

## **DEVELOPMENT AID, DEMOCRACY AND SUSTAINABLE DEVELOPMENT IN MALAWI – 1964 TO DATE**

**Chance Chagunda**

Department of Social Development  
University of Cape Town  
Rondebosch, 7710 Cape Town, South Africa  
[chance.chagunda@uct.ac.za](mailto:chance.chagunda@uct.ac.za)

## **Development aid, democracy and sustainable development in Malawi – 1964 to date**

*The purpose of this paper is to trace the evolution of development aid in Malawi from 1964, when the country became independent, to date. It also analyses sustainable development in the light of democracy in Malawi and local reactions to the former by the citizens. The paper contends that development aid needs to be linked to the notion of local development in Malawi. It notes that development was a key word that was popularly used during the reign of the founding president of Malawi, Dr Kamuzu Hastings Banda (1964 to 1994). For Banda, it was critical to have development which simply meant food security, decent housing and clothes. The paper also pays attention to local actors' responses to development aid.*

**Keywords:** development aid, democracy, development, self-reliance, sustainable development

## **Ajuda ao desenvolvimento, democracia e desenvolvimento sustentável no Malawi – 1964 até à data**

*O objetivo deste artigo é traçar a evolução da ajuda ao desenvolvimento no Malawi desde 1964, quando o país se tornou independente, até à data. Também analisa o desenvolvimento sustentável à luz da democracia no Malawi e as reações locais dos cidadãos. O texto defende que a ajuda ao desenvolvimento deve estar ligada à noção de desenvolvimento local no Malawi. Faz notar que desenvolvimento era uma palavra chave utilizada popularmente durante o reinado do presidente fundador do Malawi, o Dr. Kamuzu Hasting Banda (1964 a 1994). Para Banda, era fundamental ter um desenvolvimento que significava simplesmente segurança alimentar, habitação digna e vestuário. O artigo trata também das respostas dos atores locais à ajuda ao desenvolvimento.*

**Palavras-chave:** ajuda ao desenvolvimento, democracia, desenvolvimento, autossuficiência, desenvolvimento sustentável

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The Malawian colonial period resulted in the creation of new national boundaries with Zambia, Mozambique and Tanzania and the imposition of foreign legal superstructures which have largely survived the transition to independence until the current time (Bolt & Gardner, 2016). Malawi was declared the British Protectorate of Nyasaland (the British Central African Protectorate) in 1891. The first British Commissioner was Harry Johnson and in 1897 Johnson was replaced by Alfred Sharpe. It was only in 1907 that the British Central African Protectorate was renamed Nyasaland. In the same year, the British Central African Protectorate was divided into Northern Rhodesia, now Zambia, and Nyasaland, now Malawi (Briggs, 2013). The federation of Rhodesia and Nyasaland was formally dissolved on 31st December 1962. On 1st February 1963, Dr Kamuzu Banda was sworn in as the Prime Minister of Nyasaland. On 6th July 1964, Nyasaland was granted full independence by Britain and renamed Malawi. Banda retained his post as Prime Minister until Malawi became a Republic on 6 July 1966 and Banda became the president (Phiri & Ross, 1998). Later, Banda declared Malawi a one-party state and made himself Life President on 6 July 1971 (Briggs, 2013).

Development in Malawi since 1964 has been closely associated with the aims and objectives of social action concerning people's needs as well as the structural patterns through which such needs are met. Meeting people's needs and improving their well-being can be traced back to Malawian pre-colonial indigenous polities. Pre-colonial indigenous institutions such as families, extended families, villages and traditional authorities were central in providing developmental work, this form of developmental arrangement was part of *umunthu*<sup>1</sup>, which is a word derived from the Bantu languages and it means humanness. At the centre of being human lies community solidarity and collective responsibility for the good of all those who are members of the community. This understanding was key to pre-colonial social and economic organisation. The village in general and family institution in particular were the primary developmental agents to deal with people's positive change (Noyoo, 2013). At the national level, the British government had different developmental goals for white settlers and black indigenous Malawians. White settlers had separate development that enabled them to live a better life in Malawi unlike black Malawians (Maliyankono & Kanyongolo, 2003). Due to this, Africans rose up against the settlers and organised themselves by forming the first political party to fight against colonial rule. Hence the Nyasaland African Congress (NAC) was formed in 1944 and its objective was to

<sup>1</sup> *Umunthu* just as in South Africa's *Ubuntu*, refers to each individual's humanity being expressed through his or her relationship with others and theirs in turn through a recognition of the individual's humanity. *Umunthu* means that people are people through other people (Ministry of Welfare and Population Development, 1997).

have a unified voice in dealing with the British Colonial Government, in fighting for better conditions for black Malawians within the colonial political and socio-economic framework state (Maliyankono & Kanyongolo, 2003).

Kamuzu Banda, who came to power after British colonial rule, capitalised on the local understanding of development which was based on the spirit of *umunthu*. Due to *umunthuism*, people in local communities had helped each other to build decent houses, cultivate their fields especially when a person was sick or unable to cultivate for oneself, just to make sure that each family was food secure. Lastly, people helped each other to receive medical help including transporting sick persons to receive medical help. When Banda emphasised his three developmental goals of food, clothing and shelter, they were well received by many Malawians because these aspects were central to the *umunthu* philosophy. For the founding president, Malawian independence was synonymous with sustainable development and self-reliance. There is a general agreement that despite Banda's reign being undemocratic, development achievements in the country could be witnessed and people's basic needs were met by the government until 1994, when these gains were eroded over time (Bolt & Gardner, 2016). Malawi celebrated multi-party democracy in 1994 but such democracy failed to promote sustainable development or continue developmental activities as was the case during Banda's reign. Surprisingly, the development policies in Malawi post-1994 seemed to undermine family and community developmental systems because of the adoption of a neo-liberal ideology and individualistic development approaches. This ideology towards the provision of resources was transferred from the West and deepened through the World Bank and International Monetary Fund (IMF) Structural Adjustment Programmes (SAPs).

The dilution of the philosophy of *umunthu* increased the vulnerability of the poor as there were less sources of support to mitigate poverty and vulnerability especially in rural areas. About 88 percent of the Malawian population resides in the rural areas, where they depend on subsistence farming and rely on complex traditional developmental interventions. Perpetual socio-economic challenges such as the continued weakening of the extended family support system in the face of severe economic hardships and accelerated urbanisation, resulted in many people struggling for survival, including children, the elderly and the disabled (Baah, 2012). Developmental aid, while it has provided employment for the donor country's citizens working in Malawi, this is not the case. It is the core responsibility of every government to ensure that development benefits the local people (Baah, 2012).

## Malawi's developmental agenda system and indigenous forms of development

Malawi just like many African countries followed a communal way of life characterised as *umunthu*. This has continuously changed over time. In the early independence period or decolonisation period Malawi sought to link its developmental agenda's system with its traditional past where indigenous forms of development existed. Between 1964 and 1994, Malawi's emphasis on development can be equated to Tanzania's *Ujamaa* and Zambia's *Humanism* which placed the extended family systems at the centre of developmental interventions. After independence, the Malawi government worked unswervingly to rip to pieces the colonial socio-economic and political structures and replaced them with systems that mirrored the history, culture, and needs of Malawians (Talton, 2011). Similarly, Julius Nyerere, who was the first president of Tanzania from 1964 to 1985, advocated for developmental agendas that had indigenous African form unlike the developmental policies that were based on European models inherited from the colonial era (Talton, 2011). Tanzania, under Julius Nyerere, decided to tackle the problem of "underdevelopment" by urging Tanzanian citizens to rely upon their own resources (self-reliance) (Rist, 1999). The African philosophy that views human beings as more holistic in nature and sees people from a collective perspective where community development resonates is usually contrasted with the Western view that emphasises a more individualistic orientation towards life which is linked to individual development (Schiele, 1994).

Zambia became independent in 1964 and had an ideology known as *Zambian Humanism* that then President, Kenneth Kaunda, used to drive Zambia's development. *Ujamaa*, *Humanism* and *Pan Africanism* placed the extended family system at the centre of developmental interventions. In the 1960's and 1970's early independent countries, including Malawi, experienced positive economic growth and substantial amounts of social spending on social welfare such as free education and healthcare (Noyoo, 2015). These countries built schools, clinics and provided people with services that fostered a cooperative relationship with the economy (Scarritt, 1971).

It can be argued that the post 1994 Malawian development policies served to undermine family and community developmental systems because of the adoption of a neo-liberal approach. Post 1994 Malawi has failed to adapt its development policy responses appropriately to emerging demographic trends because its attention is focused on managing a neo-liberal economic agenda. These trends are namely: an increasing population of young people, a large rural population,

and a considerable number of marginalised women. It is important for Malawi to have a different developmental policy agenda that would harness the youth dividend, rural populations, women and migration for socio-economic development and move away from neo-liberal policies.

Developmental social structures play a crucial component in any society where people live, operate, and relate to each other on a consistent basis. It is within these structures, as Merton (1968) argues, that significant developmental interventions take place. The most common widespread social structure among humanity is the family, which is either male or female-headed and in heart-breaking circumstances, is headed by an orphaned. The family as the primary institution for development in Malawian society performs essential developmental functions that include household socio-economic development and distribution of goods (Gilbert & Specht, 1974).

Even though Kamuzu Banda's rule was dictatorial in nature, its developmental initiatives embraced the principle of *umunthu* such as through farmers' clubs. Farmers' clubs were meant to foster development within villages or rural communities. Just like *umunthu* is supposed to promote the common good of family and community so too the farmers' clubs promoted the community's developmental aspirations. Mbiti (1970, p. 70) supports this inseparableness and argues that, "what happens to the individual happens to the whole group, and whatever happens to the whole group happens to the individual". Kamuzu Banda's government just like, *umunthu* principles reinforced collective development and responsibilities for looking after those who could not support themselves (Noyoo, 2015).

### **People's basic needs during Kamuzu Banda's government**

Whenever the first president of Malawi went around the country for Crop Inspection, he would be heard making his famous utterances: "I want all Malawians to have three things: enough food to eat, decent clothes to wear and a house that does not leak when it rains." To Banda having these three things, was independence. Banda had placed much emphasis on agriculture so that once people had harvested enough, they could sell their surplus and use the income to "build houses that did not leak and buy decent clothes." In his effort to boost agriculture production especially among the poor so that they could have enough food, agricultural products were subsidised.

Banda improved on the Input Agricultural Subsidy Programme that was pursued by the British colonial government in Malawi to boost agricultural production. According to Kumwenda and Phiri (2010) it was the 1949 Malawian famine

that necessitated the introduction of fertiliser subsidies targeting smallholder producers of white maize. The provision of inputs such as fertiliser, seeds, and credit were handled by various colonial marketing boards staffed with well-trained expatriates and primarily servicing the needs of the large estate sector which was mainly in white hands (Johnson & Birner, 2013). Not all subsistence farmers in the rural areas qualified as smallholder producers and these were mainly local poor Malawians who were excluded from the foregoing.

### **Agricultural input subsidies**

More than 88 percent of Malawians reside in the rural areas and are subsistence farmers. Most of them depend on maize for their staple food. Almost every Malawian subsistence farmer depends on maize harvest produced in just one season each calendar year. This increases households' vulnerability. Due to the declining land sizes and soil fertility, farmers apply fertiliser to increase the crop yields. Due to the deep poverty rural Malawians face, they struggle to raise enough money to purchase enough bags of fertiliser, including seeds for planting. The application of fertiliser to crops especially maize, is the quickest and most effective method to increase soil fertility and a guarantee for bumper harvests. Chinsinga and O'Brien (2008) argue that fertiliser prices are usually high and thus making unsubsidised fertiliser beyond the means of most ordinary Malawians.

Banda's government had ensured that the poor farmers could buy subsidised fertiliser and seeds so that there were increased crop outputs which were directly linked to food security and community development. This government introduced universal agricultural subsidies and price controls from 1964 to 1994. The two institutions that were dominant in serving Malawians throughout the country to purchase and sell their agricultural products were the Agricultural Development and Marketing Corporation (ADMARC) and Smallholder Agriculture Credit Administration (SACA). ADMARC used to sell agricultural products to farmers and acted as a buyer of last resort and guaranteed minimum prices for maize (Chinsinga & O'Brien, 2008). ADMARC also funded a universal fertiliser subsidy for all farmers. Furthermore, SACA provided credit to smallholders. In addition, the government established farmers' clubs throughout the country where credit on agricultural inputs was facilitated and not less than 30% of smallholder farmers were able to access (Chinsinga & O'Brien, 2008). ADMARC markets as they were locally known, were conveniently located closer to farmers including those in the remote rural areas. This was to minimise high transportation costs for the subsistence farmers.



## Development versus democracy in Malawi

Peet and Hartwick (2009, p. 1) define development as the means to make a better life for everyone, which includes meeting basic needs such as: adequate food to maintain good health; a safe, healthy place in which to live; affordable and available services; and being treated with dignity and respect (Peet & Hartwick, 2009). According to the United Nations Declaration on the Right to Development, development is:

a comprehensive economic, social, cultural and political process, which aims at the constant improvement of the well-being of the entire population and of all individuals, on the basis of their active, free and meaningful participation in development and in the fair distribution of benefits resulting therefrom. (UN, 1986, p. 1)

Development in Malawi can be summarised as progressing towards a state comparatively better than what was before. For instance, people after harvest, they could put aside food for the year and surplus harvest goes for sale. The income that they made could be used to buy cows and oxen that they did not have before or build a better house that they did not have previously. Whenever we speak about development, there ought to be an element of continued positive change. Among others, continued positive change comprises of access to better medical care, better education, better housing, better transportation infrastructure and system, increased income, freedom and security and better quality of life.

If it is indeed true that democracy refers to the government “of the people, by the people, and for the people” as articulated by Abraham Lincoln of America, whereby there is equal partaking of citizens in the decision-making processes of a government, then Malawi is very far from attaining it (U.S. Department of State’s Bureau of International Information Programmes, 2019). Malawians are not even close to enjoying the fundamentals of democracy such as sovereignty of the people; government based upon the consent of the governed; guarantee of basic human rights; free and fair elections, just to mention a few.

The link between democracy and development is weak in Malawi. It is not true that democracy helps to promote development, otherwise Malawi could have gone far in achieving Malawi’s developmental goals. It can be concluded that democracy and development are not inextricably linked, they are separate, and they do not need each other at all even though they can have a mutual benefit. It is possible that democracy can be a process that enhances development or have development as its outcome. I argue that in Malawi democracy has in-



creased corruption. As such, corruption has hindered development that is partly why poverty has been on the increase over the decades.

### **Development in the post-Banda era**

I argue that 'development' as articulated by international aid agencies seemed to focus solely on 'democracy' and relief. This type of 'development' is also linked to the implementation of the Structural Adjustment Programmes (SAPs) in Malawi which undermined sustainable development and self-reliance. SAPs contributed to the worsening of the Malawian economy and people's living conditions. This suffering paved the way for enhanced development aid which has not helped Malawi at all. The rise of development aid in subsequent years after the fall of Banda's regime led the government of Malawi to give in to pressures from donors resulting in the abolishing of agricultural subsidies especially fertiliser and maize. There was also increased vulnerability and deprivation to the extent that more than half of Malawi's population were unable to meet their basic needs.

When Dr Banda stepped down in 1994 after conceding to electoral defeat, Dr Bakili Muluzi of the United Democratic Front (UDF) took charge of the highest office as the 2nd President of Malawi on 24th May 1994. The presidency of Bakili Muluzi started with major livelihood shocks due to the droughts that took place in 1994 and 1995. The Bakili Muluzi-led government emphasised the scale of poverty that was prevalent in Malawi and his government did not hesitate to adopt a Poverty Alleviation Programme in August 1996. The central focus was on smallholder agricultural production, small enterprise development, Starter Pack Programme and large social cash transfer for public works jobs. Apart from this initiative, the UDF led government championed the establishment of the developmental initiative known as Malawi Social Action Fund (MASAFU) in 1996. MASAFU had various sub-divisions and these included the community sub-projects (CSP) that funded community-driven and managed infrastructure projects such as construction of school blocks, health centres and bridges (Maliro, 2011). MASAFU ended before their long-lasting results were witnessed. All these initiatives were funded by development aid from international agencies. There were no sustainable developmental outcomes.

Bakili Muluzi on March 31, 1998 launched the Malawi Vision Document 2020 or National Development Strategy 1997-2020. This was the framework for developing Malawi for the next 24 years, from 31st March 1998 to 2020 (Nyondo, 2015). It was anticipated that by the year 2020, Malawi would be secure, democratically mature, environmentally sustainable, self-reliant with equal opportu-

nities for and active participation by all, having social services, vibrant cultural and religious values and being a technologically driven middle-income country (Nyondo, 2015). This year is 2021 but the country is far from witnessing the anticipated outcomes and it is regressing even with the continued development aid. This makes one wonder what developmental outcomes developmental aid brings. The answer to this question might be covered in the version of 'development' as understood by international development aid agencies which is linked to the implementation of the Structural Adjustment Programmes (SAPs) that undermines sustainable development and self-reliance.

### **Impact of Structural Adjustment Programmes**

The Structural Adjustment Programme (SAP) in Malawi undermined sustainable development and self-reliance. SAPs contributed to the worsening of the Malawian economy and people's living conditions. This suffering paved the way for enhanced development aid which has not helped Malawi at all (Harvard Institute for International Development, 1994).

Just like many other countries in the South, Malawi implemented SAPs as part of the neo-liberal economic policy interventions imposed by the World Bank and the International Monetary Fund. According to these Bretton Woods institutions, SAPs aimed at reviving Malawi's declining economy so that it can attain sustainable growth (Harvard Institute for International Development, 1994). It did not take long before people started questioning SAPs objective as most of the Malawians were going deeper into poverty and deprivation. Conclusions started to be made that SAPs contributed to the worsening of the Malawian economy and people's living conditions (Harvard Institute for International Development, 1994). Economically active Malawian citizens were migrating to cities from the rural areas in search of jobs as in the rural areas life was becoming unbearable due to how expensive goods had become. This migration from rural to towns left behind starving family members who were now waiting for financial assistance from those family members that had migrated to cities. The negative effects were also felt strongly in cities and towns as such employment was hard to find. SAPs increased people's suffering.

The role of ADMARC was scaled back, and fertiliser subsidies were phased out under the terms of three loan agreements with multilateral institutions (Chinsinga & O'Brien, 2008). The World Bank raised concerns pre-1987 about the government of Malawi administering and providing subsidised agricultural inputs and these sentiments were later echoed by more international development aid agencies. They argued that food security would be more readily achieved

by market liberalisation and promotion of cash-crops (Harrigan, 2003). During the drought of 1991, poverty and vulnerability intensified in Malawi and led the UN to fund a *Situation Analysis of Poverty* study which was published in 1993. The analysis uncovered deep and pervasive poverty in Malawi (Government of Malawi/United Nations, 1993).

In 1996, the government of Malawi gave in to the pressure from international development aid agencies and abolished agricultural subsidies, especially fertiliser and maize. Immediately, the costs of agricultural inputs went up and during the same time the smallholder credit mechanisms had collapsed (Harrigan, 2001). As it can be expected, the collapse of the Smallholder Agricultural Credit Association and the removal of agricultural subsidies under SAPs favoured by development aid agencies pushed the wellbeing of most Malawians into peril. In addition, there were multiple devaluations of the Malawi kwacha, a massive 62 percent devaluation in September 1998 (Chinsinga & O'Brien, 2008). This increased vulnerability and deprivation to the extent that more than half Malawi's population were found to be unable to provide for their basic needs (Harrigan, 2001).

During this period, there was a growing resistance to economic liberalisation and market-led reform among Malawians. The Malawian government decided to start new Starter Packs made available free of charge to all smallholder families, to boost crop production which DFID agreed to fund as a temporary measure (Harrigan, 2001). Just before 2000 Starter Packs was replaced with Targeted Inputs Programme (TIP). Starter Packs had contributed an estimated 15.6 percent to overall maize production in 2000 and this was hailed as a success. On the other hand, the TIP contributed only 3.6 percent in 2001 and 2.6 percent in 2002 (Levy, 2005). The difference in percentages shows how effective the Starter Packs were unlike the DFID funded TIP. Malawi was once again plunged into a famine even though the donors tried to implement the Extended Targeted Inputs Programme (ETIP) but lower crop harvests were witnessed throughout the country. In 2004/2005, the biggest developmental aid agency for ETIP, DFID, withdrew its financial support (Chinsinga & O'Brien, 2008).

President wa Mutharika in 2004 wanted to roll-out universal subsidies for the poor just like Kamuzu Banda, but development aid agencies were hostile to this plan so Bingu had to shelf his plan and continued to implement ETIP (Chinsinga & O'Brien, 2008). The inability to provide universal agricultural subsidies which is one of key factors to developmental interventions, led Malawi to experience hunger and starvation due to the poor harvest of 2004/2005. This left five million people in need of food aid and this prompted a re-evaluation by development

aid agencies (Chinsinga & O'Brien, 2008). Due to this re-evaluation, DFID and the UNDP decided to support the government of Malawi with an Agricultural Input Subsidy Programme (AISP), in 2005 (Chinsinga & O'Brien, 2008). The AISP was later renamed the Farm Input Subsidy Programme (FISP) (Chinsinga & Poulton, 2014). This FISP was implemented in 2005/06 financial year and it produced bumper harvests that led Malawi to have food security and increased GDP (Denning et al., 2009). During his second term, wa Mutharika crushed with development aid agencies, and in return, the donors withheld their funding. Prices of things soared, and food shortages were widespread (Denning et al., 2009).

During Joyce Banda's presidency the government of Malawi gave in to pressures from international development aid agencies to reform the economy. A developmental aid package from IMF and World Bank was agreed in exchange for devaluing the Malawi currency. The year 2012 instead of progressing, Malawi was regressing, and prices of goods went up, transportation became expensive and the price of food was unattainable especially by the poor.

### **Development aid and local development in Malawi**

It is important that development aid needs to be linked to the notion of local development in Malawi, otherwise such aid will be detached from the intended developmental outcome. Development aid agencies are popularly known as donor community or development partners in Malawi (Eidhammer, 2017). Development partners have been in existence in Malawi since independence until now. The core bilateral development aid agencies in terms of volume are the US, the UK and Norway and the most significant multilateral development aid agencies and international organizations are the International Development Association (IDA), the Global Fund (focusing on health only), and the EU (Norad, 2017). Development aid in Malawi attracts various views among development aid agencies, the government of Malawi, employees of such development aid and local Malawians. According to USAID (2019) the development aid that they provide to Malawi is meant to promote development and humanitarian efforts to save lives, reduce poverty, strengthen democratic governance and help people progress beyond assistance. There are people that will agree that such aid has produced the intended outcomes over the decades while others will differ. USAID's contribution to Malawi's development started before independence in 1964 through USAID's Office of Southern Africa Regional Cooperation (OSARC). The notable first development aid from USAID in Malawi went towards the Lakeshore Road construction between 1966 and 1974, then from 1979 funded programmes such as agricultural development, strengthening health and family

planning services, improving transport infrastructure and human resource development (USAID, 2019).

The British government through its developmental aid agencies has been giving Malawi developmental aid since independence. It is recorded that British economists had forecasted that Malawi could have become financially self-sufficient within the decade of attaining independence (Eidhammer, 2017). In 1964, development aid from Britain was 4.25 million pounds, making Malawi one of the largest recipients of British aid (Eidhammer, 2017). Developmental aid reached its peak in 1992 and immediately the main developmental aid agencies, including Britain and America, froze some of the aid disbursement to put pressure on Kamuzu Banda to embrace multi-party democracy (Eidhammer, 2017; USAID, 2019). Indeed, in 1993, Malawians voted overwhelmingly for multi-party democracy, but developmental aid did not increase immediately, only from 2005 onwards (Eidhammer, 2017). In 2006, U.S. assistance to Malawi increased substantially, reaching \$40 million (USAID/Malawi, 2013, p. 10). Malawi received aid from various developmental aid agencies, as USAID/Malawi argues:

Total aid disbursement during the Malawi FY 2010/2011 (July 1 - June 30) was approximately \$1 billion and averaged 36% of government revenue over the past five years. USAID remained the largest donor (\$150 million), followed by the Global Fund (\$118 million), UK Department for International Development (DFID) (\$110 million), the European Union (EU) (\$97 million), the World Bank (\$85 million), and Norway (\$40.6 million). (USAID/Malawi, 2013, p. 10)

There are also other development aid major donors that include Japan, the African Development Bank, and Germany. The United Nations also gives developmental aid to Malawi: for instance, it gave around \$77 million during 2010/2011. The People's Republic of China's official aid disbursement was \$96 million; in contrast to Western donors, its assistance was not ring-fenced to improving governance (USAID/Malawi, 2013). In 2013, USAID/Malawi finalized a five-year, \$700 million Country Development Cooperation Strategy that was meant to encourage integrated development (USAID, 2019).

There is no doubt that development aid is given to Malawi, but the question is how much does it reach the intended developmental target, if at all it does. How come there is still no sustainable development in Malawi while developmental aid has been coming into the country for decades?

### **Sustainable development in the light of democracy in Malawi and local reactions**

Sustainable development in Malawi has been compromised since the coming of democracy. The Malawian case study seems to suggest that sustainable development and democracy are not inextricably linked. It is quite ironic that Malawi enjoyed some sustainable development during Kamuzu Banda's era, when the country was under the one-party system of government. Since the one-party rule ended in 1993, the country has held multi-party presidential and parliamentary elections every five years and the most recent one was held on May 21, 2019. It was in the 1960s and early 1980s that Malawi registered an average of 6% annual economic growth. This economic growth was short lived due to various challenges such as the oil crisis and the implementation of Structural Adjustment Programmes. The multi-party democracy failed to continue the attainment of sustainable development achievements. While one can acknowledge and accept developmental obstacles such as droughts and pests such as armyworms that have affected the agricultural harvest in the past years, these existed during Kamuzu Banda's era as well. The national poverty rate has been on the increase for decades to the extent that from 50.7% in 2010 it increased to 51.5% in 2016 (World Bank, 2019). Poverty in Malawi is driven by poor performance of the agriculture sector, volatile economic growth, population growth, and limited opportunities in non-farm activities and corruption. Malawi's corruption levels remain high with Transparency International ranking Malawi at 122/180 economies in 2018 (World Bank, 2019). Despite the development aid provided to Malawi, the country has remained one of the poorest countries in the world with 50.7 percent of the population living below the poverty line and 25 percent living in extreme poverty; most of them are the rural inhabitants (IMF, 2017). In 2017, out of the total rural population, 57.0 percent were poor compared to 17.0 percent of the urban population (IMF, 2017). Extreme poverty is high, largely because of food insecurity, incomes are very low, with GNI per capita of \$360 in 2016 and inequalities are acute and rooted, with a Gini coefficient of .46 in 2010 and .44 in 2014 (African Development Bank Group, 2019). Malawi's Human Development Index value for 2019 which is 0.483, positions the nation in the low human development category (174 out of 189) (UNDP, 2020). Malawi is part of five poorest countries in the world together with the Central African Republic, Burundi, the Democratic Republic of Congo and Niger (World Population Review, 2019). Malawi's Gross Domestic Product (GDP) per capita based on Purchasing Power Parity (PPP) is at \$1,234, which is worse off than torn Mozambique, South Sudan,



and Liberia, which have GDP per capita – PPP of \$1,331, \$1,331 and \$1,613, respectively (Chauluka, 2019).

Since 2006, Malawi has been formulating development policies, strategies and plans. When one considers the Malawi Growth and Development Strategy (MGDS) from Poverty to Prosperity 2006-2011 gets an energising picture for the country. The rationale for the MGDS was to create wealth through sustainable economic growth and infrastructure development as a means of achieving poverty reduction. The MGDS was expected to transform Malawi from being a predominantly importing and consuming economy to a predominantly producing and exporting economy to what? (Malawi Government, 2006). According to President Joyce Banda in the MGDS II opening statement, she says that when the MGDS was being conceptualized, Malawi was perpetually food insecure and growth was dismal. However, with the implementation of the MGDS, 2006-2011, Malawi became food self-sufficient, had food surpluses and the economy grew at an average of 7.5 percent against the projected target of 6 percent (Malawi Government, 2011). The Malawi Growth and Development Strategy II, 2011-2016, is the overarching medium-term strategy for Malawi planned to achieve Malawi's long-term development objectives (Malawi Government, 2011). The objective of MGDS II was to continue achieving sustainable economic growth and infrastructure development so that Malawi can remain on the trajectory of reducing poverty in the country (Malawi Government, 2011).

This chapter was written during the implementation of the Malawi Growth and Development Strategy III, 2017-2022. As such, it provides a clear picture for critical analysis since Vision 2020 materialises next year. This strategy is the fourth medium-term national development strategy associated with Malawi's long-term national development goals, which are expressed in Vision 2020. The MGDS III is the concluding strategy taking the Malawi nation to the realisation of Vision 2020 (Malawi Government, 2017). This strategy aims to move Malawi to a productive, competitive and resilient nation through sustainable agriculture and economic growth and infrastructure development while addressing population challenges (Malawi Government, 2017). There has been no progress in both MGDS I and II regarding reducing poverty through sustainable economic growth and infrastructure development. Malawi has gone through government self-inflicted developmental obstacles such as policy-induced recession in 2012, fuel and foreign exchange shortages, and the 2013 "cashgate" corruption scandal, in which a large amount of resources were stolen from government accounts. These have contributed greatly in a vicious cycle of rising debt, high inflation, high interest rates and poor business confidence (IMF, 2017). It can be argued



that democracy and issues of good governance are directly linked to sustainable development. Democracy should be the fertile ground for sustainable development because it brings or fosters freedom, strengthens accountability and service delivery at both the national and local government levels.

In 2004, Bingu wa Mutharika, a retired international civil servant with training as an economist, became the third Malawian President since independence in 1964. It was during his first five years (2005-2010) in power that Malawi achieved exceptional economic growth rates and remarkable progress in food security possibly due to massive subsidies in agriculture and good successive rainy seasons (USAID/Malawi, 2013). This success was short-lived as the economy started declining fast and corruption was on the increase. Malawi has continued to experience underdevelopment, high unemployment rate including youth unemployment, weak economic development and failure to deepen democratic development (Norad, 2017). If some of the developmental aid's intended outcomes were to support good governance and government efficiency in Malawi, it can be concluded that this has failed. This is because none of the evaluations conducted demonstrate that development aid agencies have been able to make significant changes in making Malawi into an effective instrument of service delivery, strategic policy formulation, and efficient implementation of development-oriented policies (Norad, 2017). Price increases and interest rates have remained high over the years, and fiscal deficits and economic inequalities have widened (World Bank, 2017).

## Conclusion

In spite of the authoritarian nature of his regime, Malawian policymakers should revisit the Banda era and draw some lessons on how development could be truly sustainable in the present era and how self-reliance could be reignited in the citizenry. The colonialists introduced subsidies for small farmers and this helped to reduce poverty and deprivation, but not everyone was able to cultivate. Thus, vulnerable groups had continued to suffer. When universal subsidies were introduced post-independence, for both fertiliser and seeds and credit to cover those small farmers that needed it, this helped to reduce the effects of poverty but again the most vulnerable who could not cultivate were left vulnerable. In the later years of post-independence when the Structural Adjustment Programme (SAP) was implemented, the Malawian government was forced to dismantle the subsidised agricultural input with no replacement (Shaba, 2012). Hunger and famine followed the implementation of the SAP. Even though the government

introduced food relief, this reached a very small population. Many people, especially in the rural areas, died of hunger.

After 1990 there were several interventions put in place to alleviate poverty. These included the introduction of market-oriented Malawi Social Action Fund (MASAF), Micro, Small and Medium Enterprise (MSME) credit schemes, public works programme, cash for work, Starter Packs, food transfers, school feeding, integrated livelihood support and cash transfers. Despite all safety nets being implemented there was evidence of the rising of vulnerability in Malawi (Shaba, 2012).

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