



# Cash versus maize in Malawi

Malawi's procurement and distribution of maize and related agricultural inputs are marked by inefficiency, misconduct and capture. The system works for those in power but harms Malawi's people and economy. Donors have helped perpetuate this. Deep reform is required. Cash transfers may offer a politically feasible way to get there.

## Practical insights

- Malawi's approach to social protection, agricultural support and disaster relief heavily prefers the physical distribution of maize and related input subsidies over cash transfers.
- This is in the material interests of many Malawian political and business elites, who have found myriad ways to financially and politically benefit from the state's maize procurement and distribution systems. Many public servants also benefit from the status quo.
- These methods do not just inflate costs while diverting political or economic gains to individuals. They also undermine smallholder farmers, stymie private sector investment, limit agricultural growth and weaken the provision of poverty and hunger relief for Malawi's poor.
- Direct, unconditional cash transfers are a form of support which can offer far fewer openings for misconduct. Malawi's national scheme has shown impressive results, but its success has not led to a broad shift in how support is delivered for persistent or acute needs. Instead, it is chronically underfunded by government and generally ignored by the elite actors benefiting from the maize-centric status quo.
- Donors are reliably incoherent when it comes to cash-based support. They have spent substantial money on building up Malawi's cash transfer infrastructure, yet do not champion its use in responding to shocks. Some institutions still fund both in-kind (maize) and cash relief. They appear unwilling to mount a strong challenge to maize, despite its clear inefficiencies and susceptibility to irregularities.

Scaling back funding that perpetuates the maize economy would greatly improve the efficiency of expenditure and lead to superior outcomes across a range of indicators.

## Practical propositions

Disrupting Malawi's elite bargain on maize is key to increasing the effectiveness and efficiency of social protection, agricultural support and disaster response. As long as the status quo persists, widespread hunger and poverty are likely to remain. But there are technically realistic, politically feasible alternatives that could help break the equilibrium. We recommend:

1. Get maize politics on the policy table, and keep it on the table.
2. Always ask 'why not cash?'
3. Make cash politically salient – and a viable election winner.
4. Aim for the ideal policy process – but prepare for disappointment.
5. Donors should phase out funding that perpetuates maize realpolitik within five years.

# I. WHAT IS THE PROBLEM?

## Chronic poverty and seasonal hunger

Malawians suffer from high levels of chronic poverty, and cyclical hunger and acute poverty. The country is one of the five poorest on the planet, with over 75% of Malawians living on less than \$3 a day.<sup>1</sup> Each year, during the pre-harvest lean season, acute income poverty and hunger spike in both rural and urban areas.<sup>2</sup> Malawi is also prone to climate shocks. Droughts, cyclones, floods and tropical storms regularly trigger the deployment of large-scale humanitarian aid.<sup>3</sup> Agricultural productivity is low; over 80% of households work in subsistence rain-fed agriculture.<sup>4</sup>

Food security in Malawi also reflects deep gendered inequities in access to agricultural inputs and in outcomes. Female farmers historically adopt modern technologies less frequently than men, though input subsidies can narrow the gender gap when women receive coupons. Gaps in access to land, credit and inputs persist, further limiting women's productivity and household food security.<sup>5</sup>

Despite these hardships, Malawi is notable for its democratic resilience, most recently demonstrated by a peaceful transition of government in September 2025. But Malawi is a conundrum of democracy without development. As former President Bakili Muluzi said, 'People don't eat democracy.'<sup>6</sup>

The production of this paper began with a question: if the use of cash transfers were expanded in Malawi for social protection, agricultural support and disaster response, what is the political context (eg elite interests, opposition, potential support, norms, expectations etc) that cash would navigate?

## Policy rich, strategy poor

In Malawi, a mix of cash and non-cash mechanisms are used to target income poverty, human development, subsistence farming and seasonal hunger. Four key mechanisms span social protection, agriculture and disaster response.

- The **Social Cash Transfer Programme (SCTP)** is funded by donors and implemented by the government. It provides unconditional cash transfers averaging \$9 per month to the poorest 10% of the population without labour capacity, plus benefits for school-age children to help with education costs.
- The **Climate Smart Enhanced Public Works Programme (CS-EPWP)** is funded by the World Bank. It channels cash to the poorest 15% of households with adults capable of participating in public works projects, such as reforestation.<sup>7</sup>
- The **Affordable Inputs Programme (AIP)** is funded by the government. It subsidises fertiliser and seeds for smallholder farmers.<sup>8</sup>
- **Humanitarian aid** is usually funded by donors, overseen by government, and implemented by international or domestic humanitarian actors. It comes as in-kind aid (eg maize) or cash.<sup>9</sup>

Other cash and non-cash programmes run in parallel to these four mechanisms, including those implemented by non-government actors such as GiveDirectly.<sup>10</sup>

The four mechanisms do not form a coherent strategy; they are fragmented across different areas of government despite their potential synergies. While the two social protection programmes are relatively well-coordinated, the fertiliser subsidy and humanitarian response are overseen by different government agencies.

Poor coordination is not necessarily due to lack of capacity: each mechanism has its own network of interest groups and fragmentation serves multiple interests. Reforms to strengthen linkages across sectors have generally been unsuccessful.

## Cash versus non-cash (cash meets context)

A growing body of global evidence suggests that cash transfers can reduce poverty and hunger efficiently and effectively. Their potential to improve development indicators is widely recognised, and innovative studies continue to test cash's impact when paired with other initiatives or delivered in lump sums.<sup>11</sup> Cash is also expanding in humanitarian work, where the new mantra is to first ask 'why not cash?' when designing a humanitarian response. Cash is not a silver bullet. But its track record of delivering in a variety of contexts is increasing its importance in public policy thinking.<sup>12</sup>

Malawi's direct experience with unconditional cash is positive. The SCTP is cost-efficient and delivers impressive outcomes related to poverty, education and health.<sup>13</sup> From a small pilot in the 2000s, SCTP is now active in all 28 districts. It has also gradually shifted from physical cash to electronic payments, reducing the scope for interference and leakage. The government transfers funds to a commercial bank, which forwards these to a beneficiary's personal bank or mobile money account.<sup>14</sup>

The SCTP has also been linked to more positive gender dynamics. This includes reduced conflict and greater joint decision-making, as women's bargaining power is often enhanced and their vulnerability to gender-based violence is often reduced when they contribute financially to basic needs. That said, some research notes that gender norms around care persist despite these gains. This suggests that complementary gender-transformative support could further advance equality.<sup>15</sup>

Despite the SCTP's generally positive results, many Malawian policymakers still strongly favour non-cash mechanisms for agricultural support and disaster response. Programmes in these sectors revolve around maize – a highly political crop in Malawi. Long-established fertiliser subsidies for maize production are costly but electorally popular, and successive governments have funded them despite well-documented corruption, manipulation and delays.<sup>16</sup> Historically, humanitarian aid has also primarily come in the form of maize, despite slow, complicated and leaky delivery chains.<sup>17</sup> In recent years, some donors have advocated for more use of cash-based humanitarian responses.

Unconditional cash transfers remain marginal and unpopular with successive administrations. This status quo survives because it benefits a range of elite interests in the political establishment, government administration and wider economy. Malawi's elites have few incentives to move away from maize, and thus continue to favour approaches that serve established interests. Malawi's international partners, meanwhile, lack consensus on the respective merits of cash and non-cash. They tend to spread their bets by investing in both.

A rational, affordable strategy to combat poverty and hunger requires a better mix of technical evidence and political navigation. Enduring dysfunction suggests that some elites prioritise preserving the status quo over delivering the best outcomes for citizens. Government officials also have rational incentives to advocate for mechanisms that help sustain their livelihoods and those of their kin. Understanding the players and how they interact across social protection, agriculture and disaster response is therefore integral to designing and implementing effective programmes.

## II. WHO ARE THE PLAYERS?

The relationship between Malawi's national politics and economy (the 'political economy' or 'elite bargain') is well-studied, but the insights gained have had limited effect on development practice. The country's political settlement can be described as 'competitive clientelist'. Politicians maintain a system of patronage networks and strong ties to the business elite as they compete for resources and serve personal and party interests.<sup>18</sup>

Formal democratic institutions operate under these pressures. Malawi's elections are keenly contested, and holding office can be lucrative. Elections have generally been regarded as credible, save for the 'Tipp-Ex election' of 2019 which was overturned by the courts and then re-held. Politicians frequently shift alliances to maintain proximity to power.<sup>19</sup> Malawi's high dependence on aid means that state-donor relations are prominent in politics and the management of aid and public finances has been the root of many political scandals.<sup>20</sup>

Over successive governments, part of Malawi's elite bargain has been strongly oriented around non-cash programmes. Specifically, the licit and illicit benefits to political elites, their allies in the private sector and some government officials from the procurement, transportation and distribution of maize, seed and fertiliser. We refer to this network of actors and actions as the 'maize economy'. While it is not the only source of political or economic rents in Malawi – the national forex shortage, for instance, has reportedly been exploited by some for significant financial gain – the maize economy is a persistent and integral component of Malawi's elite bargain.<sup>21</sup> Moreover, the status quo can benefit international actors with strong interests in non-cash programmes – particularly humanitarian aid. International actors supporting cash transfers must navigate this context.

## Political leaders

Many **politicians** benefit economically or politically from redistribution mechanisms, particularly the procurement and delivery of maize and fertiliser. Elections offer a path to the spoils of political office, and there is strong electoral appeal in both the fertiliser subsidy and being seen to respond to humanitarian disasters. More broadly, international aid provides vital foreign currency. This interests politicians in a country that imports almost twice what it exports.<sup>22</sup> In contrast, unconditional cash transfers have failed to gain electoral traction.<sup>23</sup>

At the community level, some **local leaders and chiefs**, regardless of party affiliation, accrue political and economic benefits by identifying prospective beneficiaries for both cash and non-cash benefits.<sup>24</sup>

## Macroeconomic players

The **Ministry of Finance and Economic Affairs (MoFEA)** controls whether and when to release funds for cash and non-cash mechanisms. As with most government agencies in Malawi, some appointments are technocratic while others are political. The latter usually holds ultimate power.

At the global level, the **International Monetary Fund (IMF)** is a source of foreign currency and the lender of last resort. The IMF has previously supported subsidy reforms with conditionalities that ringfence social sector spending, but these have had limited effect (see below). The **World Bank** is another significant supplier of foreign exchange. Its sectoral activities are explained below.

The **Department of Economic Planning and Development (EP&D)** is housed within MoFEA. While most of EP&D's functions relate to national planning processes, it has two key responsibilities that straddle cash and non-cash mechanisms. These are leading the overall coordination of social protection, including the unconditional cash and public works programmes, and oversight of the annual needs assessment for the lean season, known as the Malawi Vulnerability Assessment Committee (MVAC). The department is not involved in the agricultural subsidy.

## Non-cash players (it's actually all about maize)

Agencies aligned with Malawi's non-cash political settlement are in part motivated by clientelism. While there are many hard-working and reform-minded officials, others act to protect the political settlement and ensure that the system benefits some elites. The following paragraphs introduce the key players, and the following section elaborates on how some of these players defend elite interests.

The **Ministry of Agriculture** is a powerful ministry that lies at the heart of elite interests in non-cash mechanisms. It oversees the policies, organisations and operations related to maize – the central crop within Malawi's broadly uniform agro-ecological context. Key areas of responsibility include the Agricultural Development and Marketing Corporation, the National Food Reserve Agency, the Strategic Grain Reserve and fertiliser subsidies (AIP).

The **Agricultural Development and Marketing Corporation (ADMARC)** is a 50-year-old parastatal that purchases maize from smallholder farmers at a minimum price, stores this in community depots, then releases it for sale at subsidised prices during the lean season.<sup>25</sup> While occupying a position of symbolic importance to many Malawians, ADMARC's history has been marked by inefficiency, corruption allegations and entrenched political interests, such as deliberately failing to

stabilise prices so as to generate profits for politically connected actors.<sup>26</sup> It faces protracted legal and financial problems following an attempted restructuring in 2023.

The **National Food Reserve Agency (NFRA)** is a government-controlled body mandated to procure maize (usually from large entities for storage in the Strategic Grain Reserve), to help stabilise markets and address food shortages. NFRA's senior leadership is politically appointed and often changes with a new government.<sup>†</sup> Some see its erratic procurement practices as benefitting political interests.<sup>27</sup>

The **Department of Disaster Management Affairs (DODMA)** coordinates disaster response and helps disburse humanitarian aid, particularly maize. DODMA is perceived as less politicised than the Ministry of Agriculture, although it is notable that oversight of DODMA recently shifted to the Office of the President. Its profile rises during disaster responses, and it can enable some political demands.

Outside government, important private sector actors include **traders** involved in the buying, selling or processing of maize or inputs. Those with political connections reportedly profit from inside information, advantageous prices and government contracts that stem from clientelist activities.<sup>28</sup>

## Cash players

Established players working on cash operate outside Malawi's elite.

The **National Local Government Finance Committee (NLGFC)** is regarded as an independent and technocratic parastatal that, with the introduction of the Malawi Social Protection Multi-Donor Trust Fund (MSP MDTF) in 2023, is now the main government agency that oversees the implementation of unconditional cash (the SCTP) at district level.<sup>29</sup> It manages 86% of the budget for unconditional cash.

The **Ministry of Gender, Community Development and Social Welfare (MGCDWS)** is the overall coordinator of the SCTP and is not generally perceived as politicised. The structures established to govern the targeting and delivery of cash transfers somewhat insulate the SCTP from political influence relative to other ministries involved in delivering cash or non-cash to the population, such as DODMA or the Ministry of Agriculture.<sup>30</sup> MGCDWS has never had much influence within government, reflecting many elites' limited interest in unconditional cash. Its influence has further diminished following the creation of the multi-donor trust fund.<sup>31</sup> MGCDWS implements around 14% of the SCTP budget.<sup>32</sup> Despite the national reach of unconditional cash transfers, MGCDWS plays a minor role in disaster response because neither the government nor many donors opt to use the SCTP to deliver humanitarian funding.<sup>33</sup>

The **United Nations Children's Fund (UNICEF)** is a global advocate for cash transfers in poverty reduction initiatives and humanitarian responses. It provides technical assistance for overall coordination of social protection (to EP&D) and cash transfers (to MGCDWS) – neither of which are aligned with the political elites who favour non-cash mechanisms.

## Players backing cash and non-cash

The **World Bank's** perspective on the merits of cash versus non-cash in Malawi is unclear. The social protection team funds the SCTP in 11 out of 28 districts, the entire public works programme, and champions cash transfers in disaster response.<sup>34</sup>

At the same time, the World Bank's Malawi agriculture team has supported the use of non-cash mechanisms for humanitarian response, despite likely awareness of the clientelist and politicised realities of the maize economy.<sup>35</sup> In 2024 this included a \$57.6m unconditional – and perhaps untraceable – tranche of budget support, a portion of which was reportedly used for maize procurement by government.<sup>†</sup> The World Bank's twin track approach may be careful risk mitigation or may reflect a lack of internal coherence. Regardless, even if unwittingly, it aligns with elite preferences for non-cash.

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<sup>†</sup> Denotes information gained by interview with a key interlocutor.

The **World Food Programme (WFP)** delivers – or helps the government deliver – cash and in-kind responses to natural disasters.<sup>36</sup> Globally, WFP is still mostly a food distributor, though cash has increased substantially over recent years and now represents 39% of its global portfolio.<sup>37</sup> In Malawi, WFP has been closely aligned with maize-led humanitarian responses over several decades, although it reached more beneficiaries with cash compared to food between 2021 and 2023.<sup>38</sup> That said, cash delivery has been via WFP’s own parallel systems and not the government SCTP. WFP’s ongoing support for and use of maize means that some of its incentives and actions align with the interests of many political and business elites. WFP also conducts influential analysis on whether local markets are functioning in a crisis. The findings of these analyses are relied upon by government and donors to determine whether cash or non-cash mechanisms are more appropriate.

The large **bilateral donors** of cash and non-cash mechanisms in Malawi have included the US, the UK, the EU, Germany, Ireland and Norway. Bilateral donors fund unconditional cash (the SCTP) and humanitarian responses, but not the fertiliser subsidy or public works. They do not appear to hold a consistent or united view on the merits of cash or non-cash mechanisms for disaster response. Those donors funding non-cash mechanisms for humanitarian response also act, perhaps unwittingly, in alignment with the interests of Malawi’s elites – at least politically. In an emergency, maize may offer the path of least resistance for bilateral donors. But it is worth asking whether this undermines long-term strategy, developmental goals and the interests of Malawians.

**International non-governmental organisations (INGOs)**, usually funded by bilateral donors or philanthropists, implement cash or cash-related programmes for both chronic and disaster needs.<sup>39</sup> Their histories vary. For instance, Save the Children has been active in Malawi for more than 40 years across many sectors, whereas GiveDirectly commenced operations in 2019 and focuses on cash transfers.<sup>40</sup> Many INGOs do not participate substantively in strategic national policy discussions, often because their core focus is sub-national level delivery.

Scale and orientation are also relevant factors: GiveDirectly’s new \$100m project to provide unconditional cash transfers (targeting approximately 185,000 Malawians) will inform global policy discussions.<sup>41</sup> GiveDirectly delivers through parallel (non-government) systems; its field staff works directly with communities to register beneficiaries and with telecommunication companies to deliver payments.<sup>42</sup> This delivery through parallel systems and as unconditional cash does not align with elite priorities, and thus may have limited effect on national policy.<sup>43</sup>

The 2025 funding crisis in global aid and in the UN system, alongside new injections of funding from **philanthropic foundations**, may foreshadow a change in the mix of external donors to Malawi.<sup>44</sup>

Local **civil society** organisations have a limited presence in Malawi and are only tangentially involved in cash or non-cash debates. Civil society has generally lost the momentum it gained after the election controversy of 2019, reportedly with some co-option following the appointment of key NGO leaders to diplomatic postings.<sup>45</sup>

### III. WHAT ARE THE RULES OF THE GAME?

The formal rules for cash and non-cash mechanisms are established by policies, strategies and funding commitments – both international and domestic – across social protection, agriculture and disaster response. These are particularly important for how international actors engage in and with Malawi across these three sectors. But formal rules are typically subservient to the well-established system of informal rules, norms and expectations that shape how these sectors operate in practice.

Malawi’s overarching and enduring political settlement, and the elite bargain at the heart of this, is supported in part by the informal system related to non-cash programmes – particularly the funding, procurement, storage, price and distribution of maize and agricultural inputs.

## Formal rules

Malawi's national **social protection system** includes unconditional cash and public works, but not the fertiliser subsidy. Historically, eligibility for unconditional cash through the SCTP required households to be both ultra-poor and labour constrained. But eligibility criteria have recently expanded to include vulnerable groups such as households with young children.<sup>46</sup> SCTP beneficiaries are enrolled for a four-year duration.

International donors fund around 95% of the SCTP's budget.<sup>47</sup> The government committed in the mid- to late-2010s to fund 10% of the SCTP, and in 2022 increased this intention to 15%. However, budget allocations fell short; they declined in real terms due to inflation.<sup>48</sup> In 2025, the allocation was 4.6% of the annual budget.<sup>49</sup> The government's announcement in early 2026 to fund the SCTP in an additional four districts is welcome.<sup>50</sup> But past commitments have not translated into practice.

Beneficiaries for both unconditional cash and public works are selected from a national database – the **Malawi Social Registry (MSR)**, previously known as the Unified Beneficiary Registry – which holds data on the socioeconomic status of 77% of the population.<sup>51</sup> While the MSR has been a beneficial development in many respects, its reported challenges include information becoming out-of-date and the deliberate exclusion of some communities from enumeration, for political reasons.<sup>†</sup>

The *National Social Protection Policy 2024-2029* lists shock-sensitive social protection – ie delivering cash through national systems like the SCTP in times of disaster – as a priority.<sup>52</sup> Government and non-government actors increasingly use the MSR to determine eligibility for humanitarian aid.<sup>53</sup>

Coordination of **disaster response** is overseen by DODMA, the national disaster management affairs agency, whose commissioner co-chairs the Humanitarian Country Team, the key decision-making body for humanitarian issues, with the UN Resident Coordinator. The distribution, size and modality (cash or non-cash) of the annual humanitarian caseload is based on the MVAC, the annual needs assessment produced by the Department of Economic Planning and Development (EP&D). The MVAC process is intended to be scientific and consensus-based, with participation from both government and non-government actors. Malawi's *National Disaster Risk Management Policy* (drafted in 2015) does not refer to the unconditional cash transfer system. Policy debate on using social protection systems for disaster response was in its infancy in Malawi when that policy was drafted.<sup>54</sup>

**Maize policy**, including the procurement and storage of grain, is overseen by the Ministry of Agriculture.<sup>55</sup> Every year, usually before the harvest begins, the ministry announces the official minimum farmgate price for post-harvest maize purchases.<sup>56</sup> This is intended to set a floor for the price that the private sector or parastatals such as ADMARC will pay smallholders for maize. However, common problems for farmers include unexpected revisions to the floor price and inconsistent purchasing behaviour by ADMARC.<sup>57</sup> Another key aspect of maize policy is restocking the Strategic Grain Reserve, for which the government puts out formal tenders each year.

Formal rules concerning the **fertiliser subsidy** include eligibility criteria and the modalities and quantity of the subsidy. The subsidy is intended to target productive farmers, with regular updates to how beneficiaries are identified, including through random selection and a farming household register.<sup>58</sup> The programme budget is larger than all other public expenditure on agriculture.<sup>59</sup>

The *National Resilience Strategy 2018-2030*, a multi-sectoral effort led by DODMA, brings together agriculture, social protection and disaster risk management into a coherent framework that seeks to address food insecurity by bridging development and humanitarian interventions.<sup>60</sup>

## Informal rules

The system of informal norms and expectations across the maize economy is complex and diverse, reaching from global systems and markets via central ministries to the level of the household. Much of the complexity can be summarised into several categories that commonly lead to non-cash mechanisms being favoured over cash.

## Rule 1. Maize realpolitik – maize rents help finance Malawian politics

The policy levers that should stabilise maize markets and food supply are consistently unpredictable, which undermines their poverty and food security aims. This has been attributed to low capacity, but decades of effort have failed to improve performance. This may not be a coincidence.

The realpolitik of maize is an important – albeit not the only – contributor to Malawi's politics, and major players act according to the informal rules of this system. It can be debated how sophisticated or intentional this informal system is. But the outcome is that the maize and input economy is primarily used to serve elite interests – not to tackle poverty and hunger comprehensively. Corruption scandals are instances when the informal reality breaks the surface, not aberrations.

ADMARC does not function effectively or at sufficient scale. It isn't transparent about how it sets the minimum farmgate price and often revises this price unexpectedly. ADMARC commonly enters the market late and buys in small quantities. Its process for procuring maize is also opaque.<sup>61</sup> ADMARC's practices consistently harm smallholder farmers and undermine commercial agriculture. Farmers do not know when, how much, or from where ADMARC will purchase maize.<sup>62</sup> This benefits some traders, who purchase maize below the minimum farmgate price during the lean season, when small farmers are most vulnerable. In 2020, 75% of maize farmers sold their crop for, on average, 75% of the official minimum price.<sup>63</sup> ADMARC's distortionary behaviour reduces the incentives for agricultural commercialisation and diversification beyond maize, harming overall food production.<sup>64</sup>

NFRA also acts erratically by varying the timing of its procurement tenders for restocking the Strategic Grain Reserve. Contracts are commonly awarded to businesses affiliated with the ruling party, including to companies that do not actually hold maize. This longstanding practice reportedly generates funds for the ruling party.<sup>†</sup> Well-connected traders receive inside information on the timing and price of NFRA tenders. This allows them to store maize until it benefits them to sell, or to fill large tenders issued with little public notice.<sup>65</sup> For non-politically connected traders, this undermines the predictability they need to invest in trade and storage themselves. They cannot anticipate when, how much, or at what price the government will procure or release maize stocks.<sup>66</sup>

Malawi's fertiliser subsidy programmes have also been characterised by irregularities. Procurement and transport contracts are said to be inflated and directed to politically connected businesses.<sup>†,67</sup> Targeting has at times been captured, with households linked to traditional authorities or parliamentarians benefitting more.<sup>68</sup> A recent report from the Malawian Ombudsman likewise found structural and systemic failures and irregularities.<sup>69</sup> Decades of fertiliser subsidies have failed to significantly increase agricultural productivity and lift most Malawian smallholders out of poverty.<sup>70</sup>

Similarly, the machinery of humanitarian responses is reportedly manipulated to favour non-cash mechanisms and direct support to specific constituencies. Cabinet members and other influential politicians have been said to phone government officials and ask whether the assessment of humanitarian needs (MVAC) should be revisited.<sup>†</sup> Civil servants reportedly understand this as a direction to adjust the data so that certain constituencies receive more resources or proportionally more maize.<sup>†</sup> For instance, in May 2016 the government released a draft MVAC developed in partnership with non-government actors. In October, without clear explanation, this was updated to increase the caseload by 300,000 and the number of beneficiaries for maize (not cash) by 700,000.<sup>71</sup>

The National Resilience Strategy has so far not lived up to its promise. It is hamstrung by competing interests and differing conceptions of social protection, hindering effective coordination.<sup>72</sup>

## Rule 2. Malawi's public sector has a systemic culture of allowance-seeking

The starting salary for new graduates entering government is below the minimum needs of an average family.<sup>73</sup> There is a long-established system of allowances to top up basic pay that continues despite attempts to standardise and consolidate salary and allowance structures.<sup>74</sup> Abuse of the allowance system is reportedly tolerated across most government entities.<sup>75</sup> Many public servants appear to accept sub-optimal policy and rule-breaking by elites provided they accrue a share of benefits from government or donor programmes, such as allowances.

Allowances shape how officials prioritise tasks, make decisions and maximise financial gain.<sup>76</sup> Some disaster management officials in Malawi, for example, prefer in-kind humanitarian responses because physically monitoring maize distribution creates opportunities for travel and allowances. Cash is not immune to this logic. Officials reportedly resisted the introduction of an electronic payment system for the SCTP because it would remove the need to monitor the distribution of physical cash (and also narrow the scope for discretion and petty corruption).<sup>†</sup>

Many government and donor-funded projects provide opportunities for travel, per diems and other payments. Public servants have clear, rational incentives to seek such top-up payments, and to actively direct their time and effort to activities that offer such benefits. Expectation of allowances is the norm, notwithstanding recent donor efforts to minimise allowance-generating activities.<sup>77</sup> Projects not paying allowances have been deprioritised and have faced implementation challenges.<sup>78</sup>

An unpublished report commissioned by the government in 2021 recorded egregious irregularities, such as claiming allowances for travel that did not happen, or claiming to be in several places at the same time.<sup>79</sup> Another evaluation into allowances showed that one civil servant at the Ministry of Agriculture claimed per diems for 1,057 days in a single year.<sup>80</sup>

Such instances, however, obscure the more mundane norm of ordinary public servants depending on allowances to get by and help their relatives in times of need. Malpractice is tolerated by supervisors and controlling officers, accountability is weak and punitive consequences are rare.<sup>81</sup> Of the 908 audit queries regarding allowances between 2017 and 2020, just 14 (1.5%) were resolved.<sup>82</sup>

### Rule 3. Donors are reliably incoherent on cash

The complexities and informal rules of Malawi's non-cash and cash systems are exacerbated by donors' continued willingness to support a mix of mechanisms. In many ways this is surprising. The inefficiencies of maize are clear for all to see, and since 2006 donors have spent substantial funds building out Malawi's cash transfer system. Yet there has been little donor momentum to use that system to respond to shocks. Instead, donors frequently provide humanitarian funding to WFP but do not engage in serious or sustained policy dialogue regarding the use of government cash systems for emergency response. Siloed humanitarian and development funding streams, such as those in the EU, also perpetuate this. Other reported factors include deference to WFP expertise on whether inflation will occur without large-scale maize imports, limited donor staff capacity to think long-term, risk aversion, and the incentives of donors and implementers (at both individual and organisational levels) to fund parallel, visible responses outside national systems.<sup>83</sup> In times of a national shortfall, some international actors prioritise the importation of maize to keep prices low. Others, including those who generally advocate in favour of cash, look at Malawi's overvalued exchange rate and conclude that it is more efficient to import maize than to convert foreign currency at the official exchange rate and then distribute it as cash.

### Rule 4. Malawi's version of aid dependence works well for the elite

Despite decades of effort to unleash growth and boost domestic revenue, successive Malawian governments remain heavily dependent on external aid. The persistence of maize realpolitik exemplifies this failure: insider deals and market manipulation make it very hard for entrepreneurs.

External donors frequently finance a significant proportion of public services, particularly education and health. Breakdowns in the government-donor relationship have at times prompted flux or a change in modalities, but not profound cuts. Even after the 2014 'Cashgate' scandal, which was followed by four years of off-budget aid, Malawi's donors eventually returned to business as usual.<sup>84</sup>

Many elites benefit from aid because budgets are fungible. Donor funding for any sector enables the government to direct more of its own revenue to the maize economy, for example to subsidising agricultural inputs. Aid therefore helps shield elected leaders from reckoning with the fundamental needs and demands of citizens, while allowing politicians to associate themselves with the influx of resources and maintain the semblance of a social contract.

In Malawi's version of aid dependence, donors have loud voices but low influence. They will usually extend a lifeline in a crisis. The reasons why are complex. Deep compassion for poor and hungry people certainly exists. At the same time, Malawi's international partners generally offer international staff only short postings in-country. Rapid staff turnover undermines institutional memory and strategic consistency, shrinking technical expertise. Individual agencies may also have competing internal interests, increasing the complexity of aid programmes.

The political calculation that Malawi is 'too small to fail' also likely plays a role. Providing a lifeline to Malawi is cheaper and easier than in many other contexts; doing so costs a donor perhaps tens rather than hundreds of millions of dollars. Malawi's maize economy follows a predictable cycle, with six months between the harvest and the start of the lean season. This is a relatively generous amount of time for international agencies to design a humanitarian response. It is a rare case where the leaders and staff of international agencies can visibly help offset disaster. This raises profile and influence in-country, at home and in headquarters. These factors may incentivise Malawian administrations to rapidly declare disasters, as doing so will likely unlock humanitarian financing.

## IV. THE STATE OF PLAY

The 2025 election result is the latest version of a well-established **elite bargain**. Malawians voted overwhelmingly to return a president whose previous term (2014–20) saw weak economic development, inflation and corruption, and culminated in an election overturned by the constitutional court. Maize realpolitik, allowance culture and inconsistent donors remain core influences on the government, and the equilibrium of 'democracy without development' endures.

Each mechanism for social protection, agricultural support and humanitarian response has its own political currency – from high (maize) to low (cash). Non-cash mechanisms are important to Malawi's elite bargain because that is where political and financial benefits accrue to politicians and their networks. These override cost-effectiveness or cost-efficiency considerations, and the formal rules of the policy system. Government policies seeking to improve coherence between sectors, including the National Resilience Strategy, struggle against elites' rational interest in preserving the status quo.

The 2025 transfer of power took place amid rising poverty, macroeconomic strain, a foreign exchange crunch that caused fuel shortages, and a maize shortfall. On taking office, the new government announced a state of disaster and appealed for humanitarian aid.<sup>85</sup> In political economy terms, the elite continue to win whilst Malawians consistently lose. There is little reason for the former to 'gamble on development'.<sup>86</sup>

### Small aid: a slim opportunity for change?

The above suggests the continuation of business as usual. However, one key difference this time is a new depth of uncertainty about foreign aid – nationally as well as globally. Three decades of big aid did not shift Malawi's elite bargain – it arguably perpetuated it. Donors are reportedly signalling reductions in funding to Malawi after 2027, including for social protection, and the IMF predicts a 2025 decrease in OECD donor aid of between 5% and 9% of government revenue.<sup>87</sup> This means fiscal headaches for a government already facing a highly challenging macroeconomic situation, including public debt at 88% of GDP and an interest bill projected to be 49.2% of domestic revenue.<sup>88</sup> Small aid may present an opportunity for change.

### Cash transfers – tolerated but largely ignored

Scaling up the use of unconditional cash is not a priority for many Malawian elites and is not electorally salient.<sup>89</sup> The SCTP is tolerated but marginal, and the government signals its limited interest by underfunding it. Public works appear to be more acceptable – perhaps because the assets created offer the prospect of political profile and electoral benefits to politicians, or because they are conditional and not framed as causing dependence. GiveDirectly's new \$100m cash pilot should logically prompt new policy debate, such as whether future scaling necessitates the use of

government systems, and if sustainability is possible without the government shifting its own funding priorities to more effective mechanisms. But this initiative is attracting limited domestic attention. The Malawi government seems uninterested in evidence of the effectiveness of cash, or of the damage non-cash does to growth and Malawi's poor. This debate must be centre stage.

## Maize realpolitik and back to the future

Malawi's elite bargain on maize revolves around the economic and political returns it generates for many elites and their networks, via corruption, market manipulation and allowances. AIP and humanitarian aid are also part of this picture. It will take a concerted effort to shift this equilibrium, not least because of path dependency, the deeply embedded experience and expectations of politicians and public servants, and the limited expectations of Malawians for something different.

The new government is well-versed in how the maize system works. For example, ADMARC paid \$34.5m for Zambian maize valued at \$21.5m after the 2015–16 drought. The agriculture minister was fired by then President Peter Mutharika, and nearly \$200,000 in cash was reportedly found in the minister's home.<sup>90</sup> In 2025, he was appointed as foreign minister.

It seems likely that the machinery of Malawi's maize economy is impervious to direct reforms driven by external partners and they should consider stopping efforts that perpetuate the status quo.

## A crisis can prompt progressive reform, but this can be reversed

While Milton Friedman and others have urged policymakers to not waste a crisis, Malawi has demonstrated an ability to roll back reform after a crisis passes.<sup>91</sup> In 2015, a declining exchange rate threatened to empty domestic coffers if the government purchased imported fertiliser directly, as per usual practice.<sup>92</sup> It reluctantly introduced a reform, promoted by the UK and the World Bank, that allowed the private sector (not just parastatals) to distribute and sell subsidised fertiliser.<sup>†,93</sup> This was a tangible improvement. Fertiliser was delivered faster and at lower cost, private sector participation expanded in subsequent years, and the government provided just 20-25% of fertiliser in 2021.<sup>94</sup> However, without clear justification the reform was reversed in 2022; the government took back sole responsibility for distributing and selling fertiliser.<sup>95</sup> Politics trumped effectiveness.

## Allowance culture has defeated zero-sum reformers

Donor partners have spent decades trying to tackle allowance culture, including in recent years, but public sector pay remains inadequate and the allowance game continues.<sup>96</sup> It may not be worth donors continuing to over-invest their time in policing the allowance system. While allowance abuse creates inefficiencies, zero tolerance creates a zero-sum game. It expects public officials to sacrifice their own advantage to deliver wins in development and growth. Public servants are rational when seeking to maximise allowances, and – egregious cases apart – can often do this legitimately. Furthermore, international actors should be careful not to have double standards. They shouldn't overlook their own practices and salary packages when speaking out against allowance culture.

## The accidental politics of international players

International actors are active players in Malawi's politics, and intentionally or not, they often help perpetuate systemic dysfunction. This is not inevitable. Zambia shows alternative paths are possible.

For instance, the World Bank provided Malawi with \$57.6m of budget support in response to a major drought in 2024. The funds were unconditional, though the government gave verbal assurance that it would spend at least \$10m on maize procured through WFP as part of the response.<sup>†</sup> This did not happen. Senior officials in the Ministry of Agriculture reportedly purchased maize through ADMARC and/or NFRA instead, despite their well-documented irregularities.<sup>†,97</sup> In contrast, the World Bank provided Zambia with \$200m to respond to the same drought. It was channelled exclusively through Zambia's national cash transfer scheme, with no funding provided for non-cash mechanisms.<sup>98</sup>

The IMF can also inadvertently preserve the status quo. For example, Malawi defaulted on commercial debt in 2022 and the government entered an IMF Extended Credit Facility arrangement in 2023. For various reasons, including fiscal indiscipline, this arrangement lapsed after 18 months.<sup>99</sup> Some observers predicted this, expecting the government to engineer a way to be fiscally unconstrained for the 2025 election.<sup>†</sup>

IMF conditions for social sector expenditure may also inadvertently align with the elite's political interests. For example, the government can agree to a 'floor on social spending'. But the loose and broad definition of social spending means it could theoretically scale down basic education and scale up fertiliser subsidies, while still meeting the IMF's conditions.<sup>100</sup>

## Donor lifelines reduce the chance of a developmental bargain

Donor lifelines have kept Malawi and its elites from hitting rock bottom. Despite many deep crises, Malawi hasn't seen widespread unrest, coups or a president go into exile. This is likely a reason why Malawi's equilibrium – political and economic benefits for the elite, aid-dependent services for citizens and a trickle of economic growth – has changed little in three decades. Despite hiccups and fallouts, donor funds have continued to flow. Aid helps maintain stability and the semblance of a social contract. However, as Zambia's president noted recently about his own country, aid cuts are 'long overdue'. They are creating pressure 'to do the things we should have been doing'.<sup>101</sup>

For Malawi it is difficult to avoid the conclusion that continual bailouts – from IFIs and bilateral aid donors alike – have lowered the prospects of reform and the emergence of a new, more dynamic elite bargain that combines democracy with development.

## V. OUR PROPOSITIONS

Successive Malawian governments have been the focus of best-in-class policy advice from internal and international experts. The results are disappointing. Poverty and hunger persist.

Aid dramatically changed in 2025. The end of USAID, the bilateral aid crunch and the UN funding crisis saw global aid volumes plummet. They are unlikely to rebound. As of early 2026, Malawi's political settlement appears undisturbed, but uncertainty lies ahead. Malawi may well need a new politics of small aid.

For some observers, only seismic change – such as an economic crash or uncontained civil disorder – would create conditions sufficient to disrupt Malawi's elite bargain and catalyse a new formation. Removing elites' personal safety nets, specifically the annual aid flows of more than \$1bn, might also be powerful enough to bring about this change. But this would put millions of poor Malawians at huge risk. A full withdrawal of aid would also be nearly impossible to coordinate, and any attempt to do so would be vulnerable to opportunism – by existing players breaking ranks, or new international players seizing opportunity. Zimbabwe offers lessons in how geopolitics trump aid politics.

Besides, change doesn't necessarily mean improvement. A new elite bargain would not necessarily 'gamble on development', ie pursue growth and deliver for citizens as part of a political strategy capable of winning the next election. This would require a win-win logic whereby Malawian citizens benefit materially from more effective policy, and dominant elites benefit from growth, development and resulting electoral success. The easier path leads back to 'business as usual'.

Malawi's new government won in a landslide. Its party embodies Malawi's status quo, but the size of the victory suggests an electorate hungry for change. Some international actors are searching for catalytic opportunities to help shift the direction of travel. From our analysis, we identify five propositions that aim to be both technically realistic and politically feasible. They could help shift Malawi's elite bargain with respect to the maize economy.

## Proposition 1. Get maize politics on the policy table, and keep it there

This paper explicitly aims to get the political economy of cash and non-cash out in public and on the policy table. The most important aspect of this is maize realpolitik. All actors – including international agencies – should understand that they are active players in Malawi's political game, and in the politics of maize. Self-identification as a technical, neutral or objective observer is a comforting delusion. But acknowledging one's own interests, incentives and informal rules should be normalised and brought into the open.

This also means being franker about seizing opportunities for reform, such as the government's frequent appeals for humanitarian funding. Acute crises should be factored into the strategy to enact long-term change – including agricultural diversification to reduce the dominance of maize – as these windows of opportunity are relatively predictable and usually last for months rather than days.

## Proposition 2. Always ask 'why not cash?'

This paper was inspired by a question: if cash transfers were expanded in Malawi across social protection, agricultural support and disaster response, what political context would that cash have to navigate? We conclude that all players in social protection, agricultural development, food security and humanitarian aid should always ask themselves: 'why not cash?'

We are not cash advocates, but believe there needs to be a radical shift away from perpetuating the maize economy. Accountable and transparent cash transfers – or similar mechanisms like electronic vouchers for maize inputs – are potentially one of the most effective *political* instruments with which domestic and international players can catalyse a change in Malawi's elite bargain on maize.

While all should be cautious in attempting to influence sovereign politics, international players do this already through the provision of aid. A radical and public shift towards cash may be a way to catalyse change, although it is a gamble that comes with risks. Zambia's recent reforms – including a wholesale change to cash transfers for drought response, and full digitalisation of input subsidies – provide a taste of the possible.

## Proposition 3. Make cash politically salient – and a viable election winner

Unconditional cash transfers in Malawi have so far had little political currency, and thus remain low on the political radar. This keeps cash on the margins while maize realpolitik continues. Perhaps counterintuitively, shifting Malawi's political equilibrium away from maize requires cash to become more politically salient. Alongside inclusive and broad-based growth, it should be woven into a viable political strategy for the elite, and an electoral strategy for the current government. Electoral viability is fundamental to winning over vested interests who might otherwise try to block reforms, such as through backroom deals or fearmongering about negative distributional aspects.

Other countries and leaders have already done this.<sup>102</sup> They promoted cash transfers as more direct, less corrupt and less prone to discretion and interference. They explicitly associated cash with a leader or ruling party and used it to build electoral constituencies. Doing so was not risk-free. Developing cash transfers into a winning strategy could help fund developmental autocracy, or a 'techno-patrimonial welfarism' that bypasses systems of local government. Such existing systems may be inefficient, but they are often closer at hand for solving citizens' complex problems.<sup>103</sup>

That being said, these risks are relatively clear and may constitute the inevitable trade-offs that come with any development investment. In contrast, the risks of maize realpolitik are obscure and hard to mitigate, even though the associated outcomes – poverty, hunger, low agricultural commercialisation and democracy without development – are enduring.

There may be lessons from countries that have used cash and non-cash mechanisms to deliver for both elites and beneficiaries, or from contexts where governments have gained broad voter support for initiatives that benefit large proportions of the population.<sup>104</sup> A shift to more effective and efficient set of interventions could be a developmental and electoral win for the incumbent government. This is what a 'development bargain' is all about.

## Proposition 4. Aim for an ideal process, but prepare for disappointment

The current mix of policies to tackle Malawi's poverty and seasonal hunger does not work.

Ideally, there should be a politically and technically informed debate to forge a new strategy that recalibrates the mix of cash and non-cash for a set of clear outcomes. This should involve open discussion of the politics of cash and non-cash (this paper is a start), and objective appraisal of the effectiveness of each. The process is important, not only the findings. This would be co-convened by the government, private sector and civil society to ensure a diversity of actors are represented. Donors should participate given their history across both cash and non-cash mechanisms in Malawi.

If the analysis is rigorous and objective, this process could be expected to find that cash or related mechanisms are more accountable, efficient, scalable and sustainable, and thus should be expanded while investment in non-cash should be reduced. But political opposition to such conclusions and recommendations would likely be strong. The political salience of a new policy mix is fundamental to weakening the stranglehold of the maize economy.

This ideal process may be impossible, but this shouldn't prevent international partners from determining and openly signalling their own change in approach.

## Proposition 5. Phase out the funding that perpetuates maize realpolitik

Given the likely opposition to measures that would reduce the capture of maize and fertiliser funding, donors should prepare a more radical approach in the event that an electorally viable reform does not emerge. Malawi's new government presents an opportunity for international partners to signal a phased change in strategy so that the government has time to adapt.

We propose that by the next election in 2030, international partners should scale down and end all funding that perpetuates maize realpolitik and the elite bargain surrounding non-cash mechanisms. This includes funding that could be used by government or parastatals to procure or transport non-cash goods, whether for humanitarian or other purposes. This exit could include public works if there is evidence of systemic irregularities, capture, or if it is clearly less effective than alternatives.<sup>105</sup>

Available funds should instead be explicitly directed to delivering the same intended outcomes, but through other means based on their efficiency and effectiveness. It is highly likely this would involve a re-balancing away from non-cash mechanisms. This option is not without risks, including the possibility that the established elite bargain adapts and endures because Forex levels would be propped up. The fungibility of aid means that ongoing aid flows would help shield the government from being held accountable by citizens.

But donors in Malawi also need to take a gamble on development. Challenging long-established maize realpolitik needs a bold and sustained strategy. In the era of aid cuts, a budget version of business as usual will simply not do.

## VI. References

† Denotes information gained by interview with a key interlocutor.

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- <sup>4</sup> Obreque, F. (2022) 'Amid the global food crisis, commercial small farmers offer hope in Malawi', World Bank Blogs, 15 August [🔗](#).
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- <sup>6</sup> Clottey, P. (2013) 'Africa must first tackle poverty, says ex-Malawi president', Voice of America, 19 June [🔗](#).
- <sup>7</sup> Public works is a procurement-heavy modality often favoured by domestic elites. A 2015 evaluation found no significant improvements in the food security of public works beneficiaries, and the Malawi Anti-Corruption Bureau identified widespread – albeit small – levels of misappropriation in 2016. See: World Bank (2020) *Malawi public expenditure review 2020: strengthening expenditure for human capital* [🔗](#). Recent multi-country research illustrates that public works programmes are often of poor quality. See: Levine, S. et al (2024) *Do public works programmes create valuable assets for livelihoods and resilience?*, SPARC [🔗](#).
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- <sup>10</sup> See: Canva (2025) 'Why we chose to invest another \$100 million in cash transfers', 9 October [🔗](#).
- <sup>11</sup> Bastagli, F. et al (2019) 'The impact of cash transfers: a review of the evidence from low- and middle-income countries', *Journal of Social Policy*, 48(3), 569-94 [🔗](#). See also Pruce, K. et al (2025) *Learning from cash plus: a summary of evidence*, Institute of Development Studies [🔗](#), and research by GiveDirectly [🔗](#).
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- <sup>70</sup> Benson, T. et al (2024) *Fertilizer subsidies in Malawi: from past to present*, IFPRI Working Paper, 44 [🔗](#).
- <sup>71</sup> For MVAC dates, see: Babu, S. et al (2018) *Assessment of the 2016/17 food insecurity response programme in Malawi*, IFPRI Discussion Paper, 01713, IFPRI [🔗](#). The initial report said 4.7m would receive in-kind food transfers and 1.8m would receive cash transfers. This was modified to 6.7m total beneficiaries in October 2016, with in-kind food beneficiaries increasing to 5.4m and cash beneficiaries decreasing to 1.4m. See also: Baulch, B. et al (2018) *Impacts of the 2016/17 food insecurity response program on maize prices in Malawi*, IFPRI Policy Note, 31 [🔗](#).
- <sup>72</sup> Chinsinga, B. (2021) *The political economy of resilience and adaptation in Malawi* [🔗](#).
- <sup>73</sup> Average household of six members. See page xxii of the unpublished Public Service Systems Review Taskforce (2021) *A report on the review of public service systems of allowances, employment contracts, procurement, and on the conditions of service and restructuring*.
- <sup>74</sup> In 2007, for example, the World Bank's Fiscal Management and Accelerating Growth Programme included the action to 'standardize and consolidate salary and allowance structure of the Malawi civil service to form a uniform salary structure.' Twelve major donors – including the United Nations but excluding the World Bank – introduced a standardised approach to allowances in 2024 in an attempt to minimise the incentive for allowance-generating activities [🔗](#). See Matemba, R. (2025) 'Donors issue new guidelines on DSA', *The Times*, 1 November [🔗](#) and (2024) 'Agreed harmonized daily subsistence, fuel and transport allowances (DSA) applicable to events (workshops/trainings/seminars and alike) and missions (field trips and alike) financed under development partners (DPs) programmes in Malawi' [🔗](#).
- <sup>75</sup> Public Service Systems Review Taskforce (2021) xvi.
- <sup>76</sup> Vian, T. et al (2013) 'Perceptions of per diems in the health sector: evidence and implications', *Health Policy and Planning* 28(3), 237-46 [🔗](#).
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- <sup>80</sup> Sørreide, T. et al (2012) *Hunting for per diem: the uses and abuses of travel compensation in three developing countries*, 2, NORAD [🔗](#).
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- <sup>82</sup> Public Service Systems Review Taskforce (2021) 51.
- <sup>83</sup> Recent research – not specific to Malawi, but likely transferable – finds that WFP, among other UN agencies and INGOs, is incentivised to scale operations and maximise budgets. Its organisational funding models reward large, parallel programmes over responses that complement national cash systems. At the individual level, staff performance indicators likewise prioritise short-term delivery targets and rapid responses, rather than longer-term integration with existing national cash systems. See: Archibald, E. and Lacerda, C. (2025) 'Are international humanitarian actors incentivized to circumvent domestic mechanisms? Evidence from the full-scale invasion of Ukraine', BASIC Research International Conference, IDS Sussex.
- <sup>84</sup> Masina, L. (2013) 'Malawi: donors withhold aid over cashgate scandal'. *Voice of America*, 7 November [🔗](#).
- <sup>85</sup> Viano, A. (2025) 'Mutharika declares state of disaster', *Nation Online*, 27 October [🔗](#).
- <sup>86</sup> Dercon, S. (2022).
- <sup>87</sup> UNICEF (2025b) *National budget brief: Malawi 2025/26*. [🔗](#) IMF (2025) *Malawi: staff report for the 2025 Article IV consultation—debt sustainability analysis*. IMF Staff Country Reports [🔗](#).
- <sup>88</sup> GoM (2025) 'The 2025-2026 budget policy statement' [🔗](#). See also: IMF (2025) [🔗](#).
- <sup>89</sup> Hamer, S. and Seekings, J. (2019) [🔗](#).
- <sup>90</sup> Yoneco FM (2020) 'Chaponda's maizagate case back in court', 1 June [🔗](#).
- <sup>91</sup> 'Only a crisis – actual or perceived – produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable.' See: Friedman, M. (2002) *Capitalism and freedom: fortieth anniversary edition*, Chicago: University of Chicago Press, xiv.

- <sup>92</sup> By November 2015, at the start of the planting season, the Kwacha was down 16% since the start of the year and 23% since the start of 2014. See: Central Bank News (2015) 'Malawi raises rate 200 bps, fall in Kwacha boosts inflation', 5 November [🔗](#). In addition, the Kwacha had experienced seasonal depreciation in the foregoing years. See World Bank (2016) *Absorbing shocks, building resilience*, Malawi Economic Monitor [🔗](#).
- <sup>93</sup> Kaiyatsa, S. et al (2019) 'What does Malawi's fertiliser programme do to private sector fertiliser sales? a quasi-experimental field study', *Journal of Agricultural Economics*, 70(2), 332-52 [🔗](#).
- <sup>94</sup> World Bank (2016) [🔗](#). See also: Arias-Granada, Y. and Ricker-Gilbert, J. (2025) 'Estimating the effectiveness of public versus private distribution systems: insights from a fertilizer policy reform in Malawi', *The Journal of Development Studies*, 61(3), 357-80 [🔗](#).
- <sup>95</sup> There is little secondary evidence on what transpired after 2018, but it is possible that the private sector was blamed for problems with AIP that ultimately originate in government. One scandal in 2022 involved the procurement of fertiliser from a butchery company who failed to deliver. See: Malawi24 (2022) 'Malawi govt paid K750 million to butchery for fertilizer procurement', 13 October [🔗](#). See also: COMESA (2024) *Competition, concentration, and market outcomes in fertiliser markets in east and southern Africa* [🔗](#).
- <sup>96</sup> From 2013 onwards, as part of efforts from some bilateral donors to harmonise the rates of DSA, donors introduced a new rule of not paying cash allowances in venues with accommodation facilities. See: Ngwira, C. and Mayhew, S. (2020) 'Donor-driven harmonised payment of allowances policy and NGOs' community engagement in Malawi', *Development in Practice*, 30(1), 3-14 [🔗](#). UK government documents from 2015-2017 note how government and NGO personnel did not attend training sessions for a UK-funded programme because cash allowances were not being paid. See: IATI (2015) 'The Malawi family planning programme: annual review - summary sheet' [🔗](#) and IATI (2017) 'The Malawi family planning programme: annual review - summary sheet' [🔗](#). Divergence reportedly remains between the terms of allowances paid by donors and government. See: Matemba, R. (2025) [🔗](#).
- <sup>97</sup> World Bank (2024a) [🔗](#).
- <sup>98</sup> World Bank (2024b) 'World Bank grant to support scaling up social protection for vulnerable Zambians affected by the drought', 9 July [🔗](#).
- <sup>99</sup> Reuters (2025) 'Malawi's IMF programme ends after only \$35 million disbursed', 15 May [🔗](#).
- <sup>100</sup> The floor has three key deficiencies: 1) it is only an indicative target, meaning failure to achieve will not prevent release of funds; 2) the figure is an aggregate of multiple distinct sectors, including health, education and social protection; and 3) it includes expenditure on AIP – a programme well known to be prone to elite capture. The IMF's usual practice for social spending floors is to not disaggregate the different sectors. See: Kentikelenis, A. and Stubbs, T. (2023) *IMF social spending floors: a fig leaf for austerity?*, Oxfam International [🔗](#).
- <sup>101</sup> Pilling, D. (2025) 'US aid cuts were "long overdue", Zambia's president says', *Financial Times*, 8 October [🔗](#).
- <sup>102</sup> Eg India: The Economist (2025) 'Indian politicians are becoming obsessed with doling out cash', 23 January [🔗](#).
- <sup>103</sup> Aiyar, Y. and Venkat, R. (2024) 'CASI election conversations 2024: Yamini Aiyar on the BJP's "techno-patrimonial" welfare model', Center for the Advanced Study of India, 15 April [🔗](#).
- <sup>104</sup> In Zambia, the SCTP has become increasingly institutionalised, with both hard and soft power from international actors playing a prominent role. See: Maschhaupt, G. (2026) 'The interacting politics of agricultural input subsidies and cash transfers in Malawi and Zambia', *Politics and Governance*, 14 [🔗](#).
- <sup>105</sup> A World Bank evaluation of public works in Malawi found no evidence that the programme improves food security and suggestive evidence of negative spillovers to untreated households. See: Beegle, K. et al (2017) 'Direct and indirect effects of Malawi's public works program on food security', *Journal of Development Economics*, 128, 1-23.

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