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SUSTAINING POVERTY ESCAPES IN **MALAWI**

Policy Implications Brief

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Chronic Poverty Advisory Network Getting to Zero

CONTENTS

LIST OF ABBREVIATIONS

ADC: Area Development Committees

ADMARC: Agriculture Development and Marketing Corporation

CDF: Constituency Development Fund

COMSIP: Community Savings and Investment Programme

DEC: District Executive Meetings

ECRP: Enhancing Community Resilience Programme

FGD: Focus Group Discussion

FISP: Farm Input Subsidy

GVH: Group Village Headman

IHS4: Integrated Household Survey 2016/17

KII: Key Informant Interview

LDF: Local Development Fund

MDGs: Millennium Development Goals

MGDS: Malawi Growth and Development Strategies

MNSSP: Malawi National Social Security Programme

NSO: National Statistics Office

PWP: public works program

SCTP: Social Cash Transfer Programme

TA: Traditional Authorities

VDC: Village Development Committees

VSL: Village Savings and Loans

1. OVERVIEW

While many individuals and households escape poverty and remain out sustainably, others escape but then fall back into poverty, while others become impoverished over time and/or remain poor over extended periods of time. Research by CPAN supported by USAID's Center for Resilience investigated the extent and drivers of transitory and sustained escapes from poverty across a series of country studies to better understand the sources of resilience that enable people to sustainably escape poverty given the complex risk environments in which they live.

This brief draws on results of mixed methods research in Malawi, to offer policy and programming implications for sustained poverty reduction. The data sources that the research draws on are: (i) analysis of two rounds of the Malawi Integrated Household Panel Survey (IHPS) in 2010 and 2013; (ii) 15 key informant interviews (KIIs) in Lilongwe and 8 KIIs across Balaka and Mchinji districts in 2018 with a range of policy makers, researchers, development partners and program implementers; (iii) eight gender-disaggregated focus group discussions (FGDs) in four communities in Balaka and Mchinji districts – spanning two rural and two urban communities (comprising approximately 70 individuals in total); (iv) group interviews with knowledgeable people in those same communities; and (v) qualitative life history interviews with 40 individuals (20 with men and 20 with women) the four fieldwork communities to investigate the pathways of sustained poverty escapes.

The brief advocates a portfolio response to poverty reduction that incorporates a sound understanding of poverty dynamics. In doing so, it focuses on three areas. Out of the long list of potential topics outlined in the research summary below, these three areas were chosen as they emerged as particularly salient issues out of the quantitative and qualitative analysis of resilience and sustained poverty escapes:

- **Improving agricultural productivity and reducing price volatility** through a focus on agricultural extension, irrigation, water management and market development.
- **Increasing profitable engagement in the non-farm economy –** including through a focus on electricity and training, as well as savings. This section also highlights the dangers of irresponsible credit.
- **Investing in social protection** - including making it more shock-sensitive

Section 2 presents summary findings from the research, followed by a brief overview of the context for poverty reduction in Section 3. Section 4 provides a discussion of the three specific policy and programming areas highlighted above. Section 5, reiterates the need for a multi-sectoral portfolio response that propels significant improvements in household well-being, while supporting the development of diversified sources of income and livelihoods so that households can remain resilient in the face of frequent climatic and economic shocks and stresses.

2. SUMMARY OF RESEARCH FINDINGS

- In the qualitative fieldwork, sustained escaping households concentrated investments in resources associated with non-farm activities including transport vehicles and properties (including houses and shops for rent) alongside more limited investments in land, particularly in wetland.
- Regression results show that households owning more than the mean number of livestock (6) over time experienced significant improvements in welfare across urban and rural areas. In the fieldwork small livestock (goats, chickens) were not as important as cattle in terms of transforming incomes.
- Regression analysis reveals that households that acquire electricity experienced an increase in per capita expenditures. The improvement in electricity acquisition is higher for households in rural areas,

possibly reflective of the comparative advantage that might accrue to households in these areas that can consequently develop non-farm enterprises.

- In the fieldwork, transitory escapers were more likely to take loans than sustained escapers and this contributed to their descent back into poverty, frequently the result of confiscation of assets by financial institutions.
- Regression results reveal that an increase in household size and dependency ratio is significantly associated with reductions in monetary welfare over time. Fieldwork supports this finding with sustained escapers tending to be nuclear households with a small number of dependents.
- The fieldwork underlined the importance that people give to secondary and increasingly tertiary education. It also revealed the costs of educating children in the context of low-quality education in state schools and high costs of private schools. These costs can contribute to transitory escapes by drawing income away from capital used to invest in businesses and farms.
- The fieldwork also revealed how separation and divorce, and the corresponding withdrawal of spousal support including for children's education, drives descents back into poverty.
- The fieldwork revealed that in rural areas, some farmers sustained their escape from poverty through diversification within farming and avoidance of tobacco farming or quick movement out of tobacco when prices started falling (as they have since 2015).
- Regression results showed how ownership of a non-farm enterprise is associated with an increase in monetary welfare, though this is only statistically significant for male-headed households and those in rural areas, as compared to female-headed ones and households in urban areas. Fieldwork provided some explanation, highlighting how men tend to dominate more lucrative non-farm businesses, while women dominated petty trading activities, using less capital, particularly in rural areas where there is less demand for their snacks etc. Women in urban areas are more likely to have opportunities to grow small trading opportunities into more capital-intensive trading opportunities.
- The regression results show that employment is significantly associated with improvements in monetary welfare. Specifically, employment of the household head is significant for male-headed households and those in rural areas and not for female-headed households and those living in urban areas. Qualitative fieldwork revealed how local carpentry work for housing construction was a strong vocational skill (other than farming) that could contribute to sustained escapes, with this being predominantly a male occupation.
- Price shocks were the most commonly reported shocks in the panel data, with the qualitative fieldwork also highlighting the importance of low and unpredictable crop prices (including for tobacco, pigeon and maize).
- Both the qualitative and quantitative findings revealed that, while one shock was not associated with declining welfare, households that experienced more shocks were significantly more likely to experience declines in welfare.
- Life histories of sustained escapers point to diversification in livelihoods both across and within sectors, together with the ability to maneuver into new economic activities quickly when prices change.

To find out more about the research findings, please see an accompanying research report – Resilience and Sustainable Poverty Escapes in Malawi by Da Corta et al. (2018).

3. POLICY AND PROGRAMMING CONTEXT

As laid out in Vision 2020, signed in 2000, Malawi's ambition is, by 2020, to be a middle-income country with 'equal opportunities for and active participation by all' and economically empowered vulnerable groups. This Vision is implemented through a series of Malawi Growth and Development Strategies (MGDS); including MGDS II from 2011 to 2016 and the current MGDS III – 'Building a Productive, Competitive and Resilient Nation' from 2017-2022.

Since 2000 Malawi has achieved four of the eight Millennium Development Goals (MDGs) including those on reducing child mortality; combating HIV and AIDS, malaria and other diseases. However, on other measures, Malawi has achieved less success and it remains one of the poorest countries in the world. Recent analysis of Malawi's fourth Integrated Household Survey 2016/17 (IHS4) using a national cost of basic needs poverty line reveals that the incidence of moderate poverty has barely changed between 2010/11 and 2016/17 (50.7% to 51.5%) while ultra-poverty, as measured using a food poverty line, has declined from 24.5% to 20.1% over the same period (NSO and World Bank 2018). A key reason for limited recent progress on poverty reduction is low, and volatile, economic growth (Record et al. 2018). Meanwhile, natural hazards and climate change are affecting the country's predominantly agricultural economy, resulting in a series of economic losses, periods of food insecurity and humanitarian responses. Through the National Resilience Plan, Malawi has a strategy to move away from cyclical humanitarian response and to resilient development, through strengthening coordination, pooling resources and prioritizing environmental management.

4. KEY AREAS OF FOCUS FOR PROGRAMMING AND POLICY

ISSUE 1: LOW AGRICULTURAL PRODUCTIVITY AND PRICE VOLATILITY

Problem statement: The vast majority of rural households gain income from crop production. An increase in agricultural productivity would reduce the rate and severity of rural poverty (World Bank, 2017). In the fieldwork, all sustained escaping households engaged in farming as part of a diversified livelihoods portfolio, either as a primary livelihoods activity or for own-consumption and sale in times of hardship. Successful farmers were those that were able to: (i)invest in wet land crops and move out of tobacco when the prices started falling; (ii) had a strong understanding of new techniques and worked closely with extension workers and high or appropriate input use; (iii) diversified into livestock for dairy or transport; (iv) carefully purchased fertile land rather than farming clan land; and (v) refrained from taking loans. Price shocks were the most commonly reported shocks in the panel data, with the qualitative fieldwork also highlighting the importance of low and unpredictable crop prices (including for tobacco, pigeon peas and maize) in driving transitory escapes from poverty.

What can be done?

Move beyond input subsidies to support agricultural extension, irrigation and watershed management: The Farm Input Subsidy (FISP), accounting for 1% of GDP (down from a peak of 3% of GDP in fiscal year 2014/15; World Bank 2018) is a heavily debated and discussed topic in Malawi, particularly in the context of only marginal increases in maize yields. Evaluations have highlighted recent improved performance of the FISP due to several reforms (e.g. Messina et al. 2017). However, FISP still faces several design and implementation issues that limit its impact. This includes discussions around the effectiveness of targeting where resource-poor farmers are less likely to receive subsidies (see Arndt et al. 2016), with 53% of households in the top three consumption deciles receiving subsidised inputs (Record

et al. 2018)[1]. Meanwhile, on average, beneficiaries receive less than the intended amount of fertilizer. This is probably because local leaders allocate fertilizer more broadly across communities while the amount fertilizer currently supplied indiscriminately to all farmers is not enough even to maintain the already low levels of soil fertility (see Arndt et al. 2016; Record et al. 2018).

Commentators point to the need for a more evidence-based prioritization of government expenditure, with FISP diverting public resources from other agricultural programs such as irrigation, research, rural roads and extension. Several KIIs point to the major concern that the cost of FISP does not balance with other equally important and complementary sub-sectors such as extension, research, and irrigation and that this perpetuates high levels of food insecurity (KIIs). One KII estimates that FISP takes up around 60% of the total annual budget for the agricultural sector and that this is crowding out other important agricultural investments.

Lunduka and Ricker-Gilbert (2016 in Record 2018) investigate the costs and benefits of different types of investments in agriculture and reveal how use of improved maize seeds, irrigation and extension advice (though only in the southern region) can all, , have positive returns. Meanwhile, research points to the importance of investing in appropriate and useful agricultural extension, including for different types of smallholder farmer – the requirements will be different for small-scale farmers focusing on staple foods, compared to those aiming to produce for the market (Ragasa and Mazunda, 2018). In recognition of the current shortage of government agricultural extension officers, extending extension services to previously unserved farmers could, in the short- and medium-terms, involve training Lead Farmers to disseminate knowledge to others.

A key question regarding improving agricultural productivity is for whom? At the core of debates on FISP are questions around its objective – is it to increase agricultural productivity, reduce poverty, or both? The same question needs to be asked of other agricultural interventions, including supporting irrigation and improving agricultural extension. Less than three percent of agricultural areas in Malawi were under engineered irrigation in 2015 (Record et al. 2018). Irrigation, while expensive, is widely seen as one of the key strategies for breaking the cycle of food insecurity. Approaches to irrigation need to be appropriate for the crop being cultivated - most crops are not profitable enough to cover the costs of operating and maintaining irrigation infrastructure, including maize and other staple foods given current price levels, at least when grown on a small scale (Record et al. 2018). An alternative approach is to encourage and invest in water management and explore some of the newest forms of drip irrigation whose initial installation cost is within the US$ 8-10 range and customize them to the needs of smallholder farmers (KII, USAID). Prudent management of soil and water resources is another component of this (Record et al. 2018), with a watershed approach now being adopted by the country's main public works program (PWP) to improve preparedness for shocks (see also Box 1 for WFP watershed management activities).

Box 1: Watershed approaches being tried in Malawi

The World Food Programme (WFP), takes the Group Village Headman (GVH) as a unit for implementing watershed management activities. Activities are preceded by a comprehensive diagnosis of the situation as the basis for determining the relevant courses of action

[1] Depending on the overall programme objective this may, or may not, be a good thing.

The watershed management activities include but are not limited to: 1) planting trees; 2) rehabilitation of gullies; 3) preparation of contour bunds; 4) planting vetiver grass; 5) management of gullies as a means of controlling soil erosion; and 5) promotion of the use of the energy efficient stoves using only a few sticks of firewood. The ultimate goal of these measures is to restore the land to its original productive state.

WFP's work focuses on promoting sustainable livelihoods and income generating activities within the context of opportunities offered by improvements to the watershed. Programs offer a range of interventions including VSLs to promote financial literacy and borrowing for investment as a springboard to engage in new income generating activities. Where possible these activities will take advantage of assets being created in their communities such as irrigation facilities and the rehabilitation of land.

Support crops and their value chains beyond maize: Household food security depends heavily on maize, which makes up a higher share of the diet than in any comparable African country (Orr et al. 2009). Meanwhile, 94 percent of households are engaged in the production of maize (Record et al. 2018). Agricultural policy, through instruments such as FISP, is skewed towards supporting maize production rather than promoting much needed agricultural diversification (Record et al. 2018). Moreover, FISP is implemented in a blanket fashion, despite maize not doing well in some areas, farmers there are still given maize seed instead of sweet potatoes or cassava" (KII, Self-Help International). Maize is highly political in Malawi, and significant government resources are invested in it through subsidies or procurement processes. Maize export bans ensure the political imperative of food security and disincentivize investments in commercial maize farming and agricultural value-added in the medium-term (Aragie et al. 2018). Whilst acknowledging the political situation, there is scope to work on maize at a strategic level with government to understand better the incentives around maize export bans and to collect and analyze information on maize availability and stores.

As argued by many key informants, the exclusive dependence of the Malawians on maize makes them less resilient, actually more susceptible to the vagaries of climate change (KII, USAID). Meanwhile, the focus on maize production and food security is often at the expense of diversification of production and diet and so of nutrition security (UNICEF, KII), with improved nutrition, particularly during the first 1000 days of life seen as crucial for inter-generational escapes from poverty.

With declining international demand for tobacco, so the government should find other crops to support through policy – for instance, farmers are successfully growing groundnuts, soya beans and pigeon peas but there has been limited investment in market structures to support these. The USAID strategy does not include maize but rather focuses on the three value chains of soya beans, groundnuts and orange fresh sweet potatoes to support diversification away from maize (KII, USAID). The qualitative field research for this study revealed that a combination of upland and of dimba (lowland) cultivation (with the latter including fruit and vegetable production) is crucial for resilient livelihoods and highlights the need for deliberate policies to support dimba cultivation.

Develop agricultural markets: a key problem for small-scale farmers to engage in profitable agricultural production is market volatility, with price shocks emerging as the key shock from the IHPS analysis. In terms of maize markets, a key issue is around the timeliness of the Agriculture Development and Marketing Corporation (ADMARC), which often gets to the market late and the buying process is captured by vendors who are politically connected and offer small farmers exploitatively low prices, making it almost impossible for small farmers to escape from poverty (several KIIs). KIIs point to their concern that the continued erratic involvement of ADMARC in the market is both crowding out other private sector buyers and is also not aiding diversification within the agricultural sector as everyone is fixated on maize (several KIIs).

Stakeholders point to farmer organizations as a key route to improving the quality of their market access and to sustaining external contacts. Farmer organizations can support farmers to; (i) engage with markets - due to agglomerating production and so attracting more regular buyers; (ii) access information – including about expected prices for crops; (iii) access inputs; and (iv) access finance (KII, Farmers Union of Malawi). Several organizations, meanwhile, once they have supported farmers to produce enough to sell, form groups of smallholder farmers with the aim of graduating them into cooperatives and then linking them to viable markets. Supporting farmers groups and marketing however, needs to take place in the context of an understanding of the immediate poverty that many farmers face and their frequent need to pre-sell their crops to tie them over before harvest in the event of having no other source of income – "having multiple sources of income is a key driver to get people out of poverty because these sources of income complement each other and in the process build up the resilience of the people to withstand shocks" (KII, MCA Malawi).

Another approach to market-development is to strengthen **cross-border markets**, including in Mchinji, which several households had managed to escape poverty through engaging in trade in Zambia. This though, was not without its risks, e.g., goods being usurped by border authorities, limiting informal cross-border trade as a route out of poverty. The government could take a proactive approach to negotiate a deal with the Zambian government to promote legitimate cross-border trade. Meanwhile, strengthening the link between producers and supermarkets in urban areas serving the growing middle class is another opportunity, as currently most fruit and vegetables in supermarkets are imported from South Africa.

ISSUE 2: LIMITED ENGAGEMENT IN PROFITABLE NONFARM ACTIVITIES BY RURAL POOR

Problem statement: In rural areas, contracting income from nonfarm self-employment activities (NFSE) was among the key factors that raised poverty between 2004 and 2010 (Record et al., 2018). Fieldwork for this study, revealed not just the importance of nonfarm activities in increasing household income, but also the crucial element of diversified livelihoods, across farm and nonfarm activities in sustaining poverty escapes. Meanwhile, analysis of panel data revealed that both the direct effect and economy-wide spillover effects of a percentage increase in agricultural productivity on poverty is small and that efforts to improve the welfare of rural agricultural households, particularly to enable them to be resilient in the face of shocks, has to go beyond merely increasing agricultural productivity (Darko et al. 2018).

What can be done?

Increase access to electricity: from the panel data analysis, electricity emerged as a key factor associated with poverty escapes. However, Malawi has one of the lowest rates of coverage with only 10 percent of the population had access to electricity in 2016 and this access being subject to frequent blackouts (World Bank, 2018). Electricity, meanwhile, whether from the grid or off-grid, is often key for investments in profitable nonfarm enterprises.

Invest in training and skills development – from the qualitative fieldwork, most sustained escaping households contained members with skills – including as a bricklayer, carpenter, welder, plumber and electrician and there is demand for these skills in rural areas. However, they have only been able to acquire these skills informally – through apprenticeships with people that they know. There is limited space to develop these skills in the education system. Skills meanwhile, can either contribute to increased returns for self-employment (see Box 2) or access to better forms of employment.

Box 2: Training combined with regular transfers improves returns from self-employment

GIZ carried out a pilot in 2017 in Mwanza district, combining receipt of regular cash transfers with other forms of support. The following groups were involved;

- A group receiving a regular transfer
- A group receiving a regular transfer plus training
- A group receiving a regular transfer plus lump sum of MK 50,000
- A group receiving a regular transfer, training plus lump sum of MK 50,000

Results revealed that the lump sum of MK 50,000 was invested predominantly in housing improvement. People were upgrading from grass thatch to corrugated iron sheets. The group that received transfer and training were particularly successful. They were able to mobilize resources for them to put the skills they had acquired through training to use suggesting that training is the most effective way of helping people to get out of poverty on a sustainable basis

The groups were trained in group formation, financial management, business planning and management using a curriculum that was adapted to meet their needs

The group was able to mobilize themselves and others to form VSLs. This partnership was achieved through beneficiary contributions, which is quite empowering as a potential pathway to get out of poverty on a sustained basis. The empowerment aspect is very critical because it eliminates the attitude of dependency that keep people trapped in poverty.

Source: KII, GIZ

Ensuring that skills can contribute to sustained poverty escapes through improved employment in Malawi will require a mixture of **supply-side** initiatives such as training and skills development focused on making people more skilled and appealing to employers. This approach assumes that jobs are available but that the youth lack the skills required to perform the work. **Demand-side** programmes such as business support programmes aim to induce demand for labour based on the premise that there are insufficient job opportunities. Lessons from youth employment programming, specifically, are presented below (Box 3)

Box 3: Lessons from youth employment programs

Skills development training is the most popular intervention in sub-Saharan Africa and generally improves the probability of finding employment (Betherman and Khan, 2015).

Technical and vocational training has a mixed effect on employment creation. Training is more effective if it is aligned to the needs of employers and has an internship component. Skills training programmes tended to be more effective when run by private rather than public training providers. However, private sector and NGO interventions lacked the capacity to scale up. Public-private partnerships may have potential for achieving quality and scale (Glick, Huang and Mejia, 2015).

Small and medium enterprises account for half to two-thirds of jobs in developing countries and programmes are shifting to support this sector to create jobs for youth. Access to finance is the primary constraint for small and medium private sector businesses (Kumar, 2017).

Larger firms are more likely to create jobs with support from an intervention. Credit or loan programmes which target larger businesses lead to job creation. Business development support

provided to larger enterprises leads to sustainable increases in employment, but these interventions are costly (Fox and Kaul, 2017).

The provision of small grants to micro-enterprises may enhance performance but does not generate jobs (Fox and Kaul, 2017).

Only a few studies of youth employment programmes disaggregate the findings by gender and these find that interventions do not help women to overcome social barriers to entering the labour force. Women generally derive less benefit from youth employment programmes than men. Female entrepreneurs benefit more from programmes which combine training with finance.

Source: Ismail (2018)

Increase, and improve the quality of, financial inclusion in terms of credit and savings. The qualitative fieldwork revealed the double-edged sword of poor households accessing credit. On the one hand, credit enabled some households to make the necessary investments to expand, intensify or diversify their activities. On the other hand, credit, if offered and taken irresponsibly drove impoverishment (as reflected in systematic reviews from sub-Saharan Africa, such as van Rooyen et al. 2012).

The qualitative fieldwork highlighted two issues; (i) financial illiteracy of many poor people who take loans without fully understanding them; (ii) predatory behavior of MFIs who actively solicit loans and charge high interest rates. The products that they offer are often unsuitable (e.g. that you need to start repaying after a week) and they're not transparent with the terms and conditions. While there is a legal framework for MFI compliance, from the fieldwork it appears that the authorities are not enforcing it. This is particularly concerning given that the government is supporting microfinance as a means of social protection under its revised National Social Support Programme (MNSSP II). An important question for practice is how can interventions build financial literacy to enable people to make informed decisions about whether they will take finance? Promoting savings interventions, such as the VSLs that are also promoted under the MNSSP II, is more aligned with the evidence from sub-Saharan Africa about the effectiveness of different interventions at reducing poverty (see Box 4).

Box 4: Financial inclusion to support poverty reduction through savings initiatives

A systematic review of savings promotion schemes in Sub-Saharan Africa finds small but significant impacts on poverty reduction, including increases in household expenditures and incomes, higher returns from family businesses, and improved food security. They also show positive and significant impacts on more intermediate outcomes including total savings, pro-saving attitudes, financial literacy, and investments in small-scale family businesses. Results do not show significant effects on assets, housing quality, education, or health.

The systematic review notes that under-saving in Sub-Saharan Africa may primarily stem from barriers in supply and the absence of institutionalised structures to facilitate savings rather than a lack of demand from poor people for savings.

The review also reveals reduced programme effectiveness for women, potentially due to intra-household bargaining power. It may therefore be desirable for future saving promotion programs to mobilize not only women but also male household heads, thus seeking to ensure intra-household consensus on changes in household financial management and budgeting.

Source: Steinert et al. (2018)

ISSUE 3: SOCIAL PROTECTION IS INSUFFICIENT TO PROMOTE RESILIENCE

Problem statement: Malawi's recently approved National Social Security Programme (MNSSP 2) includes five programs of the Social Cash Transfer Programme (SCTP): public works; school meals; Village Savings and Loans (VSLs) and microfinance. However, coverage remains low and instruments need to be more effectively designed both to support the chronically poor to enable them to escape poverty as well as to protect the vulnerable, yet non-poor, in the face of shocks.

What can be done?

Invest in the basics, including delivery mechanisms, and improve program design to promote resilience better. Coverage of poor groups by social protection in Malawi is insufficient. The Social Cash Transfer Programme (SCTP) aims to reach 10 percent of ultra-poor, labor-constrained households in each district. As of September 2017, it reached 174,500 households in 18 districts of the country, aiming to become operational in all 28 districts in 2018. This is in the context of an extreme poverty rate of 51.5% in 2016/17 (NSO and World Bank 2018). A recent evaluation of the SCTP pointed to the fact that the program generated a wide range of economic and social impacts – including boosting consumption, savings and debt repayments and increasing purchase of agricultural inputs. It also reduced the depth of poverty and improved the food security of beneficiary households (CPC, 2016). However, the evaluation also pointed to the limitations of what a small transfer size can achieve, in terms of building household resilience. Meanwhile, a recent evaluation of the major public works program (PWP) by Beegle et al. (2017) finds no evidence that the program increases food security. One reason for this is that the PWP gives an individual an opportunity to work for only 24 days a year. The wages from these days are also insufficient to guarantee income smoothing and for people to enjoy resilient livelihoods. Certainly, the mix of social protection programs in the country needs to reflect the evidence about 'what works' as well as the capacity of implementation agencies.

Make social protection more shock-sensitive. A particular weakness is that the current social protection approach does not adequately address the predictable seasonal nature of needs and food insecurity. Receipt of social protection is insufficient to stop predictable, regular food gaps during the lean season (October to March) and the needs of households during this lean season are currently met through emergency responses (Holmes et al. 2017). This predictable annual food gap for poor households should be addressed through multi-year and predictable programming to reduce the scale of the annual emergency response. In the medium-term, 'scalable' social protection mechanisms should be developed, which temporarily increase coverage of social protection programmes to existing or additional beneficiaries, to deal with exceptional periods of acute need that result from unanticipated weather events (Holmes et al. 2017). In addition, social protection programming should further develop an explicit focus on building resilience (e.g. climate-smart agriculture, PWPs to protect natural resources) to extreme and unusual climate shocks (e.g. El Nino) that are relatively frequent and cause periods of acute need (Holmes et al. 2017).

Combine forms of social protection, to support households to improve, and sustain improvements in, their position. As reflected in the evidence, internationally (e.g. Bastagli et al. 2016; Roelen et al. 2017) it is becoming increasingly clear in Malawi that cash alone is not enough to achieve long-term impact in areas such as nutrition, morbidity and leaning outcomes for children. It is therefore crucial to provide social protection beneficiaries with additional support beyond cash through facilitating access of beneficiaries to essential services, thus helping them to make the most of their cash transfer (CPC, 2016). Recent evidence, for instance, highlighted the positive synergies from the same household receiving the SCTP and FISP – in particular, in increasing agricultural productivity for labour-constrained households (Pace et al. 2018). Box 5 highlights that successful implementation of this would also involve changing the mindset or orientation of beneficiaries, in particular the deeply entrenched egalitarian culture.

Key informants point to several existing initiatives in Malawi where receipt of cash is complemented by other interventions – including forming SCTP beneficiaries into VSLs and supporting SCTP and PWP beneficiaries to start COMSIP groups (see Box 5). MNSSP II points to the importance of a range of forms of support for poor households to build resilience livelihoods – or to ensure that escapes from poverty are sustained.

Box 5: Linking public works programmes to Community Savings and Investment Programmes to build resilience

Participation in PWPs is linked to participation in the Community Savings and Investment Programme (COMSIP), which is a livelihoods and skills development component. COMSIP operates like VSLs but the members participate in a wide range of trainings such as business management, financial literacy and related skills. Evidence suggests that COMSIP participants have managed to move out of poverty as they have assets; eat three meals a day; and afford basic household necessities.

Linkage of beneficiaries of SCTP and PWP to COMSIP activities is widely seen as a platform for people to get out of poverty on a sustained basis. Long-term support spanning three years for the PWP beneficiaries is meant to avoid people slipping back into poverty.

One of the main challenges is that poverty is often treated from a single angle; it is not regarded as being a multi-dimensional phenomenon. This is compounded by attitudes, lifestyles and perceptions which often create incompatibility between interventions and outcomes.

The norm of community sharing of external benefits is leading to sharing in poverty. The common refrain: we are all poor underlies the egalitarian spirit in rural Malawi, but the drawback is that it increases the degree of inclusion errors. Sharing greatly reduces the impact of an intervention hence experiencing situations whereby resources are channeled to communities but without any discernible changes at the end of project periods

Source: KII with LDF

5. TOWARDS A PORTFOLIO RESPONSE FOR SUSTAINING POVERTY ESCAPES

An overarching finding from research into sustained poverty escapes, is the need for a household to have multiple, diversified and complementary sources of income. This is particularly the case given frequent climatic and price shocks in the country. Programming in Malawi is recognizing that supporting sustained escapes from poverty requires multi-sectoral interventions and that these need to have community ownership and fully incorporate issues of gender. Within this is a recognition that for households to obtain a level of wellbeing that enables them to be resilient in the face of shocks five-year programs are not long enough to deliver this. This section discusses these in-turn.

OPERATIONALISING A PORTFOLIO RESPONSE

Programming in Malawi has adopted four main approaches for operationalizing a multi-sectoral approach to reducing poverty and building resilience;

1. **Developing a system to link and refer households to existing services:** this is the approach adopted by UNICEF for SCTP beneficiaries, who are being linked to extension services, markets and public and private service providers. While there is need to mobilize communities to raise demands for various services there is also need to ensure that the supply side, especially for public services, has

the capacity to respond effectively to these demands. The challenge with this approach is that there is a mismatch between supply and demand which generates often frustration and resentment amongst communities.

2. **Cash + approaches:** here beneficiaries of cash transfers or PWPs are additionally supported with another new intervention – in the case of Malawi the main experimentations are with VSL and COMSIP groups, as well as skills-based training .
3. **Co-location of interventions:** an example of this approach is by Oxfam, which deliveries multiple interventions to specific Traditional Authorities (TAs). A major lesson behind this approach was that spreading its interventions thinly across TAs did not produce the desired strategic impact since the interventions did not benefit from synergies between and among them. Programs promoting livelihoods, gender relations, food security, nutrition, preparedness for disasters (floods, stormy winds and droughts), active citizenship and public expenditure tracking relating to the Constituency Development Fund (CDF) and Local Development Fund (LDF) are therefore all located in the same TA. Furthermore, co-locating interventions gives the opportunity to think through strategies for sequencing viable paths out of poverty.
4. **Integrated programming.** DFID's Enhancing Community Resilience Programme (ECRP, see Box 6) is a particularly relevant example of integrated programming. The ECRP made substantial progress in improving the resilience of households in the impact areas but this progress was decimated by frequent bouts of shocks mainly floods and drought which promoted a host of negative coping strategies. The interventions were both in terms of scale and magnitude insufficient to sustain livelihoods in the context of regular incidence of shocks (KII, DFID), an important lesson for future programmes to build resilience.

Box 6: Lessons from DFID's Enhancing Community Resilience Programme (ECRP (2010-2017)

The underlying assumption of the program was that households would be resilient if they adopted at least three or more interventions falling under the following broad categories: agricultural interventions; livelihood activities; and early warning community level systems. The cost of the interventions was estimated at GBP 15 per capita and expected to have quite high impact in the short term.

The program focused on both household and community levels and was self-targeted at the household level. The ECRP had a total of 28 interventions, which broadly entailed VSLs, Climate Smart Agriculture (CSA), and Disaster Risk Reduction (DRR) and were dependent on geographical context. These activities or interventions were adapted at the planning stage in the communities through the Village Civil Protection Committees (VCPCs).

While cursory evidence suggests that ECRP beneficiaries have been less affected by shocks than non-beneficiaries, the program has not succeeded in ensuring resilience in the face of shocks. One reason for this was because only weak linkages were made with national level programmes or with markets – the program never adopted a full private sector approach to marketing. In addition, the program design did not incorporate economic and price shocks, just climate shocks, but these are critical in promoting resilience.

Source: KII, DFID

ENSURING THAT GENDER IS FULLY INCORPORATED INTO PROGRAMMING

The qualitative fieldwork for this study clearly showed that women in Malawi face distinct types of vulnerability and that if interventions are to support sustained escapes by women then they need to address explicitly the barriers that they face in improving their situation.

Particularly for interventions which aim to promote more productive, and profitable engagement in agriculture one key barrier is land rights – recent research shows that, in patrilineal districts, female-headed households are more vulnerable than male-headed ones to weather-related shocks. This points to the need for additional interventions targeted as female-headed households (Asfaw and Maggio 2018). However, land rights for women are not a panacea, for to increase welfare, programs also need to facilitate women's access to other complementary resources as well as strengthen institutions to protect those rights (Bhaumik et al. 2016). Certainly, even where systems protecting land rights for women (as in matrilineal areas) seem to function well it is clear that women may lack the social standing or economic means to counter threats to their tenure security (Deininger et al. 2018).

The legislative framework in Malawi to promote gender equality, protect women and children's rights, is quite robust. However, many laws (e.g. the Prevention of Domestic Violence Act, Gender Equality Act as well as laws relating to marriage and inheritance) are relatively new and are neither fully embedded nor well understood by officials or citizens. The Government of Malawi's policy commitments to tackling VAWG are set out in the recently published National Plan of Action (NPA) to combat Gender-Based Violence 2014-2020, and in the NPA for Vulnerable Children in Malawi: 2015-2019. The Ministry of Gender, Children, Disabilities and Social Welfare is responsible for implementation of both the above-mentioned NPAs. However, at present it has limited capacity and there is no specific budget in place to implement commitments in the Gender Based Violence National Plan of Action, and implementation structures are not functioning effectively. Gender issues are undermined greatly by limited knowledge and understanding by women themselves of these laws. There is clearly a need in Malawi for more local level VAWG prevention and specific programming. However, it is also important for a range of different types of programs to increase awareness of women's rights.

INVOLVING THE COMMUNITY AND GOVERNMENT FROM THE OUTSET

KIIs point-out that escapes from poverty are frequently not sustained once they leave the program, either because; (i) the intervention was not owned by the community; and/ or (ii) there was no strategy, from the outset for the government (or other service providers) to provide the necessary follow-up support. Several KIs pointed to the importance of engaging with traditional community structures such as Area Development Committees (ADCs) and Village Development Committees (VDCs). It was also seen as important to work through the District Executive Meetings (DEC) before the formal rollout of the interventions to ensure that all key stakeholders are aware about the nature and scope of the project and the areas in which the project will be implemented (Box 7).

Box 7: Engaging the whole community from the outset:

When the switch was made to concentrate on watershed management PWPs there were serious problems which prompted GIZ to change the approach. In the initial phase, government staff were handling training of the communities using a set of manuals but with the challenges GIZ decided to change the implementation approach.

In rolling out the new approach, GIZ worked with local governments and engaged in an extensive information exchange with the targeted communities. This involves showing communities videos from other countries about how watershed management initiatives had changed the fortunes of communities making them able to build resilient livelihoods. This was complemented by oral testimonies from people and experts from the communities that were shown in the videos.

This exercise took 6 months and has proven to be a very important basis for success. These PWPs are implemented in four cycles giving each individual the opportunity to work for a total of 24 days a year

The videos were very powerful in changing the motivations of communities. They demonstrated what can be done and achieved by watershed management. "So it is every member of the communities including those that are not on PWPs that are working on watershed management because they have seen the benefits for doing filling up gullies for example. They realize that gullies are not a problem only for those working on PWPs; they are a problem for everyone hence the need to join hands as communities". Communities actually carry out maintenance of the watersheds in between the PWP cycles.

Assets created through PWPs prior to the shift to watershed management were poor. This was the case because the people were working on these assets without a sense of ownership; it was just a means of gaining access to funds for their subsistence needs. "Now the situation is different. The payments are no longer seen as being merely transfers but rather as a symbol of commitment to contributing towards building a viable path out of poverty"

Taking time to engage with communities is very critical to create sense of ownership for the interventions; it makes them see how the proposed intervention would actually help them to improve their livelihoods.

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