



# MwAPATA Institute

## **Agricultural Transformation in Malawi: A Call to Action**

Presented at the National Research Dissemination Conference

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November 19<sup>th</sup>, 2020.

# Agricultural Transformation in Malawi: Call to Action

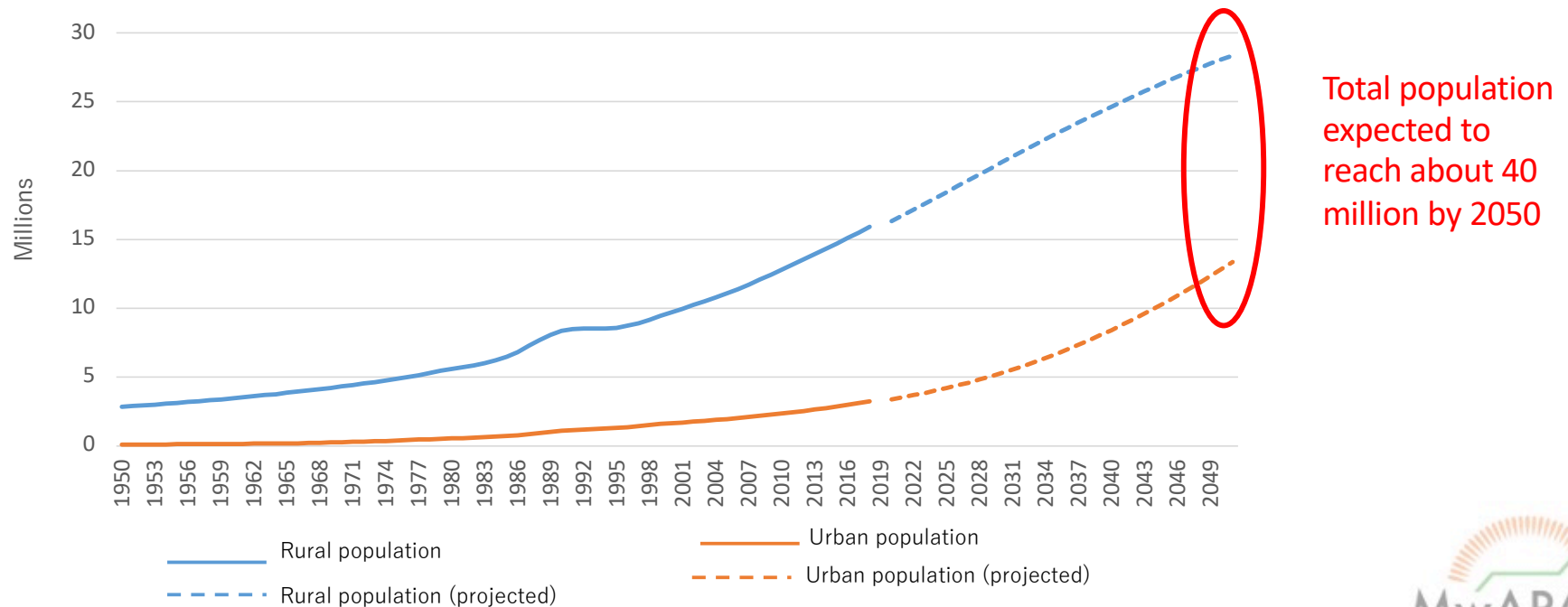
## Objectives:

- Argue business as usual is unsustainable
- Highlight an urgent need for action
- Make the case for assembling a coalition of the willing for action
- Outline a comprehensive transformational strategy

# Why is Decisive Action Necessary Today?

## [1] Population growth is rapid

### Malawi's population trends and projections

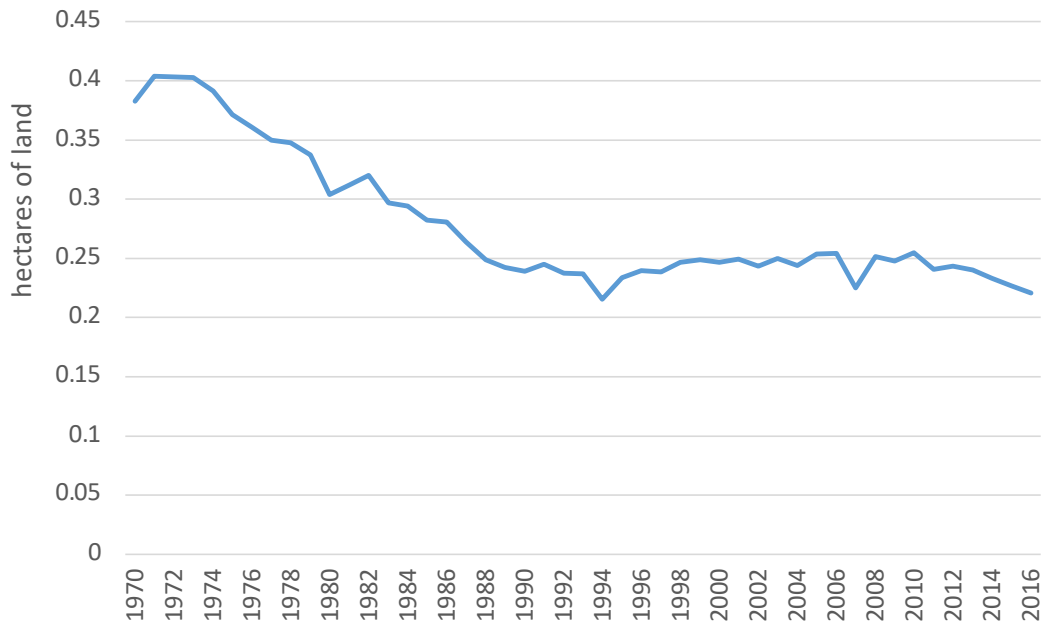


Source: World Bank (2020)

# Why is Decisive Action Necessary Today?

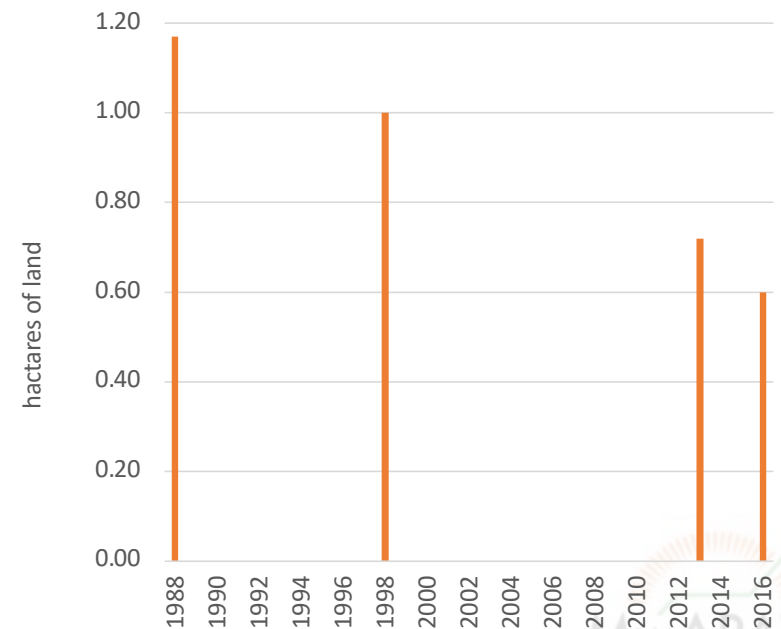
## [2] Land is Becoming Increasingly Scarce

Arable land per person over time



Source: World Bank (2020)

Average farm size over time

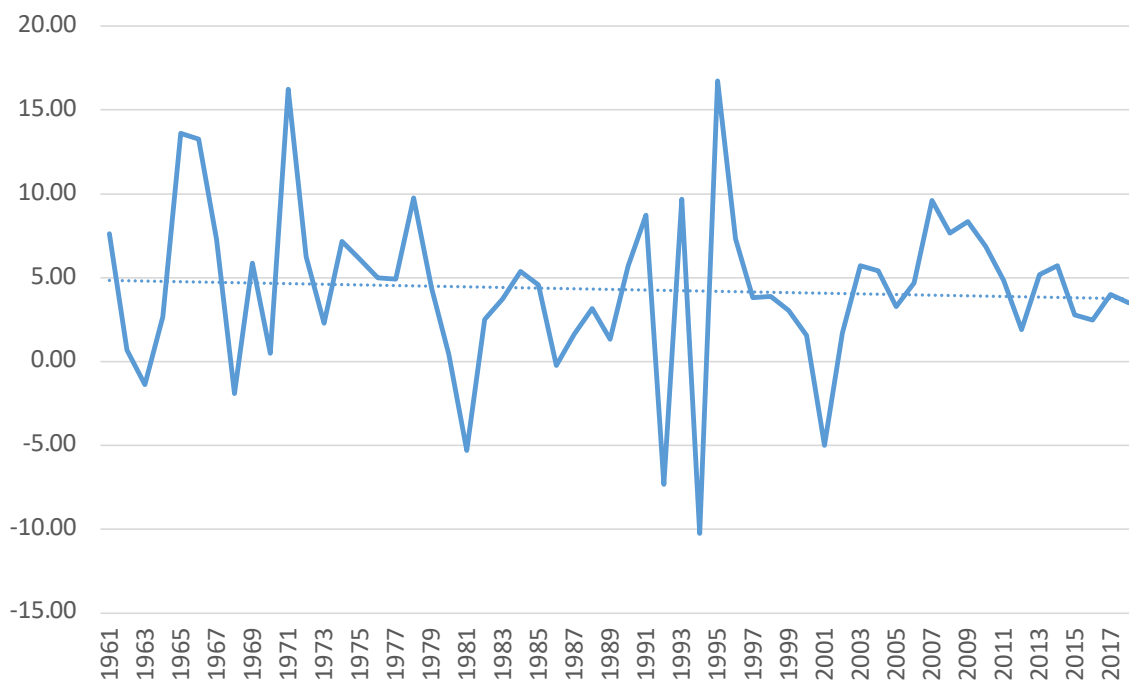


Sources: Alwang et. al. (1999); Sofranko et al. (1989); Jumbe et al. (2016)

# Why is Decisive Action Necessary Today?

## [3] Economic Growth is Too Slow to Meaningfully Reduce Poverty

Fig. 4: Real GDP Growth (5 per annum)



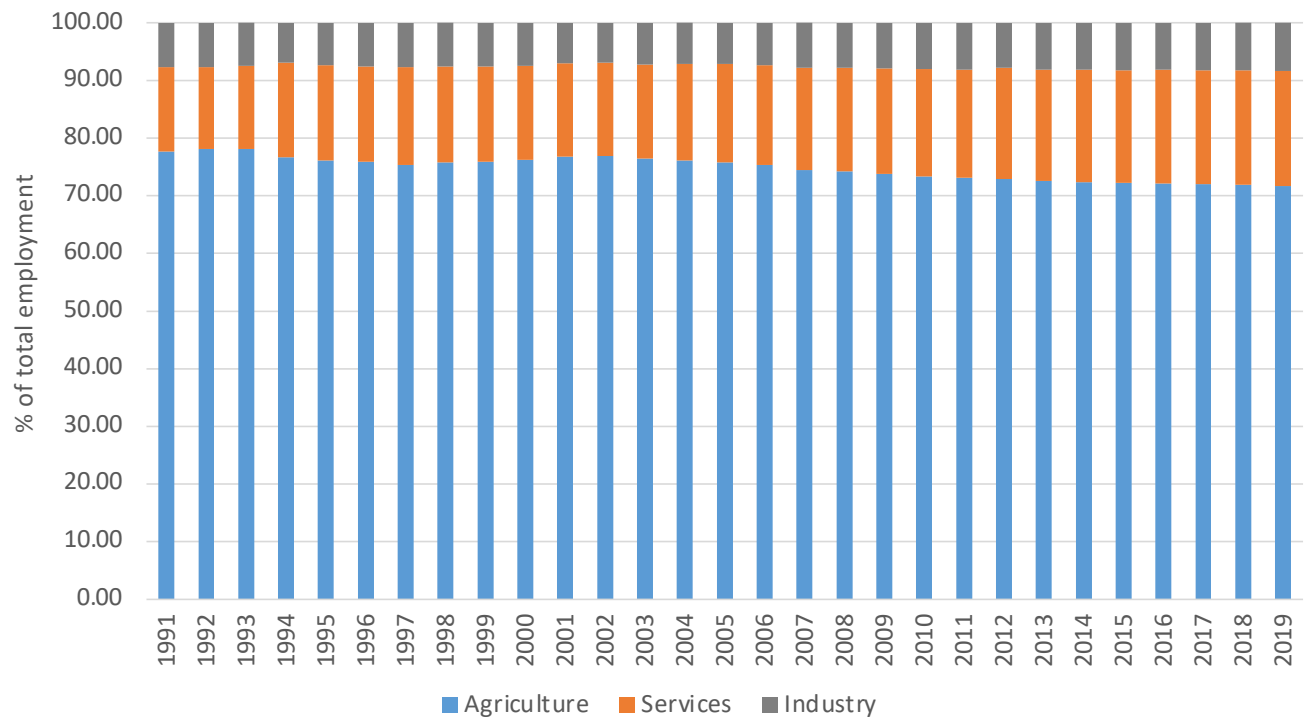
Period	Growth (% p.a.)
1961-1969	5.30
1970-1979	6.25
1980-1989	1.72
1990-1999	4.13
2000-2009	4.53
2010-2018	3.80
1961-2018	4.29
2000-2018	4.22

Source: World Bank (2020)

# Why is Decisive Action Necessary Today?

## [4] Employment Opportunities are Limited

### Employment by Sector in Malawi



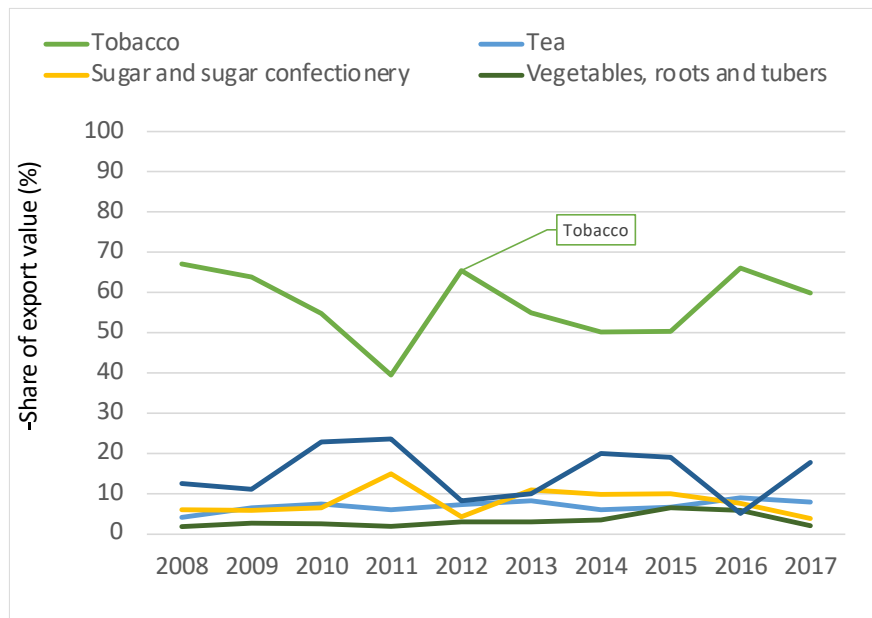
Agriculture share of employment remains over 70%

Source: World Bank (2020), based on modeled ILO estimates

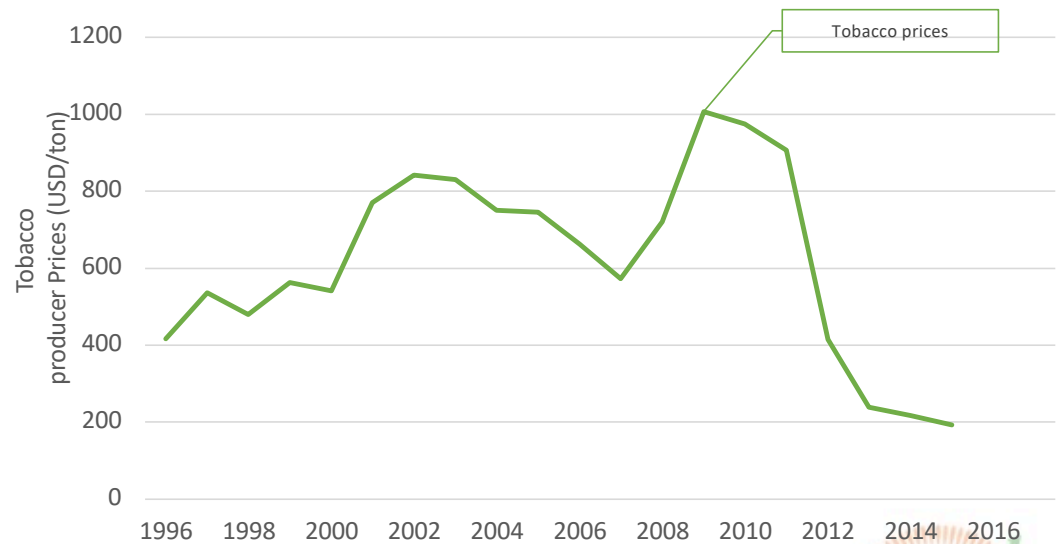
# Why is Decisive Action Necessary Today?

## [5] Tobacco Prices Are Falling Steadily

Main exports for Malawi (% of total exports) and tobacco producer prices



Source: trademap.org

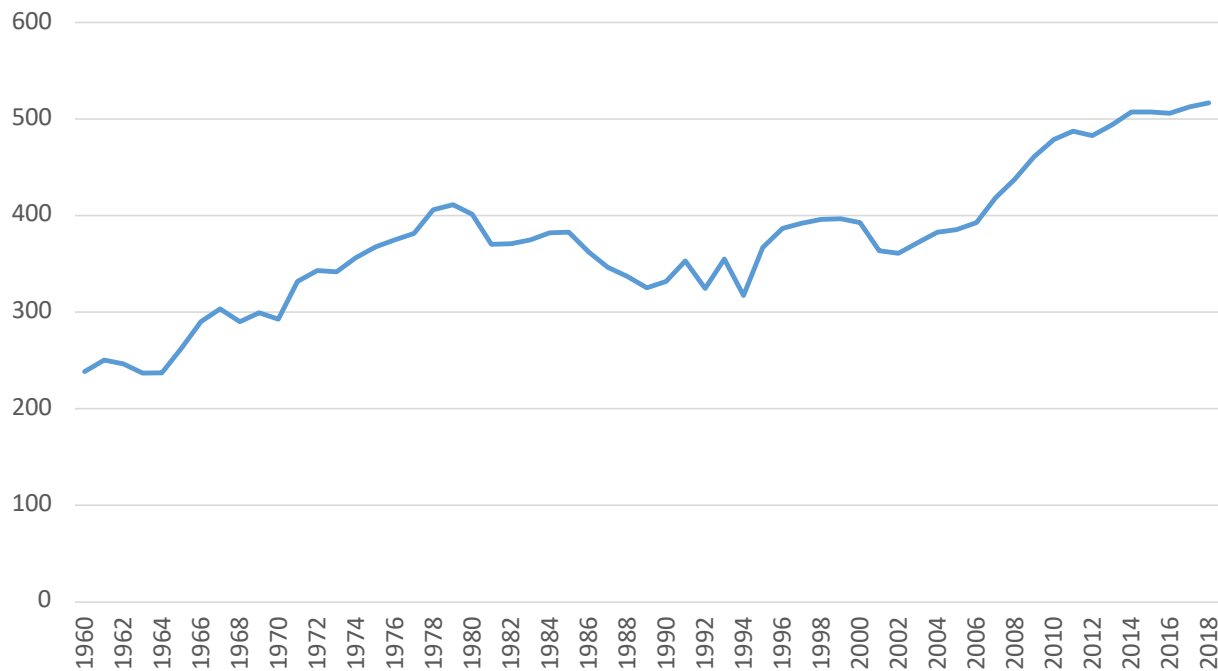


Source: UN Comtrade (2020)

# Why is Decisive Action Necessary Today?

## [6] Growth in GDP Per Capita is Too Slow

GDP per capita (constant 2010 USD)

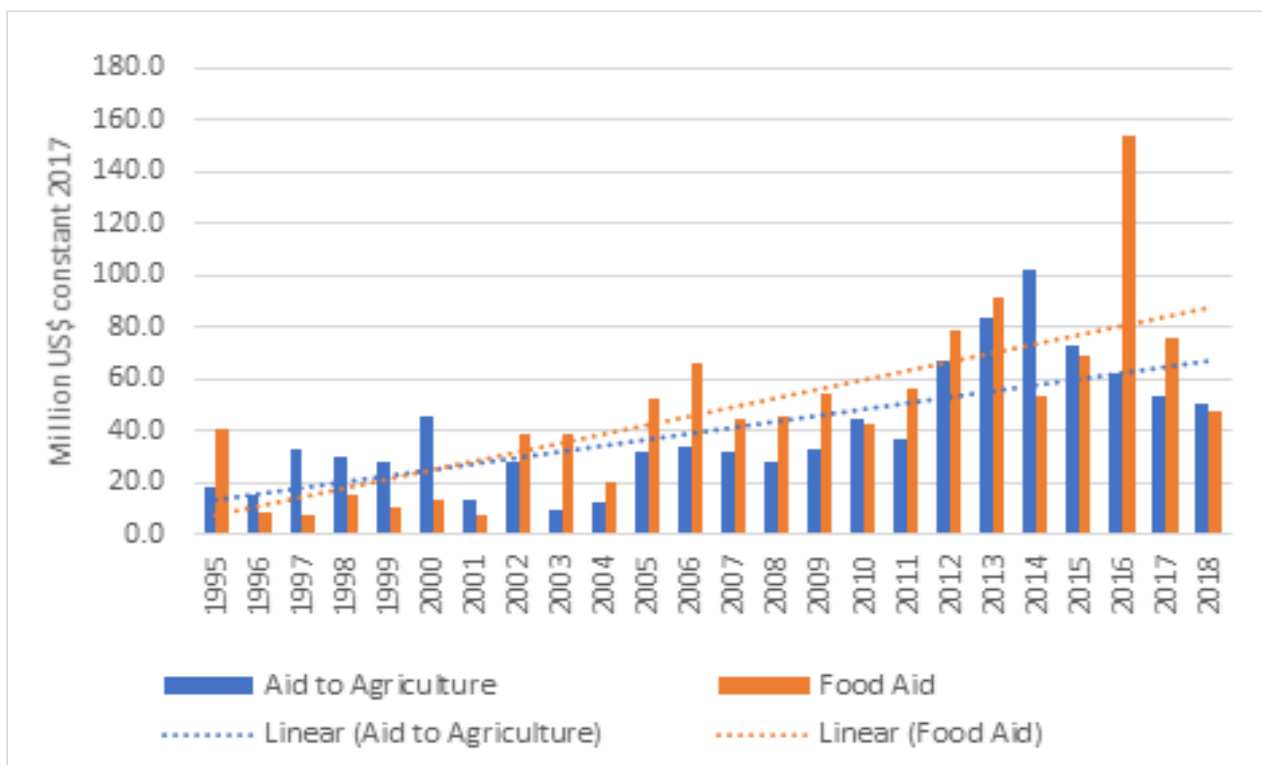


Source: FAO (2020)

# Why is Decisive Action Necessary Today?

## [7] Dependence on Food Aid is Rising

Total Overseas Development Assistance to agriculture versus Food Aid

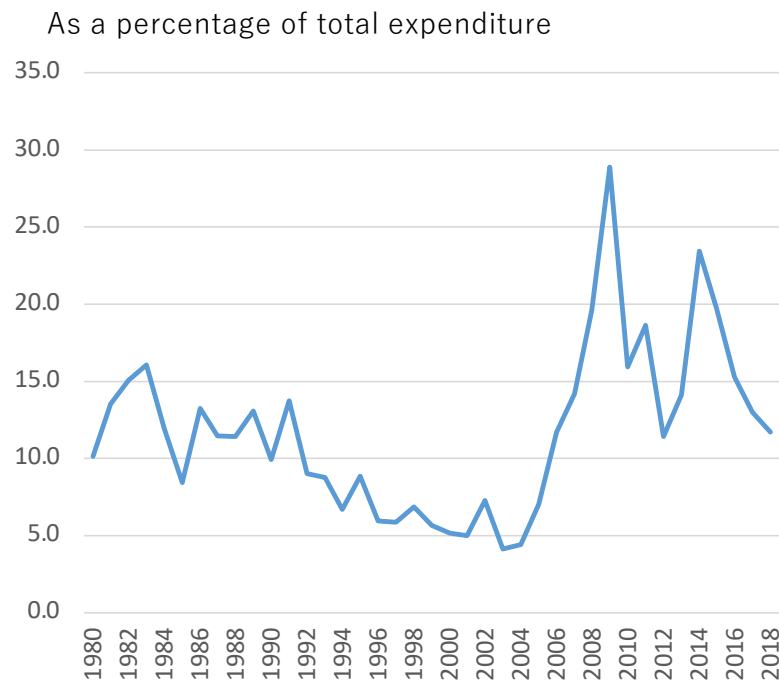


OECD (2020)

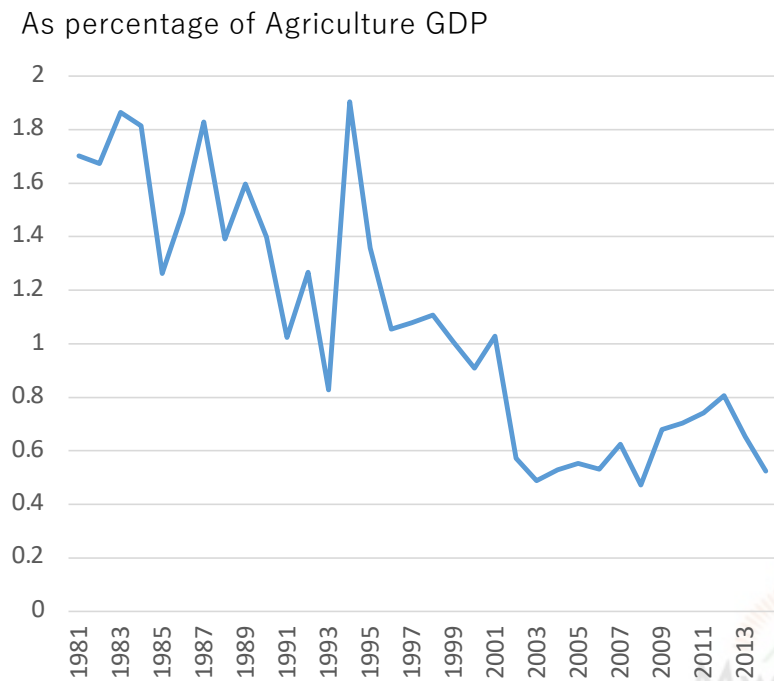
# Why is Decisive Action Necessary Today?

## [8] Subsidies Dominate the Agriculture Budget at the Expense of R&D

### Government agriculture expenditures



Source: resakss.org



Source: ASTI (2020)

# Why is Decisive Action Necessary Today?

## [9] The Risk of Soil Loss and Degradation is High



Source: Wikimedia commons



<http://indianapublicmedia.org/earthcasts/government-underestimating-farmland-erosion/> [www.pata.mw](http://www.pata.mw)

# Why is Decisive Action Necessary Today?

## [10] Marketing Rigidities Disincentives Agricultural Investments

Controls in agricultural pricing and marketing prevent farmers from getting profitable returns on investment.



Photo credit: massip.ifpri.info

# Why is Decisive Action Necessary Today?

## [11] Poverty is High and Rising



Source: [nyasatimes.com](http://nyasatimes.com)



Source: [usatoday.com](http://usatoday.com)

# Pre-conditions for Malawi to Achieve Meaningful Economic Transformation

- i. Effective and development-focused leadership as exemplified by Rwanda, Ethiopia and Tanzania
- ii. Transformative leadership supported by an all inclusive “coalition of the willing”
- iii. A home-grown institution capable of generating new knowledge
- iv. Addressing challenges with known solutions – e.g. the recommendations of Enabling the Business of Agriculture reports
- v. Addressing challenges with unknown solutions – this is where policy think tanks like MwAPATA become critical

# What Economic Transformation is Required and Possible [1]?

- i. Agricultural transformation – remains a driver of economic transformation
  - a) Sustainable increase in cereal and total factor productivity
  - b) Fully exploit the potential of irrigation
  - c) Develop the country's alternative value chains (livestock, horticulture, oilseeds, fish, etc.)
  - d) Enhance the competitiveness of domestic production over imported foodstuffs.
- ii. Harness natural resources for growth – scope for a systems approach in natural resource management

# Conclusions

## i. The Agricultural Transformation: Call to Action highlights:

- the urgent need for real change in Malawi's economic management and performance.
- the policy interventions that Malawi could adopt in order to achieve significant economic development
- the need for assembling a “coalition of the willing” to champion this change
- emphasizes the significant role of research evidence in informing the policy formulation process, policy implementation, and in mobilizing players towards common goals

## ii. This is a role that the MwAPATA Institute is set to play in collaboration with partners



# Partners

