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Briefing

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The Social Protection Policy in Malawi: Processes, Politics and Challenges

The livelihoods of Malawians are much more precarious today than they were probably two decades ago. Repeated shocks over the years have forced most households to dispose of key productive assets to meet immediate consumption needs, leaving them incapable of maintaining sustainable livelihoods.

The continued crisis has led to the prominence of social protection on the agenda of the government, aid donors and civil society as an integral part of the renewed efforts to protect, promote and improve the livelihoods of the vast majority of Malawians. Broadly understood as policies that assist people, households and communities to protect themselves against shocks and risks, social protection is seen as one of the key means of achieving the Millennium Development Goals (MDGs).

In Malawi, a process to develop a social protection policy framework was launched in December 2005, culminating in November 2006 with a draft policy which was circulated to stakeholders for feedback. The drafting team is currently incorporating stakeholders' observations and a final draft version of the policy was expected by June 2007.

This briefing argues that 1) the social protection policy process is being treated entirely as a technical rather than a political process; 2) leading government agencies lack the capacity to provide the necessary leadership, technical guidance and direction to the policy process; and 3) as a consequence, policy design has so far been dominated by donor agencies, particularly the UK's Department for International Development (DFID) and the World Bank.

Poverty and vulnerability in Malawi

Since 1981, Malawi's economy has experienced boom-and-bust growth patterns accompanied by rising inflation, declining agricultural activity, rising interest rates and spiralling debt. The country's staggering external debt has since been written off under the Highly Indebted Poor Countries (HIPC) scheme, however.

Malawi's economic problems took a turn for the worse when it was the first country in southern Africa to adopt the World Bank- and IMF-sponsored structural adjustment programmes (SAPs). SAPs greatly exacerbated levels of vulnerability and poverty in the country, which have been compounded by frequent droughts and flash floods in recent years.

Malawi remains one of the poorest countries in the world, having dropped from 138th out of 178 countries in the Human Development Index in 1990 to 166th in 2006. This underlines a steady decline in health-care delivery, education, economic growth and general living standards.

A large proportion of the population lives close to the poverty line, which means that relatively small changes in average per capita expenditures would shift large numbers of households above or below the poverty line. Vulnerability to monetary poverty is therefore very high. Poverty and vulnerability have forced the poor to seek numerous survival and

Box 1: Social protection in the Malawi Growth and Development Strategy (MGDS)

The MGDS is touted as an overarching policy framework for wealth-creation, economic growth and sustainable poverty-reduction. Social protection is one of the five key thematic areas, alongside sustainable economic growth, social development, infrastructure development and improved governance.

The overall goals of the social protection pillar are:

- To improve socio-economic indicators for the most vulnerable people. This encompasses the expectation for improved health and nutritional status of children under five, school-age children, orphans, pregnant and lactating mothers, as well as destitute families.
- To provide effective support to the most vulnerable people, including those with very limited factors of production; improve planning and knowledge-integration on the needs of the chronically poor; and provide opportunities for poor farmers and rural communities.

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Table 1: A summary of social protection programmes in Malawi

Period	Types	Comments
1964-1981	• Input and output price controls • Universal inputs subsidy • Farmer clubs and credit facilities	• These were formal interventions but market-based
1981-1990	• Input and output price decontrols • Phasing universal subsides • Targeted nutrition programmes • Food transfers (relief)	• SAPs under stabilisation forced government to dismantle the social protection system without replacements
1990-1994	• Interventions under SDA • Targeted nutrition programmes • Food transfers (relief) • Credit schemes	• Inspired by adjustment with a human face calls
1994-2006	• MSMEs credit schemes • Public works programmes • Input transfers (SP/TIP) • Food transfers • School feeding • Cash transfers (pilot) • Targeted input subsidies • Targeted nutrition programmes • Integrated livelihoods support	• Dominated by government initiatives despite the mushrooming of NGOs offering social protection interventions • Most interventions were in the spirit of safety nets focusing on vulnerability and transient poverty

Source: adapted from Slater & Tsoka (2007: 22)

adaptive strategies. For instance, poor households have resorted to traditional medicine and treatment, unsafe water sources and squatter settlements.

Malawi's economy is predominantly agrarian. Agriculture accounts for about 39 per cent of GDP, 85 per cent of the labour force and 83 per cent of foreign exchange earnings. While agriculture performed very well in the first two decades of independence, its performance has been quite erratic since the early 1980s, although there are some signs of recovery in the last two growing seasons.

The agricultural situation has improved since the introduction of the Fertiliser Subsidy Scheme in the 2005/2006 growing season, leading to Malawi's biggest ever harvest in 2006, at least half a million tonnes more than its annual food requirements. The surplus for the 2006/2007 growing season has more than doubled.

The policy context

Malawi is heavily donor-dependent. Donors provide up to 80 per cent of the country's development budget and about 50 per cent of its recurrent expenditure. Official development assistance in Malawi is around US $35 per capita and accounts for about 27 per cent of GNP.

The capacity of government to formulate, articulate and implement concrete policy interventions has been an issue of tremendous concern in recent years. The transition from authoritarian one-party rule to multi-party democracy is, oddly, thought to have had a negative impact on the quality of policy and policy-making in Malawi.

In the one-party regime, policy-making was highly centralised in the presidency. The president provided the vision, direction and drive behind policy, especially in terms of defining the core ideas, framing issues and identifying measures of success for policy initiatives. Since the transition to multi-party democracy, policy-making processes in Malawi have become more chaotic, because of the absence of a coherent central leadership.

Donors have contributed to this situation by taking advantage of the state's weakened technical capacity. Competing views, interests and demands among donors have substantially compromised policy coherence. Policy-making and implementation have been distorted by often polarised ideological positions and orientations. In some cases, projects or policy initiatives were identified with specific individuals within the donor agencies, which has posed serious problems of consistency and continuity.

Social protection in Malawi

There have been four distinct stages in the evolution of social protection initiatives in Malawi (see Table 1).

In the early decades of independence up until the early 1980s, social protection strategies exclusively took the form of price controls and subsidies. However, by the early 1980s these measures had achieved very little and, perhaps more critically, were diagnosed as fiscally unsustainable.

These strategies were abandoned under SAPs, which were adopted to deal with the acute fiscal imbalances that the country was experiencing. However, SAPs did not achieve the intended objectives and laid heavy social burdens on vulnerable segments of society, particularly women and children. During this period, targeted nutrition (therapeutic and supplementary feeding) programmes for children and pregnant or lactating mothers became the sole intervention geared at protecting vulnerable segments of society.

The worsening impact of SAPs eventually led to the creation of "social dimension of adjustment" (SDA) initiatives, at the beginning of the 1990s. The main aim of these initiatives was to integrate social and poverty concerns in the development process. This led to the conception of the Malawi Social Action Fund (MASAF) in 1994. This provided an institutional framework for safety net programmes led by non-governmental organisations (NGOs), community-based organisations (CBOs) and faith-based organisations (FBOs).

The fourth and final stage in the evolution of social protection came about towards the end of the 1990s. It was inspired by the proliferation of various safety-net programmes and interventions that followed the adoption of poverty reduction as an overarching goal of government policy. Safety nets were thought to be having limited impact on the scale and magnitude of poverty and vulnerability because they were short-term, ad hoc, patchy and uncoordinated.

A National Safety Nets Strategy (NSNS) was developed in 2000 and incorporated into the Malawi Poverty Reduction Strategy (MPRS) in 2001. The third pillar of the MPRS was to improve the quality of life of the most vulnerable, providing for four main safety-net interventions, including public works programmes, targeted nutrition programmes, targeted input subsidies and direct welfare transfers, including food aid support to secondary school attendance.

The NSNS did not achieve its underlying goals and objectives; it is argued that the main reason was that its institutional framework was extremely weak. Most donors seemed unwilling or unable to align their programmes to the strategy, making the large number of donor-driven interventions difficult to manage. Government did not provide the necessary leadership to manage donor-initiated programmes.

The social protection policy-making process in perspective

Donors have played a key role in getting social protection onto the agenda in Malawi. The World Bank and the government attempted to launch a safety net strategy in 1998. A similar initiative was undertaken by DFID and the government in 1999. The resulting strategy was endorsed by the cabinet in 2000 and formed the basis for the MPRS pillar III (see above). The safety nets programme and a safety nets unit were launched in 2002.

A DFID-sponsored workshop in December 2005 brought together government, civil society and donor agency officials to examine the evidence about the extent of poverty and vulnerability. The participants concluded that poverty and vulnerability remained deep, severe and widespread and that the practice with respect to safety nets was ad hoc, short-term and uncoordinated.

The workshop made two recommendations, namely: 1) an immediate shift from safety nets to social protection with strong government leadership; and 2) the development of a vision, objectives and a definition of social protection within the Malawian context.

The World Bank also contributed to this process with its own study on the extent and dynamics of poverty in Malawi, *Poverty and Vulnerability Assessment: Investing in Our Future* (2006).

A follow-up event to the December 2005 workshop was held in June 2006 with DFID again playing a leading role. The workshop charted a road-map for the development of a social protection framework. A steering committee and a technical committee were created to guide the process. Social protection policy is now being led by a department directly under the Office of the President and Cabinet, and chaired by the head of the civil service, thus giving the process the visibility and political muscle to get things done.

Issues in the social protection policy process

The social protection policy-making process has not been an inclusive one. The donor community has been dominant, although civil society has successfully lobbied for inclusion into the policy process. Nevertheless, most politicians (especially MPs), grassroots and local government bodies remain stuck at the periphery. The exclusion of these actors could have significant implications on the potential success of the policy process.

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Political will is key for the adoption, let alone implementation, of social protection programmes. The involvement of MPs would have helped to cultivate cross-party support for social protection from an early stage. This would have helped to ensure that social protection is not threatened by any future changes in government or electoral processes. Instead, some politicians apparently fear that the current pilot scheme is a campaign tool for the governing party.

Ordinary people have been entirely left out of the policy process. The involvement of would-be beneficiaries is crucial, mainly because they are not a homogeneous group. Moreover, the involvement of the people is a basic democratic right. The official position is that the people will be consulted once the social protection policy has been finalised, which is unsatisfactory.

It is surprising that local government bodies have not been given space in the social protection policy process. Their involvement is vital, not only because they will shoulder a disproportionate burden of implementing social protection programmes, but also because they have a lot to offer in terms of realistic, practical insights.

The government's leadership has essentially been rhetorical. Key building-blocks of the policy have been outsourced to technical consultants, contracted on behalf of the government by development partners such as the World Bank, DFID and UNICEF, rather than being developed by the working committees on social protection policy.

This has created a favourable environment for donor influence to dominate. However, the government's firm and technically sound leadership in the policy process is indispensable. Without it, it is very difficult to develop a genuinely Malawian social protection policy.

Box 2: Unresolved conceptual issues

The two draft versions of the social protection policy that have been produced to date leave two key issues unresolved:

- Should social protection be a right? Many stakeholders would like to see social protection as a basic human right, but hesitate to invoke it as such because such a move might make the issue unhelpfully emotive or put undue strain on government capacity and scarce resources. This ambiguous attitude has made it extremely difficult to develop a contextually relevant definition of social protection in Malawi.
- Should social protection programmes be targeted or universal? The majority of stakeholders feel that social protection programmes should be targeted – a view which challenges the idea that social protection should be a (universal) human right. But targeting is known to be a very contentious issue at community level.

Policy conclusions

The democratisation of the political system in Malawi has, in principle, provided more opportunities for the participation of a wide range of stakeholders in policy-making processes, but these opportunities are hardly utilised because of the enduring legacy of technocratic policy-making and dictatorship in the country. The challenge is to increase opportunities for engagement without fuelling unrealistic demands that are well beyond the capacity of the government. Political parties and parliament should be regarded as particularly crucial arenas for policy dialogue and debate.

When the policy-making process is essentially technocratic, it invariably paves the way for donors to dominate. There is therefore an urgent need to build up the technocratic capacity of the policy-making agencies within government. Investment is needed to develop the capacity of both people and systems in planning and implementation. The appropriate roles of donors in the policy process need to be properly defined, clarified and coordinated.

Citizens should be duly recognised as the principal actors of development and strategic partners, rather than passive recipients and target groups. This would, however, require the establishment of a wider and stronger network of structures for interests to be articulated at local levels, since currently the grassroots have a very limited voice. It is therefore not surprising that national debate and dialogue on the social protection policy, outside the formal policy-making circles, is virtually non-existent.

The challenge for Malawi therefore is to ensure that citizens do not lose confidence in the democratic process. This can be achieved by giving them the opportunity to influence and shape the decisions that affect their lives. Malawi needs to promote policy-making that is inclusive and serves the interest of the citizens in a transparent and accountable manner.

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