governance. They can also be disappointed. It is also true that at some point, after multiple failures by the government, people's faith in democracy wanes to the extent that rather than support a return to authoritarianism, they instead make a different choice and not participate or "exit" from political life as Hirschman (1970) suggests.

For these reasons, the emphasis on material democracy is especially important in Malawi's case simply because the country is so poor. In developed countries with consolidated democracy, the importance of the socio-economic factor is much less. However, in Malawi, they have considerable weight. Even as poverty is pervasive in both urban and rural areas, the fact that Malawi is heavily dependent on agriculture for development requires this study to shift to the rural area.

One very troubling fact about Malawi's agricultural sector is that it cannot guarantee food security and that as the main sector of economic activity, it is disturbing to note that agriculture has failed to meet even basic food security needs for many years. Close to three-fifths of Malawians are vulnerable to hunger for at least part of the year. As such, the goal of sustainable economic development is a very distant dream. The estimated number of people employed in agriculture is around 87% and contributing to approximately 40% of the GDP (Harrigan, 2001; Wobst, Lofgren, Tchale & Morrison, 2004). Since the early 1980s over all economic performance has declined with negative per-capital growth even with the stabilization programs

in place that were suppose to accelerate agricultural production. All recent indications are that poverty is greater now than it was in the early 1980s (NSO/NEC, 2000; UNDP, 2002).

Indicators of poverty abound. For example, a significant proportion (38%) of agricultural households have land holdings of less than one hectare while another 22% own between one and five hectares of land (Wobst *et al.*, 2004).

Hunger and food insecurity has other effects on people. Malnutrition weakens people, especially children, while increasing vulnerability to sickness and disease. Economic policies were supposed to improve incomes for rural producers, which in turn would show a positive trend in such indicators as child physical development. The evidence suggests this has not occurred. As a result, 48% of children under five suffer from stunted growth with 22% seriously stunted. Importantly, these percentages are virtually unchanged since 1992 and 2000 when the last surveys were undertaken (NSO 2005) indicating that economic liberalization and structural adjustment has not improved the lives of most Malawians.

There are other signs of deterioration. In recent years, life expectancy has declined considerably to 46 years according to the UNDP (see Table 2-2). Agriculture as a percent of GDP has been increasing since the 1990s due to the combined affects of a stagnating industrial sector and the retrenchment of employees in the public service sector (Menon, 2007; Oygard, 2005). More people relying on the agricultural sector for survival is significant as it indicates policies for economic development are not working. Additionally, this trend reveals another sad dilemma and that is there are fewer and fewer opportunities outside of agriculture particularly for any newly educated youth (Oygard, 2005). It is clear that Malawi's development challenges are very great.

Clearly, Malawi's poverty is a function of a poorly performing economy that is relying far too heavily on agriculture without the necessary supportive policies. Poverty is deep, debilitating, and increasing. With so many people dependent on agriculture, improving that sector represents the most urgent challenge facing the government.

The government of Malawi recognized the urgency of the situation back in 1994. With the adoption of the Poverty Alleviation Program, the government made a commitment to changing the thrust of economic and social policies toward poverty reduction. Needing information to better monitor socioeconomic condition of the population as well as analyze the effectiveness of policies, the government introduced a Poverty Monitoring System (PMS). In 1997 the Malawi Integrated Household Survey (IHS), was conducted by the National Statistical Office (NSO) within the PMS. The government now had a data set of the country providing a baseline of key indicators from which it would be possible to view future trends in poverty.

Table 2-2: Ranking of Malawi's human development index 2005

HDI value	Life expectancy at birth (years)	Adult literacy rate (% ages 15 and older)	Combined education gross enrolment ratio (%)	GDP per capita (PPP US\$)
1. Iceland (0.968)	1. Japan (82.3)	1. Georgia (100.0)	1. Australia (113.0)	1. Luxembourg (60,228)
162. Angola (0.446)	164. Côte d'Ivoire (47.4)	111. Uganda (66.8)	122. India (63.8)	172. DR Congo (714)
163. Benin (0.437)	165. Nigeria (46.5)	112. Rwanda (64.9)	123. Vanuatu (63.4)	173. Burundi (699)
164. Malawi (0.437)	166. Malawi (46.3)	113. Malawi (64.1)	124. Malawi (63.1)	174. Malawi (667)
165. Zambia (0.434)	167. Guinea-Bissau (45.8)	114. India (61.0)	125. Uganda (63.0)	0
166. Côte d'Ivoire (0.432)	168. DR Congo (45.8)	115. Sudan (60.9)	126. Sri Lanka (62.7)	0
177. Sierra Leone (0.336)	177. Zambia (40.5)	139. Burkina Faso (23.6)	172. Niger (22.7)	0

Source: UNDP (2006) http://hdrstats.undp.org/countries/country_fact_sheets/cty_fs_MWI.html

The data offered no surprises but simply underscored the depth and breadth of poverty in the country. Other international organizations provide supporting statistics. One particularly helpful report is the UNDP's Human Development Index (HDI). The HDI provides a measurement of the average progress of a country along three dimensions of human development: life expectancy, adult literacy and education enrollment and standard of living (UNDP, 2006). The most recent report shows Malawi has an HDI of 0.437, ranking the country 164th out of 177 countries that the UNDP has data. As Table 2-2 shows, compared to a sample of other countries, Malawi falls in the bottom third across all categories.

The Human Poverty Index for developing countries (HPI-1) is another useful measure as it indicates the proportion of people below a threshold level in the same dimensions of human development as the human development index - living a long and healthy life, having access to education, and a decent standard of living. The HPI-1 provides a multi-dimensional alternative to the \$1 a day (PPP US\$) poverty measure (UNDP, 2006). In this way, the HPI-1 highlights areas such as severe deprivation in health by the percentage of people who will die before 40 years of age (ibid). In addition, adult literacy rates education, it measures adult illiteracy rate and a decent standard of living is measured by average percentage of people who do not have access to an clean drinking water source and the proportion of children under age 5 who are underweight for their age (ibid.).

Table 2-3 shows the values for these indicators for Malawi and compares them to other countries. When all the indicators of human poverty are calculated together, out of 108 developing countries where the index has been calculated, Malawi ranks 79th with a value of 36.7 (UNDP, 2005).

Table 2-3: Ranking of Malawi with selected indicators of human poverty (2004)

Human Poverty Index (HPI-1)	Probability of not surviving past age 40 (%)	Adult illiteracy rate (% ages 15 and older)	People without access to an improved water source (%)	Children underweight for age (% ages 0-5)
1. Chad (56.9)	1. Zimbabwe (57.4)	1. Burkina Faso (76.4)	1. Ethiopia (78)	1. Nepal (48)
28. Burundi (37.6)	8. Mozambique (45.0)	25. Sudan (39.1)	40. Turkmenistan (28)	41. Uganda (23)
29. Nigeria (37.3)	9. Rwanda (44.6)	26. India (39.0)	41. Djibouti (27)	42. Tanzania (22)
30. Malawi (36.7)	10. Malawi (44.4)	27. Malawi (35.9)	42. Malawi (27)	43. Malawi (22)
31. Rwanda (36.5)	11. Botswana (44.0)	28. Rwanda (35.1)	43. Rwanda (26)	44. Ghana (22)
32. Pakistan (36.2)	12. DR Congo (41.1)	29. Uganda (33.2)	44. Bangladesh (26)	45. Solomon Isles (21)
108. Barbados (3.0)	173. Iceland (1.4)	164. Estonia (0.2)	125. Hungary (1)	134. Chile (1)

Source: UNDP (2006) http://hdrstats.undp.org/countries/country_fact_sheets/cty_fs_MWI.html

Conclusion

For Malawi, democratic consolidation is a questionable outcome. Although people approve of democracy on one level, the socio-economic context within which it has to occur is far from hospitable. Socio-economic indicators place Malawi at the bottom of the bottom fifth of countries in the world. Moreover, poverty can place heavy demands on any new democracy but on poor ones, it increases their fragility. If Lipset (1959) is right, then Malawi's consolidation will be postponed for quite some time.

At the same time, SAPs are removing many policies that could help improve Malawi's socio-economic status and in the process, improve the chance of consolidation. In this respect, some policies required by the IFIs, such as concerning reinstating fertilizer subsidies, will constrain government responsiveness that can negatively affect people's perception and faith in the transformative power of democracy.

Before seeing how their faith in democracy is affected, a brief review of structural adjustment in general will be helpful. There is little debate that sub-Saharan African countries were in a crisis by the late seventies and early eighties. Something had to be done before countries simply collapsed in on themselves. Although there always will be robust debates about particular policies and how they were applied to countries in Africa, what is of paramount interest for this study is the context established by SAPs. The next chapter concerns the reasons and logic behind structural adjustment, first in sub-Saharan Africa and then in Malawi and more importantly for this study, the context in which democratic consolidation has to occur.

CHAPTER 3

SETTING THE CONTEXT: MALAWI'S STRUCTURAL ADJUSTMENT EXPERIENCE

But most academic critics believe IMF conditionality has been ineffective in Africa (and elsewhere) and World Bank conditionality involves imposition of policies that are technically uncertain at best and wrong-headed or ideological at worst . . . Something has gone awry here. Conditional lending has become so extensive in Africa that the donor community has become excessively intrusive in African policy making. - Eliot Berg quoted in Helleiner 1986:97

The overall economic performance of the Malawi economy has been very weak in recent years. The macroeconomic environment has been characterized by relatively low or negative GDP growth rates, high inflation and interest rates and the volatile exchange rate. – Ministry of Economic Planning and Development, Government of Malawi, June 2003

For a majority of countries in sub-Saharan Africa, the year 1979 marked the beginning of a decade of ever-worsening economic difficulties and ushered in what would be appropriately called “the Lost Decade” of the 1980s.²⁰ Arguably, no region of the world suffered more than SSA. Without exaggeration, the region’s economic collapse of the 1980s was devastating turning the crisis into tragedy with terrible consequences not only for the welfare of its people but also for their status in the world at large (Arrighi, 2002).

In response to the crisis, the IMF, World Bank and international donors offered a package of economic reforms under what is commonly called structural adjustment.²¹ Underlying structural adjustment is the neoliberal development strategies that place a priority on opening up economies to global market forces and requiring limited government interventions in managing

²⁰ For much of sub-Saharan Africa, the term “Lost decade” is somewhat misleading, as it tends to confine our thinking to just the 1980s after which we might presume that conditions were improving. On a global scale, it has. According to UNDP Human Development Report (2005) on average, the proportion of people living on less than one dollar a day declined 6% from nearly 27 percent to about 21 percent between 1990 and 2000, which translates to about 120 million people. However, most of the improvement occurred in South East Asia and the Pacific. At the other end of the spectrum -- Sub-Saharan Africa had almost 100 million more people living on less than a dollar a day in 2001 than in 1990. (See Human Development Report (UNDP) 2005.

²¹ Technically speaking, the IMF provides monetary assistance through stabilization programs in the form of short term financing aiming to reduce demand and restore equilibrium. Structural adjustment, more associated with the World Bank, in theory at least, aims to remove inefficiencies in the market and promote efficiencies in resource allocation and investment.

the economy. Together, they are designed to limit development strategies states may wish to pursue. Although the IFIs believe the state must be constrained if societies are to develop, to some observers, placing this sort of limitation on the state erodes its sovereignty and autonomy with serious consequences (Campbell, 2001; Ohmae, 1995).

Armed with this perspective, structural adjustment arrived in Africa in 1979 when Senegal signed the first loan with the World Bank. Within a matter of a few years, most states in Sub-Saharan Africa were under stabilization loans and structural adjustment policies. However, in the 1970s, despite the disadvantage of being land-locked, Malawi was considered one of the more economically successful countries in sub-Saharan Africa and few would have thought that her future would not continue to be so (Harrigan, 2001; Chilowa, 1998; Acharya, 1981). Malawi's economy, however, was not built on a strong foundation and by the mid-1970s, the economy started to crumble (Chilowa, 1998). In 1981, Malawi signed on to its first structural adjustment program.

This chapter reviews how the IFIs have come to exercise such power in Africa in general and Malawi in particular. It is divided into three sections. The first section gives a brief general overview of structural adjustment programs, their theoretical underpinnings and rationale and the reasons for their adoption in sub-Saharan African economies. As such, it describes the context in which African countries such as Malawi have to function. The second examines the involvement of the IFIs in sub-Saharan Africa (SSA) through the implementation of stabilization and structural adjustment programs.²² It is not an exhaustive review of all the policies nor all the literature and commentary on the IFIs programs and policies as that is too enormous an undertaking.

²² Lending from the World Bank and the IMF for stabilization and structural adjustment purposes is done through a number of different lending instruments. They can be found in the IMF and World Bank annual reports.

The third section is a deeper examination of Malawi's experience with structural adjustment and stabilization first focusing on the effects macro-economic adjustment had on Malawi's agricultural sector and rural society and then looks at the fertilizer subsidy removal program.

Structural Adjustment: An Overview

The term "structural adjustment" entered the development discourse from the ideology of Margaret Thatcher in the late 1970s who then persuaded Ronald Reagan to join with her in what turned out to be the dominant development ideology of the 1980s to present. Originally known as "Thatcherism" and "Reaganomics" policies applied in Great Britain and the US it soon expanded into policies that from the very start engendered considerable and heated debate that have earned praise from some quarters (See Noorbakhsk & Paloni, 2001) and sharp criticisms from others.²³ One side criticized the programs and policies in the belief that they would hurt the poor, mainly through reductions in public expenditures on health, education and other social services from which the poor benefited (see, for example, Cornia, Jolly, & Stewart, 1987). Others looked at the effects of structural adjustment programs, which tends to refute these speculations, although there remain serious methodological problems (see e.g., Killick, 1996, Sahn, 1996).

Structural adjustment broadly conceived entails four basic canons: a) liberalize trade and finance (opening of markets to foreign investment); b) macroeconomic stability (end inflation) c) privatization d) reduce government intervention in economy. One of the more controversial

²³ The critical literature on SAPs in Sub-Saharan Africa is vast and beyond the scope and purpose of this dissertation. It is worth noting that even the World Bank at the beginning of the 21st century began to question, if not the need for structural adjustment, the methods of implementing programs as well as the one-size-fits-all approach. This recognition that structural reforms have not accomplished what they were intended to do is quite remarkable considering that the World Bank as recently as 1994 was claiming success even as its own data made such claims dubious. For example, see Schatz, 1994.

aspects of structural adjustment has to do with its view of the state. This perspective calls for withdrawal of the state from the economy through privatization and deregulation, which include not only trade liberalization, but also deregulation of industry and privatization of state-owned industries and services. Such conditions prevent governments from managing basic services such as health, education, or water.

In many cases, countries come to the IFIs for help particularly during times when imports exceed exports by such an amount that wide trade imbalances result. Countries with these imbalances typically go to the IMF for a loan to cover the shortfall. In order to receive the loan countries must agree to implement IMF conditions called stabilization measures. Stabilization measures provide short-term relief so a country can temporarily adjust its balance of payments and have access to credit markets. However, before a country can receive an IMF stabilization loan, it must agree to adopt policies that are often painful for society and therefore politically painful as well. Stabilization measures and structural adjustment programs, taken together, are designed to make an economy more productive, more flexible, and more dynamic. Essentially, the domestic policy environment has to change so that policies foster economic liberalization. The link between stabilization and structural adjustment is clear.²⁴

Accepting these measures entails changing the structure of production to restore equilibrium to the balance of payments. In effect, the economy has to adjust to compete in the global economy and the country agrees to make the necessary changes in order to accomplish this feat. Since the beginning of the 1980s stabilization and adjustment programs have focused

²⁴ The IMF is not the sole lending institution but its influence pervades the entire global financial system. Truly, there are no other choices for a country strapped for cash. For example, as a precondition to entering into World Bank structural adjustment programs, a country first must agree to IMF supported stabilization measures. Moreover, bilateral donors and commercial banks insist that agreements be reached with the Bretton Woods institutions before they support initiatives concerning balance of payments and development financing. Desperate for cash and financing to avoid economic collapse, adoption of IMF measures is really the only game in town.

on a number of immediate objectives necessary for a return to economic growth and stability. It is noteworthy that even as there is variation in actual country programs, for the most part they are remarkably similar (See Tarp 1993; Killick, 1984; Mosley & Toye, 1988). All were designed to remove the alleged cause of the crisis in the first place, government. It was assumed that once the government "got out of the way" - private markets would produce efficient allocations and growth fueling economic development. Growth and stability would return the country from negative to positive balance of payments releasing more capital for investment. For a developing country to get there, it needs to move from a traditional economy to a modern economy where production of primary products gives way to production of manufactured products or what economists call structural transformation (O'Brien, 1991).

Economists at the IFIs believed enacting policies that achieve these goals are necessary to achieve even higher objectives such as attaining positive per capita growth, avoiding further impoverishment of the poor while evading steep reduction of personal consumption and curtailment of basic services which if occurred could unravel the very fabric of society (Tarp, 1993). Specific policies designed to achieve these higher goals include controlling the money supply, currency devaluation to adjust exchange rates, changing fiscal policy in order to reduce public expenditures, deregulation, liberalizing trade, rescheduling debt and reforming and strengthening institutions to better implement public investments as well as successfully carry out privatization (ECA, 1989; O'Brien, 1991).

Therefore, the main objective of structural adjustment is to return an economy back to growth with policies that address underlying weaknesses. Initially, the measures are considered painful particularly for the poor who endure the most due to economic change. For example, devaluation of the currency is to make imports expensive while making exports cheaper on the

world market. A country saves more so it can invest in improving its export sector. However, a downside of devaluation is it usually causes inflation, which clearly harms the poor more.

Nevertheless, by the time the 1970s was ending, most of sub-Saharan Africa's economies were in serious trouble and needed immediate help.

Historical review of structural adjustment programs in Africa: With independence in the 1960s, it was hoped that the state would take a leading role in economic development. Based on Western experiences, it seemed obvious at that time that an active state with a central development plan, supported by foreign aid and enacting interventionist economic policies could break the back of poverty and underdevelopment within a relatively short period. Indeed, by the end of the 1960s, many African countries, including Malawi, produced very healthy growth statistics. From the outside, it appeared that state led development was working.

That perception did not last long. Indications of more serious challenges began to emerge in the late 1960s as one democratic regime after another either were felled by military coups or pushed aside by one-party authoritarian states (Ake, 1996; Chabal, 1994). The struggle for power became everything and everything else including development “was marginalized” (Ake, 1996: 7). By the early 1980s, beliefs in the state led development paradigm were decidedly over optimistic. Other than a few exceptions, most SSA countries were for seeing sharp and alarming economic decline. It became clear that state intervention was not leading to development; instead, state interventions created harmful domestic economic policies designed primarily to maintain political power and not to foster development (Bates, 1981). State led development was now seen as the primary reason for underdevelopment and the source of the crisis in SSA.²⁵ The perception of the state had changed 180 degrees.

²⁵ See Killick (1986) and Teye (1987) for an overview of the changes in perceptions over the last twenty-five years.

Oil Shocks and the Foundation for the World Economic Order

Not all the misery was endogenously created. Other major external events added to the ensuing misery. A sharp recession in the US and much of the rest of the industrialized world in the early 1980s reduced demand for African commodities causing a decline in prices. At the same time, domestic monetary and fiscal policies in the US -- a severe tightening in the money supply, higher interest rates, tax cuts and practically unhindered freedom of action for capitalist activity made the US an attractive place pregnant with investment opportunities for OPEC countries awash in petrodollars (McMichael, 1996). Under Reagan, the US went from being the major source of world liquidity and of direct investment in the 1950s and 1960s, to becoming the world's main debtor nation and by far the largest recipient of foreign capital (Arrighi, 2002; McMichael, 1996).²⁶ The world was undergoing rapid financial realignment. Money flows that once were headed to the South now reversed direction flowing to the North. The South became a net exporter of cash.²⁷ The world stage was now set for a prolonged period of decline and immiseration for many Africans.

However, if there were a catalyst for all these events, both foreign and domestic, it was the oil shocks of the 1970s. When OPEC raised the price of oil by 300% the developing world's

²⁶ The severity of this reversal of fortunes for the developing world can be better understood when examining the change in the current account of the US balance of payments, which caused a reversal of the flow of global investment capital: instead of going to developing countries, it went to the US to fund the deficits.

²⁷ In all fairness, the literature has treated these external events almost as if they were marginal factors for the ensuing economic crisis in Africa when compared to internal factors such as poor governance, weak state institutions and internal corruption - particularly the latter. More attention should be paid to the rapid and deleterious effects the global economic realignment that took place in the early 1980s and continues to have on the people of SSA. The question of "why the poor performance of adjusting states in Africa after twenty years" may be less perplexing since the Third World in general and SSA in particular had to "adjust" to the realities of a new global economy. In the new global economic order the US aggressively competes for capital worldwide to finance a growing trade and current account deficit in its own balance of payments. It is these policies that brought about a sharp increase in real interest rates worldwide—and, importantly, brought about a major reversal in the direction of global capital flows. In such an environment, even if African governments created the policy environment for structural transformation to take place there probably would not be the amount of private capital available for the degree and scope of investment necessary to ensure positive, sustainable growth.

economies started to unravel. This unprecedented price increase threw the developed world's economies into a sharp recession but it ensured the precipitous decline of already fragile economies. In other words, what turned out to be a serious shock for the developed world was a convulsion in the developing world. The steep rise in energy costs and imports negatively affected the terms of trade for African countries. Huge trade imbalances appeared almost overnight and most of the developing countries found they could not pay their bills. With exports not sufficient to cover the costs of imports, countries found themselves in a cash bind unable to pay for even basic necessities. Combined with poor internal economic policies, these external events overwhelmed African economies and sent them reeling.

As the economic crisis deepened, it became clear to SSA countries that they could not sustain their economic and financial imbalances. A country importing more than it is exporting will create a deficit current account and an imbalance of payments. Simply put more money goes out of the country to pay the cost of imports than is earned through exports. To restore balance, the economy needs to "adjust" to the extent that the country exports more than it imports thus earning a surplus. By 1980, countries in Africa were looking at a future much different from the one they envisioned at the time of independence.

In 1981, with the release of the Berg Report, *Accelerated Development in Sub-Saharan Africa: An Agenda for Action* the nature of the debate was radically changed (Ravenhill, 1988). SSA's crisis sprung from deficiencies in national policy-making and weaknesses in economic structure.

The significance of this document cannot be underestimated because, as Ravenhill (1988) argues, the 'Berg Report' not only removed the Lagos Plan of Action from the development agenda, but it had influenced much of the academic work ever since. The predominant emphasis

now turned towards the internal characteristics of African states and the focus changed to policy analysis.²⁸

Yet the Berg Report provides only a partial although important explanation of the crisis. There is no argument that badly conceived internal policies placed African economies at the edge of the precipice and it might have taken much less a shove than that applied by OPEC's price increase to send them over the edge. However, a more balanced view recognizes that there was more than one single cause for the ground to collapse under the economies. A greater awareness of the geographical circumstances and structures African countries inherited since imperialism is necessary to understand how the convergence of a number of the recent events were able to set the economic decline into motion. The combination of history and geography set the stage just waiting for calamity's visitation. That came in the early 1980s when severe droughts dealt a terrible blow to countries that were heavily dependent on agricultural production. As if this was not enough, a second blow was landed when a drastic change in world-economic circumstances caused a sharp increase in global interest rates. Many countries with large debts saw their balance of payments tumble deeply into the red. With little choice, they were obliged to take out loans and pay more interest on the loans in order to purchase food.

Neoliberalism and the New Architecture of Development

As we have seen, the 1980s meant an opportune time for a shift in development thinking regarding the state. There was a rapidly growing disillusionment with statist models of

²⁸ In comparison, much less consideration was given to the more radical dependency and Marxist approaches, which were dominant in the 1970s.

development. The belief that states, supported by foreign aid, could lead societies out of poverty with a development plan now appeared grossly optimistic. Economists at the World Bank and the IMF were quick to prescribe SAPs and stabilization programs as necessary antidotes for past wrongheaded economic policies by African governments.

Another major factor helped propel SSA towards the eventual adoption of structural adjustment policies. The arrival of strong conservative governments in the United States and in Britain in the late 1970s and early 1980s marks the moment when the global economy turned in a new direction. At that time, first with Thatcher in Britain and then followed admiringly by Reagan in the United States, the emphasis on market forces took on an added vigor. Both saw the intrusion of government in the economy as a shackle on the legs of development and human achievement. “Government” as Reagan expressed in his first inaugural address, “is not the solution...government is problem” (Reagan, 1981). The concept, no matter how overly simplified, struck a chord. Less government meant smaller states with the result that unfettered free markets would unleash the development potential of all. This, stressing competitive market forces as essential for development, neoliberalism became the ultra-dominant ideology of development economists in the IFIs as well as USAID.

Like so many ideas that become ideologies, neoliberalism sparked the imagination of conservative think tanks and policymakers. The new orthodoxy held that given the opportunity to enter the free market unhindered by state regulation, economically rational people would prosper, and that prosperity would spread to the less fortunate. Free markets lead to development and development means decreasing poverty. Under the assault of neoliberal free market capitalism, state led development was sent into full retreat. The economic salvation of

the poor could now be achieved. The crisis in sub-Saharan Africa would now be viewed by the IMF and the World Bank through a particularly strong ideological lens.

The global economic context: At the same time, the overall global external context could hardly have been worse for SSA. Global terms of trade suddenly and precipitously turned against primary commodities (agricultural and mineral) with prices falling 40 percent compared to prices for manufactured products from industrialized countries (Leonard & Straus, 2003). For countries that export primary commodities and experiencing balance of payment problems, a decline in commodity prices leaves very few options on the table. What this meant for those developing countries dependent on primary commodities for export was accelerated and increased exports to pay for the products they imported. A cycle of economic decline ensued as more commodities on the market meant an increase in supply driving prices even lower.

Looking back, other factors should have alerted the IFIs to restrain with pushing SAPs on Africa. Specifically, external shocks created by the rapid changes in the global economy were ignored or worse, the IFIs were simply unwilling to consider them (van der Wahl, 2001; Sandbrook, 1993). A few deeply concerned voices warned that ignoring the significance of global economic events, both past and present, would negatively affect Africa's chances for recovery (Gibbon, 1992; Sanbrook, 1993; Chazan & Rothchild, 1993).

That notwithstanding, the argument basically came down to being between those on the one side who claimed that the state was the culprit (internalists) and the obvious solution was to minimize state involvement in the economy (Bates, 1981; Rothchild & Chazan 1988; Chazan, Harbeson, & Rothchild 1994; Callaghy & Ravenhill 1993). On the other side, scholars, as well as African governments in particular, argued that international economic volatility was the chief cause of the crisis and adversely affected prices for African commodities resulting in

deteriorating terms of trade (van der Wahl, 2001; Leonard & Strauss, 2003; Loxley & Sedden, 1994). For them, a better path for Africa to follow was through implementation of the Lagos Plan of Action, which called for a change in international economic relations. Moreover, much concern about the effects of state withdrawal was also expressed because the neoliberal based arguments assumed the existence of a bourgeoisie that would provide the impetus for economic development. Not many scholars knowledgeable of Africa would make that assumption, at least not a bourgeoisie that had attained the necessary size. For example, Nyan'goro and Shaw (1998) claimed that state withdrawal would lead to economic disaster, even taking into consideration the current inefficiencies of most regimes simply because there is “no national bourgeoisie to compensate for state withdrawal” (Nyan'goro & Shaw, 1998: 35).

Unfortunately, the pendulum was too far over on the side of neoliberal orthodoxy. This dramatic shift in the development discourse augured that the “internalists” would carry the day. They did and their solutions – policies anchored in neoliberal economic theory – were prescribed for SSA (Hutchfield, 1995). The global economic context would have no influence on policymaking.

In all fairness, over the years, a convergence of the two camps did take place, although limited to mainstream economists (Rodrik, 1996). As a result, van der Wahl says debates focus much less on policy differences and instead have come to focus on adjustment programs rather than on adjustment” (van der Wahl, 2001: 10). In other words, most everyone agrees that internal factors led to the crisis; external factors merely compounded it (Galdwin, 1991) and that African governments needed to adopt the goals advocated by the IMF and World Bank²⁹ (World

²⁹ For example, the World Bank agreed that Africa's history and the way its economies were structured at independence imposed huge obstacles to economic development. That being the case, in a number of publications, the emphasis is placed on domestic policy weakness and failures as the main factors (World Bank 1981, 1986).

Bank, 1989; Sandbrook, 1993; Chabal & Daloz, 1999; Ayittey, 2005). Nevertheless, Leonard and Straus recently argued that the crisis has never really ended. It persists because Africa's underdevelopment is directly related to the continent's relationship with the international system – a system that creates a “dysfunctional set of incentives” for development, whether economic or political (Leonard & Straus, 2003).

The end result was that by the 1990s the IFIs, backed by the US and Britain, were urging with even greater fervency the adoption of policies that would 'adjust' the economies of Africa to the existing distribution of wealth and power in the global economy, and the demands of unstable world markets.³⁰ The point is to integrate even more the economies of developing countries into the global capitalist economy, which in effect means they will be fully exposed to its periodic fluctuations. Essentially then, the theory or thinking behind SAPs for developing countries could be described as testing “economic Darwinism” because it places the survival of these countries on the ability of capitalism on a global scale to meet the needs of the peoples of the world.

However, even before the IFIs new fervency, the swelling US deficit had a considerable destabilizing affect on world trade and financial flows (Arrighi, 2002; Mkandawire & Soludo, 1999). Following enormous financial instability caused by the devaluation of the dollar and the explosion in lending in the 1970s, conditions only worsened in developing countries most closely tied in to the European and US economy. Debt swelled as not only African but also developing countries around the world were swept along by a lurching global economy. For the next twenty years, a “Great African Depression” gripped the continent (Leonard *et al.*, 2003).

³⁰ At this time an alternative proposal set forth by advocates of the New International Economic Order was developed. Pointing to the fundamental disparity of global power, it called for the minority of wealthy capitalist to adjust their economies and patterns of global trade, investment, and production in a more just and fair configuration so the Third World would have some space to develop. Not surprisingly, it was never given a fair hearing and was subsequently pushed off the agenda of the IFIs.

Effects of structural adjustment

It is against this background that African governments began the long and painful process of reorienting economic policies by adopting IMF stabilization and World Bank structural adjustment programs. The upshot was that within a decade, the Bretton Woods institutions had in fact acquired an unprecedented influence over policy-making in African countries (Barratt-Brown, 1997).

Starting in the 1980s, the IFIs implemented policies designed to address immediate fiscal imbalances in the short run across most of Africa. Over time, the policies were designed to establish conditions leading to economic development. In order to receive the loans, countries had to agree to certain conditions established by the IFIs. Those conditions, coming out of their mission as spelled out at their conception would have a significant influence in determining the course of development in Africa and not without controversy.

Implementing the policies constitutes a major part of the controversy surrounding the effects stabilization and structural adjustment policies are having on African societies. The controversy swirls around the IFIs involvement in the internal affairs of states. In this regards, there is no argument that the IFIs are much different today than anyone could have ever imagined at their beginning. Today, they have evolved into powerful international players with expanded agendas based essentially on free market capitalism. The tactics they employ, some argue, have taken them away from their original mission of development and instead transformed them into debt collectors for the developed world (Sachs, 2005; Stiglitz, 2000).

It is a point to contemplate because successful “adjusters” are few and that record of the IFIs in sub-Saharan Africa exposes the gap between what the original mission was and has become (Schatz, 1994). A simple illustration bears this out. In 1970, the face of poverty was Asian with more poor people living in South and East Asia. By 2000, the face of poverty

changed to African, with one third of the world's poor people living there (UNDP, 2005). The UNDP projects that by 2015, Africa will account for the majority of poor people.

As conditions worsened on the continent, calls for rethinking structural adjustment started as early as mid 1980s. Adedji noted that the external economic environment deteriorated in 1986 and 1987 to such an extent that "Africa was, in fact, a net transferer rather than a net recipient of resources (Adedeji, 1988: 53). According to the International Food Policy Research Institute (IFPRI, 1997) there were 18 million malnourished children in SSA in 1970. By 1997, the number increased to 32 million. Meanwhile, the global trend moved in the opposite direction: 203 million hungry children in 1970 down to 166 million in 1997. It seems appropriate then, even in retrospect, that the key question is whether structural adjustment policies could ever cause a reduction in the number of Malawians living in poverty. The importance of this question cannot be understated as it defines the context and environment that tests the transition and consolidation of democratic governance.

Structural Adjustment in Malawi

Compared to most countries in SSA, Malawi adjusted well to adverse external shocks in the 1970s (Harrigan, 2001; Chilowa, 1998; Lele, 1987; Lele, 1989, Archaya, 1981). However, numerous other external problems including a drought, a major decline in external terms of trade, higher interest rates on externally borrowed capital, a sharp increase in external transport costs, and a substantial influx of refugees, the latter two resulting from political strife in neighboring Mozambique accompanied the second oil shock in 1979. So many problems occurring simultaneously proved to be too much for the economy to absorb (Lele, 1989). Essentially, much of Malawi's economic crisis actually developed from 1979 through to 1981 (Kaluwa, Silumbu, Ngalande-Banda, & Chilowa, 1992; Kydd, 1988).

Since 1981, Malawi has implemented reforms designed to eliminate distortions and unfairness against smallholder agriculture. The stated and official purpose was to provide all smallholder farmers an environment where they would have much greater access to resources. In order to reach that goal, all the SAP loans contained a section stating that the government was to guarantee establishing an appropriate price policy that would furnish incentives to producers and develop the role of the private sector in the marketing of smallholder crops (Bhalla, Chipete, Taye, & Mkandawire, 2000).

At the time, it appeared the government adopted one of the most ambitious programs of structural adjustment in Africa in an attempt to restore macroeconomic balance (Lele, 1989; Harrigan, 2001). However, it turned out that the dualistic structure of Malawi's agricultural sector complicated the program (Christiansen & Kydd, 1987; Sahn & Arulpragasam, 1994).

Since agriculture is the main economic activity in Malawi, the focus of the discussion of structural adjustment will be on that sector. As mentioned and important to note, Malawi's agriculture is divided into two sub-sectors the result of policies during Banda's rule divided the sector up between an estate sector and a smallholder sector. The estate sector provides approximately 95 percent of the countries exports (Lele, 1989). The smallholder sector is a different story altogether. It is also divided into two with less than half the holdings having enough land to meet subsistence needs and possibly some surplus to sell (Lele, 1989). Consequently, more than half of small holders do not have adequate land size and thus cannot meet subsistence requirements. Most of small holders are living in poverty and facing serious land pressures. Additionally, they depend mainly on agriculture for employment. In effect, Banda's purpose for creating the dualistic agriculture was to create a pool of peasant labor to work on the estates. The estates, in turn, were part of the Banda's patronage system for political

clients who benefited from the abundance of impoverished available labor. The important point is that the IFIs in implementing the SAPs paid no heed to Malawi's unique agricultural configuration. It was a serious failing on the part of the IFIs resulting in the hoped for invigoration of agriculture and by extension, the economy never happening.

As Lele (1989) argues, this dualism-within-dualism was not considered relevant to the structural adjustment program particularly the deep poverty of the smallholder sector. It would have serious consequences for the entire process of structural adjustment. Working with macroeconomic theories, economists were unable to fathom the fact that the poverty constrained the smallholder sector from responding to or withstand the effects of macroeconomic adjustment (Lele, 1989). Not recognizing the context of Malawi's agricultural sector resulted in two failures: a) while addressing macro-economic imbalance, structural adjustment had not been able to improve aggregate supply response, and b) due to higher food and fertilizer prices, it had an adverse impact upon the poor. In other words, increasing food prices as well as fertilizer and seed prices put the net food buyers in a bind. The majority of farmers were caught in it. They could not increase production in response to the higher prices for farm produce because they did not afford the inputs of fertilizer and seed. If the household had any cash, it was quickly consumed by rising food prices.

Fertilizer Subsidy Removal

Structural adjustment programs were designed with great hope and ambition. Broadly speaking, they were supposed to change the structure of production by reducing the dependence of the economy on the agricultural sector while aiming at efficient production in the agricultural sector (Chilowa, 1998; Lele, 1987; Peters, 1996b). Several policy reforms significantly benefited rural producers such as the liberalization of burley tobacco. Following liberalization of tobacco marketing around 1994, smallholder production quickly became a vital part of Malawi's main

cash crop. Not all farmers could adopt burley tobacco as a cash crop, but for those who did it provided a significant increase in income.

However, in recent years, for a number of reasons, tobacco prices have fallen reducing profitability (Orr, 2000; Owens, 1999). One factor was increased burley tobacco production in Mozambique and especially Tanzania. Unlike Malawi, these countries are not landlocked and have ports out of which the tobacco is shipped. Because of the disparity in transport costs, Malawi's tobacco could not compete and if it is to sell, the price has to be lower. Another important factor was the increasing cost of fertilizer.

There are other problems with tobacco production. For one, tobacco has not made as large an impact on rural poverty reduction as originally hoped (Peters, 1996a; Ellis, Kutengule & Nyasulu, 2002). For a significantly large number of households barely capable of achieving food security from maize production, fluctuations in prices, and issues regarding quality translates into output being rejected at auction or attracts prices below the costs of production, particularly when the market is depressed (Ellis, *et al.*, 2002).

Declining tobacco prices emphasizes the importance of maize in the rural economy as food security continues to be the number one issue for smallholders. Maize is the staple food crop with maize cultivation occupying between 70 and 80 percent of the cropped land and grown predominantly by smallholders (Lele, 1989; FAO, 2005; Tchale, Kumwenda, Wobst & Mduma, 2005). Understandably, the last decade has witnessed disturbing trends with maize production increasing concerns about Malawi's future in the short and midterm (Chirwa & Zakeyo, 2003; Dorward and Kydd, 2004; Devereaux, 2002b). Frequent crop shortfalls are occurring at a time when population density is increasing, farm sizes are shrinking through both subdivision and the fact that there is only marginal land left to expand to, and land fertility is decreasing because of

continuous cropping without nutrient replenishment. The standard agronomic response to these developments is to compensate for smaller land size by intensifying yields, which is signally important for Malawi because other employment and livelihood options are very limited (Tchale, *et al.*, 2005). Since the soils in Malawi have been mined of nutrients, the only way to do that is adding fertilizer.

Unfortunately, for the majority of farmers, the dramatic and steep rise in fertilizer prices due to SAPs has placed it out of reach. Consequently, increased food insecurity is dictating the future of Malawi's agriculture policies, a fact that does not bode well for a country that has to rely on agriculture for economic development. As farmers turn towards producing food for household consumption by devoting land to low yielding maize, the country cannot earn the foreign exchange it needs to pay back its debt let alone invest in public goods. These factors underscore the decidedly high negative impact removal of the fertilizer subsidy had not just on the smallholder sector but also on national development policy

Originally, the subsidy on fertilizer was part of the government's agricultural development plan. The purpose was to provide an economic benefit to smallholders by increasing maize yields and in the process maintain food security. However, in 1983, the government agreed to gradually remove the subsidy as part of a structural adjustment policy package that was designed correct Malawi's fiscal imbalance (Sahn & Arulpragasm, 1994).

The government's commitment however, was halfhearted since it recognized that removal of the subsidy would threaten the food security of millions of people. In reality, the rural economy was simply too heavily dependent on estate-produced tobacco, which needed very cheap labor. Thus, the dualism created to provide the labor for the estates also contributed to the situation in rural Malawi today. By all accounts, rural poverty is very high with around 80

percent of rural households being net buyers of maize and 55 percent unable to meet their basic needs (Harrigan, 2001). Because of continued declining soil fertility, food security became a priority.

Food security is a national concern in Malawi and it revolves around subsistence maize cultivation (Lele, 1989; FAO, 2005). Declining soil fertility increase pressure to put land under maize, thereby shrinking the opportunities for cash crop production (Peters, 1999; Uttaro, 1998). This represents a major challenge for the government because both intensifying maize production and increasing cash crop production are essential for economic growth in the agricultural sector. The irony is that neither can really be achieved through reliance on market reforms alone. In the first place, poverty means vulnerability and therefore risk aversion is the main strategy of subsistence farmers. In this scenario, subsistence farmers may not be thinking of participating in the market but with food yields, declining their main concern is growing all the food they can so they are not dependent on the market (Lele, 1989). In addition, without access to credit or inputs, their ability to increase their own productivity by risking investment in improved technologies is nearly non-existent. As food and fertilizer prices go up, it only serves to aggravate their precarious situation. As a result, without the majority of farmers able to participate in the liberalized economy, economic growth is severely constrained.

Criticism of SAPs and Fertilizer Subsidy Removal

Although it is true that the state in Africa fell short in many ways and should re-evaluate its role in development (World Bank, 1981; Ergas, 1986), there are reasons not to throw the baby out with the bath water. Structural adjustment is seen as doing just that. There is a vast literature criticizing SAPs (See Staatz, 1990; Roe, 1990; Vartianinen, 1995; Owusu *et al.*, 2002; Teivainen, 2002; Dembele, 2004). Much of this criticism centers on the how SAPs affect state policymaking, with devastating consequences on the poor (Kydd, 1988; Gladwin, 1992; Lewis,

1994; Mkandawire & Soludo, 1999; Kaluwa *et al.*, 1992). The common theme in this literature is that the SAPs function as an intervention on behalf of the market, removing the state from control over public services and limiting the state's function of guaranteeing that ordinary people have access to them. It is also argued that SAPs disengage the state from protecting the most vulnerable in society leaving them to fend for themselves. It is no clearer than with providing subsidies, which under structural adjustment means the state no longer help protect poor farmers particularly as they try to cope with rapidly rising costs that threaten their survival.

There is little doubt African economies needed structural stabilization and adjustment (Lele, 1991; Sahn, 1992). Even so, Malawi represents an example of what turns out to be the major criticism of SAPs: they are so theoretically embedded that it becomes a “one-size-fits-all” program. Essentially and of significant importance for this study, the IFIs failed to see the unique and challenging context of the agricultural sector and in that failure, did not allow for the provisioning of policies that could address the social and economic needs of the people. Instead, the assumptions on which the policies were based significantly exacerbated the poverty of the smallholder sector. Blind to the circumstances of the most vulnerable groups in society, SAPs worsened their plight and in doing so created even greater problems (Cornia *et al.*, 1987). No group highlights this better than female-headed households, the “poorest of the poor” (Gladwin, 1991). Devaluations of the currency (kwacha) and the subsequent rise in prices left them unable to respond positively (Lele, 1991; Peters, 1996). Moreover, as SAPs reduce government expenditures in education, health services, and research, the rippling effect is extensive. Although this phenomenon impinges on everyone, the effects are disproportionately felt by women and children. As services meant to keep a population smarter and healthier are cut, labor productivity in agriculture is negatively affected.

Conclusion

Removal of fertilizer subsidies was particularly problematic for developing Malawi's agricultural sector. Indeed, its rationale when applied to the Malawian context appears to be aimed at furthering underdevelopment rather than development. Gladwin (1991) draws attention to the importance of fertilizer for smallholders arguing that removal of subsidies under SAPs is politically motivated and not economically sound. In a country where 80 percent of the population is engaged in agriculture, land pressures are high and soil fertility low, and food security is the greatest challenge, it is hard to argue with her. Fertilizer is the lynchpin in combating food insecurity and the SAPs have literally pulled subsidies off the table. I attended a conference in 1997 in Lilongwe, where the donor community and the Ministry of Agriculture met to address growing concerns of food insecurity and starvation due to projection of a lower maize harvest. Papers were presented with policy proposals including a paper by Ann Conroy, an economist and consultant to the government of Malawi. In the paper, Conroy set forth several policy proposals to address the dire situation unfolding in Malawi (Conroy, 1997). However, the one proposal that was not offered was reinstating fertilizer subsidies. In fact, I was present at a discussion where the USAID representative simply said that reinstating the subsidy would result in the United States withdrawing support of Malawi's balance of payments. Essentially, Malawi was told to give the market more time.

The most significant counterargument to SAPs is that there is little empirical support for this full faith in markets and conversely, the lack of faith in any state interventions. While the majority of the countries that have adopted structural adjustment programs are in Africa and Latin America, the countries in South and East Asia that the World Bank pointed to as excellent models of development have not been under its guidance (Chang 2003; Rodrik, 1995; Vartiainen, 1999). Indeed, it was not the free market but the state that played a vital and active

role in the transformation of their economies from small agrarian based to highly industrialized and competitive in the global market.

The fact that neoliberal inspired policies have not achieved their goal is because they have not recognized all the factors that created the imbalances in the first place. Of particular importance are the previous effects of being exposed to exogenous global capitalist forces that undercut the capacity of the state to lead development. As mentioned previously, the two events that brought the developing world's economies to its knees are the 1970s oil shocks and the crash of primary commodity prices in the 1980s. With export commodity prices down states found themselves with serious balance of payments problems. With little hope of recovery in the near term and nowhere else to go, developing countries reeling from this double blow turned to the IMF and World Bank. For Malawi, the remedy applied through SAPs meant that access to fertilizer, a key factor for her development, would no longer be feasible for the majority of farmers. In effect, the baby went out with the bath water.

Admittedly, the free market economic argument against subsidies is strong. Subsidies do create market distortions that can impede long-term development. Subsidies create an unfair environment in which the private sector cannot compete and thus leave the market open to inefficiencies in provisioning agricultural inputs. Subsidies also can create discourage farmers from diversifying into other crops possibly missing opportunities (Africa Research Institute, 2007). They can be an avenue for corruption as well as have a negative affect regarding missed opportunity costs (Kelly, Adesina & Gordon, 2003). Nevertheless, there are no viable alternatives to subsidizing fertilizer in achieving food security in Malawi in the short-term (Africa Research Institute, 2007).

To even the nonprofessional observer like myself, it seems that the best way to improve food security is to raise productivity with fertilizer. Since Malawi has very severe land pressure and fertility issues, fertilizer should play a vital role in this regards. Even as common sense informs us of the practicality, removal of the fertilizer subsidy had its own rationale provided by the IFIs. The disagreement over policy arose because the IFIs did not view structural adjustment from the same position as advocates for keeping the subsidy. The issue comes down to the best way to achieve food security. With SAPs, food security would be achieved through increased production and that would only come about when prices were right. In essence, it was believed that by adjusting the prices for farm goods upwards the market would provide the incentives for producers and thus stimulate increased production.

For the IFIs the greater priority were budgetary concerns and removal of the subsidy was one of the many elements of World Bank SAPs. The subsidy was seen only as a distortion in the market costing the government scarce monetary resources that could otherwise be applied to the debt. It was fully removed in 1995. In the next chapter, we look at how farmers responded to the fertilizer subsidy removal policy. We descend to the village level where macroeconomic statistics do not translate well but the shocks are felt most strongly. It is a portrayal of how structural adjustment and the removal of the fertilizer subsidy policy in Malawi influences farmers decision making, limiting choices as to what to plant and the reasons behind those decisions. The results are seldom seen or understood by the neoliberal economists at the IFIs, possibly because absolute faith in the market assumes much different outcomes. As I show in the next chapter, without access to fertilizer, living conditions have worsened evidenced by the reduced decisions people are making.

CHAPTER 4
STRUCTURAL ADJUSTMENT AND DIMINISHING CHOICES AT THE VILLAGE
LEVEL³¹

In Malawi, the bottom poor were *osaukitsitsa*, "mainly households headed by the aged, the sick, disabled orphans and widows." Some were described as *onyentchera* "the stunted poor, with thin bodies, short stature and thin hairs, bodies that did not shine even after bathing, and who experience frequent illnesses and a severe lack of food."³² – William Easterly, *The Elusive Quest for Growth*

"It's a perfect trap: poor soils lead to poor harvests, and poor harvests lead to poor households unable to replenish the soil."³³ – Jeffrey Sachs

In the early morning hours on any given day in the middle of September 1998, one would find people already queuing at the ADMARC on the edge of the town of Myaka, a trading center in the southern region of Malawi. They came early waiting to buy maize so they could feed their families. For just about everyone in line, ADMARC, the agricultural marketing parastatal established in the early post independence years,³⁴ was a familiar place. In past years, both good and bad, ADMARC reliably provided them the seed and fertilizer needed to grow their maize. At harvest time, ADMARC would purchase their surplus produce. That was in past years though. In 1998, ADMARC's role was changing and that partially explains why people were queuing early at virtually every ADMARC in Malawi. The other part of the explanation is

³¹ A revised version of this chapter appeared as: Uttaro, Robert. "Diminishing Choices: Gender, Small Bags of Fertilizer, and Household Food Security Decisions in Malawi." *African Studies Quarterly* 6, no.1: [online] URL: <http://web.africa.ufl.edu/asq/v5/v6i1a4.htm> Reprinted with permission from *African Studies Quarterly*.

³² This passage was taken from William Easterly's book *The Elusive Quest for Growth*, 2002, pp. 10-11. The section in quotation is from Narayan, Deepa, Robert Chambers, Meera Shah, and Patti Petesch. 2000. *Crying Out for Change: Voices of the Poor*.

³³ "What a little fertilizer can do" <http://www.time.com/time/magazine/article/0,9171,1647466,00.html>

³⁴ The acronym stands for Agricultural Development Marketing Corporation. It was established by the government to control prices on smallholder produce with the intent of raising revenue for the government. Up until recent years, the corporation enjoyed a monopoly on the purchase of virtually all marketable peasant produce. It was also the only institution that supplied inputs to peasant farmers. In 1996, the government, under pressure to liberalize its economy, passed the Privatization Act, aimed to divest the government of much of its assets and enhance the role of the private sector in agriculture. In accordance with the Privatization Act, the government prepared for the commercialization and privatization of ADMARC by end-March 1999, with implementation to begin not long after.

within a series of events and factors that essentially started tens of thousands of people walking to ADMARC in September 1998.

The sequence of events started much earlier when Malawi agreed to implementing the SAPs and removal of the subsidy on fertilizer in particular. As a result, a shortage of maize resulted making it very expensive for most Malawians. Other factors helped to make the situation worse. Liberalization of the economy opened the market up to private traders, a new phenomenon that came with privatization and structural adjustment. In 1998, private traders were hoarding maize and simply waiting for the maize to run out at each ADMARC center. When that happened, the traders would pull out their scales, take out their bags of maize and open shop. If they were patient, they could command twice the price or more than what ADMARC's official price.³⁵

Long queues mean long waits but amazingly, but on the day I visited, there were no complaints from the people in line. The ADMARC officials were delaying their opening. I estimated about four or so dozen 50-kilogram bags of maize were stacked in the depot. A bag about one third full was next to the scale. The manager said he expected a truck loaded with maize to arrive that day but he was not sure. He noted that it was suppose to come two days earlier and did not. I was told that some drivers were selling parts of their load to “connected” traders. Rumors, like hunger, were the only things that seemed in abundance.

On that morning, I met a woman standing in line. She told me she comes to ADMARC twice a week to buy maize for her family – if she has any money. Her story echoes the stories of millions. Poverty and hunger limits choices. She said she is very concerned for her family.

³⁵ I personally witnessed this happening. In one instance, after the ADMARC shut down because it ran out of maize (even after rationing) the private traders started selling maize at 17MK per kilogram or 10MK higher than what ADMARC sold it for.

There is absolutely no money for other necessities, such as soap, sugar, etc. No longer married as her husband died a few years ago, she is now the sole provider for her family. Her village is approximately six kilometers away and she walks the distance. She cannot afford to spend what little money she has on transport.

The weather divides Malawi's seasons between the rainy and the dry. It also has influence on a third season that people call "the hungry season," the time between harvests when people run out of maize. For this woman at ADMARC, the hungry season had arrived and would remain until early March when the first green maize is harvested. Then, if the rains are good and are on time, she and her family would be eating their own maize grown in her small garden. There is a problem, though: she only plants local maize because she cannot afford hybrid seed or fertilizer. Local maize is therefore cheaper but there is a price to pay and a huge risk to take. The price her family pays is that local maize takes longer to mature which means the hungry season lingers. The risk is that the rainy season, much less predictable than in earlier decades, may end early, stunting maize growth and drastically reducing yields. If that happens (and it did in 2001), the hungry season arrives cruelly early. Nevertheless, she is prayerful for a good harvest. The difference between a good harvest and a poor one is measured less in bags and more in time. Since her land size is small, a good harvest will keep her family fed until the end of October. A poor one and she will begin her twice-weekly walk to ADMARC to buy maize in September, if she has money.

It is a huge and understandable concern. In September of 1998, a 50kg bag of maize cost Malawi Kwacha (MK) 350 at ADMARC. In September 2001, it would be a much different –and worse – story. Then she would most likely not be buying at ADMARC due to ADMARC's low maize stocks. In September 2001, if she had to buy maize in the private market, the price would

range between MK 15 – 17/ kg. If she continued to buy into December 2001, the price would be MK22 to MK25 / kg or MK1175 for a 50kg bag, three times as much as the price three years ago. It would get considerably worse in 2002.

The year 2001/2002 was significant for a number of reasons. Weather patterns were especially erratic around the country that year. Some regions were hit with heavy flooding followed by a nasty and prolonged drought while others experienced significantly lower precipitation. Not all regions were affected the same and even within regions, not all farmers faced ruin. Those who planted hybrid maize were the fortunate ones harvesting their maize before the drought set in. Farmers planting local maize were not so lucky.

Rumors of a devastating famine began to circulate as early as October 2001 (Menon, 2007). Outside agencies such as USAID's Famine Early Warning System began alerting the world of a potentially difficult year ahead for Malawi and Southern Africa due to the weather (FEWSNET, 2002). At about the same time the government of Malawi also significantly reduced its crop estimates. Although weather was initially blamed, other factors led some to conclude that the famine of 2002 was as much a policy failure as anything else (Devereaux, 2002a & 2002b). Just how far removed the government was from the concerns and needs of the people is revealed in ADMARC's response to the warnings of famine. In 2001, ADMARC failed to purchase sufficient quantities of maize from the farmers. USAID listed three reasons for ADMARC's low stocks: "(a) the general drop in maize production, resulting in a net maize deficit in the country; (b) ADMARC's late entry into the maize market after the private traders had already bought most of the maize from the farmers; and (c) ADMARC's low producer price, only about half of what the private traders were offering." When ADMARC decided to adjust its

purchase price upward it did so very late after the harvest (USAID/FEWS NET Nov-Dec 2001 Monthly Report).

Adding upward pressure on prices is the fact that the Government of Malawi (GoM) made a controversial decision to sell its strategic reserve of maize purportedly at the behest of the IMF in order to raise money for debt payment and government operation expenditures (Devereux, 2002b; Stevens, Devereux & Kennan, 2002; ActionAid USA, 2002). The act itself appears to contradict the very purpose of the strategic grain reserve, which the government committed to maintain as a means to even out maize availability between years of drought. Moreover, it shows both a high level of insensitivity to the suffering of people as well as subordinating their suffering to IMF and donor priorities. The IMF has denied advising the GOM or the National Food Reserve Agency to sell off the strategic maize reserve. It is not clear what happened to all the proceeds from the sale.

The rise in prices due to either weather or international pressures has devastating consequences on the poor. The unfortunate fact is that price increases ripple quickly through a household budget. The more meager that budget, the greater the ripple effect and is starkly evident in Malawi.

Maize is not the only commodity that has risen in price. Over the last half dozen years, the inflation rate has ravaged people's meager savings. The worst year was 1995 when food prices went up 133% while overall inflation was at 98% (NSO, 2005). By 2001, according to the National Statistical Office of Malawi, the inflation rate stood at 25% but this certainly was not the case with maize. For this woman standing in line, this number had nothing to do with maize. She knows food is unaffordable as is the fertilizer she needs for her crops. She knows that the price for CAN went from MK 265 for a 50kg bag in 1998 to MK662 in 2000; that 23:21:0 + 4s

went from MK347 to MK837 in the same period.³⁶ She also knows that in this same period her kwacha buys far less due to many devaluations. For example, in 1998, the exchange rate was 44 kwacha to 1 US dollar; in 2000 it was 80 to 1. Meanwhile the wages she earned doing casual labor – what is called “ganyu” -has remained stagnant.³⁷

Her food security situation is not exceptional. Many smallholder and subsistence farmers, men and women, are no longer able to produce enough food for their families. They are subsistence farmers who cannot afford the inputs necessary for an abundant harvest. It is a sad reality for far too many families in Malawi.

This chapter is about them. Not just the *osaukitsitsa* or *onyentchera*, the bottom poor as in the Easterly reference at the top of this chapter, but the majority of people in rural Malawi. Its purpose is to provide a look at the decisions people made in the wake of the SAPs. Decisions made in the context of a terrible downward cycle of diminishing choices and diminishing returns. The center point from which all the decisions seem to cascade out of is the lack of adequate fertilizer, not because it is scarce but because it is too expensive. The cost placed it beyond the reach of the very people Malawi needs to lead the way towards economic development. Even under the most favorable climatic conditions, they cannot afford to purchase fertilizer.

The focus of this chapter is especially on women farmers and their role in providing the food for their families and by extension, the nation. Both women and men were adversely affected by structural adjustment; however, in comparison, women have carried more of the burden imposed by the structural adjustment policies. After all, women’s labor keeps the household functioning, the children fed, and the food bins stocked. Policies that influence yields

³⁶ CAN is the acronym for calcium ammonium nitrate and is the most common inorganic fertilizer applied by small holders because of its cheaper cost relative to other fertilizers

³⁷ Ganyu or casual labor pay varies not only by location but also by type of compensation. As such, it is impossible to measure and thus monitor.

of maize affect the livelihoods of all. For this reason, the impact the fertilizer subsidy removal had on women and the decisions they make needs closer examination.

Under structural adjustment reforms, household food insecurity increased with the subsidy removal, which started in 1986 but not effectively implemented until 1994 (Chilowa, 1998). In 2001/02, the food security situation was estimated to be “tight” with possibilities of starvation reported in a number of districts especially in the South and Central regions (FEWS NET, 2002). In the north, the situation was slightly better as people with money were able to buy cheaper maize from local sources as well neighboring Tanzania. Severe flooding in parts of Malawi in the first half of 2001 exacerbated the situation (SADC Food Security Quarterly Bulletin, October, 2001). To add to the suffering, drought during the height of the growing season decimated crops in early 2002. Estimates ranged from three to seven million people or more faced starvation (Devereux, 2002b & 2002c; Magrath, Hillier & Bookstein, 2002; Owusu & Ng’ambi, 2002).

Without fertilizer, the nutrient depleted soil does not produce enough maize. Without fertilizer, they plant less hybrid maize, an expensive but less risky alternative to local maize. And with less maize, the number of households affected by an ever-deepening crisis of food insecurity is steadily increasing (Owens, 1999). “*Njala*” – the Chichewa word for hunger – is heard in villages throughout Malawi.

Fertilizer and food security are closely related, more so in Malawi than in many other countries. Large populations on smallholdings, land degradation, and soil infertility are significant factors linking the two. The IFIs should have considered this context prior to implementing the fertilizer subsidy removal. Moreover, this context amplifies the link of fertilizer to famine. Sen (1999) argues that famine is not caused by food scarcity but because

people cannot afford it. When stories of famine come out of Malawi, the weather is most often cited as the cause. Sometimes the lack of fertilizer is mentioned but usually in passing. Certainly, droughts and floods can destroy crops and throw whole communities into distress. People, villages and governments can only respond to weather related catastrophes, not control them. Famine caused by inadequate fertilizer is a famine due to food shortages. The influence fertilizer, or lack of it, does not invalidate Sen's argument but rather sheds a disturbing light on the causes of famine.³⁸ It is policy that affects access to fertilizer and in this case a policy made in Washington.

Malawi's soils are losing their ability to produce. Food self-sufficiency is a distant and fading goal. Declining soil fertility is constraining food production and has been for a number of years now (IFPRI, 1997). This fact was clear to everyone - not only the farmers themselves back in 1996, but also agronomists and soil scientists, technocrats and politicians. Poor yields and hungry children provide disturbing yet ample evidence of a problem growing only worse every day. As the price of fertilizer exceeds farmers' reach, hunger spread throughout the country and the hunger season lengthens. As the depletion and degradation of Malawi's soils continues, people who depend on these soils for subsistence are finding that their options to deal with the crisis are severely limited.

This chapter examines two of those options: the use of inorganic fertilizer and the planting of hybrid maize. Both options are interrelated for several reasons but the most significant is that hybrid maize needs fertilizer to make it worth planting. Generally, maize in Malawi is divided into two categories: local and hybrid. Local maize is very popular and many

³⁸ Reports placed a share of the blame for the famines Malawi faced since 1998 on the decline in the use of fertilizer on hybrid maize and the decline in the planting of hybrid. It is believed that the drought would have been less severe if fertilizer and hybrid seed were made available to all Malawi's smallholder farmers this past year as the Starter Pack Program did in the previous three years. See "Man-Made Food Crisis Grips Southern Africa" Christian Science Monitor, May 15, 2002.

smallholder subsistence farmers plant it. Hybrid maize was developed to intensify production and therefore improve food self-sufficiency. Compared to local maize, hybrid has two distinct advantages. First, it produces significantly higher yields. Second, it matures much faster than local maize and minimizes the risk of crop loss if the rains should happen to end sooner than normal.

In the current economic environment, however, planting hybrid maize has two significant drawbacks. The first is the price of the seed. Whereas local maize seed can be obtained from the previous year's crop, hybrid seed needs to be purchased in order to maintain the advantage of higher yields. The other drawback is that the poor soils require fertilizer or nutrient amendments. Hybrid is now an expensive investment. With fertilizer now out of the reach of most smallholder farmers, planting hybrid maize is much riskier.³⁹ Unfertilized hybrid maize yields generally are not that significantly better than local maize to justify the price of the seeds, although research has shown that in certain climatic and soil conditions it can be. Nevertheless, farmers have seen a steep increase in the prices of both hybrid seed and fertilizer causing many to reconsider the risk of planting hybrid. Using money for unfertilized hybrid seed might be better spent on something else.

Weather has to stand out as the greatest risk all farmers face for the obvious reason that it is outside human agency. Decisions concerning hybrid maize and fertilizer are riskier for poor households in part because the weather can devastate the vulnerable household's economies. If the rains are heavy and the hybrid crop is washed away or the fertilizer leeches through, a significant loss is incurred. Even though rain patterns vary considerably throughout the country,

³⁹ Since the mid-1990s, fertilizer prices have risen sharply while a series of currency devaluations and high inflation rates have severely eroded household purchasing power. The upshot being that most smallholder farmers have been unable to afford adequate amounts of fertilizer, if any at all.

in the 1998 and 2001 floods and drought devastated much of the country. Many farmers fortunate enough not to suffer from the flood in 2001 may not have been so lucky in escaping the ravages of the current drought. It seems likely that these experiences will affect future decisions concerning planting hybrid maize.

Although food production is an important aspect of household food security or insecurity, it is not the only one and focusing only on increasing production would not necessarily convert a household from being food-insecure to being food-secure. Other factors certainly influence a household's food security including land size, family size, poverty and outside or off-farm income generating activities, to name just a few (Gladwin, Thomson, Peterson, & Anderson, 1998). Thus, a household with only a small parcel of land, limited income, high poverty and seven mouths to feed most likely will never be able to produce enough food to be food secure.

Nonetheless, a trend of increasing production is a key factor contributing to achieving both household and national food security particularly for the poorest countries (Shapouri & Rosen, 1999). For Sub-Saharan Africa, and particularly Malawi, it will not be an easy task. In order to meet nutritional requirements by 2008, grain yields will have to increase by a rate 60 percent higher than achieved during 1980–1997 (Shapouri & Rosen, 1999).

Increasing production would help close the food gap—shorten the hungry season—and have a positive impact on an impoverished family, simply because the less frequently food is purchased during the hungry season, when prices are typically high, means that more cash can be spent on other necessities.⁴⁰ Thus, decisions made by subsistence farmers—particularly women

⁴⁰ It is estimated that in Malawi, 65% of the population lives below the poverty line and on less than \$2 per day or MK134 (USAID/FEWS, 2001). Using the current ADMARC official price for maize at MK17 per kg (and not the market price of MK25 per kg, an increase in production of just three bags of maize would have a value of MK2550 for the household. Of course, how the increase in production comes about is not addressed in this calculation. At the time of the research, using inorganic fertilizer on hybrid maize was not recommended due to the high producer fertilizer to maize price ratio. However, at current prices, it may start to make sense to use fertilizer on maize.

farmers who usually produce the subsistence crops in Malawi– that affect production and yields are vitally important in addressing household food security and poverty.

Household Food Security

The concept as well as the locus of food security has evolved since the early 1970s. Up until the mid – 1980s, analyses of food security were concerned with increasing national food stocks and stabilizing the supply of basic staples (Staatz, 1990). Since the mid -1980s and much due to the writings of Amartya Sen (1999), however, the focus shifted to one of identifying the particular households that were food insecure and increasing their access to reliable food supplies. As a concept, food security incorporated access by all people at all times to sufficient food, in terms of quality, quantity and diversity, for an active and healthy life without risk of loss of such access (Reutlinger,1985; United Nations, 1988; World Bank, 1986).

National food security is now recognized as a necessary but not a sufficient condition for household food security (WorldBank, 1990). Household food security is a better construct because it reveals a multidimensional perception of all the factors contributes to food security beyond the supply-side factor of aggregate food production. Household income and poverty on the demand-side of the equation are now considered key in determining whether a household is food secure or insecure (Gladwin, *et al.*, 2001; von Braun, 1991; Adedeji, 1989). Viewing food security in this way show poor households caught in a vice: they are limited in their ability to purchase food outright while at the same time unable to increase production due to inadequate resources for sufficient inputs (e.g., seed, fertilizer) at the proper time.

As the concept of food security evolved, various themes and sub-themes appeared in the literature. By the late 1980s and early 1990s, nutrition became an important measurable variable in defining household food security and determining whether households were food security (World Food Program/World Bank, 1991). Households are now considered food secure when

they are “able to obtain adequate levels of food, either through home production, purchases or exchanges, to maintain a healthy and active life throughout the year”(UNICEF, 1990:2; Alamgir & Aurora, 1991). Household purchases of food now become as important as household production of its own food. In addition, household self-sufficiency in food does not guarantee adequate nutritional levels within the household (UNICEF, 1991). Intra-household distribution of food may be skewed such that there are individuals within the family who are malnourished.

If adequate nutritional levels are to be achieved and sustained, then reducing poverty and increasing incomes become parallel streams of concern. Sen suggests that more emphasis should be placed on reducing poverty than introducing technologies to increase food production with food insecure households, because they will never be food self-sufficient. Farmers with little land – 0.3 hectares or less – are chronically food insecure when they depend on their own food production (Gladwin *et al.*, 2001).⁴¹ Furthermore, simply increasing production of subsistence crops may be ineffective (*ibid*). Current thinking about food security - that it is an issue of household income and poverty and not just inadequate aggregate food production - challenges programs which encourage women to just grow more food crops to improve their food security. Instead, government should look for ways to improve returns to farmers’ resources in a broader context, which may include expanded opportunities for non-farm micro enterprises and agricultural labor (*ibid*). Essentially, smallholders, particularly women, have either to find off farm work, be involved in income generating activities, or grow crops for sale.

⁴¹ Gladwin, *et al.*, argues that simply increasing production of subsistence crops may be ineffective. Current thinking about food security, that it is an issue of household income and poverty and not just inadequate aggregate food production, challenges programs which encourage women to just grow more food crops to improve their food security. Instead, government should look for ways to improve returns to farmers’ resources in a broader context, which may include expanded opportunities for non-farm micro enterprises and agricultural labor. See Gladwin, *et al.*, 1998. “Addressing Food Security In Africa Via Multiple Livelihood

It is this latter point that growing hybrid maize addresses, although clearly not the only reason to grow it. Yet even hoping to sell hybrid to raise cash is problematic for food insecure smallholders. Typically, they tend to sell part of their hybrid maize crop right after harvest, partly because it does not store well and partly due to a great need for cash in the household at the end of the hungry season. Unfortunately, that is the time when the market price is lowest giving them a much lower return than if they waited until demand spiked the price upwards. Thus, poor households are caught in a dismal cycle of selling when prices are depressed and then re-entering the market to buy when demand drives the price much higher. Scarce money goes toward buying maize and not much else. Should the cash run out before the next harvest, then hunger is assured, starvation possible, good health rare and chronic malnutrition persists. Achieving goals of healthy nutrition and food security are intimately linked with issues of poverty alleviation and human resources development. In turn, these issues cannot be adequately engaged without a thorough understanding of gender relations and the role women have in the household. It is therefore necessary to investigate who makes the decisions regarding production, income generation, and crop selection within the household.

Gender and household food security: There is no denying that the role of women in agriculture in Africa is extensive. The importance of women in this vital sector was first introduced in Boserup's seminal work *Women's Role in Economic Development* in 1970. Since then, a burgeoning field of research has built on her pioneering work deepening our understanding of the vital position women occupy in food production and their primary position in the household decision process. For example, in the early 1980s, Dixon estimated that women made up on average 46 percent of the of agricultural labor force in Africa (Dixon, 1982). Nevertheless, as vital as their role is, women's concerns continue to get less attention in the food

security literature. The rationale given for this lack of attention to women's contribution is that male farmers are more productive than farms of female-headed households. The weakness of this line of reasoning lies in the very issue discussed here and that is ignoring gender obscures the constraints that hinder women's productive capabilities (Quisumbing, 1996; Due & Gladwin, 1991).

Particularly salient in the study of household food security in sub-Saharan Africa is how gender factors into a multitude of decisions including what to produce and how to produce it, land allocation, how money should be spent in the acquisition or production of food and what are the opportunities and choices in the decision process. In addition, analysis through gender allows greater attention to be paid to the constraints that limit women's productivity and the effect on women's workload (Gladwin, 1997; Gladwin *et al.*, 2001).

Women's role in agriculture is vital and supported by numerous publications attesting to that fact (NSO/Government of Malawi, 2005; Green and Baden, 1994; Due and Gladwin, 1991; Gladwin, 1991; Dixon, 1982; Boserup, 1970). According to the Ministry of Agriculture, women are the dominant agricultural labor force. In 1993, 92.5 percent of female labor was involved in agriculture compared to 69.3 percent of men (UNIMA/SARDC, 1997). Over 30 percent of Malawi's GDP is produced by agriculture with two thirds coming from the smallholder sector. Since the mid-1990s the smallholder sub-sector is made up of nearly 1.8 million farms dominated by women with estimates of 30-40 percent of the families' being female headed. Disturbingly, half of the female-headed smallholder households do not reach the 40th percentile of income, as compared to a third of smallholder male heads of households (*ibid.*)

Landholding size has a pronounced effect on the success of smallholder agriculture, as does labor availability and money for inputs like seed and fertilizer. Therefore, it also has an

equally significant effect on household food security. In 1991/92, 41 percent of smallholders had farms of less than half a hectare (UNIMA/SARDC, 1997). As population pressures increase, landholding size is expected to shrink from 0.46 ha per person in 1987 to 0.31 ha by 2001 (ibid). The logical conclusion is as clear as it is distressing: already impoverished farmers with the smallest landholdings, half of whom are female-headed households (FHHs), will bear the brunt of this downward spiral (World Bank, 1995b; Government of Malawi/UNICEF, 1993).

In Malawi, women play a predominant role in producing, storing, processing and preparing food for the family. They concentrate on growing food for their family's consumption compared to men who are often more involved in growing cash crops. As a result, cash income is much less for women as they tend to be involved much more in informal income generating activities. The small amounts of cash these activities provide are very often used to buy additional food to make up for shortfalls (UNIMA/SARDC, 1997).

It is clear that gender and household food security are fundamentally linked in Malawi as they are in most of Africa (Goheen, 1991; Arizo-Nino, 1991). Moreover, just as in Malawi, the need to find ways to increase food production is essential as increasing populations and declining soil fertility are creating intolerable conditions for millions. However, advances in food production are constrained by the "invisibility factor" regarding women who do most of the food farming but have little access to the means necessary to significantly increase output and yields (Gladwin, *et al.*, 2001). Although African women supply 46 percent of the agricultural labor and in some societies produce up to 80 percent of the domestic food women's yields, women's adoption, and women's uses of inputs are rarely reported (Gladwin, *et al.*, 2001). Agricultural experts seldom recognize that most of Africa's smallholders are women (Gladwin & McMillan, 1989; Dixon, 1982). While rightly contending that the effectiveness of development strategies

hinges on reaching African smallholders, they make the costly error of ignoring the fact that the constraints facing women smallholders may be an important part of the problem. The disconnect is appalling and frustrating. The key role that women play in procuring adequate supplies of food for their families on a sustainable basis shows that food security is a prime concern for them.

Decision Tree Modeling

Decision tree modeling was determined to be the most appropriate way to identify criteria and constraints facing farmers in Zomba concerning the use of inorganic fertilizer and planting hybrid or local maize. The advantage of using decision tree models is that they are testable, cognitive models useful in describing specific criteria and constraints (Williams, 1996).

Decision trees are maps guiding the observer along the way as informants / experts go about choosing between a set of alternatives located at the top of the tree (denoted by { }) (Gladwin, 1989). The tree is composed of separate decision criteria (denoted by < >) that are arranged in a logical path that leads to a specific outcome (denoted by []), for example [Use chemical fertilizer; don't]. Once constructed, the decision tree model can be tested for accuracy in prediction of the choices made by another sample of decision makers from the same group (Williams, 1996). Should the prediction accuracy of the model be 85 percent or better, then it is judged an adequate model of individual decision processes of members of that group (ibid.).

The researcher may then identify the main factors limiting adoption or use of one of the alternatives, such as chemical fertilizer. These limiting factors are the criteria on the path leading to negative outcomes (e.g., [Don't use chemical fertilizer]). In this way, decision trees highlight criteria policy makers might use to encourage adoption of some intervention by the target population. When results of testing a decision tree model are disaggregated by gender, as they are in this chapter, then policy makers can clearly identify the main factors limiting

adoption and use of the intervention by women as well as men. When results are disaggregated by marital status and gender, as they are here, then policy makers can see if there are more factors limiting adoption by FHHs than men and women in MHHs, or if some factors are more limiting to FHHs than to MHHs.

Research at the Village Level

The overall purpose of researching at the village level was to ascertain what criteria and constraints effected farmer's decisions about using organic and/ or inorganic fertilizer in an environment shaped by structural adjustment policies. In 1998, it could not have come at a more appropriate time. Fertilizer verification field trials had just been completed throughout Malawi with the goal of recommending fertilizer application rates based on soil type (Benson, 1997). However, the economics of the situation could not be ignored and in the final analysis, based on the ratio of fertilizer prices to maize prices, the "most profitable recommendation for farmers in most areas of Malawi was to apply no fertilizer to their hybrid maize" (Benson, 1997: 7). The recommendation was not put forth without serious consideration for what that would mean for resource poor farmers. For the near future, the prognosis was "grim."

The data and information for this chapter was collected exclusively in the Zomba district of southern Malawi during the months of May and June of 1997 as part of the Gender and Soil Fertility Project through the University of Florida's Soils Management CRSP. Zomba's topography varies from mountainous and hilly regions, located between Machinga and Zomba district in the southern area, to broad, flat plains in the upper Shire River and east to Lake Chilwa. The diverse topographical characteristics cause a wide range of climate diversity. As a result, temperature difference and rainfall distribution may vary considerably between neighboring sub-districts, in effect, creating different climates for farmers separated by just a few kilometers. These variations and differences are important to keep in mind: Zomba's variations

in climate, soil, and topography make it difficult to speak of Zomba in a singular, unified way. For example, Mtubwi in the northern area of Zomba and in the upper Shire valley is at a much lower elevation than Malosa that borders on the south of Mtubwi district. Yet Mtubwi is in the rain shadow of the mountains and much drier than its immediate neighbor to the south.

The sample covered eight sub-districts. Sixty farmers were interviewed broken down into three sub-groups based on gender and marital status and comprised 16 men in male-headed households (MHHs), 23 married female farmers (MF) and 21 female-headed households (FHHs). Within each sub-district, I interviewed 6 farmers, 2 farmers from each sub-group, if possible.

A comment on the categories of MHH, MF and FHH is necessary. These were deliberately chosen in order to see if marital status had any affect on decisions concerning fertilizer and hybrid maize. I could have broken farmers down into just male and female but that would have “muddied the waters” particularly in regards to women’s decisions in female-headed households. It is well recognized that the constraints FHHs face are much different than in MHH and they should be separated if the problem of household food security is to be properly addressed. Throughout the literature, it is suggested that women in MHHs are more likely to concede to the husband for crucial decisions. Separation of married women (MF) from FHHs was done with the hope that they (the married women) their decisions, strongly influenced by their husbands, would closely resemble the decisions of male farmers⁴².

⁴² Admittedly, there has to be variations of gender relations in married households and I am not saying here that all married women have an equally subservient role to their husbands. For example, in some households, there may be much more consultation between husband and wife than in others. However, how much occurs is very difficult to determine. All that we can safely say is that a woman in a FHH does make all the decisions and a man in a MHH has the final decision – we just do not have any idea how much of his wife’s influence is incorporated in that decision.

The term “women” is used with the same analytical meaning as in bulk of the literature in the gender and development sub-field where it is used extensively. The term FHH and MF is used here to differentiate between women with different marital status. It is hoped that this will not be too confusing while showing that marital status imputes a context of relations that creates significant differences in constraints and criteria facing the households.

Constraints to Using Chemical Fertilizer

In the 1995/96 season, 80% of all informants used chemical fertilizer on their maize. One year later, 1996/97, that number declined to 65% of all informants. The largest decline occurred within FHHs with a drop from 74 to 52 % of all informants using some chemical fertilizer. Male informants (Male) and Married Female (MF) informants dropped 12 and 13% respectively. Over the same two seasons, there was a 27% decline in the amount of fertilizer applied. The reasons most cited were the high price of fertilizer and lack of cash. Not surprisingly, FHHs showed the greatest decrease in the amount used (34%). Married female informants reduced the amount used by 22% and male informants decreased the amount used by 26%.

As can be seen in Figure 4-1, for 89% of the informants, not having enough cash to obtain all the chemical fertilizer they needed was the main limiting factor (criterion 2). This is far from surprising in light of the rise in the price of fertilizer and the devastating effects devaluation of the Malawi Kwacha has had on most rural households. A very high percentage of male and married female farmers (87% and 86% respectively) did not have the cash to buy all the fertilizer they needed; while 100% of FHHs lacked the money to buy all the fertilizer they needed. Clearly, these figures suggest FHHs are “the poorest of the poor.”

The importance of credit in the decision to use chemical fertilizer is evident from criterion 3 that separates the farmers who belong to farmers’ clubs and get credit for fertilizer

from those who do not; the former are sent to the outcome [Use fertilizer]. They are few, however. Criterion 6 confirms farmers' beliefs that chemical fertilizer is essential for good yields, while criterion 7 "cuts" farmers into those who are able to purchase or get credit for some fertilizer versus those who are not. In this case, it is the combination of marital status and gender that limits use of fertilizer: only 20% of FHHs were able to apply some fertilizer, compared to 50% of married women (MF) and 60% of male farmers (Male). Of those who could not apply some fertilizer, very few received free fertilizer from any source.

Of 13 FHHs who could not obtain some fertilizer, two (12%) received some fertilizer for free. One received it from her father because "she is a widow" and another received it from her mother. Of 7 married women, only one received free fertilizer, however, no male farmer received any fertilizer for free. Thus this decision tree suggests that three factors - lack of cash, not belonging to an active club and not having a source for free fertilizer - were the major reasons for keeping 55% of FHHs and 33% of married women and male farmers from using fertilizer.

Other criteria on the tree deserve attention. Some farmers have doubts about the continued use of fertilizer; some believe it causes pest attacks and weed growth (criterion 9). Others believe they must continue to use fertilizer, once they start, because the land gets dependent on chemical fertilizer (criterion 12). If they do not continue to use it, their yields might go down (criterion 11). Some farmers thus develop strategies or practices to reduce their fertilizer use (e.g., complementary use of manures, legumes, crop rotations) (criterion 10); farmers without such a practice feel they must continue its use so as not to "invite hunger" (criterion 13). In other words, even though 21 of 28 (75%) farmers feel chemical fertilizer has

its drawbacks, and just over half of this group knows of a practice that could reduce the use of chemical fertilizer, 82% believe that chemical fertilizer is the best insurance for higher yields.

This belief should not be underestimated as it has important implications for researchers trying to develop substitutes for chemical fertilizer. Organic alternatives to chemical fertilizer are available in the form of intercropping with grain legumes, adopting agroforestry innovations, and using animal manures but few farmers are doing any of these as a replacement for inorganic fertilizer. This research shows that farmers desire chemical fertilizer because they see it as the best defense against a poor harvest. It also shows that few, if any, have access to enough animal manure to make a difference. Finally, the research shows that farmers are intercropping with grain legumes. What needs to be asked is whether they are improving the soil fertility with the grain legumes to such a degree that they do not need as much or even any chemical fertilizer. Intuitively, it would seem that the extensive intercropping of grain legumes over the years would have increased soil fertility to such a level that two things would be occurring simultaneously: maize yields would be increasing as the need for chemical fertilizer decreased. Because that is not happening, we need to investigate the reasons why.

As argued by Gladwin, Peterson, and Uttaro (2002), most Zomba farmers either lack knowledge of trees and shrubs that might improve their soil or being aware of their imputed benefits, fully understand the management of them. Large amounts of time, effort, and money have been invested in discovering ways to improve Malawi's soil fertility with green manures and other new soil improvement technologies (SIT). Over time, research on organic soil amendments should disseminate out to farmers throughout Malawi and it is hoped will slow down and eventually reverse Malawi's rate of declining soil fertility.

Decision to use Chemical Fertilizer
 {Use chemical fertilizer; don't use}

n =56 Male-15
 MF - 21
 FHH-20

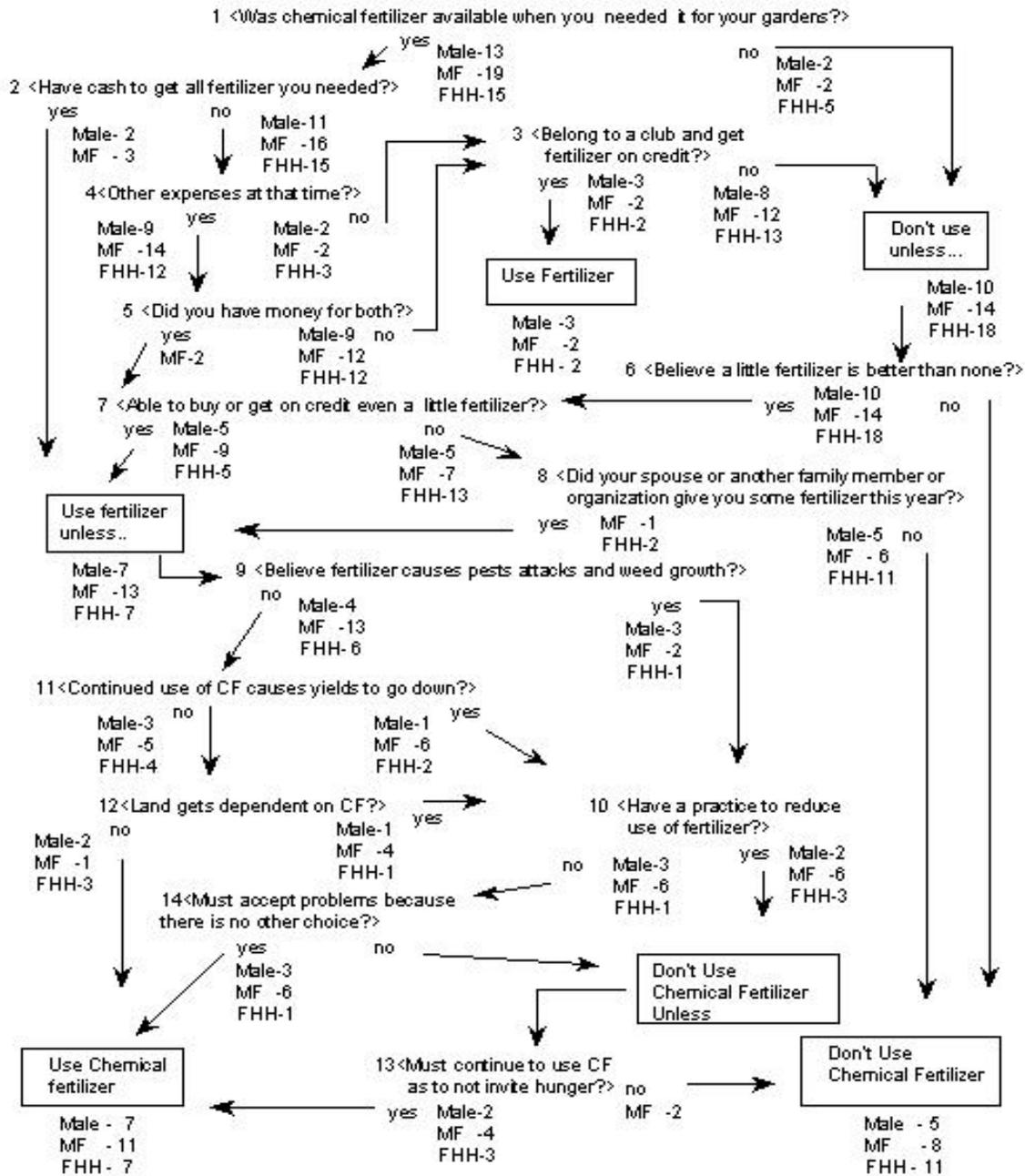


Figure 4-1: Decision tree for using chemical fertilizer

There are reasons to be concerned that even if the research is disseminated throughout the country, it may not have as great an effect as initially hoped. One of several factors is farmer practice and management of green manures that, in spite of research efforts, will mean a future where the majority of farmers in Malawi continue to experience declining soil fertility and increasing food insecurity. It is vital to understand what green manure is planted, why it is planted, and how it is managed and used in the garden. In turn, this information is key in determining whether chemical fertilizer remains a necessary input for adequate yields. If the green manure is used according to the protocols of the research, the need for chemical fertilizer should be greatly diminished, if not eliminated. Conversely, any deviation from the protocols that lessen its effect should correspond to a need for some chemical fertilizer.

Every farmer interviewed was intercropping the maize garden with crops such as pumpkin, pigeon pea, cowpea, and groundnuts. Grain legumes are the most prominent with pigeon pea ubiquitous throughout the Zomba Rural Development Project (RDP) and all 60 farmers in my survey had it in their garden. A smaller yet substantial number (28 or 47%) planted mucuna. Although both mucuna and pigeon pea offer great potential as a green manure, the farmers are not treating them as such. The important question from a soil fertility perspective is how the farmer views a grain legume because that is going to determine how it is managed and ultimately whether it addresses soil fertility.

Research has shown mucuna and pigeon pea it to be beneficial intercrops and a significant number of surveyed farmers believe each is beneficial for their soil (Table 4-1 and Table 4-2).⁴³ However, according to agronomic research and personal interviews with

⁴³ According to well documented research substantiated in field trials, pigeon pea grown as an intercrop with maize, improves the soil by dropping leaves as it matures. Additionally, its deep roots draw up minerals that have leached

agronomists for either to add the greatest amount of nitrogen significantly benefiting soil fertility, the plants need to be turned under and incorporated into the soil before the pods and seeds form and mature - a practice not a single informant in the survey engages in. Timing, in this regard, is essential. After seed formation and the growing period, the plant virtually stops nitrogen fixation and transportation, concentrating nitrogen in the seeds while significantly reducing the amount of nitrogen in the leaves (Sarrantino, 1998).⁴⁴

The farmers in the Zomba RDP are intercropping primarily for food and not for soil improvement; a reasonable, rational and understandable purpose. It is unlikely under current circumstances that organic green manures will become a viable alternative to using chemical fertilizer. Food insecurity, hunger and risk aversion all intervene. This is because small land holdings combined with lower yields due to declining fertility places food as the first priority. Of all farmers, 95% rank pigeon pea as a food crop first (Table 4-1). The second priority is to sell the pea. Trailing far behind was to improve the soil and of the 3% who ranked soil improvement as a first priority, not one turned the leaves under before seed formation. Even these respondents said that they like to eat and sell pigeon pea.

far beyond the reach of the roots of grain crops such as maize. Pigeon pea transports these minerals back to the surface making them available for shallow rooted crops.

⁴⁴ Legumes are nitrogen fixing but that does not mean the legume is distributing nitrogen throughout the immediate soil vicinity. Sarrantino explains it quite clearly and I quote at length “While it is tempting to think of legume nodules as little fertilizer factories pumping N into the surrounding soil, that isn't what happens. The fixed N is almost immediately shunted up into the stems and leaves of the growing legume to form proteins, chlorophyll and other N-containing compounds. The fixed nitrogen will not become available to the next crop until the legume decomposes. Consequently, if the aboveground part of the legume is removed for animal fodder, the majority of the fixed nitrogen also leaves the field. What about the legume roots? Under conditions favoring optimal N fixation, a good rule of thumb is to think of the nitrogen left in the plant roots (15 to 30 percent of plant N) as being roughly equivalent to the amount the legume removed directly from the soil, and the amount in the stems and leaves as being equivalent to what was fixed.

Annual legumes that are allowed to flower and mature will transport a large portion of their biomass nitrogen into the seeds or beans. Also, once the legume has stopped actively growing, it will shut down the N-fixing symbiosis. In annual legumes this occurs at the time of flowering; no additional N gain will occur after that point. Unless you want a legume to reseed itself, it's generally a good idea to kill a legume cover crop in the early- to mid-blossom stage. You'll have obtained maximum legume N and need not delay planting of the following cash crop any further, aside from any period you may want for residue decomposition as part of your seedbed preparation.”

This should come as no surprise because pigeon pea is almost never used as a green manure crop (i.e., turned over before maturity). Other characteristics of pigeon pea, such as its slow initial growth and temporal complementarity with maize make it an ideal intercrop to grow for seed. Additionally, the plant resembles more of a small tree than a lower growing green manure that would be easier to incorporate. One would not expect any survey informants to turn pigeon pea under while green.

That being said, by treating pigeon pea as a food/cash crop, farmers are removing most of the nitrogen that could boost soil fertility. The nitrogen is in the seedpod, and any senescing leaves that are brown contain much less nitrogen. Unless the farmer returns to the field and incorporates the dry leaves into the soil, they remain on the soil surface throughout the dry season.⁴⁵

Table 4-1: Farmers ranking of reasons for planting pigeon pea

N=60	Believe pigeon pea improves soil	Plant pigeon pea	Priorities								
			Eat			Sell			Improve soil		
			1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd
Total	48	60	57	3	0	1	41	6	2	9	34
Percent	80	100	95	5	0	2	68	10	3	15	57

Mucuna, on the other hand, is a legume species better suited for green manuring and therefore, how the farmers view it will be more revealing as to the prospects of promising research. Mucuna is not as popular as pigeon pea. Those who did not grow it cited its tendency to “take up too much room” and that it “creeps” as the main reasons for not planting it. These

⁴⁵ What legume is grown also matters. For instance, not one of the farmers in my survey who planted groundnuts returned the leaves to the field. The nuts were separated from the plant and the leaves were used as fodder, either for their goats or for their neighbors. Interestingly, the farmers surveyed said that they knew the leaves would benefit the soil however chose not to return them to the field but use as fodder for goats. I offer this as an example of the disconnect between what the farmers believe and the actual practice they engage in. Even if turning the still green leaves into the soil after harvest only slightly benefits the soil, farmers in this survey were choosing not to do so, whether with groundnuts or pigeon pea.

farmers feel mucuna is not an easy plant to manage and threatens any maize in the immediate vicinity. Even so, 77 percent of all farmers believe mucuna improves the soil (Table 4-2).

Slightly less than half of those interviewed (47 percent) planted mucuna, feeling that the benefits of mucuna outweighed the negatives. Nevertheless, soil fertility is not the primary reason why they plant it. It is not even the second reason. Like pigeon pea, 82 percent of the farmers who planted mucuna, planted it as a food crop first. To sell was ranked second by 18 percent and only one gave soil improvement first priority. Interestingly, when asked if he liked to eat or sell the beans he said yes.

Table 4-2: Farmers ranking of reasons for planting mucuna

N=60	Believe macuna improves soil	Plant macuna	Priorities								
			Eat			Sell			Improve soil		
			1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd
Total	46	28	23	5	0	5	16	5	1	6	19
Percent	77	47	82	18	0	18	57	18	4	21	68

The same practices emerge with mucuna as with pigeon pea. When asked if they incorporate the leaves into the soil while still green and before the seed pod forms, not one farmer answered yes. Mucuna is grown for seed and as such, it is treated as primarily a food crop. Farmers are removing the seeds from the fields leaving the dry leaves on the soil surface.

Research has shown that leaf residue adds nutrients as well as biomass to the soil. The question is whether it is enough to compensate for the nutrients taken up by the following maize crop. Does the leaf residue create a net gain of nitrogen in soil fertility? Or is the outcome less optimal by simply restoring nutrients that would occur without legume intercropping? Again, this depends on what the farmer does. How the residue is managed determines its soil fertility benefit. For example, incorporating the dry leaves of pigeon pea by themselves will lead to a small net increase in soil nitrogen (1-2%) in the short term. However, should farmers turn the

leaves into the new ridges with the maize stover, then the stover binds the N, resulting in no nitrogen benefit for the following maize crop (See Sakala, Cadisch & Giller, 2000).

Unfortunately, this is a very common practice in Malawi.

An even more serious threat is the widespread practice of burning to clear fields during the dry season. In this case, any N remaining in the dry leaves is lost in the fire. From a soil fertility standpoint, this practice is devastating. Since land is scarce in southern Malawi, gardens tend to border each other. When burning takes place the fire usually spreads to other farmer's gardens thus denying them of any benefits from the leaf residue.

It is risky to assume that intercropping maize with a grain legume will eventually lead to a greater soil fertility reducing the need for fertilizer. Under sowing dry leaves with the stover and/or clearing the land with fire are two very common practices that seriously jeopardizes the benefits obtained from growing pigeon pea as a food crop. Even the assumption that dry leaves add biomass to the soil is highly questionable in fields cleared with fire.

If farmers choose to plant a green manure as a food source, it will be managed in a way that truncates its imputed potentiality. Moreover, what farmers do after harvesting the seed will further effect soil fertility and that in turn dictates whether chemical fertilizer is needed and how much. These practices directly influence the length of a household's hunger season. Planting legumes for food addresses an immediate concern while planting a legume as a green manure addresses a more distant concern, even if it is as near as next years harvest. Prolonging hunger is not an option.

In light of these challenges, the need for chemical fertilizer remains high in Malawi. Of the 60 informants, 57 believe chemical fertilizer as indispensable for improved yields, whether they are currently using it or not. Without it, they feel they are "inviting" hunger. Of all 60

informants in the Zomba RDP, 54 (84%) believed they must use chemical fertilizer in order to avoid hunger, regardless of any problems they identify with it.

The Decision to Use Small Bags of Fertilizer

Clearly, chemical fertilizer is highly desired by farmers in Zomba RDP. However, only a few farmers are able to purchase the amount of chemical fertilizer they think is necessary for optimal yields. The steep rise in the price of chemical fertilizer is attributed to the removal of fertilizer subsidies and even more so, the devaluation of the kwacha over the last five years. More and more farmers are finding that the cost of a 50 kg bag of chemical fertilizer is simply out of their reach. Asked if even a little fertilizer was better than no fertilizer at all, it was not surprising that every informant answered yes. The next best scenario then would be obtaining less than adequate amounts of fertilizer.

One innovation that was being introduced at the time in some parts of Malawi is repackaging fertilizer in smaller quantities than 50 kg bags. For example, in Dowa, in the central region of Malawi, VEZA/HODEZA offers fertilizer in smaller than 50 kg bags. Small bags of fertilizer, it was hoped, would provide some fertilizer to poor farmers whose purchasing power had been drastically eroded. Farmers who do not have the cash for a 50 kg bag might purchase a smaller quantity of fertilizer that they could afford (Darcy, 1998; Uttaro, 1998).⁴⁶

Moreover, it is anticipated that the use of small bags of fertilizer by FHHs would be one way to improve food production on their very small landholdings. Cash was the main constraint stated by all farmers who do not apply any fertilizer or manure on their maize (n = 18). But when asked if they had the cash for at least a small bag of fertilizer, although eight farmers said

⁴⁶ The potential of even small quantities of fertilizer on yields was substantiated with the Starter Pack program begun in 1998. The package entailed giving 10 kgs of fertilizer along with hybrid seed – enough for 0.1 ha - and pulses to every household. The harvest was a near record and many attributed this to the program.

yes (44%) the result is less encouraging for FHH. At issue is whether poorer FHHs would be able to afford even a small bag of fertilizer. Table 4- 3 shows that seven out of 10 FHHs not using fertilizer or manure now say they would also not be able to afford a small bag of fertilizer.⁴⁷

Table 4-3: Farmers not using fertilizer likely to have cash for small bags

	Yes	No
All N=18	8	10
Male N=4	2	2
Married female N=4	2	2
Female headed hsls N=10	3	7

The second concern hoped to address matters of weight and transport, particularly important for FHH. Transporting fertilizer is a factor in its use and smaller bags would be easier to carry, not only from the store or club, but also to the field (Gladwin, *et al.*, 2001). It was argued that lighter weights would not only be an incentive to buy the smaller bags of fertilizer but for some farmers whose health is deteriorating - and in Malawi, there are many farmers in poor health - it may be one of the more important ones. However, the problem of FHHs not having available cash for small bags lessens the saliency of the benefit of smaller weight for them.

Other issues surface in the model of the decision to use small bags of fertilizer, seen in figure 4-2, which lists reasons why almost all (59 of 60) informants choose not to use small bags of fertilizer. Only one informant is able to continue to stage-2 criteria, for brevity not presented here (Uttaro, 1998). Criteria in figure 2 say that farmers will switch to smaller bags of fertilizer if they need more than a 50 kg bag for their crops and cannot afford to buy another one (criteria 1,3) or they need less than 50 kg and cannot afford to buy even one 50-kg bag (criteria 2).

⁴⁷These results are replicated by D’Arcy in Dowa, central Malawi. See D’Arcy 1998.

Another (and this is true for the majority) is not able to share or split a 50 kg bag with someone (criterion 5).

Surprisingly, a large percentage of farmers (70 percent) responded positively when asked if they can share the cost of a 50 kg bag of fertilizer with family, friends, or neighbors. Indeed, if this is the case, then the ability to share a 50 kg bag is a significant factor limiting the demand and use of smaller bags, which are more expensive per kilogram of fertilizer received. However, the way the criterion was phrased might have been misleading. To ask "Are you able to share the cost?" is not the same as asking "Do you share the cost of a bag?" The phrasing of the question is unclear such that responses are ambiguous.

Therefore, with this data there simply is not enough support to conclude that farmers are indeed sharing the cost of 50-kg bags of fertilizer with family and neighbors. Out of 60 informants, only five (8%) specifically mentioned that they either received fertilizer from a family member or gave some to a family member. Only one informant said she was sharing the cost of a bag with a neighbor. Other data seems to speak against current sharing. Within the last three years, fourteen farmers (23%) who had used fertilizer stopped due to its high cost. Not one of these informants is now receiving fertilizer from a family member, friend, or neighbor; yet 11 of the 14 said they could share the cost of a bag with someone.

Farmers obtaining fertilizer repackaged in a small bag does not currently look promising. There are two obstacles - one serious - inhibiting the use of small bags. First, the less serious obstacle is availability. During the 1996/97, growing season finding small bags of fertilizer in the Zomba RDP was difficult. In fact, they were almost non-existent. There was, however, a noticeable increase in availability of small bags in the 1997/98 season in major market centers such as Mayaka, Jali, and urban centers of Blantyre, Lilongwe and Zomba. Managers in other

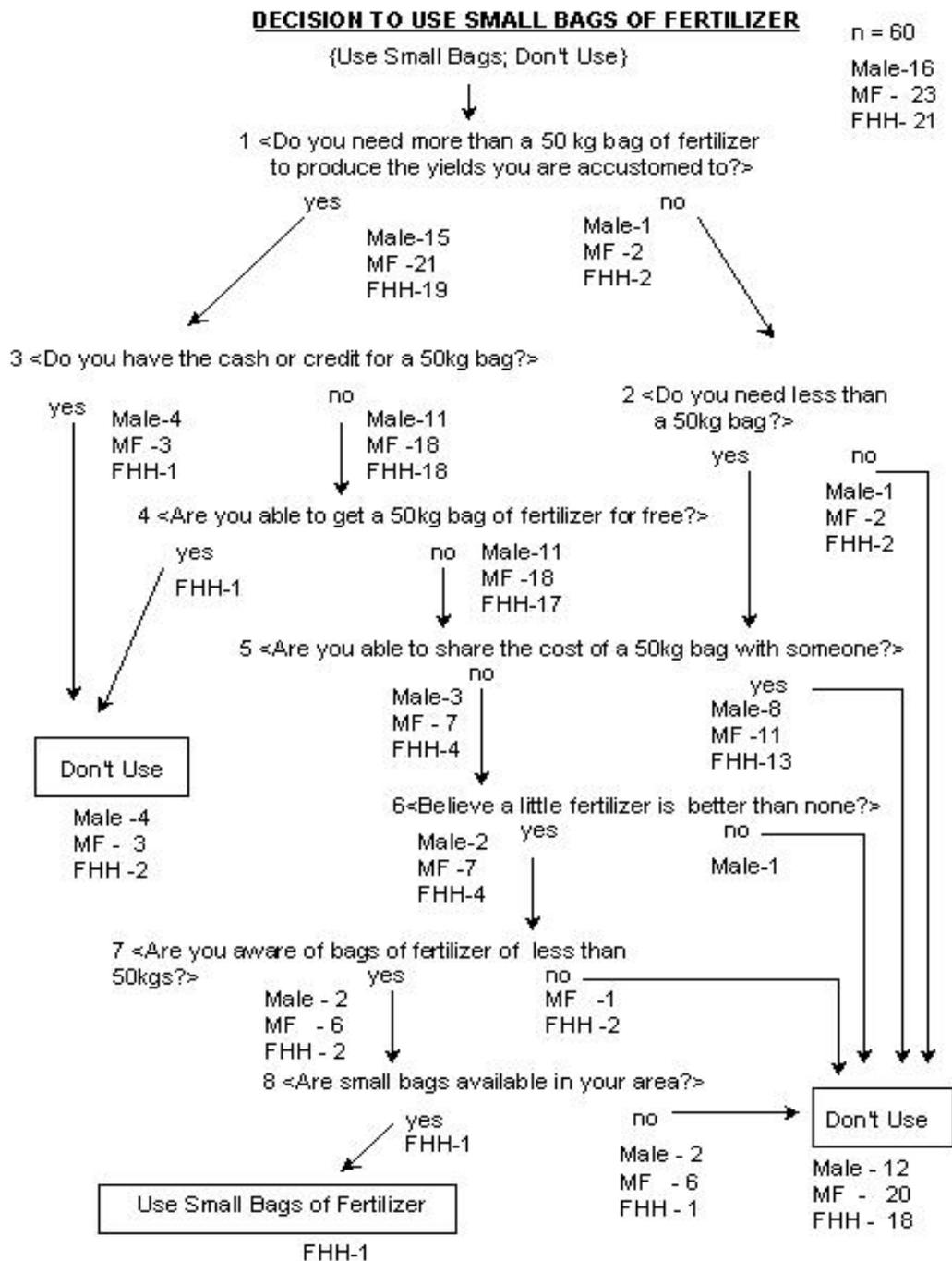


Figure 4-2: Decision to use small bags of fertilizer

market centers informed me that they expected to have smaller bags of fertilizer arriving before planting season. In smaller trading centers and other rural centers, small bags remained unavailable. Nevertheless, fertilizer in small bags was appearing in places where they were absent the year before.

With more small bags available, it would seem that farmers who believe a little fertilizer is better than none at all, would buy them. However, in 1998, in those markets where small bags of fertilizer were available, they were not selling. A much greater obstacle to obtaining fertilizer in small bags is the higher price per kg of the smaller bags. Researching this phenomena, additional explanations offered by farmers were discovered including the persistent lack of money, cost of small bags, transport costs incurred traveling to a market center to buy a small bag and that smaller bags had a the higher cost per kg. If there was no economic justification for using fertilizer on maize at the price of a 50 kg bag, it was an even more compelling reason not to use it in a 5 – 10 – or 25 kg bag.⁴⁸ These last two reasons introduced additional constraints in the decision to use small bags of fertilizer that were unfortunately not included in the decision tree and unforeseen by policy planners when repackaging fertilizer in small bags was being developed.

In sum, it seems unlikely that small bags of fertilizer will contribute to any lessening of food shortages at the household level, at least not until small bags become more available and the price per kg becomes more reasonable. In the interim, more research needs to be done on increasing access to small quantities of fertilizer.⁴⁹ Even if small bags of fertilizer become

⁴⁸ In July, 1998 the cost per kg for 23-21-0 + 4S in a 50 kg bag was MK15. Packaged in a 5 kg bag the price was MK 25 per kg or a 66% premium. The premium was justified due to packaging and the ever-offered transport costs although it is hard to see how. Two 25 kg bags take up as much room on a truck as one 50 kg bag. Other factors such as material and labor should result in only a slight increase.

⁴⁹ I conducted a short duration experiment around Malosa in July 1998 where I sold fertilizer by the kg in rural trading centers. I wanted to see if farmers would purchase fertilizer by what they could afford rather than at a set

available, this research suggests that household incomes need to increase for a significant proportion of these farmers to afford even the small bags.

It also appears unlikely that sharing a 50 kg bag is a solution, at least at the moment. They may be constrained by lack of trust between neighbors and friends who would be expected to share 50-kg bags, as social capital, ravaged during the later half of the Banda years, has further declined in the post-structural adjustment era.

The Decision to Plant Hybrid Maize

One of the most important decisions farmers have to make is whether to plant hybrid maize versus local maize, or both. Hybrid maize is well received by farmers because it addresses both food security and cash needs of the household economy. It addresses food security in two highly significant ways: higher yields and early maturation. Considerably higher yields come with a cost, as expensive inorganic fertilizer has to be applied. In some situations, due to soil and climatic conditions, hybrid yields may not be any larger than local maize particularly if unfertilized. Around Nsanje, for example, in the lower Shire Valley, fertilizer is not used. In a nationwide survey carried out in 1997/98, a random sample of fifty farmers in twelve villages in the lower Shire showed that not one respondent used inorganic fertilizer. The reason consistently stated is the soil's natural fertility is due to the almost annual flooding when the Shire River overflows its banks leaving behind nutrient rich silt. It is the river's parting gift, compensation for causing harm and ruin to so many homes.

amount. The price per kg was 33% higher than the price per kg in a 50 kg bag in order to cover costs and provide a slight profit. The response was extraordinary and by the second week, people were waiting for the "mzungu" to arrive with fertilizer. What made it even more encouraging was that the experiment was taking place during the height of the dry season with at least 4 months before the beginning of the planting season. It also was extremely encouraging that many of the customers were women. The down side was that the experiment, as such, lasted only three weeks and farmers were begging us to keep coming particularly as the planting season approached.

The soils in the Zomba RDP are not revitalized as in the Lower Shire. The soils of the farmers surveyed require amendments to boost yields adequately. As the discussion above regarding the decision to use inorganic fertilizer shows, the farmers in this survey feel that inorganic fertilizer is vital to averting the hungry season. When asked the question “Does your soil need chemical fertilizer for good yields?” 94% of male farmers, 91% of Married women farmers and 100% of Female Headed Households replied in the affirmative. The relationship between fertilizer use and hybrid yields is also convincing. Asked to choose between animal manure and chemical fertilizer, fertilizer was overwhelmingly preferred for higher yields (Table 4-4). Early maturity is the other attribute that makes hybrid maize preferable over local maize. Malawi’s rainfall has been erratic during the last decade and climatic change has affected the timing and duration of the rainy season. A rainy season ending prematurely causes local maize to dry up in the fields before ears have formed spelling doom to a family relying on it. Smallholder farmers cannot risk the household food supply on local maize just because they prefer its taste, or pounds better or even stores better. An overwhelming majority of farmers view the earlier maturing hybrid as an important defense against hunger. Hybrid maize, with all its constraints, is one of the best strategies to employ in order to greatly minimize the risk associated with local maize. Even in the fertile lower Shire, hybrid is overwhelmingly desired for this reason.

Table 4-4: Farmers choice between manure and chemical fertilizer for best hybrid yields

	Animal manure		Chemical fertilizer		Both	
	Number	Percent	Number	Percent	Number	Percent
All (N= 60)	3	5	43	90	3	5
Male (N=16)	1	6	14	88	1	6
Married female (N=23)	1	4	11	96	0	0
Female head hlds (N=21)	1	5	18	85	2	10

The decision tree shows a complex web of factors that lead farmers to choose one of two outcomes, [Plant hybrid maize] or [Plant local maize] (Figure 4-3). Access and availability of inorganic fertilizer is one of several pivotal factors influencing that choice. The others that carry much weight with farmers are access to seed and fear of crop loss with local maize.

Criteria and constraints identified by respondents came from four varieties of hybrid maize: MH – 17 and 18 and NSCM – 41 and 51. Of the 29 farmers who planted hybrid in 1996/97, only seven planted NSCM – 41, the rest planted either MH-17 or MH-18. At the time of this research, other varieties of semi-flints were introduced that addressed some of the constraints identified by farmers. It is possible the new semi flints were known but not available in the stores. It is also possible that knowledge of these new varieties was very limited at the time. As these new varieties become known, some of the constraints they were developed to address such as storage difficulties will disappear. Other constraints, such as price of seed, are less likely to change.

At the top of the tree in Figure 4-3 are criteria asking whether hybrid maize tastes better than local (criterion 1), pounds better (criterion 2) and/or yields better (criterion 3). Eighteen percent of all informants believe hybrid maize tastes better than local maize and of those 91 percent prefer local because it pounds better. Although 86 percent believe hybrid has higher yields and 74 percent believe it is easier to sell than local maize (criterion 5), hybrid does not store well (criterion 4) – the greatest constraint to planting hybrid maize at this point of the decision tree. Of those who believed hybrid has better yields, 93 percent stated that it does not store as well as local. (One informant lost her entire hybrid harvest to weevils the year before.) All other things being equal, the storage constraint alone would account for a large number of farmers not planting hybrid.

Nevertheless, farmers who plant hybrid maize do so for two good reasons. The first is to sell it for income. Seventy-four percent believe hybrid is easier to sell than local. Hybrid's earlier maturity and greater yields provide the family with a welcome opportunity to gain access to cash. The second reason is to shorten the hungry season. Both are compellingly sound reasons to grow hybrid maize.

The problem that surrounds the income decision is as much a result of the disadvantaged situation farmers are in as it is with hybrid's storage problem. Because farmers believe that hybrid does not store well and due to their usually cash strapped circumstances, they tend to supply the market at the same time, depressing prices in the process. The little cash they receive cannot, under the price ratio at the time, pay for production cost of fertilized hybrid and is far less than what they will be paying for maize during the hunger season. This is an ongoing scenario repeated every year representing another diminishing choice to poor households in need of an immediate influx of cash.

Other criteria further down the tree appear to support farmers' preferences for local maize. The belief that hybrid uses too much fertilizer to be worth growing is supported by an overwhelming 93% of respondents (criterion 8). This is evidence of a strong association between hybrid and fertilizer. Since the price of fertilizer is keeping people from applying it, this constraint sounds the death knell for planting hybrid maize. However, the negatives associated with hybrid maize are far outweighed by one negative fact concerning local maize: local maize takes too long to mature. When asked if local maize is therefore too risky to grow, 96% farmers agreed - strong evidence that the risk associated with local maize is too high to plant only local maize. Even if it needs fertilizer, planting hybrid offers a strategy to farmers to mitigate the risks associated with local maize and its longer growing season.

Hybrid maize seed was developed and marketed for exactly that reason. Its early maturity and greater yields means that farmers, particularly those with small land holdings, are able to improve household food security. The benefits of increased yields come with a price, however, and that price is fertilizer.

The high price of fertilizer is not the only constraint to planting hybrid. The price of hybrid seed also represents a serious constraint to farmers. As the tree shows, farmers prefer hybrid even after saying it uses too much fertilizer to be worth growing due to the risks associated with growing only local maize. The price of the seed, however, is a constraint to 55% of the respondents (criterion 9) but represents less of a constraint to male farmers (66% can afford the seed) whereas 55% of FHH and 72% of married women cannot. There is, however, an alternative and that is to plant recycled seed (criterion 11) but only 25% have the opportunity; the others have no choice but to plant only local maize, assuming all the inherent risks. Again women farmers, whether in FHH (73%) or in male headed households (81%), are less likely to have access to even recycled seeds than male farmers (60%).

In the end, 53% are able to afford fertilizer for hybrid (criterion 12). For the others who cannot afford fertilizer, 69% will plant hybrid unfertilized (criterion 13) rather than plant just local, clearly demonstrating their fear of the risks to their households if they do not plant some hybrid maize.

From a gender perspective, it is clear that women in FHH and in male-headed households are feeling the constraints of fertilizer and seed prices more than male. Up until reaching these two constraints, all three sub-groups show little difference in preferences and beliefs. The separation begins at having cash for seed and continues to separate on these lines on down. In

the end, 69% of male farmers were able to plant hybrid maize but only 39% married women and 43% of FHH could.

The decision tree tells only part of the story. Even as hybrid maize greatly reduces the risks of a long hungry season, fewer hectares were being planted with hybrid and more planted with local (Table 4-5).

Table 4-5: Number and percent of farmers planted hybrid maize

	1995/96	Percent	1996/97	Percent	Percent change
All N= 60	40	67	29	48	-19
Male N=16	13	81	11	69	-12
Married female N=23	12	52	9	39	-13
Female headed hslds N=21	15	71	9	43	-28

According to farmer responses in the questionnaire, 19% fewer farmers planted hybrid maize in 1996/97 than the previous year with the largest percentage drop occurring with FHH. Thirty four percent of those who planted hybrid in 1996/97 did not use fertilizer compared to 30% in the previous year. Overall, 1996/97 saw a drop of 11% of farmers planting fertilized hybrid compared to the previous year (Table 4-6). Breaking it down further, 29% of FHH, 38% of male farmers and 30% of married women used fertilizer on their hybrid in 1996/97 compared to 43% FHH, 50% male and 39% married women the year before. With the price of seed a major constraint to farmers, it would not make sense to spend scarce cash on hybrid seed and then not fertilize it particularly when, unfertilized, the yield of hybrid is not much different than that of local.

These numbers contrast with earlier research that found the acceptance of hybrid maize among smallholder farmers, particularly women, as problematic (Arizo-Nino, 1991). The percentage of farmers growing hybrid maize prior to 1996/97 contradicts any notion of acceptance as being problematic. Farmers in the Zomba RDP were fully aware of the benefits of

hybrid maize in spite of personal preferences towards local maize such as taste, pounding, and even the critical shortcomings related to hybrid's notorious storage problems. Evidently, these preferences pale in comparison to the early maturity benefits and higher yields of hybrid. Again, the issue of food security insinuates itself in farmers preferences as hybrid is seen by them as critical for addressing it. The decline in planting hybrid is better explained by the increased costs of seed and fertilizer than any other factor.

Table 4-6: Change in percentage of farmers who planted fertilized hybrid maize

	1995/96	1996/97	Percent change
All N=60	43	32	-11
Male N=16	50	38	-12
Married female N=23	39	30	-9
Female headed hshlds N=21	43	29	-14

One explanation might be in the fact that under certain climatic and soil conditions, unfertilized hybrid will still have a better response than local maize. Since this research took place in the Zomba RDP it is likely that the variations in climate conditions were not that great. Regarding variations in soil conditions, that unfortunately remains a question that this research was not capable of determining. It is possible that some farmers, who did not fertilize their hybrid, have better soil conditions. However, relying on data provided by farmers and mentioned above, it seems safe to assume variations in soil conditions is not that wide. Considering that this group of respondents overwhelmingly felt that their soil needed fertilizer, planting unfertilized hybrid would seem to be a waste of scarce money, unless the risks of planting only local are also considered. Viewed in that manner, planting unfertilized hybrid maize makes sense, even though it means lower yields.

While the number of farmers planting unfertilized hybrid is increasing for risk aversion, for those farmers applying fertilizer to hybrid, the amount of fertilizer is decreasing significantly. Male and married female farmers report a drop of 40 and 45 percent respectively while FHH

report using 56 percent less fertilizer on hybrid. However, this may be somewhat misleading without knowing the area planted with hybrid maize. Table 4-7 provides a much better picture by also showing that the area planted with hybrid also significantly declined.

Table 4-7: Change in amount of fertilizer applied and hectares of hybrid, 1995/96-1996/97

	Fertilizer applied			Area planted		
	1995/96	1996/97	Percent change	1995/96	1996/97	Percent change
Male N=11	755	450	-40	7	6	-16
Married female N=9	1350	740	-45	11	8.5	-23
Female headed hslds N=9	1202	680	-57	9	4	-56

The most dramatic decrease is with FHH. In the course of one year, amount of fertilizer applied and the total area of hybrid maize planted by FHH in the Zomba RDP decreased by 57 percent while male and married female farmers showed less dramatic decrease with a decline of 16% and 23% respectively.

Table 4-7 confirms that the most vulnerable of households, FHH, are feeling the pain of lack of fertilizer the most. Even as their application rate is higher, FHHs are planting much less hybrid, which exposes them to much greater food security risks. The table also confirms the privileged position of male farmers as to cash cropping. Since hybrid is also a cash crop in that farmers will often sell it for needed cash (early maturity brings it to market sooner) the table illustrates the gender divide in regards to decisions concerning cash crops.

Conclusion

The focus of this chapter was to analyze the criteria and constraints farmers use in making decisions that have a direct bearing upon household food security. With a gendered perspective, it makes the invisible woman visible, shedding light on those factors that affect her and her family's situation either positively or negatively. The series of figures in this chapter show women farmers, whether as FHH or within male-headed households, as well as men use

decision processes to minimize the risks associated with local maize while trying to gain the benefits of hybrid maize in a larger environment of escalating fertilizer and seed prices.

Because other variables (e.g., weather, labor put into the gardens, pest attacks, etc) significantly affect yields, it is impossible to draw any solid conclusions about how the decisions made by the informants affected their yields. What can be said is that women farmers are making as complicated a set of decisions as men – decisions that directly affect their household food security.

It also can be said that marital status of a woman does make a difference in terms of choices. As a group, married women are more likely to have access to some fertilizer than a FHH by a margin of 62% vs 45%. The variation between male farmers and married females is slight with 67% of male farmers able to afford some fertilizer. Moreover, even if the percentage of farmers that are able to pay for all the fertilizer they need is small (9%), marital status is a factor. No FHH was able to obtain all the fertilizer needed.

Another conclusion that can be drawn from the research is that the farmers in the Zomba RDP want fertilizer and in an overwhelming number. They have seen what results from not using fertilizer and fear that without it, they and their families will face hunger. Since 91% of farmers cannot acquire the amount they need, then the next best choice would be to acquire some amount of fertilizer. This research, however, also examines the potential impact of small bags of fertilizer, if they were to be freely available in local shops and markets. Results here describe why almost no one buys them now while they also suggest that FHHs, who would benefit the most from their introduction, would probably not have the cash to buy them. Once again, gender and marital status make a difference. FHH are much less likely to obtain even smaller quantities of fertilizer, with either cash or credit, than married females or males. The bottom line is that

55% of FHH did not use any fertilizer on their crops compared to 38% of married females and 33% of male farmers.

The promise of using green manures to supplement or replace the need for inorganic fertilizer is unlikely. Survey respondents are not intercropping with legumes as green manures but with legumes as food and income crops. In this statistical sample, it is universal.

Moreover, farmer practices of under sowing the dry leaves with the maize stover or clearing fields with fire are greatly reducing any benefits from planting the legumes.

The decision tree model to plant hybrid maize shows that it is a complicated, *multi-dimensional* decision process involving farmer minimization of the risk of a short rainy season, providing an earlier source for income, and shortening the hungry season by yielding more and maturing earlier. These factors, however, need to be seen in relation to the risk-taking that planting local maize assumes. Planting local maize places the household at much greater risk in terms of food production. However, it requires little if any inputs and this saves the household money. Is it a trade off? Lower yields and no cash means the hungry season will start earlier and hurt much more. However, as this research shows, the advantages offered by hybrid maize are increasingly becoming meaningless for more farmers due to two constraints: the unaffordability of fertilizer and the unaffordability of seed. There is nothing new here and this evidence only corroborates earlier research (See Peters, 1996b)

Further, it clearly shows the linkage between fertilizer use and planting hybrid maize is strong; but due to the multi-dimensionality of the decision, it alone does not explain why farmers prefer to plant hybrid maize. Interestingly, every farmer who had some cash or grant for fertilizer grew hybrid maize; but a significant proportion of farmers (47%) said even if they

could not afford fertilizer for hybrid, they would plant hybrid maize, if they could afford the seed.

None of these developments bode well for Malawi. The upshot of all this is evident in the tragedy the people of Malawi faced in 2002. The harvest of 2002 was dismal with a shortfall estimated to be around 600,000 metric tons. Malawi had to import that amount to stave off the starvation seven million people faced as their maize ran out. Although much of the suffering was blamed on flooding followed by drought that is misleading. It is true that the rainfall season was sporadic and there were floods in parts of the country. However, the drought had a much greater affect on the local maize, which more Malawians planted, because of its longer maturity. The Ministry of Agriculture discounted the affect of the weather, pointing instead to the restructuring of agricultural markets.

The weather part is very small, because the floods and dry spells were localized,” says Ellard Malindi, Malawi's secretary for agriculture and irrigation. "Most of it was due to the lack of inputs [of fertilizer and seeds].” Corn production during that period, from 1998 to 2001, fell to 1.4 million metric tons from 2.4 million (Christian Science Monitor, Itano, 2002).

In other words, over the three-year period, Malawi corn production dropped by a staggering 42 percent. Observing that the farmers in the Zomba region reduced their fertilizer application by 44% and the amount of land devoted to hybrid by 32 %, the numbers closely parallel Malawi's maize shortfall referred to in the . Considering that economic conditions are consistent throughout the Malawi, it is reasonable to assume that a substantial number of farmers are making the same decisions.

The fact that farmers are planting less hybrid and more local maize has serious repercussions for food security, at both the national and household levels. In 2002, the consequences were devastating. For farmers who do not grow a cash crop such as tobacco, it is a particularly salient issue that indicates the deteriorating economic conditions at the village level

revolves around lack of fertilizer. For many households, particularly FHHs, structural adjustment policies have caused so many Malawians to take desperate measures because of diminishing choices.⁵⁰

This is not what people had in mind when the democratic bargain was struck. Instead, the promise of democracy was a promise to improve lives, not diminish them. As life became increasingly more difficult and food scarce, one had to wonder how it would play out in the coming election in 1999. With government failing to respond to the needs of the people, the next chapter explores the affect of these developments on the people's perceptions of democracy and in particular, their faith in the transformative power of democracy.

⁵⁰ Pauline Peters, conducting research in the Zomba area, found 47% of the sample growing hybrid to be the lowest percentage since 1990/91. The reasons given were high cost of seed and fertilizer. See "Maize, Food and Tobacco in Zomba: Situation Report, 1996" by Pauline Peters, Harvard Institute for International Development, August, 1996.

CHAPTER 5 A MATERIAL VIEW OF DEMOCRACY: DATA

Faith is rarely given without the expectation of some sense of reciprocity. Whether placed in a person, a god, an institution, or a political system, faith expects something in return. For a country like Malawi emerging from thirty years of very repressive authoritarian government and where poverty is broad and deep, adopting democracy came with a promise of a better life. Faith is belief and people in Malawi believe in democracy (Khailia & Chibwana, 2005; Bratton, 2004; Evans & Rose, 2006). It promises a way of limiting the power of those who govern as well as providing them a say in the constructing of policies and legislation that will address their needs. The wave of democracy arrived with these simple expectations.

Expecting democracy to improve one's life is a common understanding. It is why democracy is considered the best form of government. Even if people differ on the particulars of what precise policies should be adopted or legislation passed, the essential idea is that people expect their interests can find a way into the policy-making realm. With that said, it is also true that even as the fundamental expectation of democracy is the opportunity to articulate interests into policy, it is also true that expectations vary based on a number of historical factors, development of political institutions and the level of social and economic development over time. It is safe to assume that in a country regarded as highly impoverished expectations of democratic governance cluster significantly around improving socio economic conditions. Democracy, especially a new one, is expected to respond to those challenges.

In contrast, wealthy democracies have for the most part met and solved the socio economic challenges long ago. Although poverty exists even in the wealthiest ones, it is only in pockets and not the defining condition. Indeed, most citizens of post-industrial democratic

democracies have vastly different expectations of government. In these societies, government responsiveness clusters around a myriad of very particularistic interests.

Without a doubt then, comparing two countries on opposite ends of the socioeconomic index would reveal very different beliefs and values regarding government responsibility and purpose. With such widely different views existing between developed and developing societies, what people want from their government would be revealed in the implemented programs and policies (Inglehart & Welzel, 2005). For instance, having solved the basic “bread-and-butter” problems, developed societies see government in a much different manner. In these societies, expectations of government can range from the very personal and specific to playing a non-intrusive roles and perform basic, minimal responsibilities. This evolution and transformation of state/society relations and expectations was recognized by Rostow in 1960. He celebrated the post-WWII era as a time when the US and other industrialized countries were entering the highest stage of mass consumption and social welfare. However, to soar at such heights, the plane had to go through stages of economic development where it was implied that the more fundamental challenges of development were overcome. Others went further claiming that achieving the highest stage of development the post-modern era placed new demands on government with very different expectations regarding public policy (Fukuyama, 1992; Inglehart, 1990).

Rostow’s metaphorical plane, where post-industrial societies fly high in the stratosphere of mass consumption and social welfare, also reveals the stark contrast between the developed and developing world and the distance between them (Rostow, 1960). In the case of Malawi, it is easy to imagine the plane not only in still in the hangar but that someone also stole the tires. It

is difficult to see how Malawi can even taxi to Rostow's 'runway' let alone take off in her current situation.

Yet the expectations for Malawi by the Western post-industrial democracies and their multilateral institutions are as high as their planes. To draw the idea out further, for someone in a post-industrial Western society, democracy's multiple meanings/expectations are reflected in a myriad of varied interests such as self-improvement, expanded individual rights and personal values and beliefs to name a few. In affluent, post-modern societies, democratic government responds to expectations in ways that both reinforces and reassures the faithful that democracy works. For rural Malawians, economic well-being is the primary concern. The argument made here is that in Malawi, where poverty is deeply rooted and widespread, democracy has a very different meaning to people. Compared to other more developed and consolidated democracies expectations are much more basic and much more challenging. However, it appears donors expect Malawi to follow the path to development –both economic and democratic – of Rostow's metaphorical plane without the same flight plan, maintenance schedule, or trained pilots.

Indeed, there is more to this but in essence, the path to economic development the wealthy countries followed is not the same as the one they are pushing on Malawi as well as the rest of the developing world. If these "new modernizationists" want Malawi to follow their path to development then what they are imposing is vastly different from what they espouse. Economist Erik Reinert (2006) argues that rich countries got rich through conscious and deliberate economic policies that did not originate in unrestrained international free trade. Policies were adopted that progressively shaped the particular form of economic structure that set them on the path of growth. In today's parlance, that would be protectionism and depending on which side of the rich/poor division in the world, that is either a bad or a good thing.

However, rather than this totalizing abstract view of protectionism, it has a much different meaning when “initial protection is essential to achieve increasing returns and to access new technologies” (Reinert, 2006: 67). It only becomes counterproductive later on.

Of course, Malawi is not near the stage of initial industrialization. She is still heavily dependent on the agricultural sector. However, this fact does not automatically dismiss the argument above. Instead, more expansive thinking as well as innovative policies is needed. The people of Malawi, like all people in developing societies, have much more at stake and this fact calls for careful, deliberate and targeted policies that will do much less harm and much more good. Agriculture is Malawi’s economic engine; it is vital not for both economic growth and ensuring food security for the nation. Managed properly, the sector will provide the greatest opportunity for improving the lives of the people. Agricultural policies in Malawi should be crafted to respond positively to the unique circumstances of Malawi if economic growth is to occur. A contextualized approach to policy, even when running counter to orthodox economic ideology, can begin wealth creation improving lives and starting long-awaited development in the process. The donor community and their multilateral institutions should approach Malawi’s development challenges with much greater flexibility, longer time lines for policies to work and different forms of support. Changing to policies designed around Malawi’s circumstances the donor community could provide the economic growth that in turn could move Malawi’s democracy towards consolidation.

Unfortunately, it is argued that in absence of this change, democratic consolidation is still a distant dream. This chapter provides data testing the hypothesis that government failure to respond to expectations of rural Malawians weakens their faith in democracy. Government failure to respond to the material needs of the people is embedded in the larger context

established by the IFIs suggesting that the SAPs have much farther ranging consequences than simply getting the macroeconomic house in order. In pursuit of trimming government outlays in order to pay back debt and the interest on the debt, the IFIs are making the consolidation of democracy in Malawi very difficult. Even as the defenders of SAPs root their claim for the necessity of such policies in order to transform Malawi's economy and begin the process of growth that everyone seeks, they appear to place the political impact of SAPs as secondary. With such an emphasis, both economic and political development outcomes are falling short.

A much different view with the primary emphasis on political development and economic adjustment secondary could lead to a better outcome for all concerned. Specifically, I contend that policies such as removal of the fertilizer subsidy are not just politically questionable and work against democratic consolidation but also do not make sense economically for Malawi. This point will be taken up in the last chapter.

Before proposing an alternative policy approach, it is necessary to provide sufficient evidence of the failure of the current policy framework in place since 1981. Naturally, a description of Malawi's socio-economic context is the place to start. There is a wealth of data from household surveys that help measure the degree and depth of poverty in Malawi. However, only a few key indicators will be used to illustrate not only that Malawi is a poor country but also that there has been little if any improvement of the situation since the implementation of SAPs.

The View from the Ground

The relationship between economic growth and democracy is a reality for the people in Malawi. Their view of democracy is materialistic. When democracy came to Malawi, it came loaded with promises directed at precisely the concerns of the people. From the people's standpoint, it is because socioeconomic conditions are an everyday and constant reminder of how precarious their lives are that faith is placed on democracy's ability to improve lives materially.

These are basic expectations and as such, a powerful reason to focus on them. It follows that Malawians would use this yardstick to measure whether democracy delivered on these promises. If it has not, the reciprocity half of the faith bargain fails, leading to a troubling possibility that Malawians are losing faith in their democracy.

Considering the circumstances and general conditions of most Malawian's, it is easy to understand why they would have such a simple but strong view of democracy or any political system. When life is hard and full of insecurity, the bar for government effectiveness is not raised too high. Even as the politicians were promising the moon and stars, Malawians were much more practical, hoping for a lot less.

A story illustrates the point. I was interviewing a woman in a small village outside of Chingali, a trading center on the west side of the Zomba Plateau. I asked her what she expected a new democratic government would mean for her and her family. As she looked up towards Zomba Mountain, she took a breath and then, with only a slight hesitation said, "We were hoping for less hunger." As she spoke these words wrapped in disappointment and resignation, they trailed off into a deep sigh. The lines on her face showed the depth of her concern and worry.

This woman, whose children were eating green mangos at the time because she had no money and could not afford to buy maize, had walked to Zomba on the other side of the mountain two days before to let her MP, Gwanda Chakuamba, know of the situation in her village. She went there because she believed that he did not know how they were suffering and if he did, something would be done. As she related her story to me, I was thinking that the strength of Malawi's democracy resided in this woman's hope. She had an expansive concept of democracy beyond just voting as she took shouldered the interests of her village and took them with her to lobby her MP.

The trip is very difficult and strenuous. The road up the mountain from Chingali is incredibly steep⁵¹ and dusty while on the other side of the plateau, the road down to Zomba is less steep but much longer. Because it is so difficult, she left early in the morning, before the sun came up. She put on her best dress and arrived at the Parliament offices that afternoon. At Chakuamba's office, his assistant informed her that her Minister was in Parliament and unavailable to constituents. She explained why she had come and told the assistant that the situation in her village was desperate. Children were sick and people were dying from hunger. The assistant told her that Mr. Chakuamba would be in the office tomorrow and she should come back then. She was assured that he would do something to see that people had food. With that, she went home but not arriving until well into the evening. Nevertheless, she told me she had great confidence after that, positive that she would meet with her MP and her family, and village would have relief.

The next day, she went up the mountain and down the other side to Zomba and Mr. Chakuamba's office. His secretary informed her that her MP, Mr. Chakuamba, had left the day before for Lilongwe and would not be back for a week.

She had hoped for a chance to tell her MP of the suffering. She believed that if he only knew, he would see that people had food. She must have believed in democracy but she only "hoped for less hunger." As I left, I remember wondering what thoughts occupied her mind that evening as she walked that long, steep road back home.

Her story shares a common theme. For poor countries, democracy has to deliver the goods. Not everything, no democracy does that, but it has to address the common needs that

⁵¹ Just to give some idea, when I would descend towards Chingali, I would put my Landrover into low difflock (basically uses the engine to slow the vehicle) to save burning out the brakes. Even in difflock, one often had to use the brakes to keep from accelerating out of control.

would reduce life's risks. Malawian's expectations of democracy are simple and they boil down to mainly two things: 1) showing that life is getting better even if incrementally, and 2) responding to the concerns of people even if limited. Doing this maintains the faith. Alternatively, as economist David Landes puts it "Failure hardens the heart and dims the eye" (Landes, 1999: 492).

As a political scientist, I believe it is essential to understand how policy can either strengthen or weaken democracy. Government policy that responds to people's needs go a long way in keeping the faith and belief in democracy strong. Such policies give them a stake in the state. Conversely, policies that separate government from people can only damage that belief and faith. Good policy binds people to the state just as bad policy repels them.⁵²

Even so, it has to be acknowledged that governing and policymaking is complicated, perhaps much more complicated in an economically poor new democracy. Malawi, like most developing countries, is wracked with problems that would challenge any government let alone one where democracy is new and poverty common. Malawi's poverty torments both her people and the hope of democratic consolidation. The challenges loom large.

From all indications up to now, the best that could be said about Malawi's economic structure after adopting SAL reforms is that it has remained unchanged. That is hardly a ringing endorsement of them. Indeed, if after more than two decades of implementing these reforms, productivity is declining and food insecurity is increasing then the policies have failed in what they were designed to create. Instead, with people moving back to sustainable agriculture, it can

⁵² I admit this might sound like a political aphorism. However, I believe it underlies what those who promote governance distinguish between good and bad governance.

be argued that Malawi is experiencing primitivization not development.⁵³ After all, if there is progress through modernization, then there must also be retrogression and primitivization. If, as economist Erich Reikert argues, economies do not reach a certain volume or scale, “then economic systems may fall back into modes of production and technologies that have been past history for some time” (Reinert, 2007: 171). That may be stretching the idea a bit in Malawi’s case yet the fact that more people are relying on obtaining a subsistence level of economic activity captures the idea fairly well.

To develop the point further, primitivization occurs in economies when a way of doing an economic activity is no longer profitable because a level or volume of production can no longer be attained. It is a phenomenon characterized by “diminishing returns” (Reinert, 2007: 171). In Malawi, such a phenomenon is occurring with devastating social consequences. The removal of the fertilizer subsidy has pushed more farmers into replacing hybrid maize with local maize subsequently resulting in diminishing returns (Uttaro, 1998). The retrogression of agriculture, certainly not a difficult event to place in motion, accelerates the unraveling of society driving people into other forms of survival strategies as less harvest means greater food insecurity (Uttaro, 1998).

Thinking of process of primitivization as applied to Malawi’s agriculture is somewhat problematic, I admit. Part of the problem is that the majority of farmers in Malawi have always been involved in subsistence farming. That is true; however, if a country is to develop and agriculture is the main sector of economic activity that is to lead the way, then agriculture needs investments in technology to reach the volume and scale for development to take place. The

⁵³ Reinert defines primitivization as an economic system occurring when labor markets no longer can provide core city activities and human beings are forced back into diminishing returns activities... (172). I find the concept useful for Malawi in that the SAPs have forced farmers into diminishing returns activities such as planting local maize, cassava, millet and even tobacco.

problem of agricultural development is that the available technologies are too expensive. As a result, we have regress and diminishing returns.

The other part of the problem of thinking of Malawi being caught in the phenomena of primitivization and lies in our understanding of the role technology plays. That, in turn, requires us not to limit our understanding of what makes up technology. In the West, we view technology through the modern lens, which can both distort and exclude what is or is not technology. Thinking of agriculture, we tend to relate technology in terms of machinery, specialization and methods of farming that produce ever-higher yields. It is useful, though, to be reminded that technology really is nothing more than an improvement of an activity so that the ratio between what one expends in that activity, whether labor, land and/or capital is lessened to what is produced. Seen in this way, fertilizer and hybrid seeds are also technology.

How then can it be argued that primitivization is occurring in Malawi especially when the overwhelming majority of farmers are engaged in subsistence farming to some degree? A couple of points should be convincing. First, we know that farmer's yields of the staple food crop are shrinking due to soil infertility and we know that fertilizer and hybrid seed could turn that around (Benson, 1997; Peters, 1996, 1999; Owens, 1999; Gladwin et.al., 2001; Harrigan, 2001). Second, SAPs required the Government of Malawi to remove the fertilizer subsidy that, in combination with a series of devaluations, caused fertilizer prices to skyrocket (Harrigan, 2001). Third, the IFIs, pinned their hope on the diversification of agriculture. Expanding burley tobacco production to the smallholder sector at first proved to be beneficial even to the extent that those rural farmers who grew burley also used fertilizer on hybrid maize (Orr, 2000; World Bank, 1995). However, by the late 1990s and early 2000s, tobacco production was faltering as Malawi had trouble competing with other tobacco growing countries such as Mozambique that had lower

transaction costs (Harrigan, 2001; Orr, 2000; Orr & Orr, 2001). Additionally, tobacco has not proved to be the solution for poverty reduction for several reasons. It is not an option for the huge number of households who can barely achieve food security from maize production, year-by-year price fluctuations, and problems with the quality depresses the market and much of the output offered gets rejected at auction or attracts prices below the costs of production (Ellis, Kutengule & Nyasulu, 2002).

Last, with high population growth, land for food production was under increasing pressure. Without fertilizer, maximum yields from the land could not be obtained consequently increasing food insecurity. Granted, even with fertilizer and hybrid maize, food security cannot be achieved by households with less than 0.5 hectares of land⁵⁴ but it would extend food stocks by 2 to 3 months more than the 3 to 4 months provided by local maize (World Bank, 1995; Devereux, 1997). Kamchedzera and Banda's (2003) study found that villages reporting food stocks depleted for at least one fourth of the year, increased malnutrition rates and even starvation (Kamchedzera & Banda, 2003). Throughout Malawi not one of the communities studied

...reported self-sufficiency in food and all the communities were engaged in subsistence agriculture. The causes of the dire food situation included selling food stuffs, as coping mechanisms to alleviate poverty, poor access to farm inputs such as fertilizer, crude farming methods such as the use of hoes, lack of technical advice in agriculture, over-dependency on maize, and increasing population (Kamchedzera and Banda, 2003: 23).

Moreover, at least in terms of food security, all of the communities visited in their study reported that they preferred the Banda years because they had access to agricultural loans, extension advice and services, and subsidized fertilizer, all affected negatively by SAPs (ibid.).

⁵⁴ According to the World Bank (1998) it is estimated that 40% household landholdings are 0.5 ha or less. The Integrated Household Survey of 1998 confirms the reliability of the Bank's estimate by finding the mean farm size to be 0.76 ha. It is a staggering number that if anything sobers the mind when considering the challenge of poverty reduction. It is this fact that has some suggesting that the only viable path for poverty reduction is to expand non-farm activities (See Orr & Orr, 2001; Orr & Mwale, 2001; and Devereux, 1997).

Since the adoption of SAPs starting in 1981, life and livelihoods have not fared well. It is true that orthodox economic policies have stabilized the economy, the deflationary nature of these policies essentially lowered per capita income (Mkandawire, 2003). A significant amount of opinion argues that structural adjustment is not helpful for the poor in part because it is not particularly pro-growth and because it often worsens income distribution (Cornia & Court, 2001). The IMF has even described the effects its structural adjustment policies had on growth as “barely discernible when full account is taken of macroeconomic policies, human capital accumulation, initial conditions, and exogenous shocks” (Kochnar, Coorey, Bredenkamp & Schadler, 1999:87). The upshot is that in Malawi’s case, poverty has not been reduced and even worsened since stabilization and adjustment policies were adopted. If it is not primitivization, it is certainly not an indication of development, even incremental, either.

Problem Identification

Such developments are well understood by rural farmers. For many, the affects are a daily reminder and even have a seasonal rhythm to them. During the growing season, the pale green, stunted maize stalks presage a doubtful future. After harvest, partially full *nkokwes* (storage bins) cause families to start stretching their food in hopes of holding off the hungry season for as long as possible. Hunger, malnutrition, and declining health follow and as the hungry season arrives, lives go from uncomfortable to weakened to desperate.

Researchers have studied the impact of policy reforms on the population. Numbers and data revealed that structural adjustment and reform had a painful characteristic to it (Kydd & Dorward (2001); Kherallah & Govindan, 1999; Cornia, et.al., 1987; Adedeji, 1988; Chilowa, 1998; Brown & Thompson, 1996). It was therefore expected that the farmers, for whom such reforms were adopted and ostensibly, the beneficiaries, would confirm that their lives were much less secure than before reforms.

However, I was interested in something more. I expected farmer's problems would cluster around food security and livelihood issues but I also wanted to see how often they identified similar problems. I expected most responses to be concerned with these types of problems. Importantly, farmers were not prompted so the responses would be theirs alone. Farmers were asked to identify the three greatest problems facing Malawi in 1997/98 the responses were not surprising. As Table 5-1 shows, the three most frequently cited problems were ranked as hunger, poverty and lack of fertilizer with hunger identified 26% of the time while poverty and lack of fertilizer follow with 19% and 12% respectively. In all, 57% of responses concerned problems that are directly related to declining agricultural productivity and suggesting that respondents see the relationship between the three.

Although Table 5-1 supports the observations of others concerning declining living standards during the reform process⁵⁵ it should be noted that the removal of fertilizer subsidies ties poverty and hunger together. With responses clustered around these three problems, the impact of removing the fertilizer subsidy can be understood as not just a policy prescription to improve the government's fiscal position. Whereas some economists can argue that the cost of the subsidy distorts harms the macroeconomic structure, farmers are able to provide a human dimension to it by expanding the 'cost' of removal beyond the macroeconomic. The farmer's dire situation is directly related to declining yields and subsequent costs of importing food. They are living the poverty that policy was supposed to alleviate. To them the first two – hunger and poverty – are describing the conditions that result from declining agricultural productivity linked

⁵⁵ For general descriptions on the effect of reforms in Malawi see Kherallah and Govindan (1999) Chilowa (1998) and Chirwa and Zakeyo (2003). More specifically, Kydd and Dorward (2001) and Devereux (2002a) identify factors that have made poverty reduction unattainable including low economic activity due to input, output, and financial markets which are vital for food crop intensification. See also the World Bank (1990) report that per capita food availability significantly declined throughout the 1980s, Chirwa, and Zakeyo (2003) on the per capita decline in maize supply.

to land constraints and soil infertility. It is no surprise that Malawi suffers persistent food insecurity. However, the lack of fertilizer worsens the problem.

Table 5-1: Identification of problems ranked by frequency and percentage

Response	Frequency			Total	Percent of total responses	Rank
	First problem	Second problem	Third problem			
Hunger	115	69	26	210	26	1
Poverty	66	53	36	155	19	2
Fertilizer	41	38	22	101	12	3
Health	14	25	27	66	8	4
Inflation	8	13	5	59	7	5
Crime	13	14	11	38	5	6
Infrastructure	8	14	15	37	5	7
Climate	6	14	17	37	5	7
Economic	8	8	19	35	4	8
Societal	6	10	11	27	3	9
Government	2	7	11	20	2	10
Agriculture	2	8	9	19	2	11
Education	2	5	9	16	2	12
Land	1	7	5	13	1.5	13
Other	2	2	9	13	1.5	13
Total	294	287	232	813	101*	
**Missing		7	62	69		

* More than 100% due to rounding up.

** Number of respondents that did not identify two or three problems: 7 only identified one problem; 62 only identified two problems.

Respondents provide their own recognition of the development challenges in Malawi. What they tell us is affirmed in the statistics we have come to rely on. Regarding food security and the ability to provide for their household, respondent in my survey appear worse than NSO estimates of 52% (NSO/NEC, 2000). In Table 5-2 we see that just over three fifths or 64% of households report themselves as net buyers of maize for household consumption and shows a strong relationship between farm production (in this case subsistence production) and net purchasing of food with a chi-square 86.38. Even the 12% of respondents who are buying maize though they say the farm produces enough food suggests that the separation between being food secure and insecure is very thin.

Table 5-2: Households unable to produce enough food by frequency and percentage

N = 292		Now purchasing maize to eat		Chi-square	P <
		Yes (%)	No (%)		
Farm produce enough food for household	Yes	7 (12)	51 (88)	86.38	(.000)
	No	181 (77)	53 (23)		
*Total		188 (64)	104 (36)		

*Two respondents work off-farm and do not depend on their farms for meeting household food needs

Furthermore, Table 5-3 confirms the depth of poverty in rural Malawi. In both the percentages of respondents who did not produce any crop for sale and the percentages of respondents being net purchasers of maize, poverty is all too common and overwhelming. The table shows that 83% of respondents did not have a crop such as burly tobacco to help generate cash, which even as net buyers of maize, they would have money for food. Instead, without some cash generation, household coping strategies range from working off farm (ganyu labor) to selling possessions and assets.

Table 5-3: Farm production and food security by frequency and percentage

N=292	Yes (%)	No (%)	Total
Farm produce enough food	58 (20%)	234 (80%)	292
Now buying maize to eat	188 (64%)	104 (36%)	294
Produce a crop for sale	45 (15%)	245 (83%)	290
Use fertilizer on crops	172 (58%)	122 (42%)	294

How fertilizer use relates to the high number of food insecure families is not fully apparent in Table 5-3. We see that 58% of respondents used fertilizer on their maize, which might suggest that fertilizer is not as important a factor as argued here. However, Table 5-4 helps clarify the picture. In this table, fertilizer use is compared with the previous year and it shows that a significant number of respondents (39%) used less than the prior year while another 38% said they used the same amount. Only 23% used more.

Since much of Malawi's soils outside of the lower Shire Valley suffer from serious nutrient deficiency, lower application rates would result in lower yields. However, as shown in

Chapter 4, less fertilizer or even no fertilizer causes farmers to make other consequential decisions affecting yields such as returning to planting local rather than hybrid maize. What is not known of respondents who used the same amount of fertilizer is whether the amount they are using is enough to insure food security. Unfortunately, I did not ask that question.

Table 5-4: Fertilizer use on crops compared to previous year by number and percentage

N=294			
Amount fertilizer used compared to previous year	Number (%)	Did not use fertilizer and reason	Number (%)
More	40 (23)	No money	73 (60)
Same	65 (38)	No source	2 (1)
Less	67 (39)	Don't need*	47 (39)
Total	172 (58)		122 (42)

* Category made up of respondents from Nsanje region of Lower Shire Valley.

Nevertheless, the data suggests that fertilizer use is important to farmer's household food security. Using the example above, even a small farm using fertilizer would increase yields enough to reduce the period of time purchasing maize. Also interesting in Table 5-4 is that price is the constraint that kept farmers from using fertilizer. What is an affordable price for fertilizer is an open question that cannot be answered at this time. An experiment I conducted in July 1998 suggests that price is important but availability is also a serious constraint. What we can draw from Table 5-4 is that farmers would use fertilizer if it were affordable. It also suggests that the removal of the subsidy and the consequent sharp rise in price helped push farmers deeper into food insecurity.

One other comment regarding the use of fertilizer and that concerns the 47 respondents living in the Lower Shire Valley who do not use fertilizer. The reason fertilizer is not used is due to the periodic flooding of the Shire Valley during the rainy season. The floods can be devastating to resident's home and if great enough, destroy crops leaving the people facing starvation and dependent on food aid. However damaging and destructive the floods are, when

the waters recede they leave behind replenished and fertile soils. They do not need fertilizer and therefore counting their responses may not be appropriate for the question. If they were factored out in order to get the more accurate picture of fertilizer use and respondents who need it, the percentages are much worse for those who did not use it. In this case, 97% of respondents that did not use fertilizer would have cited the cost as the constraint.

Important as fertilizer is for farmers, Table 5-5 suggests that the amount of fertilizer is insufficient across all categories. Of all farmers who used fertilizer, only 28% reported that their farm produced enough food for the household. The other 72% who used fertilizer still could not produce enough food for the household. It would be expected that farmers who used less fertilizer than the previous year would see a decrease in yields and therefore more likely to be purchasing food. Yet, 42% of respondents purchasing maize used the same amount. Although a small percentage, respondents who applied more fertilizer than the previous year, 16% still did not produce enough to avoid food insecurity, which is somewhat surprising. The emerging picture is that many households are already food insecure and their situation would only worsen if they did not use fertilizer even if it is an insufficient amount. It underscores just how vital people believe fertilizer is for their subsistence. Moreover, it draws our focus to realize that without a sustained and massive increase in the availability or knowledge of using any other soil improvement technology, chemical fertilizer is the only option existing for Malawi's farmers.

Table 5-5: Amount of fertilizer use and food security

N = 172		Fertilizer use compared to previous year as percentage			Chi-square	P<
		Less	Same	More		
Farm produce enough food	Yes (N = 49)	33	25	42	12.86	.002
	No (N = 123)	42	42	16		

Other factors also need to be considered and which prevent us from drawing any concrete conclusions from Table 5-5. For instance, although fertilizer use is important and many of the

respondents identified it as so, the amount of fertilizer is only one predictor of yields and food security. Types of fertilizer, farm size, availability, timing of application, family size are just several factors that would affect yields. For example, if a large family has a farm less than a hectare in size even using more fertilizer would have the unlikely benefit of producing enough food. Fertilizer use is not the whole story.

Respondents make it clear that the agricultural sector is unable to guarantee food security, much less provide sustainable economic growth for the nation. Too poor to afford inputs like hybrid maize and inorganic fertilizer results in becoming net buyers of maize, but for some, even that is not enough to fend off malnutrition. The consequence of poverty is devastating on children in that 48 percent of children under five years of age are stunted, 22 percent are severely stunted, and 22 percent are underweight. According to the NSO, these figures have not changed much since 1992 (NSO/GoM 2005).

Up to this point, the discussion concerned respondents identifying those problems that are affecting their lives. Not surprising for subsistence farmers, the main concern is producing enough food for their households. It is also not surprising then, that farmers would identify lack of fertilizer as one of the three most important problems facing them since it is directly associated with higher yields that would alleviate their food insecurity. Clearly, the removal of the fertilizer subsidy severely affected food security because farmers who did not use fertilizer cited cost as the reason 97% of the time.⁵⁶

As stated above, poverty, hunger and lack of fertilizer are linked. Furthermore, while poverty and hunger were conditions (i.e., a person sees themselves as poor and/or hungry) the lack of fertilizer is a policy that farmers perceived and identified as a serious problem and the

⁵⁶ This number again reflects only farmers who needed fertilizer for their land and excluded the farmers in the Lower Shire who farmed fertile soil.

key to their conditions. This is evident in Table 5-6 where respondents were asked to rank what they felt the government should do to address their situation. As Table 5-6 shows, respondents prioritize fertilizer as a solution from the government. When asked what they thought the government should address of the three greatest problems facing Malawi respondents mentioned fertilizer 23% of the time with hunger at 17% and poverty at 4%.

Table 5-6: Solutions for government to address ranked by frequency and percentage

Response	First problem	Frequency Second problem	Third problem	Total	Percentage of total responses	Rank
Fertilizer	66	34	5	105	23	1
Hunger	58	17	3	78	17	2
Economic	26	16	5	47	10	3
Agriculture	17	17	9	43	9	4
Infrastructure	21	14	1	36	8	5
Health	13	16	2	31	7	6
Government	24	3	2	29	6	7
Inflation	14	10	--	24	5	8
Poverty	8	7	2	17	4	9
Crime	8	6	2	16	4	10
Education	7	4	--	11	2	11
Other	8	1	--	9	2	12
Societal	4	4	--	8	2	12
Land	2	--	--	2	0	13
Total	277	149	31	457	99	
Did not identify	17	145	263	425		

This breakdown of responses with fertilizer as the most urgent in their opinions was surprising. I thought fertilizer would be mentioned but I did not expect it to be cited as the first issue for the government to address. This suggests that the respondents understand the relationship that exists between fertilizer, hunger and poverty and that access and use of fertilizer is essential to lessening both. Moreover, the fact that they rank it above all else including hunger and poverty underscores their understanding of how vital is access to fertilizer. In other words, it appears respondents want their government to act on this policy.

Importance of Perceptions of the Promise of Democracy

The lives of rural farmers are difficult and getting worse. So far, the research shows that they understand the relationship between their poverty, hunger, and low yields. They have identified fertilizer access as the third greatest problem facing Malawi. The next step is to determine how the realities of their lives relate to their perception of democracy.

Not everyone would agree that a positive perception of democracy is important for consolidation to occur. It has been argued that the success or failure of democracy in Africa will depend on how the elites behave (Mkandawire, 2003). Elites are pivotal in that they can undermine or uphold democracy depending on how they calculate the benefit for themselves. Essentially, the focus is on the greater importance of elite driven reform as more effective in achieving consolidation. That is assuming there is a significant number of elites wanting to reach consolidation and willing to push towards it. The other side of that coin is where elites have a strong interest in halting or at least hindering consolidation. Elites would have different incentives if perceptions of democracy were low and would just as likely undermine democratic institutions as they would support them.

However, not just elites matter. The perception of democracy cannot be considered as insignificant for democratic consolidation. A positive perception is important because it indicates two, if not more, positive developments are occurring: 1) people believe it is working in their benefit and 2) democratic government institutions are responding positively to people's needs, which causes and strengthens occurrence number one. If we learned anything from Africa's troubled past, the difficulty of building a nation and a sense of belonging to that nation cannot be understated. Hyden (1980) described the state as a separate entity unconnected to society resulting in an "uncaptured peasantry." He later captured the character of the state metaphorically as a balloon "floating" with impunity above civil society (Hyden, 1983: 19)

The difficulty of creating a sense of belonging and connectedness to the state is therefore a crucial undertaking for a new democracy. When democratic government fails to address the needs of people, such as the causes of social and economic inequality, poverty, and hunger while failing to provide other necessary functions, satisfaction with democracy declines. According to Bratton (2004) across the continent, there has been a slight drop of those adults who are very satisfied with democracy but the “quality of democracy is strained” (Bratton, 2004: 5). The same trend is happening with Malawi’s democracy. In recent years, there has been slippage in areas of particular importance for democratic consolidation. Civil liberties, freedom of speech and minority rights are three important areas where backsliding occurred causing Freedom House to move Malawi from free to partially free. Ten years after, 57% of Malawians say democracy has major problems or not a democracy at all (Khalia & Chibwana, 2005).

At this point, it is beyond the scope of this research to determine whether responsiveness builds a sense of connection or even changes people’s views of the state. Instead, the task is to discover if responsiveness affects people’s faith in democracy. It certainly is suggestive that responding positively to people’s needs is a first step towards democratic consolidation.

Social and Economic Variables

What follows are a series of tables showing the relationship between socioeconomic variables and the perception of democracy. To begin, respondents were asked during the interview if they felt the promise of democracy had been kept. As we can see in Table 5-7, 75% of respondents do not feel that the promise of democracy has been kept. At first blush, this number may seem very large when considering that Malawi had only been a democracy for three years when this study was undertaken and not that long after when Banda ruled the country very heavy handed through the MCP. We might expect that people would have more patience.

Table 5-7: Respondents believing the promise of democracy has been kept

	Number	Percent
No	220	75
Yes	67	23
Total	287	98
Missing	7	2
Total	294	100

Moreover, other specific policies implemented by the new government were very popular such as free primary school education for everyone and free secondary education for girls. There were unforeseen problems arising from these programs but at least school fees were no longer an obstacle to an education. With memories of one party rule still very fresh in their minds and new policies that at least appeared to address some social issues it support for democracy might be expected to be high. However, that is not the case. With a response so overwhelmingly negative, a different approach is necessary to try to understand why people may be losing faith in democracy.

Since a significant majority of respondents (75%) believe the promise of democracy has not been kept, then the next step is to find the evidence that might shed some light on why people believe this. Since I have proposed that poor people expect democracy to address their material condition, questions along those lines are useful. One such question suggesting a substantial reason concerns respondents perceptions on their lives. Table 5-8 provides some evidence that people's expectations have a material basis.

Table 5-8: Is life better or worse after MCP and one party rule?

	Frequency	Percent
Worse	115	40
Same	39	13
Better	136	46
Total	290	99
Missing	4	1
Total	294	100.0

Although 46% of respondents believe their lives are better under democracy the majority feels that their lives have either become worse or remained the same. However, it remains only suggestive that people think their material well-being and democracy are related. The next step is to show specific relationships.

As seen in Table 5-9 using cross tabulations, there is a relationship between the perception of the promise of democracy and economic conditions. For example, 74% of respondents who do not believe the promise of democracy have been kept were buying maize at the time of the interview. The relationship is very high with a chi square of 37.16. Fertilizer also has a very high relationship with the belief in democracy particularly those who used either the same amount or less. Very close to half the respondents (49%) who have a negative view of the promise of democracy did not use fertilizer and again, with a very high chi-square of 22.59.

More interesting is the relationship between those who used the same or less amount of fertilizer. A very high percentage of respondents (86%) who used the same or less were also highly likely to have little faith in democracy. This suggests that respondents regard fertilizer as significantly contributing to their economic condition. It also highlights that fertilizer availability is an important expectation of democracy and suggests a strong relationship with the promise of democracy. Indeed, fertilizer was quickly politicized in the first election campaign with many politicians promising a return to free fertilizer or heavily subsidized.⁵⁷ Even among those who did not use fertilizer, 49% were also negative on the perception of democracy. However, again this is probably masking a larger percentage since it includes the 47 respondents from the lower Shire Valley who did not use fertilizer because there is no need for it.

⁵⁷ Quite a few respondents related stories of politicians coming into the villages promising many free items such as free maize and free fertilizer. Other candidates promised only the reestablishment of heavily

Table 5-9: Relationship between perceptions of democracy and agricultural production

		Promise of democracy kept			Chi-square	P <
		% Yes	% No	% All		
(1) Now buying maize to eat	Yes	12	88	100	37.16	.000
	No	44	56	100		
(2) Usually buy maize every year	Yes	13	87	100	11.00	.004
	No	28	72	100		
(3) Use fertilizer on maize	Yes	33	67	100	22.59	.000
	No	9	91	100		
(4) If used fertilizer, amount compared to	Same/Less	26	74	100	15.03	.000
	More	59	41	100		
(5) Produce a surplus to sell at market	Yes	38	62	100	5.89	.015
	No	21	79	100		
(6) Life better since end of one party rule ⁵⁸	Yes	31	69	100	8.06	.005
	No	17	83	100		
Total N		220	67	287		

Missing values: (2) = 1; (4) = 108 due to questioning only for positive responses for (3); (5) = 4; (6) = 1

The preceding discussion strongly suggests people's expectations of democracy are linked to how they view their lives. Asked if their lives are better, the same or worse since the end of MCP one party rule and the advent of democracy, 57% of respondents who are discouraged about democracy's effectiveness said their lives had remained the same or worsened.

It is clearly shown by the evidence so far that people believe their lives worsening. Furthermore, there is a widespread loss of faith in democracy. Taken together, they strongly suggest that democracy is not meeting the material expectations of respondents. However, the next step is to see if there is any relationship between this loss of faith in democracy and how

⁵⁸ The original question asked respondents if they felt their lives were better, the same or worse since the end of MCP one party rule. For this table, those who answered the same were combined with those who answered worse in order to have a clearer distinction. When left alone, the relationship is even stronger with a chi-square of 13.13 and a p < .001. The percentage of respondents who answered worse and felt democracy had not kept its promise was reduced to 46% while 11% of those who said life was the same also felt the same about democracy.

people viewed their government overall. A number of questions were asked testing perceptions of government responsiveness and effectiveness. The results are in Tables 5-10 and 5-11.

Table 5-10: Relationship between perceptions of democracy and government responsiveness

		Promise of democracy kept			Chi-square	P <
		% Yes	% No	% All		
(1) Government trying to solve problems	Yes	56	44	100	30.94	.000
	No	18	82	100		
(2) Government policies favor one group over others	Yes	6	94	100	46.7	.000
	No	40	60	100		
(3) Parliament affects my life	Yes	52	48	100	68	.000
	No	8	92	100		
(4) MPs and Ministers actions have little meaning on my life	Yes	12	88	100	35.96	.000
	No	42	58	100		
(5) No party represents rural interests	Yes	18	82	100	5.88	.015
	No	30	70	100		
(6) Party leader called meeting to discuss village problems	Yes	41	59	100	44.9	.000
	No	8	92	100		
(7) Children receiving good education	Yes	27	73	100	11.15	.001
	No	6	94	100		
(8) MPs working hard to solve Malawi's problems	Yes	37	63	100	6.08	.014
	No	20	80	100		
(9) MP cares about what happens to you	Yes	3	64	100	9.09	.003
	No	19	81	100		
(10) MP tries hard to work for constituency	Yes	32	68	100	4.99	.025
	No	20	80	100		
(11) President Muluzi knows of your problems	Yes	32	68	100	9.03	.003
	No	16	84	100		
(12) President Muluzi cares about what happens to you	Yes	44	56	100	52.89	.000
	No	7	93	100		
(13) Better local leaders had more power and responsibility	Yes	15	85	100	18.12	.000
	No	37	63	100		

Missing values: (2) = 13; (3) = 6 ; (4) = 11;(5) = 1; (6) = 2; (7) = 4; (8) = 40; (9) = 4; (10) = 1; (11) = 2; (12) = 3; (13) = 3

In Table 5-10, people generally feel government is distant, unresponsive, and ineffective. Feelings that both the President and MPs have little concern for their plight are high with respondents but there is a substantial difference between how people perceive the President and the MP on this score as Table 5-11 illustrates. For instance, the President appears to be given the benefit of the doubt in both caring about people and knowing of their problems even though 54%

feel he does not care about how their lives are deteriorating. The reason he is seen as more concerned about people's lives than the MPs may be due to the belief that he is unaware of the problems people face. MPs are seen very differently. Seventy four percent of respondents feel their MP does not care about what happens to them while 67% believe he is fully aware of their problems.

Table 5-11: Perceptions of political leaders' awareness and concern

	% Yes	% No
President cares about what happens to you	44	54
President knows of your problems	46	52
MP cares about what happens to you	26	74
MP knows of your problems	67	32

This is not surprising after listening to complaints and comments about MPs. For example, it is very common for people to say they never see their MP until election time when he shows up with bags of maize and fertilizer. Opinions about his whereabouts were also highly critical and disparaging with remarks such as “he too busy building another house” or “he is counting the money he stole us.” The large gap between the President and the Parliament is interesting since the Constitution of 1995 established a presidential system of government. In theory power is well-defined and divided up between the three branches of government (Meinhardt & Patel, 2003). In reality, power is more concentrated in the President and his Cabinet and Parliament is for the most part, a rubber stamp for policies⁵⁹ (ibid.). This accumulation of power in the Presidency has led some to label Malawi's system as a “hybrid” - part parliamentarian, part presidential. The point is that few if any policies ever emerge from the Parliament that possibly contributes to people's negative perception of their MPs.

⁵⁹ Parliament's rejection of President Muluzi's attempt to have the Constitution amended in 2003 so he could seek a third term was one time when it acted independently exercising its power.

Political Implications: Voting and Participation

The data shows that lack of government responsiveness is causing people to lose faith in democracy. People believe their leaders are aware of the problems but show little concern for their plight. The distance between government and the people is wide. Even the minority who feel the promise of democracy has been kept do not have positive feelings about their leaders.

If it is important, then in what manner does this relationship between lack of responsiveness by the government and decreasing faith in democracy show itself? People can show their dissatisfaction with government performance in many ways. One way is to vote for the opposition. This exercise of accountability is the most powerful tool democracy places in the hands of citizens. Considering the data, we might expect to find that voters in Malawi are exercising their right to hold officials accountable by electing new leaders from different political parties. However, in Table 5-12 something else is showing up: decreasing voter turnout. Voter participation has dramatically decreased between the elections of 1999 and 2004 by almost 40%.

Table 5-12: Voting turnout 1993 – 2004

	Election year			
	1993	1994	1999	2004
Total votes cast (president)	3,153,448	3,040,665	4,755,422	3,119,645
Total registered voters	4,699,526	3,775,256	5,071,822	5,742,747
Participation (% turnout)	67.0	80.5	93.8	54.3

Source: Erdmann, Patel and Schweitzer (2004)

The difference is huge for one election cycle particularly when compared to the increasing participation since the referendum in 1993 and deserves further discussion. Table 5-12 suggests that voters are losing faith in democracy and not just their faith in a political party's ability to meet their basic needs and address livelihood issues. If that was not the case, then we could expect to see a greater shift in voter preferences towards particular political parties rather than a dramatic drop in participation. Voters in Malawi have chosen to exit the system rather

than change the leadership. This development strongly suggests that people see the system as dysfunctional and failing because their basic socioeconomic needs have been ignored. It is also suggestive that their belief that democracy would lead to a better life is diminishing, at least in the short term. The data offered in this chapter provides the reasons for the dramatic decline in participation.

Perhaps a better way to see what factors determine whether or not the promise of democracy has been kept in Malawi is logit regression analysis where the dependent variable is a categorical (discrete) variable (1= the respondent perceives that yes, the promise of democracy has been kept, and 0 = no, s/he perceives that no, it has not). Logit regression analysis in this instance is preferable to chi-squared analysis because it allows the researcher to hold constant all other variables while examining the effect of a specific variable on the dependent variable, in this case “the promise of democracy.” If the coefficient of the independent variable is significant, it is assumed that there is a significant relation between that particular independent variable and the dependent variable. In chi-squared analysis, by contrast, results may include some spurious correlation between other independent variables and the dependent variable, and may not let us see just how significant the influence a specific independent variable has on the dependent variable.

The results of testing two slightly different models by running two different logistic regressions on the dependent variable are shown in table 5-13. Model one represents different combinations of 11 independent variables including the gender of the respondent (1=female, 0=male), his/her level of education, his/her perception of whether the farm produced a profit (1=yes, 0=no), whether or not the household had to buy maize this season (1=yes, 0=no), whether it used chemical fertilizer this year (1=yes, 0=no), whether the respondent perceived an

increase in criminality with democracy (1=yes, 0=no), whether or not the village headman discussed problems with household members (1=yes, 0=no), whether or not the MP tried hard to help the community (1=yes, 0=no), whether or not people cooperated to solve problems in their village (1=yes, 0=no), whether or not women should be allowed to wear trousers (1=yes, 0=no), and whether life was perceived to be better since the end of single party rule (1=yes, 0=no).

Results show that variables of education level, farm profitability, and responsiveness of the village headman and MP are not significant. It suggests that people's education level has little to do with their view of the promise of democracy. One helpful way of seeing this is simply that people may have perceptions about the promise of democracy, they may even talk to each other about it, but they do it regardless of how far they progressed in school. The same applies to the variable of farm producing a profit. It, too, has no significance that could be explained by the fact that most farms are small and people are more concerned with growing enough food. If there are surpluses or profits, they most likely are very small and therefore not large enough for people to be deeply concerned about.

Two other variables that the model shows to have no significance on the promise of democracy concerns whether or not the village headman discusses problems in the village with them and whether or not they perceive their MP as working hard for them. Intuitively, this may be somewhat surprising, especially regarding the MP variable since it is an elected position. However, for the most part, people do not have a favorable impression of MPs. MPs are seen as self-seeking individuals in politics for their own benefit and not representing the people. If people assume that MPs are only self-interested, then expectations of MPs fulfilling their "democratic" responsibilities are, a priori, non-existent. The same general feeling may hold for village headmen. Although everyone in the village knows the headman, his responsibilities are

well defined and limited and even if he talks to people about problems in the village, people know s/he can do little about it.

Table 5-13: Logistic regression models predicting perception of whether the promise of democracy has been kept or not

Label	Variable	beta	Model 1	Model 2
	Constant		-2.304	-2.711
			-1.237	1.171
SI_SX	Sex (male = 0)	b_1	-.814*	-.726*
			-0.39	-0.377
SI_3	Level of education	b_2	-0.066	
			-0.053	
SI_7B	Farm produce profit (0=no)	b_4	-0.357	
			-0.546	
SI_10	Buy maize to eat at present (0=no)	b_5	-1.408***	-1.383***
			-0.425	-0.396
SI_15A	Use fertilizer on farm this year (0=no)	b_6	1.025**	.957**
			-0.46	-0.434
PD_31A	Democracy increases criminality	b_7	-1.478***	-1.630***
			-0.394	-0.386
SC_21	Village headman discusses problems with us	b_8	0.4	
			-0.443	
GR_37	MP tries hard to help our community	b_9	0.05	
			-0.409	
SC_43	People cooperate to solve problems in our village	b_{10}	.772**	.905**
			-0.345	-0.339
MA_89	Women should be able to wear trousers if they want	b_{11}	1.641***	1.710***
			-0.401	-0.381
GR_66A	Life better since end of single party rule	b_{12}	.489**	.419**
			-0.198	-0.186
	% of cases predicted correctly		84.1	85.5
	Chi-square***		114.882	114.664
	-2 log likelihood		188.780	192.749
	<i>N</i>		276	283

* = $p \leq .10$; ** = $p \leq .05$; *** $p \leq .001$

In contrast, the gender variable is significant at the 10% level of significance. It is also negative, showing that all other things being equal (farm profitability, for instance) men are more likely to perceive that the promise of democracy has been kept, maybe because men have more access to cash crops. At higher levels of significance are “economic” variables such as whether

the household had to buy maize to supplement their own farm production ($p < 0.001$), and whether it could afford to apply fertilizer this year ($p < .05$). Both have a positive impact on the likelihood that respondents perceive the promises of democracy have been kept. In model 4, also significant were variables representing social capital, such as whether people were cooperating to solve village problems ($p < 0.05$) and whether democracy was perceived to increase criminality ($p < 0.001$), and modern attitudes which is captured by women's choice to wear trousers ($p < 0.001$).

More important is that the regression tests the main hypothesis of this thesis, namely that government responsiveness is related to the promise of democracy. The "life better since one party rule" variable is used as a proxy variable for structural adjustment policies. To improve our comprehension of this idea, let us assume for argument sake, that the World Bank and IMF got it right and the SAPs had worked. Then we could expect respondents to claim that life is better indicating that the market succeeded in improving lives and all the reform policies, even if initially painful, had pulled the country through. In this scenario, people would expect less need for government responsiveness since their lives were perceptibly better without it. Results show, however, that only a minority of respondents perceived life to be better since the end of one-party rule: life was better for only 135 of the sample; for 152, slightly more than half, life was the same or worse. Yet because only a minority (67) thought the promise of democracy has been kept (while the majority (220) thought it had not), the hypothesis of this thesis is supported by these results, because the sign on "life better" is positive and significant.

It is difficult to interpret the magnitude of that influence by the coefficients in a logit regression model on their own. However, one way to interpret the magnitude of influence on the dependent variable is to calculate the probability of an ideal type of respondent feeling the

promise of democracy has been kept or not. In this manner, we use the most important variables, keeping others at their mean, and calculate the probability that this ‘type’ of individual would perceive that the promise of democracy has been kept, or not.

Table 5-14: Predicted probability on dependent variable

Ideal type	Has the promise of democracy been kept?	
	% No	% Yes
Woman buying maize, no access to fertilizer, who feels life has gotten worse since the end of single party rule	87.8	12.2
Man not buying maize with access to fertilizer who feels life has gotten better since end of single party rule	52.1	47.9

To illustrate, we will use the four variables mostly related to this thesis (fertilizer, buying maize, life better, and gender) and create a woman and a man who are exactly opposite. Our ideal woman is buying maize, does not have access to fertilizer, and perceives life is not getting better. Our ideal type man is not buying maize, has access to fertilizer, and perceives life getting better. In Table 5-14, we see that the model predicts a 52% probability that our ideal type man feels the promise of democracy has not been kept while it predicts an 88% probability that our ideal type woman feels the same. A converse picture is reflected in the probabilities that these two ideal type individuals would feel that the promise of democracy has been kept. The differences are statistically significant and provide further proof that the interpretations of the result of the model in favor of the main hypothesis of this dissertation are valid.

CHAPTER 6 CONCLUSIONS

During the transition period, the UDF cry of “Zinthu zatani?” (What has happened?) rang clearly across the land. After becoming President, Bakili Muluzi continued to ask this question at his rallies and in unison the crowds would roar back “Zasintha!” (Things have changed!) (Englund, 2002; personal witness). As Malawi approaches the quarter century mark of democracy, the question still resonates. However, the answer is now much less definite and any conclusions are mixed at best.

The question addressed in this dissertation is whether the SAPs in general, and the removal of the fertilizer subsidy specifically, has any affect on people’s perception of the promise of democracy and if so, in what way? How are they expressing their concerns?

The main discovery is that people have lost faith in the promise of democracy. For a large majority democracy came with a promise of improving their material needs. Only a very few see any improvement in their lives. Most in fact, feel it is getting worse. These findings support my hypothesis that the government’s failure to address people’s basic and fundamental material needs will lead to people losing faith in democracy. Respondents express it directly in the survey but it also shows as a significant drop in voter turnout over the previous elections. This finding, in and of itself, is not surprising. What is surprising is that people identified the one policy that they feel could make a significantly positive difference in their lives and that is having access to fertilizer. By identifying fertilizer as the primary policy they want from government, it shows that rural producers are very much aware of the importance of fertilizer policy. For this study, what is more significant is that it provides a very concrete reason for losing faith in democracy’s effectiveness.

All indications are that the majority of people are experiencing worsening lives: they are working much more and much harder and falling further behind. In this respect, Malawi, one of the poorest countries in the world, is reflected in Collier's finding that over the three decades from 1970 to 2000, the "bottom billion" are worse off than they were in 1970 (Collier, 2007). If they are lucky to have a good year that shortens the length of the hunger season the next drought sends them backwards. Droughts and floods are events no government can control but governments have to respond to them. Malawi's government whose capacity has been reduced by policies designed in Washington is clearly disadvantaged in this respect.

However, the issue here goes beyond the capacity to respond to disasters. It focuses more on the overall policy making endeavor. In brief, the point is that the policies that are driving poor people into deeper poverty are essentially non-policies because the government is prohibited from adopting them. If there is no discussion, no proposal, no deliberation, there is really no policy. This is the case with the fertilizer subsidy policy.

In this dissertation, I have explored the relationship between democratic consolidation and economic structural adjustment. I have argued that Malawi's democratic consolidation has stalled due to the context in which these two phenomena take place. It is a context where two ideals are pulling against each other working, as I put it, at cross-purposes. In isolation of each other, each believes it has the plan to a promising future for Malawi lies within. On the one side, the hope is that democracy will usher in a new form of governance that will bring significant change in both the political and the material lives of people. That belief is premised on the assumption that democratic government is transparent, accountable, responsive, and distributional.

On the other side, the IFIs with their structural adjustment policies have an equally strong belief. In this perspective, economic growth and prosperity will come only through economic structural change. This belief is premised on the assumption that a functioning market is a better, more efficient distributor of wealth than the government and that a free market will fuel growth. Growth leads to the emergence of a democratically oriented civil society. At that point, groups will defend their newly acquired wealth from the state and will be instrumental in maintaining a free society where power is decentralized and democratic institutions flourish. I realize this is just a brief and arguably superficial summation of the two sides but it suffices to illustrate the basic differences between the two perspectives.

The results found in this dissertation show a loss of faith in democracy. However, it does not directly address one of the theoretical aspects of this study and that is how declining popular perceptions of democracy came about and how that affects consolidation. In other words, what does it all mean for the larger picture? Although much of what I draw out of my research is merely suggestive, it is a point that deserves comment and elaboration.

It is evident that restricting government policymaking creates a less than hospitable context for consolidation. In essence, where democracy is all about choices, the SAPs effectively removed the very choices that would have strengthened the beliefs and faith people had in democracy. In this sense, SAPs and democratic governance are working at cross-purposes to each other resulting in a dramatic drop in people's positive perception that democracy would improve their lives.

Throughout my stay in Malawi, the most often stated reason why people supported democracy was freedom. Indeed, considering Malawi's past, people's understanding of democracy had multiple meanings. Nevertheless, it was clear then that the freedom that came

with democracy could be conflated into two categories: ‘freedom to’ and ‘freedom from’. To vendors in Lilongwe, democracy meant ‘free to’ sell their vegetables and merchandise while farmers saw democracy as ‘freedom from’ the state taking their food and animals. There is no doubt that along the political dimension, democracy has meant Zasintha.

On the socio-economic dimension, disappointment and general pessimism is understandable. Even as the third wave of democracy arrived in sub-Saharan Africa, some feared that the socioeconomic conditions spelled doom for democratic experiments in that region. Certainly, low economic development and high levels of poverty are major challenges for many new democracies. In a sense, the high expectation that democracy would turn the economic decline of the 1980s into long-awaited prosperity in the 1990s was similar to expecting gold could be spun from straw. Twenty-five years later, it is understandable if the answer to the question “What has happened?” is a dismissive shrug.

True, other developments and factors that influence the situation in Malawi should not be ignored. Nevertheless, it is important for this study to highlight the significance of the economic factor. If democracy’s survival in poor countries is highly related to economic growth then conversely the prospects are dim indeed, when growth is not taking place. This is the case for Malawi. As shown in Chapters 4 and 5, Malawi is experiencing her own form of primitivization as lives and livelihoods diminish. People are losing faith in the promise of democracy and, powerless to do anything about it, they low participation levels indicate they are “exiting” from the system.

Exiting may not be all that is occurring, either. Naturally, in such circumstances, people turn their gaze towards the one who can help them. Deteriorating lives provide openings for anti-democratic elite behavior. It is here where the cynic glimpses possibly a real “benefit” of

structural adjustment. With lives deteriorating, the poor are easily susceptible to the meager help of powerful and wealthy men who will benefit from clientalistic ties. Neopatrimonial practices of the past determine institutional performance. Ineffective institutions become residences for corruption that stifle economic growth while failing to promote and protect the interests of the poor.

Resurgence of the Personality Politics

The decline in voter participation is worrisome because it is so dramatic. The fact leaders are not being held accountable because ‘exiting’ makes more sense than voting for someone else, indicates that democracy in Malawi is not doing well. Consolidation appears to be far off. What explanations are there for optioning to ‘exit’ rather than ‘voice’? (Hirschman, 1970).

Political culture of the Ngwazi: Looking at how people view their leaders may provide some tentative answers. It is plausible democracy’s inability to improve lives substantially is attributable to Muluzi’s own construction of the Presidency that to a lesser degree reflects Banda’s thirty years in power. Muluzi’s own distance from the hardship his people face is as wide as under Banda. For the most part, he and members of parliament never really shed the old political culture and it is possible that the people are very much aware of the trend.

As a political culture argument, it is difficult for Westerners to understand but Banda was able to embed himself as President in Malawi’s traditional culture and used it very effectively. For example, at the time of independence, younger nationalist leaders had made Banda their leader extolling his academic achievements, his status as an elder and a wise man (Lwanda, 1993). The beginning of the personality cult coincided with the beginning of Malawi’s independence:

From the minute Banda landed in Malawi he was a savior, Messiah, Ngwazi (the conqueror), Redeemer, Nkhoswe Number One...Chiume, who was a brilliant propagandist, coined the phrase ‘Zonse Zimene za Kamuzu Banda’ (Everything belongs

to Kamuzu) and ‘Zibute, zitane, ndife a Malawi, tiri pambuyo pa Kumuzu’ (Come hell or high water, we are behind Kamuzu). Every politician, before and after independence was keen to affirm their loyalty and obedience to Kamuzu (Lwanda, 1993: 48).

As ‘Ngwazi’ he embraced the idea of imposing Chewa culture and identity on the country (ibid.). To that end, he enhanced an already elevated image of the elderly and wise doctor to coincide with traditional Chewa healing beliefs. Much of the traditional Chewa medicines come from plant roots and he exploited the coincidence of his own name, Kamuzu, which means “little root” in Chichewa to this belief. Westerners might dismiss this constructed relationship as trivial and not give it much weight. However, for Malawians and particularly in the rural areas, a black leader who was educated in the West (demonstrating equality with the Whites) and yet had the knowledge of the village would carry a great amount of authority and reverence (ibid). Thus, his obsessiveness with the flywhisk was symbolic of a traditional healer in the village.

This enlarged view of the President as one who wields real power in the country while the view of MPs in parliament is much less favorable portends possibilities that could be either beneficial or harmful for the consolidation of democracy. The President could use his popularity to design and implement policies that are perceived as effective and responsive thus increasing the legitimacy of the state in the eyes of the people. Broad based policies targeted to people’s needs provides them with a stake in the state and it makes sense that people will support a state that shows it cares for them.

However, just as possible is the opportunity to abuse power and unfortunately, this appears to be the direction President Muluzi wanted to go. From expanding his Cabinet to over thirty posts for patronage purposes to using the trappings of office and his own fortune to “purchase” votes, Bakili Mulzi, has made Malawi’s democratic consolidation even more challenging. One way he concentrated power in the office through adopting the concept of a new “Ngwazi” (Lwanda, 1996). Another method was to place the term “Doctor” in his official

title further merging the past with the present. Banda was a medical doctor earning his degree in the US and in Scotland and he included “Doctor” in his official title. Muluzi, however, never earned a doctorate but after receiving an honorary doctorate from Lincoln University in the US in 1995, he broke customary practice and had his title changed to include his honorific title. Next, Muluzi installed himself as the Chancellor of the University of Malawi, Malawi’s top university just as Banda had been. He continued to build a “personality” presidency by issuing the MK200 note, the first in Malawi’s history with his picture on it, again causing observers to wonder if the new “Ngwazi” was imitating the old “Ngwazi” too closely.

Muluzi’s attempt at revising the Constitution in order for him to run for a third term that was his most blatant attempt at concentrating power. Fortunately, Parliament did not go along. If he had succeeded, he not only would have been President for half of Banda’s time in office but also would have had five more years to continue down the path towards authoritarianism.

Yet, the campaign to change the Constitution was led by Presidential Affairs Minister Dumbo Lemani, a man of questionable temperament who as an MP was quick to resort to intimidation, bad judgement and confirmed thuggery (Africa News Network, 1997). A constitutional amendment passed in November of 2001 effectively reduced the majority required to amend the constitution from two thirds to 50 percent plus one which intended to ensure that the UDF would have the number of votes in parliament to approve constitutional changes. Moreover, anticipating that there would be some opposition to the third term the UDF in Parliament tried to impeach judges deemed as being with the opposition and replace them with judges supportive of the proposed constitutional amendment (Maroleng, 2004). The resulting confrontation between the judiciary and the executive has left both very distrustful of each other (Maroleng, 2004).

Although the Parliament rejected his bid, Muluzi's actions leading up to the Constitutional showdown reveals other disturbingly parallels to Banda. Muluzi responded to Church groups and civil society organizations in Malawi openly opposed to a third term more in the tradition of Banda by banning all public demonstrations in Malawi. Even more disturbing and again very similar to Banda, the UDF established a wing called the Young Democrats who were for the most part made up of thugs released by the party to intimidate and break up opposition rallies and silence voices of opposition. One incident involved Bishop Tengegenga up in Mwanza. Tengegenga was asked to give a talk that was not considered political but since he had expressed concern about the growing power of the presidency in an earlier speech, the Young Democrats were instructed to beat Tengegenga to silence him. Fortunately, for Tengegenga, the Young Democrats who were waiting for him outside the hotel had never seen him before. Unfortunately, another Bishop was mistaken for Tengegenga and severely beaten (personal discussion).

These events suggest that democratic values are undergoing great pressures and retreating in Malawi. Assaults on individuals, opposition parties, fellow MPs all harkens back to the Banda years. Political trends are looking more as continuity with the authoritarian practices of the previous regime rather than the break with the past and a new beginning that was anticipated by Malawians in 1994.

These developments help inform the underling theme of this dissertation that essentially removing policies from government consideration weakens a democratic state and subvert the very institutional development necessary for consolidation. In its place, political elites committed to enhancing their own political power return to the patron-clientalistic relations and corruption of the past.

Nevertheless, as the UNDP reported, democratization does not come with any guarantees, however democratic institutions and practices “have the capacity to challenge the concentration of political power and prevent the emergence of tyranny” (UNDP, 2002: 83). It is an important reminder not to throw the baby out with the bath water even as the trends are away from consolidation and growth seems elusive as ever. The patient may be ill but not terminally and a cure is still worth attempting.

As this study shows, people do not see their lives improving. Instead, life is getting harder and declining. The overall picture is one of deepening poverty and equally is the feeling that democracy has failed on that promise. Yet, even as they have identified the problems, they point to a solution. They cite the hunger and poverty that plagues the countryside but also a policy that increase access to fertilizer to turn the situation around.

We can see that there are various answers to the question “What has happened?” posed by Muluzi and the UDF. One answer is not much but then that does not capture the political and economic condition that has taken hold of the country. Much has happened, however undesirable. It would be erroneous to place all the responsibility on the shoulders of the IFIs and their policies. After all, some of the policies had good outcomes. For example, removing restrictions on burley tobacco in 1994 and allowing small holders to grow it had a very significant positive impact on the lives of poor farmers. It is possible to design and implement policies that provide people the means to lessen their poverty. Yet even a successful policy such as liberalizing burley tobacco has little if any impact on the general demoralizing affect of failure to develop.

Describing what has taken place in Malawi since the arrival of democracy and highlighting the importance of the material demands placed on it, only takes us so far. Trends,

both political and economic are not very promising and if they continue, then Malawi will be very different and arguably worse than the country we see today. Are to the clues as to why Malawi has reached this stage and a way forward, I return to the role of the state

Reflections on the Role of the State

Every dissertation, or research project for that matter, confronts the “So what?” question. This thesis has shown with strong data that people in Malawi have lost faith in the promise of democracy. Moreover, they linked access to fertilizer as the issue that has the greatest influence on their growing poverty and hunger. They wish the government would address that issue but reinstating the subsidy was not an option due to SAPs. As a result, diminished faith in democracy corresponds with diminished lives. It is this idea of diminishment that ultimately hangs over the entire discussion and hence brings me to attempt an answer the “So what?” question.

To answer that, I have to back up one-step and answer the begging question: why has economic growth and democratic consolidation failed in Malawi? We know it has; so what explains it? That is the essential challenge for my study.

Responsiveness and state legitimacy: As I mentioned in Chapter 2, it is crucial to understand how the state is seen and treated by each perspective in order to explain how neither consolidation nor growth happened. After all, this critical issue of the state is where the two perspectives sharply differ and the point this study has to address. Once understood theoretically, the tension between the two processes is clarified providing a better optic through which to interpret not only why consolidation has stalled but also why economic growth remains elusive.

Arguably, the state is still the essential political structure in Africa (Villalon & Huxtable, 1998; Englebert, 2000). The IFIs and donor community certainly must believe so since they

pushed for democratic transition by linking political conditionalities to further economic assistance. This was especially true for Malawi. Support for Malawi's one-party state came down with the Berlin Wall when at that time, the donor community said "no democracy; no aid" in 1992 (Ihonvbere, 1997). Donors steadfastly believed that a democratic state would result in accountable, transparent institutions and in effect usher in good governance (Posner, 1995). From the donors' standpoint, it was now vital that the delivery of aid and loans go through accountable and transparent state institutions.

However, donor perceptions of the state in Africa had limitations. Important contingencies and contextual factors were not fully absorbed which were the first in a series of missteps that placed Malawi as well as other African countries in their current condition. One of the most important factors has to do with the difficulty of establishing authority. In the past, the state faced great challenges as political leaders attempted to stretch the state authority over vast regions (Bratton, 2004; Herbst, 2000). However, even with democracy, it is still a formidable challenge. Perhaps to better illustrate the point in the context of Africa, it is necessary to understand that for the most part the state in Africa's post-independence history is a history of state failure. As a result, African states have been characterized as weak with very limited legitimacy and authority (Hyden, 1983). Thus, a large consensus agreed that the state needed to be reformed if development is to take place and that is the task for democracy.

Democracy was believed to be better at meeting the challenge of stretching state authority, especially if the democratic regime was successful in addressing basic needs and livelihoods. Doing so would significantly increase state legitimacy in the eyes of the population and broaden acceptance of state policies and decisions. What we have then is this idea that a democratic state with accountable leadership and transparent institutions would have

significantly greater legitimacy because it was responding to people's needs. Aid would be channeled through the new, transparent institutions responding to the will of the people. In essence, stretching state authority would be much easier.

As often is the case, when theory is put into practice the outcome is often varies from what was expected. In Africa, the past is certainly not prologue but it does have a nagging dimension to it. Considering the recent predatory history of the state and the way state-society relations were shaped, the reform challenge is even more daunting. It is perfectly understandable if citizens harbor deep distrust and are reluctant to enter into a bargain with the state, even if it is a democratic bargain. Yet, if democracy is to consolidate, they must be enticed to do just that. Unless citizens are willing to give the state the authority structures in order that legitimate decisions and policies can be implemented, development will be difficult at best.

Democracy has to prove itself in the eyes of the citizens if it has any chance of providing the antidote to these past unsavory tendencies. The remedy lies in the essence of what democracy is: the ability to hold leaders accountable. Democracy has many features that make it desirable, but I would argue that accountability is the keystone that holds the arch together. Accountability provides a democratic state its authority to make legitimate decisions. I believe as Bratton does "that legitimacy is a product of democratization" (Bratton 2004: 2).

That being said, state legitimacy is not an easy undertaking in sub-Saharan Africa; it is a particularly difficult challenge for new democracies. Yet, consolidation depends on it. The question is how one goes about ensuring that democratization builds state legitimacy? Democratization alone cannot be taken for granted in the task of building state legitimacy. Many recent scholarly works remind us of how easy it is for democratization to end up as something different from a consolidated democracy (Diamond, 2002; Barkan, 2002). It might be more

fruitful for our understanding to conceptualize democratization as a checklist with a number of “things to do” in order to be considered legitimate. One of those is government responsiveness. As my research shows in Chapter 5, government responsiveness or effectiveness affects people’s opinion on the promise of democracy. From that, we could infer that responsiveness influences and affects legitimacy. What happens to legitimacy when a democracy is deemed unresponsive? If people perceive a regime as ineffective and unresponsive, how likely are they to see legitimacy in state institutions that necessitate granting those institutions the authority in order to carry out their mission?

This study makes a strong case that government response to people’s needs is a crucial factor in obtaining state legitimacy. Without legitimacy, it is hard to see how democracy can consolidate and how its institutions can function. Instead, the state remains detached from society and if it cannot be overthrown, then something to be avoided. With such a relationship, implementing policies are difficult if not nearly impossible and the cost of enforcing policies becomes prohibitive.

It is safe to say that effectiveness is the nexus where democracy and state legitimacy meet. Like all regimes, democratic ones are held to basic standards against which they are judged. For new democracies delivering the goods ranks high. Failing to meet this criterion may not imperil democracy per se but for consolidation, that is another matter. Moreover, consolidation becomes even more tenuous where poverty is high because demands can be beyond the capacity of the state. The realities require new democracies to prioritize demands, such as basic material needs, that are vital for consolidation to occur and then carefully use scarce resources. Failing to do so does not necessarily mean people are ready to throw the democracy out the window – the baby with the bath water – but it most likely will derail

consolidation. Elites may exploit the opportunity with increasing clientalism and corruption. It is not as if clientalism and corruption do not already exist; the point is that proponents of democracy see democratic governance as a way of improving socio-political relations by developing more efficient and effective institutions.

In Malawi's case, other factors also need to be considered. Malawi's own experience with the state is unique when compared to most other countries in sub-Saharan Africa and deserves some comment. Whereas most states in sub-Saharan Africa never could extend their reach much beyond the cities, the one party state of Banda and the MCP was an exception (Ihonvbere, 1997). It was able to penetrate right down into every village in the country. Banda and the MCP was everywhere and with the Malawi Young Pioneers at the ready, the reach did not exceed the grasp. Malawi under Banda was a strong state and in this respect, it was rare.

All this changed in May 1994 when the first multiparty election was held. Democracy came with great enthusiasm and even greater expectations. Lost in the euphoria back then and for several years after was the realization that the state itself was at a crossroads. What kind of a state would emerge from the oppressive and abusive state of the past remained to be seen. With recent memory taunted by an especially brutalizing state, the newly elected democratic regime had to carefully chart a path to overcome distrust and fear. One method that could push that process along is responding to the material needs of the people. It is an effective way to democratic consolidation

Up to this point, the discussion centers on democracy's task in building state legitimacy in sub-Saharan Africa in general and Malawi in particular. Based on a history of unsavory state-society relations, the task of consolidation is formidable for Africa's new democracies.

However, the task becomes even more so due to the perception of the state by the IFIs and donor community.

As discussed in Chapter 2, it is a well known that neoliberal economic theory does not have a charitable view of the state. Regarding sub-Saharan Africa, a more accurate sentiment would be hostile. Past state meddling in the economy, rent-seeking behavior of elites, neopatrimonialism, and other practices that ensured personal enrichment of the regime at the expense of society provide justification for this view. Therefore, removing some policies that could tempt leaders into recidivism is a basic prescription of neoliberalism and the SAPs based on it. The fundamental logic behind structural adjustment policies is that Malawi, like all poor, indebted countries has to pay back its debt. Macroeconomic restructuring is designed to help Malawi's economy start functioning so growth can proceed and pay off the debt with less external support. To make certain that this is a likely outcome, a smaller, weakened state is prescribed. It is also in the best interests of the creditors. In essence, we have a context where neoliberalism provides the theory while SAPs supply the means.

One significant assumption within neoliberalism is the belief that a weak state, although democratic, can provide good governance that establishes an environment conducive to this growth. As this dissertation demonstrates, the premise of a weak state and good governance has serious flaws starting with structural adjustment policymaking. Since it is an unaccountable and non-transparent process, one wonder as to how good governance can emerge from that situation.

Suspicion increases when we consider that this idea of a weakened state with reduced capabilities intuitively runs counter to what new democracies need to do in order to consolidate. Moreover, there is still much debate about whether democracy “fosters or hinders economic growth” (Przeworski & Limongi, 1993) or whether it is more likely that economic development

is essential for democracy to endure (Kaplan, 1997; Lipset, 1959; Gasiorowski & Power, 1998). What we do know is that poor governance can do great harm to economic growth. The economic crisis in South East Asia in the late 1990s is instructive on this point. In that instance, poor governance, with its lack of accountability and transparency, derailed economic growth throwing societies into turmoil (Cheema, 2005; Sen, 1999).

As far as crisis goes, except for the speed with which the crisis unfolded in Asia, Malawi's economic growth has also been derailed. Malawi's crisis is a slow and interminable one but a crisis nonetheless. However, unlike Asia, there is not much distance for her economy to fall before hitting bottom. Growth has not occurred in an environment far from conducive for it to happen. Yet, we are led to the same conclusion about the quality of governance in Malawi as in Asia prior to the crisis.

The push for democratic consolidation understandably has a much different view of the role of the state because its priorities are different. Here the role of the state is indispensable for consolidation. To understand the difference between neoliberalism and democratic consolidation have regarding the role of the state we have to expand our understanding of development. For consolidation, development entails much more than just economic growth. This is the essential point that the IFIs miss in their neoliberal paradigm.

How democracy, development and the role of the state all come together starts with the idea that development encompasses the broader idea of human development which entails "enlarging people's choices" (UNDP/HDI, 2000). Making the case for democracy, Cheema argues that the expansion of capabilities and participation means "democracy goes to the very heart of human development" (Cheema, 2005: 7). Improving human conditions in the long term is sustained and effective "where the affected group is involved at all levels of the decision

making process' and for the poor, their "effective participation in decisions that affect their lives....is most completely realized through democratic regimes" (Cheema, 2005: 8).

Democratic states are much more capable at addressing this larger understanding of human development. By their nature, democratic states are much more likely to connect with society through policies and programs that people feel are responding to their needs.

Democracies offer people four important and related opportunities to improve their condition.

First, the state is seen as capable of responsiveness. Democratic regimes understand very well that if they wish to remain in power, they need to act in accordance with popular demands.

Second, a democratic state is structurally decentralized. Political power is dispersed among various institutions providing diverse groups different access points to the state. Third,

democratic states are intrinsically committed to improving human development. In this regard, which follows from the other two, the essential role of the state comes to bear. Through policies and programs that respond to people's needs, democratic government is much more likely to bring improvements along a number issues such as improving access to health care, combating illiteracy, ending hunger and relieving poverty.

Finally, democratic government is empowering. Human development means nothing if people are not free from an abusive state. The foundational values of democratic government - the rule of law, protection of human rights, sharing power - are also conducive to people, including the poor, of choosing the ways and means for improving their lives and in the process people discover that they can make those in power listen to them. On all these fronts, democratic governments are qualitatively better in sustaining and enabling human development.

Thus, the state has a much larger task and is the key player for development. In such an environment, a democratic state connects with society. People feel that a state that is concerned

about them is a state (and system of government) worth defending. As I tell my students, responsive government gives people a stake in the state.

It is clear that such an expanded view of development requires a different role of the state. Democracy requires a state that is flexible enough to respond and enhance human development. As such, it runs counter to the neoliberals own general view of the state. Moreover, neoliberals have a practical problem with it as well because of the difficulty of including these factors in the economist modeling that dominates the field. Succinctly put, the conflict over the role of the state comes down to the difference between *neoliberal state retreat* versus *democratic state reform*. In this lies the core of the problem. By shrinking the state neoliberalism removes the means and tools by which democracy encounters and reforms the state. Consolidation becomes the innocent victim. Instead of a consolidated democracy, what results is an unresponsive government in which people have little faith.

How is it that democracy has lost this fight to neoliberalism? The answer can be boiled down to the way power is structured in our globalized world. Malawi is a highly indebted poor country in critical need of support from the IFIs and international donors. Without it, Malawi would likely collapse. She has little choice but to follow the program however difficult and no matter the cost.

Larry Diamond states “If Africa is going to develop, politically and economically, it will have to do so democratically” (Diamond, 2000: 4). Few would find any fault with his sentiment. However, he goes on to argue that democracy and development are essentially bound together and that development must come with conditions: “debt for democracy and development for good governance” (ibid: 37). Furthermore, he calls for the greater proportion of development assistance should go towards “developing the political foundations for development is a

democratic, accountable state and vigorous civil society committed to reform” (ibid: 38). It is here that we see emerge the same blindness that the IFIs suffer from. In this widely held view, the fault lies solely with the African governments and the solution comes from abroad and above. Like so many Africanists, Diamond’s concern for Africa is genuine and deep but, without seeing the interplay and divergence caused by structural adjustment policies, his blurred vision begs the question of how does democracy develop when leaders are precluded from responding to the governed?

For poor countries, economic development is essential if democracy for survival. Przeworski *et al.*, found that economic development strongly correlates with democracy enduring once it is started (Przeworski *et al.*, 1996; 2000). Along with Diamond, they argue that increasing levels of per capita income will significantly affect the likelihood of a democracy surviving. Even so, it would be misleading to suggest that economic development is the only factor that affects democracy (Diamond, 2000). For example, it is instructive that the prospects for democracy improves significantly in poor countries if they can sustain economic growth while experiencing low to moderate inflation (Przeworski *et al.*, 1996). Specific structural adjustment policies addressing inflationary pressures are therefore necessary. Just as we would not want to throw the “democracy baby” out with the bath water, no one would say that because of one or a few misguided policies, the structural adjustment baby should precede the discarded policies.

That being said, the argument against state retreat is even more vital because necessary structural economic reform is also jeopardized by it. Following the path of state retreat not only derails consolidation but also it creates opportunities for the types and practices of elite behavior of the past that could keep consolidation from getting back on track. This in turn will hinder

compliance with and even implementation of important economic policies. Elite behavior is therefore an important component in dealing with the study of democratic consolidation and the establishment of viable democratic institutions as key. Important as elite behavior is, we must not miss the essential point that the institutional development found in a consolidated democracy severely restricts and structures elite behavior including acting as a “control on corruption” (Lindberg, 2006b: 153).

It therefore seems clear that the path to consolidation should be as smooth and clear as possible and not create obstacles as some of the SAPs have done. That is not the case. Instead, as argued in this dissertation, a contradiction inherent in SAPs further impairs democratic consolidation. That contradiction is that through state retreat neither economic growth nor democratic consolidation takes place. Policies removed from consideration by institutions external to the democratic policy process, such as fertilizer subsidies, not only take a toll on rural populations living standards but contribute greatly to deteriorating faith in democratic governance. In such an arrangement, it should be to no one’s surprise that disillusionment with both leaders and democracy itself would set in. What follows disillusionment is anybody’s guess but the resurgence of clientalism and personalistic politics is making ever-deeper inroads.

It is therefore essential for proponents of SAPs to understand that consolidation is a much more complex process than the processes that take place in early democratization. Why is that? For one consolidation requires much more profound change involving the institutionalization of various organizations and procedures that assist in making government transparent, accountable and responsive (Sandbrook, 1996). Additionally and perhaps the “litmus test” of consolidation is when all the major political actors not only come to accept the democratic rules of the game but

more importantly “come to value, and hence defend, the rules that underpin democratic organizations and procedures” (Sandbrook, 1996: 86).

These institutionalized rules and structures are vital because they moderate the tendency of elected officials to increase their personal power. After all, it seems more the rule than the exception that elected presidents and officials dislike limits on power. It is their inclination to weaken these limiting structures and using intimidation, cooptation, and the distribution of patronage as effective methods to do so. When SAPs remove certain policies from political deliberation, they are in effect weakening the structures and organizations that make government responsive and accountable. In that effort, they not only derail consolidation but also open the door for patronage, clientalism and the return of personalistic politics.

I have suggested that the two waves of change – democracy and economic structural reform – are not working towards the same end in the Malawian context. The problem began with emphasizing economic growth and limiting democratic responsiveness. Reform policies became ever more destructive when the prescriptions for Malawi’s economic recovery were the same ones applied across the developing world as if all countries are the same. What were lost in the process are the unique challenges and requirements that need to be specifically addressed. Instead, decisions are made in Washington based on a reality that does not exist and has nothing to do with those purportedly being helped (Reinert, 2007). There is no need to consider contextual concerns because they do not matter. If there is one benefit from pressing this economic ideology onto the poor regardless of where they live or what their situation, it goes to the development economists as published papers in peer-reviewed journals that lend credence to their theories and in turn enhance reputations. Obviously, it does nothing to help the poor.

In Malawi's real world, poverty is the predominant factor in politics and needs to be addressed with coherent, practical policies. Even as the Bishops Pastoral Letter of 1992 awoke democratic urges in the population it also addressed the stark inequalities associated with the everyday life of the majority of people. For both the urban and rural poor, the call for political liberalization in 1992 was seen as a positive step leading to economic improvement as well. Unfortunately, the policies and politics that govern the country not only sustained poverty but also worsened it.

As Malawi tries to consolidate it is essential to understand the immense challenges confronting democratic consolidation. As discussed above and in Chapter 2, new democracies need to show that they can be more responsive, more just, more transparent, and more effective than the authoritarian regime they replace. Pzeworski et.al (2000) warns that weakening the state may result in neither economic growth nor democratic consolidation. With that warning in mind, it is fair to say that because of a policy environment that is neither transparent nor accountable, Pzeworski's warning was born out in Malawi.

A Different Approach: Reinstating the Fertilizer Subsidy 2006

Since the time of this research, Malawi experienced ever-worsening conditions. A couple of severe droughts, particularly the one in 2005, put millions of people into famine. In 2002, the IMF pressured the government to sell its maize reserve to help pay back debt leaving the country ill-prepared when another drought struck much of the nation the following year (Dorward & Kydd, 2004; Deveraux, 2002b; Deveraux, 2002c; BBC NewsOnline, May14, 2002; CSM/Itano, May 15, 2002). In another instance of bowing to donor pressure, the popular Starter Pack program where farmers would receive 10 kgs of fertilizer, 2 kgs of hybrid seed, and some pulses such as beans that was drastically cut back and replaced with the TIP program the next year. By

the time the election rolled around in 2004, people's interest in voting dropped significantly, as reported in the previous chapter.

In 2004, Bingu wa Mutharika became Malawi's second democratically elected President after Muluzi's attempt to change the Constitution's term limitation failed. Mutharika was hand-picked by Muluzi who wanted someone who Muluzi felt would continue to do his bidding from behind the scenes. Muluzi had to have felt very much at ease as he looked upon Mutharika taking the oath of office. Mutharika was, after all, old and to many, much more intellectual than political. In a matter of months, not only Muluzi but also the entire donor community would realize that here was a leader. There is a story and a lesson here.

Mutharika's transformation started early enough when he opened up an investigation of corruption involving Muluzi, who remained head of the UDF. He also withdrew from the UDF and started a new political party, the Democratic People's Party. Free from UDF control and Muluzi boxed in, Mutharika was to witness another disastrous harvest in 2005 that left 5 million out of 12 million Malawians in need of food aid (New York Times\Dugger, Dec. 2, 2007). The suffering he witnessed was nothing new for Malawians yet to Mutharika it was enough. As long as he was president he declared, "I don't want to be going to other capitals begging for food." He decided to "follow what the West practiced, not what it preached" (ibid.). Mutharika reintroduced fertilizer subsidies as well as subsidies on seed and a few other inputs. The subsidy on fertilizer was the deepest by almost 70%.

The results speak for themselves. Malawi's farmers produced record-breaking corn harvests in 2006 and 2007. According to Times article in 2006 the harvest was 2.7 million tons and 3.4 million in 2007 compared to 1.2 million in 2005. Percentages are useful here: 2006 was 225% higher than 2005 and 2007 was 126% higher than 2006 and 283% greater than 2005.

Malawi sold the excess to neighboring countries and the World Food Program earning an estimated return of \$120 to \$140 million at a cost of \$74 million - a return of 162%. It is worth noting that Great Britain contributed \$8 million to the subsidy program while USAID, philosophically opposed to government interventions, contributed nothing except to underwrite the cost of evaluation.

Benjamin Barber in a Los Angeles Times article calls what Mutharika did “The Malawian Revolution” calling the subsidy program “a revolt against the supposedly ‘free trade’ conditions set by foreign-aid donors” (Barber, LA Times, 2008). However, it is less a revolt and more of a rebellion against free trade. The revolution is, as Barber rightly points out, against the “the pernicious effect of donor hypocrisy” that bans poor countries from doing what they do: subsidize agriculture (Barber, 2008).

There are many lessons to be learned from Bingu wa Mutharika’s challenge to the IFIs and foreign donor development ideology. For one, we can reorient our thinking about subsidies from considering them as a distortion in the market to viewing them as an investment in economic growth. To do this, it is necessary to see Malawi for what it is: a poor country heavily dependent on agriculture. This is the unformed clay development has to work with. If Malawi is to develop, then agriculture has to lead the way. On this point, everyone agrees. Disagreement is on how it should do it.

Up until now, the policies of the IFIs and supported by the donor community have failed. There are many factors to consider in analyzing why but it really comes down to two very destructive reasons. The first is a development policy that is locked in an ideology that praises free markets while disparaging state interventions. Prohibiting governments from addressing the basic needs and survival of its people because of ideological blinders is simply foolish. The

consequences of such blindness are seen in the toll it takes on poor people and that toll cannot ever be quantified. There is no way of putting a “cost” on a child stunted by malnutrition, illiterate because schools cannot pay teachers and fees are prohibitive, weakened by vitamin deficiencies and sickened by preventable diseases. Economists have no measure for the cost of famine, starvation, or constant hunger on a family. This raises the question of how can we be so sure of the figures that show the “benefits” of structural adjustment when the total “costs” cannot be measured?

Looking at subsidies as an investment opens up many possibilities. To make this argument, we could look at the model of development the Asian Tigers followed. Essentially, Japan, Taiwan, South Korea were given great latitude with policy making in order to protect her infant industries until they were strong enough to compete with the US and Europe. These countries were able to adopt a growth strategy that was export led and they succeeded. However, to get there, the government established an environment that was protected from foreign competition while at the same time, providing the necessary loans, investments and any other interventions to industries targeted as the ones to lead the country to prosperity.

The essential point is that government collaborated with certain key industries it felt the future lay providing lower than market priced loans and other forms of help. Malawi can follow the same model but instead of industry, it is agriculture. Subsidies as an investment could give Malawi the economic benefit of earning a positive cash flow on her investment. The last two years prove that works.

Of course, there are concerns but the world markets are moving in Malawi’s favor and she needs to take advantage of it. At the time of this writing, two developments are lowering the risk of subsidizing. First, the price of food is rapidly rising due to shortages. Malawi’s surpluses

should take advantage of this by earning a premium on the market while supplying it would also help bring prices down. As long as the price remains higher than the subsidy, the investment is positive. Second, with the rapid shift of US and European corn going into biofuels, the market is short and is projected to remain so for some time. Therefore, the World Food Program's stock is depleted representing another niche for Malawi and other countries to begin exploit.

Both of these opportunities lessen the risk of subsidizing fertilizer. If the success of the last few years can be maintained even at half the rate, Malawi will be able to export her way to growth, that elusive goal of the IFIs.

The second lesson concerns politics and more precisely, democratic consolidation. On this point, I can only point to opportunities for further research but nonetheless offer some tantalizing insights. Mutharika's "revolution" by reinstating the fertilizer subsidy has major political potential. By establishing a new party that is not regionally based and instituting a national policy with reintroducing fertilizer subsidies, Mutharika may in effect have put consolidation back on track.

I suggest this because the policy addresses the three problems identified by the majority of Malawians. Furthermore, respondents identified fertilizer as the first thing government needed to do to combat their poverty and hunger. Mutharika's policy is a perfect fit. Even if some donors remain skeptical, fertilizer subsidies are good policy.

What can good policy do? Politically, it should draw voters to your side. This represents an interesting area for further exploration. The policy is popular, but will people leave their regionally based parties and join the DPP? If that is the case, then Mutharika's good policy also becomes good politics. Moreover, the DPP is a national party and this would cause the other

parties to consider strategies and policies in order to compete with the DPP, in effect lessening regionalism in Malawi.

Finally, all of this could lead to good governance and good governance is where consolidation resides. It might sound overly simple but good policy makes good politics, which makes good governance. It is an uncomplicated hypothesis that is worth further research. At this point, no one can know for sure what the political upshot is in Malawi. However, if my speculation is correct, then the economic growth the IFIs hoped to achieve with structural adjustment and the promises that came with democracy might finally happen. It is a tall order, but we can only know with further research.

I started this dissertation with a story and I want to end it with a story. One of the very first women I interviewed in 1997 was Fannie Usi. She was 65 years old at the time but very feisty. She was a widow with three adult children and nine grandchildren but she lived alone. Although she missed her husband, Fannie seemed settled in the fact that her children would take care of her as she grew older. Her life was by no means easy but it was taking a predictable course.

Fannie's personality is what drew me to her. Spirited, feisty, and witty, I will always remember how she looked at me. At the start of the interview, she scolded me for not speaking Yao (her ethnic language) so I could do a proper interview. As I looked at her, her eyes captured me. They were dark and gentle yet her gaze spoke of confidence and strength. They danced with delight as she kidded and lectured me. Some of my questions caused her head to bounce this way and that rolling her eyes as she turned towards the others who had gathered around making a comment that evoked much laughter. I may have been the object of her joking yet she made me know it was all in good fun. As I was getting ready to leave, Fannie placed her hand

on my arm, looked directly up at me and wrinkling her forehead as she waved her finger at me as she demanded I come back so she can teach me how to speak properly. The slight smile on her face would have been enough for me to promise that I would.

I did come back in 1998 only to find Fannie a very different person. She was much thinner, her hair more grey, but it was what was missing in her eyes that hit me the hardest. They had none of the spark, the fire, the beam. I knew she remembered me because she asked if I had learned Yao. Having an interpreter answered the question. When she told me what happened since we first met, I could understand why she looked so defeated. In just over a year, her three children died leaving her with the grandchildren. She was deeply worried for her grandchildren. She had less than a hectare of land to grow enough maize to feed everyone and she was old and tired. Amazingly, she did not ask for anything. She just wondered how it would all turn out. I sat with her for a while but there was nothing in me. I left her but returned the next day with two 50 kg bags of fertilizer. She thanked me and said I should come back so she could teach me Yao and then I could do proper interviews. Then I thanked her but not for letting me into her house or even briefly into her life. I was thankful for that but I was thanking her for something much greater. She changed me. As I pulled away, the question came back: if this is development then I wonder what no development looks like?

We should not judge all adjustment policies in the harsh light I cast. However, the removal of the fertilizer subsidy while devaluing the kwacha illustrates a specific policy that, unintended as it was, has significantly deteriorated people's lives and worn down their faith in democracy. I cannot understand the economic rationale behind these policies in a country where the soils are severely depleted and 80% of the people depend on agriculture, the majority of it subsistence. It becomes even more puzzling when the country is suppose to export its way to

growth (after paying its debt) and agriculture is the most important sector. To both the layman like myself and the rural producers it is hard to fathom the thinking that led to such a policy.

As I close this dissertation, I am left with these and many other questions. I have no silver bullet to reverse the fortunes of so many. If I did, I would be out in Malawi somewhere or in Washington, D.C. vigorously implementing my policies. Unfortunately, I only have meager suggestions. Much like the headline I saw in a paper while in Malawi saying “We Can’t Eat Development,” the same applies here.

Fannie Usi, the headman’s wife with the near empty nkokwe, the young prostitutes in Lilongwe, the boy I named Sisyphus in Blantyre, I see them all as metaphors of Malawi’s impossible task of development as spelled out in the neoliberal paradigm before her. Their faces are the faces of failure; a failure of policies and broken promises and certainly not of individuals asked to bear the burden that is grinding down their lives. There is something wrong when people’s lives are simply discarded as if they are worthless. It is as if they have no value, no meaning to those in power, whether in Lilongwe or in Washington.

We need to do better. If the gods in Washington condemned Sisyphus to roll a rock up a hill, then can we not at least try to lessen the incline?

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BIOGRAPHICAL SKETCH

Robert Uttaro graduated in 1974 from St. John Fisher College with a B.A. in history. After graduation, he started a career in the newspaper until 1983 when he decided to search for a meaningful life. He worked in a variety of careers until becoming Associate Dean of Students at his alma mater. He left St. John Fisher in 1986 joining his brother-in-law to open a small restaurant in Bradenton, Florida. In 1991, he had enough with the restaurant business and finally decided to pursue his graduate education at the University of Florida. He received his MA in International Development Policy and Administration in 1994. He began his doctoral studies in the Department of Political Science at the University of Florida in 1995. Uttaro specializes in international development policy and administration and comparative politics. His first love is teaching and he currently is a visiting instructor at the William and Grace Dial Center for Written and Oral Communication as well as an Assistant Adjunct Professor at Santa Fe Community College. And yes, he has found meaning in his life.