



## Improving gender equity in Malawi's input subsidies

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### Key messages

- **Malawi's former Farm Input Subsidy improved agricultural productivity but hindered gender equality.**
- **Incorporating women-focused measures into the recently-adopted Affordable Inputs Programme can help increase gender equality and ensure the success of this policy.**
- **Enforcing the 2016 Land Act in communities will help more women make decisions over inputs and harvests.**

### Are a lack of women-focused policies undermining Malawi's food security objectives?

Women in Malawi have historically been marginalized from income-generating economic activities<sup>1</sup>, despite making up more than 70% of the agricultural labour force<sup>2</sup> and being central to sustaining their households' livelihoods.

Post-marriage settlement customs have preserved these gender inequalities. Some couples follow matrilineal traditions, i.e., move to the wife's community after marriage. Women in matrilineal communities should have greater control over production inputs, such as land. However, men's influence in their extended families reduces women's decision-making power over both agricultural inputs and outputs, such as income from crops sold on

the market. Women in patrilineal communities also have weak decision-making power over agricultural outputs<sup>3</sup>. **If women continue to be disempowered, they and their children are at greater risk of food insecurity and continued poverty.**

To improve food productivity and households' incomes, Malawi has used two agricultural input subsidies that target food crop production. In 2005, Malawi re-introduced its Farm Input Subsidy (FISP) and updated it to the Affordable Inputs Programme (AIP) in 2020. FISP and AIP are the country's main agricultural policies.

Input subsidies have improved overall agricultural productivity and allow women to leave the poor conditions

of casual and precarious ganyu work (i.e., on farms not belonging to the household). However, women continue to have low decision-making power over the income from selling their produce<sup>3</sup>.

Furthermore, little is known about the effects of the recent AIP. While looking back to the FISP can help us understand the impact of input subsidies on households, little is known about the effects of FISP on gender outcomes even though it was implemented in a sector dominated by women. This lack of attention on women may undermine the country's progress towards improving gender equality as well as the programme's food productivity and household income objectives.

### Policy options to improve women's economic empowerment and decision-making power<sup>4</sup>

**1. Modify the subsidy recipient criteria of FISP/AIP to improve gender targeting** and take into account the context of local land rights in matrilineal and patrilineal communities ("reprogrammed input subsidy").

- FISP was effective for increasing household agricultural productivity, but not for distributing the gains towards women<sup>3</sup>.
- Strengthening the focus on gender outcomes within FISP is expected to heighten its effectiveness and equity.

- Instead of targeting household heads (usually men), the subsidy should be given to the people cultivating the land (often women).

**2. Use programmes, such as FISP and AIP, that do not primarily target gender equality, to supplement gender-specific programmes.**

**3. Implement gender-specific programmes** that promote women's entrepreneurship and financial inclusion

## Key findings<sup>4</sup>

Policies	Option 1 Reprogrammed Input Subsidy	Option 2 Generic Input Subsidy Programme	Option 3 Non-agricultural Gender- Specific Programmes
<b>1: Effectiveness</b>	Yes	No	No
<b>2: Negative Unintended Effects</b>	No	Yes	Unknown - probably
<b>3: Equity</b>	Yes (The poor and women)	Yes (Only the poor)	Yes (The poor and women)
<b>4: Cost-Effectiveness</b>	Yes	No	No
<b>5: Feasibility</b>	Yes	Yes	Yes
<b>6: Acceptability</b>	Yes	Yes	Yes
<b>Recommend?</b>	<b>Yes</b>	<b>No</b>	<b>No</b>

Source: Authors' analysis

### Option 1: "Reprogrammed input subsidy" with improved gender targeting and complemented by improved land rights for women

- The proposed programme will **benefit** not only the poor but specifically **poor women**.
- Modifying the programme in this way will only have cost implications at the beginning, and **future costs will be a small part of the large and expanding budget allocated to AIP<sup>4</sup>**.
  - With similar, or slightly higher, resource investments, the programme can achieve equity.
- However, **for this policy option to succeed, local leaders must enforce women's land rights in matrilineal communities.**

### Option 2: Generic Input Subsidy Programme without gender targeting

- Empirical research shows that FISP increased household participation in the maize market, but it did not influence female entrepreneurship<sup>3</sup>.
- FISP further improved male decision-making power relative to extended families in matrilineal communities<sup>3</sup>.
  - Without emphasising women's rights to land in matrilineal communities, decision-making was transferred from men in the broader community to men inside households.
  - The programme therefore left women out.
- The programme was implemented uninterrupted for the last 15 years and has recently been expanded under AIP.
  - While this indicates that it has been both feasible and acceptable to implement input subsidies, new thinking is required to also benefit women.
- Policies without gender targets are ineffective at achieving gender equality if inequalities in land rights continue.



### Option 3: Gender-Specific Policies

- **Existing gender-specific policies have not had the intended effects.**
  - 71% of women remain financially excluded<sup>5</sup> despite policies to improve gender equality being introduced in 1998.
  - The programmes are intended to promote the poor and women in particular, but do not achieve these objectives.
- That gender-specific programs have not significantly increased women's entrepreneurship and financial inclusion shows they are not cost-effective.

## Policy recommendations<sup>4</sup>

Updating (“reprogramming”) FISP with more explicit gender criteria is the best option to improve women’s economic empowerment and their decision-making power.

The reprogrammed FISP should be reinforced with renewed efforts to implement the 2016 Land Act.

- Poor land rights for women could undermine the positive effects of the reprogrammed FISP on cereal productivity across households due to gender inequalities within households.
- When women have better land rights, their power to make decisions over inputs increases.
- Subsequently, women will be in a better position to make decisions about how to use money from harvests, which is vital for their empowerment.

## Policy road map

### 1. Reprogramme the overall goal of FISP

The Government of Malawi should reprogramme the overall goal of FISP to aim to both increase cereal production and improve women’s decision-making power over agricultural outputs.

The new government has expanded the subsidy to reach all farmers under the new Affordable Inputs Programme (AIP). This is an opportune time to review how the benefits of subsidies affect women within households.

### 2. Redefine the criteria for beneficiary selection under the AIP

The initial FISP programme focused on poor households but did not specify which person to target within the poor households. To achieve greater gender equality, the beneficiaries should be:

- The person working the land; often a woman in a male-headed household
- Women’s cooperatives that grow maize (on their own land)
- Female-headed households, who should continue to be prioritised

### 3. Provide a legal framework that promotes women’s rights to land ownership

The provisions in the 2016 Land Act—which serves to improve women’s rights to make decisions over land use and input subsidies—should be enforced in communities.

- This applies especially in matrilineal communities, where women’s land rights are traditionally managed by men in their extended families.
- Providing subsidies without enforcing land rights shifts decision-making power from the women to their husbands.

Improving women’s land rights is also likely to increase their power to make decisions over input subsidies and the income their households receive from harvests



## References

- 1 - Ali, D., et. al. (2016). *Investigating the Gender Gap in Agricultural Productivity: Evidence from Uganda*. World Development, 87:152–170; Quisumbing, A. R., et. al. (1995). *Women: the key to food security*, Food Policy Report, The International Food Policy Research Institute, Washington, DC. Technical report.
- 2 - NSO (2014). Malawi Integrated Household Panel Survey (IHPS) 2013 Basic Information Document (September).
- 3 - Authors' scientific analysis
- 4 - Authors' policy analysis
- 5 - 2014 Finscope survey

This brief summarises policy analysis outcomes from the project **MPIA-20428**, conducted 2019-20. The project had two components: a scientific analysis of the impact of Farm Input Subsidies (FISP) on gender equality in Malawi, and a policy analysis to compare FISP with other potential policy options.

The scientific research methods and findings are summarized below.

To find out more, read the full research paper, published as part of the **PEP working paper series**.

**This project was supported under a research and capacity-building initiative for Gender-sensitive Analysis on Entrepreneurship and Financial Inclusion, and Rural Employment in African countries (PAGE II-Round 3)** supported by the International Development Research Centre (IDRC) of Canada.

*The views and opinions expressed in this publication are those of the authors and do not necessarily reflect those of PEP.*

## The Scientific Analysis

A team of local PEP researchers investigated the impact of Farm Input Subsidies on gender equality in Malawi. As the country transitions to the Affordable Inputs Programme, their research findings highlight the need to update policies to be more gender-sensitive.

The study used nationally representative panel data from the Integrated Household Surveys (2010-2013) and fixed effects econometric models to measure the impact of input subsidies on the outcomes of men and women in the same households.

Results show that **Malawi's FISP subsidies increase household agricultural production but the welfare benefits mainly go to men.**

- Maize sales on the market only increased in households that received the FISP in patrilocal communities.
- In response, women in patrilocal communities were able to reduce their involvement in precarious *ganyu* labour, resulting in limited gender equality.
- Women in all communities have low decision-making power over harvests.

- The gender disadvantage is highest in patrilocal communities.
- Men in matrilocal communities have lower decision-making power over harvests than men in patrilocal communities, but the FISP increases decision-making power for men in matrilocal communities, narrowing this gap.
- Male household heads in matrilocal communities experience a reduction in competition with men from their wives' extended families when they receive the FISP.
- In matrilocal communities, decision-making power shifts from wives and men in extended families to husbands within women's households.
- The FISP changed the nature of gender inequality, but did not reduce it.

**Providing subsidies has no effect on gender equality if female land rights are not addressed at the same time. If women's land rights are enforced, agricultural input subsidy programmes have the potential to contribute to gender equality.**

