



Policy Paper

Mitigating the Gendered Impacts of the Rising Cost of Living in Malawi

Global Context

Economies worldwide are struggling to respond to a once-in-a-lifetime series of inter-related economic shocks, as post-pandemic supply chain distributions, recurring climate events, and the Ukraine crisis combining to drives rapid inflation. In particular, the Ukraine Crisis has put significant pressure on global food, fertiliser and fuel supplies, with price increases particularly impacting on developing countries.

ActionAid¹, recently assessed inflation in 13 countries across Africa, Asia, Latin American and the Middle East, finding indicate that local communities “are being disproportionately affected by price rises caused by” the international armed conflict in Ukraine, with vulnerable communities paying significantly higher prices for essential commodities including food, fuel and fertiliser.

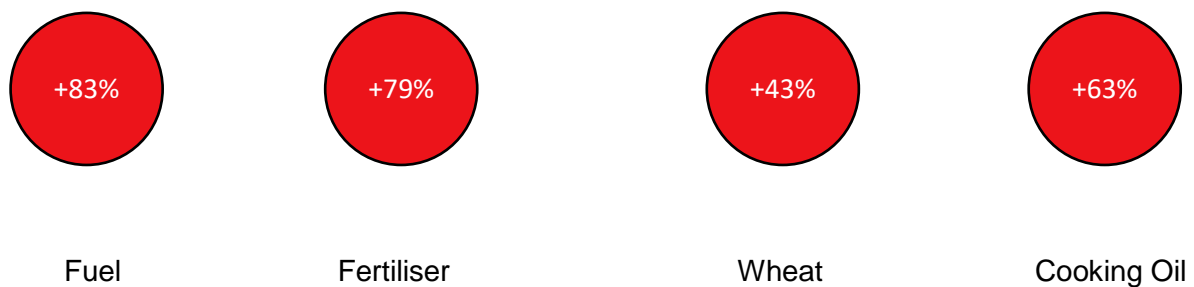
As seen with previous crises; Covid-19 and the climate crises, women and girls, in all their diversity bear the brunt due to pre-existing structural inequalities that unfairly shape their access to and control over productive resources. The emerging economic crises has already begun exacerbating gendered inequalities created by the two interlocking crises and will likely continue to intensify social hardships faced by minority groups. The ActionAid study further highlighted this projection, reporting that mothers are “having to take their children out of school to be able to afford to buy food”. This will affect minority groups in areas of health, education and safety.

Impact on Malawi

For Malawi, these price increases are likely to significantly amplify the extent and severity of the 2022/2023 and 2023/24 lean seasons.

The current negative balance of trade and reliance on foreign currency makes the Malawi economy particularly vulnerable to global economic downturns. Global conditions will impact heavily on subsistence farmers and urban poor majority of whom are women who adversely lack the financial resources to absorb price increases. Further impacting this is the devaluation of Malawian Kwacha (MWK), which decreased Malawians’ spending power for imported goods by 25%. This will likely translate into a spike in prices of imports, trickling down to domestic retail prices, hence reducing the purchasing power of households, especially the vulnerable.

ActionAid research, conducted in the first two weeks of April 2022 (prior to the devaluation of MWK), compared relative price increases across key commodities in Malawi since 23rd February 2022.



¹ Doubly Devastating: Local communities disproportionately affected by food, fuel, and fertiliser price rises | ActionAid International

COVID-19, the Ukraine Crisis, and the escalating number of people affected by famine and refugee crisis globally have greatly increased demands on ODA resources. In April, the OCHA estimated that \$4.1 (USD) billion will be required to meet the humanitarian needs created by the crisis². Donor funds to address food insecurity in Malawi during the 2022/23 Lean Season will be extremely hard to secure.

An Immediate gender responsive policy approach is required to avoid a multi-layered crisis that further entrenches women in extreme poverty, one of a similar scale to the 2016 food security emergency. As food prices continue to impact on food security among the urban poor, increased cost of fertiliser could reduce food production among rural poor, and cost factors could impact on the reach of inputs provision through the Affordable Input Programme during 2022/23 season. It is therefore imperative to critically interrogate and project ways that this could impact social groups with pre-existing vulnerabilities related to age, socio-economic status, and gender and body capabilities.

Fuel

The Malawi economy is particularly susceptible to rising international transport costs. World Bank data shows Malawi imported 3,619 products from 150 countries in 2019, representing 44.37% of total consumer goods traded within Malawi that year. Rising global fuel prices drives up transport cost of imports, raising the price paid by consumers.

Fuel prices will also increase the costs of supplying Malawi's internal markets and transporting goods around the country, disrupting value chains for key commodities.

Gendered Impact At the individual level, UN Women has highlighted that higher transportation costs are already having a great impact on poorer Malawians³. Transportation is a key safety issue when it comes to women and girls. It is expected that the crisis will increase the time poverty in women and girls who are already disadvantaged.

A post-intervention analysis by Poverty Action highlighted that households' use of minivans, one of the safest form of transport for women, is very sensitive to changes in the cost of each journey⁴. Increased transports costs will reduce the number of girls travelling to school and women travelling to work and to participate in local markets. This could potentially lead to a spike in cases Women and children choosing to use other means of transport will also be at risk of gender-based abuse and violence as in dangerous areas. The elderly and persons with disabilities who are already at a high risk will be denied of access of some services because they cannot afford transportation. Fuel prices will also affect prices of commodities and this will heavily affect women and girls in the rural areas. This also means MHH materials will get expensive. There will be an increased time poverty in women and girls take alternative forms of transportation to make these essential commutes, such as opting for long walks, leaving them vulnerable to street harassment and violence.

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Fertiliser

² <https://reliefweb.int/report/ukraine/ukraine-humanitarian-impact-situation-report-1200-pm-eet-26-april-2022>

³ <https://africa.unwomen.org/en/where-we-are/eastern-and-southern-africa/malawi>

⁴ <https://www.poverty-action.org/study/access-transport-rural-malawi>

The cost of fertiliser is a critical issue for Malawian farmers and Malawian policy-makers. More than 80% of Malawians rely on rain-fed subsistence agriculture, with 75% of Malawian households growing maize for their own consumption⁵. Currently, the vast majority of these farmers use chemical fertilisers as a key component of their farming system and access fertiliser at a subsidised rate through the Government of Malawi Affordable Inputs Programme (AIP). The AIP accounts for over 50% of the national agriculture budget and came under considerable strain in August 2021 with rapidly rising fertiliser prices⁶. Fertiliser prices have continued to rise and in April 2022 were double the previous highs observed in August 2021.

The Government of Malawi has indicated it will not be a position to provide a similar level of support to farmers for the 2022/2023 summer cropping season⁷. If this rate of inflation continues, the IFPRI estimates that the number of AIP beneficiaries will have to be reduced by 66%⁸. As women already face extreme discrimination in accessing farm inputs, this reduction will likely be felt the most by women rural farmers. Furthermore, the absence of chemical fertilisers will result in lower yields, significantly increasing the number of households experiencing food insecurity, particularly female headed households.

The global rise in the cost of fertiliser will have an impact worldwide, driving up the cost of animal feed and maize alternatives, and impacting the cost of Malawian food imports. Fertiliser prices have continued to rise and in April 2022 were double the previous highs observed in August 2021. This will disproportionately affect women as they make up 59% of the agriculture sector, in comparison to 44% of men. Besides this proportion, there are several inequalities in the agriculture sector that have placed women in a stiff position to reap the benefits of their contribution. These inequalities are rooted in patriarchal norms that shape custom laws, leading to “unequal use of land inputs, lower [female] access to farm labour, [women’s] inferior access to improved agricultural inputs and technology, and lower participation [by women] in the cash crop/export crop value chains”. Hence, translating to gender productivity gaps in Malawi’s agriculture sector; underlined by the fact that land farmed by men produced 25% higher yields⁹, as shown in a report by the World Bank’s 2021 Economic Monitor.

Gendered Impact The limited supply of fertiliser combined with low-uptake of agro-ecology agricultural methods will disproportionately affect women; 59% of employed women work in the agriculture sector, in comparison to 44% of men. Data from the World Bank’s 2021 Economic Monitor highlights the large gender productivity gap within Malawi’s agriculture sector; underlined by the fact that land farmed by men produces 25% higher yields¹⁰. This gender gap is driven by the “unequal use of land inputs, lower [female] access to farm labour, [women’s] inferior access to improved agricultural inputs and technology, and lower participation [by women] in the cash crop/export crop value chains”.

⁵ IFPRI *Impacts of the War in Ukraine on Malawi*, April 22

⁶ <https://www.ifpri.org/publication/why-are-fertilizer-prices-malawi-high-and-what-can-be-done>

⁷ <https://www.mwnation.com/farmers-to-pay-more-for-aip/>

⁸ <https://www.ifpri.org/publication/impacts-war-ukraine-malawi>

⁹ <https://www.worldbank.org/en/country/malawi/publication/unlocking-malawi-s-economic-growth-by-bridging-the-widening-gender-gaps-in-the-labour-workforce#:~:text=Around%2059%25%20of%20employed%20women,largest%20employment%20sector%20in%20Malawi.>

¹⁰ <https://www.worldbank.org/en/country/malawi/publication/unlocking-malawi-s-economic-growth-by-bridging-the-widening-gender-gaps-in-the-labour-workforce#:~:text=Around%2059%25%20of%20employed%20women,largest%20employment%20sector%20in%20Malawi.>

Women are likely to face sexual exploitation and abuse (SEA) when trying to purchase fertiliser. Some, especially vulnerable adults and persons with disabilities, will opt to travel long distances to purchase the fertiliser at a lower cost which also puts them at risk.

Food

The rising cost of food will have a significant impact on Malawi's most vulnerable communities, who derive 68% of their calories from maize¹¹. Although many Malawians grow maize for their own consumption, only 6.4% urban households and 19.1% of rural households produce enough maize to meet their own consumption needs. 71.5% urban households and 16.7% rural households do not grow their own food and are particularly vulnerable to market price increases.

Global maize prices are expected to rise steeply in the context of reduced exports from Ukraine, Russia and Belarus, which collectively produce 17.4% world's maize supply. Although Malawi, on average, imports less than 1% of its maize, in years with poor harvests, such as in 2016, imports can rise as high as 10% of total consumption.

The cost of other common food items, such as cooking oil, is also expected to rise sharply. In addition to curtailed supply of sunflower oil resulting from the Ukraine crisis, global rising temperatures have placed pressure on production of palm and vegetable oil. Despite the Government's decision to remove VAT from the sale of vegetable oils, ActionAid's research shows the cost rose by 46% between February and April.

Although Malawi is not a large consumer of wheat, prices are climbing sharply. This price increase will impact poor urban communities, where the consumption of bread is more common. ActionAid recorded an average increase of 79% in the cost of wheat nationwide between February and April 2022.

In addition Malawi food production is at risk of persistent weather shocks, therefore any significant climate event (flood and/or dry spells) will further impact the food insecurity severity in the coming months.

Gendered Impact Women and girls, will face the brunt of these impacts, due to their relative position in society that strips their bargaining power and places the onus of household food allocation on them. As families adopt coping strategies such as cutting down on food consumption, cultural norms that prioritise the allocation of food to men and children will leave women susceptible to intra-household food insecurity.

Households will further take on negative coping strategies, such as selling household items and livestock. This will disproportionately affect the daily experience of women, as the primary home maker. There will likely be a repeat of the observed gendered reactions in previous crises, such as the COVID-19 pandemic, which saw an increase in girls withdrawn from school and an increase in early marriages among very young women.

It is expected that the nutrition status of poorer communities will decrease due to lack of food diversification and failure to afford some foodstuff. Pregnant and lactating mothers will be disproportionately affected, impacting the 1000 special days of the child and under five children.

¹¹ IFPRI *Impacts of the War in Ukraine on Malawi*, April 22

Furthermore, it is expected that many women who are participate in small scale food sales as an income generating activity will not be able to sustain their businesses, which will have a knock-on impact on burden of unpaid work and their household nutrition status.

Recommendations

Multifaceted policy and programme interventions are necessary to avert a major food security crisis in Malawi. The response must adequately address gendered inequalities that are likely to arise from the crisis, while balancing the need for short-term actions tackling the immediate threat of food insecurity in the coming 12 months, with longer-term actions designed to minimise risks and realise the potential of the Malawi economy, developing lasting resilience for vulnerable communities. All actions should strive to strengthen gender equality and avoid prejudice of any citizen's rights, particularly the rights of women and children.

Action Aid and Concern recommend Malawian policy-makers to consider the following recommendations ahead of a potentially disastrous 2022/2023 Lean Season.

Social Protection

- Government and development partner lean season planning and preparations must be made well in advance of this year's predictable severe lean season to reassure communities that they will be supported through this difficult time.
- Social Protection programming should target the Urban Poor, with key highlight on women and the youth. The programming should learn from the experience of similar actions implemented during the COVID-19 pandemic in urban locations (COVID-19 Urban Cash Intervention (CUCI)).

In preparation of the economic impacts fuel and price hikes, we recommend Government to extend the CUCI approach, and rename it to reflect its nature as a long term social protection mechanism for the urban poor.

- Cash Transfer levels should be updated based on current inflation to reflect increased food basket costs. Cash top ups (both vertical and horizontal) should be considered for affected urban and rural poor households. Gender should be mainstreamed in the programme to ensure that the needs of individuals across the gender spectrum, in all their diversities are met.
- Over the long term, the Unified Beneficiary Registry (UBR) should be reviewed to be more shock responsive, allowing for real time data collection, household updates and retargeting. Alternative measures should be considered in the short term for targeting to consider household impacted by the impending food crisis as urban poor will be among the hardest hit.
- Government and development partners should ensure the transition to categorical targeting for social protection considers gender as a key factor of risk and vulnerability.
- Government should revisit minimum wage and taxation levels in light of increased costs of living, inflation and devaluation of the Kwacha, in close consultation and discussion with private sector partners and employee associations and associations of women in the informal sector and cross border traders.

Agri-Ecology, Farm Practices and Planning

- To minimise the impact of the global economic pressures, the Government should issue early and timely agricultural advice, commencing now, targeted at smallholder farmers through various channels, including government extension systems, Farmer Field Schools, development programmes, and community radio.
- To avert dramatic reduction in national crop production yields ahead of the coming lean season, Government should rapidly invest in promotion of agro-ecology, including increased financing to farmer extension services on agro-ecological approaches. The Ministry of Agriculture and development partners should engage with smallholder farmers to highlight the need to adopt locally available agricultural inputs. In particular, farmers should be encouraged to adopt composting, production of Mbeya manure and other available alternatives to chemical fertiliser in light of rising prices. Efforts should be made to ensure women farmers access this critical information
- Government and development partners have a small window to increase support for cropping (both market and subsistence) in the current winter cropping season to buffer food security and incomes ahead of the forecast impacts on the summer season.
- In the context of likely increases in costs of imported seeds, smallholder farmers should consider, in the short-term, to utilise a mix of certified and recycled seed as they can afford in the current context. This should be a short term measure, as it departs from the preferred long-term recommendation to prioritise certified seed.

The Ministry should work with the local private seed providers to explore options to limit the scale of price increases that will be passed on to farmers.

- Promotion of Urban and peri-urban household gardens should be intensified to buffer food and nutrition security, including production of vegetables and use of urban composting.
- There is an urgent need to raise awareness of the need to adapt alternative agricultural approaches now, in advance of the summer cropping season. Ministry of Agriculture and Development Partners should launch public awareness campaigns, and provide support to maximise the yield from this year's winter cropping season and raising awareness of the need to plant crops that can be stored for a longer period of time (such as tubers).

Crop Diversification and Market Opportunities

- The shifting of global food supply chains, and the devaluation of the Kwacha, provides Malawi with an opportunity to expand the volume and the value of its exports, through the further commercialisation of the country's agriculture sector, as envisioned by Malawi Vision 2063.

Malawi should capitalise on the global contraction of plant/vegetable oil production by expanding their production of soy and groundnuts as a cash crop and the development of oil processing plants.

Furthermore, the Ministry of Agriculture could conduct crop mapping activities to identify parts of the country suitable for the production of sunflower oil.

- To support crop diversification, government, development partners and private sector should promote access to cash crop seeds and work to generate awareness and demand among farmers.

The Multiplication of OFSP vines should be promoted at community locations to increase access to this crop for crop and nutrition diversification.

- Government should announce clear and detailed plans for the AIP roll out this year and what other supports will be available in response to the global economic pressures to allow farmers to plan accordingly in the context of reduced provision of chemical fertiliser subsidies through the AIP.

Farm Practice and Food Reserves

- Government, development partners and the private sector should maximise the percentage of the crop harvested that can be safely consumed through promotion of storage facilities, PICS bags and use of agri-chemical preservation agents.

Disaster Risk Management

- Malawi will be particularly vulnerable to the impacts of any natural disasters this year, as it would further endanger many communities' food security. In order to limit the negative consequences of any dry spells, floods or cyclones it is imperative that national, district and local authorities are well prepared through early and appropriate updating of response plans and the advance prepositioning of supplies to be distributed in case of a natural disaster.
- It is vital that all authorities and farmers are provided with timely weather and climate information to allow them to prepare for any adverse weather events. In order to achieve this, the meteorological services must be well resourced and encouraged to work closely with their international counterparts.

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