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Integrated Rural Development, Agricultural Growth and Equity in Malawi: Redefining Development Strategies and Tactics for the 1980's

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SUMMARY

The Lilongwe Land Development Programme (LLDP) in Malawi was the first of its projects to which the World Bank applied the 'integrated rural development' label. LLDP was subsequently used as a model for a national programme within Malawi, and its approach has been widely replicated in many countries in integrated rural development projects aimed at smallholder farmers. Fifteen years of experience in attempting to generate agricultural growth in LLDP whilst, at the same time, improving the economic welfare of the project's population, reveal fundamental conflicts between these two goals. Such conflicts arose primarily for two reasons. The first was the unresolved inconsistency between policies at the national level and those at the project level, and the way in which the two sets of policies operated in diametrically opposite directions. The second reason was the failure to appreciate the significance for project development strategy of a heterogeneous project population and of social and economic relationships within that population. Moreover, the criteria employed to judge the validity of the LLDP model placed excessive emphasis on yield and production data, so that the energies of the project's monitoring and evaluation unit were directed toward collecting and processing what came to be highly contentious input–output data. As a result, other data which could have assisted in the design of more effective and better focused strategies were not analysed, and the activities promoted by the project failed to evolve in directions appropriate to the needs of many of the intended beneficiaries.

INTRODUCTION

The externally funded project is one of the most common forms of intervention used to attempt to generate economic growth and improve social welfare in the agricultural sectors of developing countries; certainly, it is the form with which many agricultural and development economists are most familiar. Yet, when funding agencies require a return on their investments in projects, and when governments need revenue to finance further productive investment, the requirement for growth itself is in potential conflict with attempts to increase, at the same time, the social benefits arising from accelerated growth. If financial surpluses accumulate both consistently and in large enough amounts, governments and international lending agencies can afford to address equity issues directly in the form of project-based interventions.[a] If, however, surpluses are non-existent, or only sporadic and at modest levels, direct equity-focused interventions appear unlikely to command such attention from project planners. The mix of activities, inputs and programmes that constitute a fundable 'project', then, is likely to change with the prevailing economic and political climate. At issue, therefore, are not only the fundamental micro-level processes of project design and implementation but also the macro-level policies which temper the responses of individual farmers and rural households to planned interventions.

According to the authors of a recent survey of research on agricultural development in Africa, 'the 1970s can be labelled the decade of integrated rural development' (Eicher and Baker,[1] p. 61). As the end of decade neared, however, disenchantment set in and interest in the integrated approach to rural development rapidly began to wane. Their review of the literature lead Eicher and Baker to conclude (p. 62):

> 'The decline of [integrated rural development] does not reflect a retreat on equity goals as much as growing recognition that pilot... programs rarely, if ever, were implemented on a broader scale, that governments cannot afford to finance a wide range of social services during the early stages of development, and that [integrated rural development]...was not solving the most fundamental rural problem—achieving a reliable food surplus.'

It is questionable, though, to what extent national governments in the 1970's accepted equity objectives as an end in themselves or only as a means of acquiring funds to invest in achieving their own priorities.

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As Lele[14] has pointed out, the equity objectives of funding agencies were almost always superimposed on national government's own goals of modernization, growth, institution building and economic independence.

These conclusions, however, are based on the scanty literature covering the detailed experience of a representative range of individual projects in widely divergent settings. Moreover, some of the more recent literature reviewed also reflects, in part, the attempt to define a new development orthodoxy in which primacy is awarded unequivocally to production objectives (see, for example, World Bank[17]). Certainly, the conclusions do not fit well with the situation in Malawi, where the early 'pilot' integrated rural development projects were themselves large, where the concepts embodied in them were translated into a national programme and where the growth rate of agricultural production—both food and non-food—exceeded population growth rates throughout the 1970's.[18] Malawi's ability to finance extensive non-productive expenditure, however, is in doubt, particularly in the past two or three years.

Our ability to minimize growth–equity conflicts by extracting relevant lessons from the experience of projects is hampered by the sheer numbers, variety and spatial diffusion of projects, as well as by the paucity of careful analyses based upon intimate knowledge of projects with potentially useful lessons to teach. In an attempt to identify one set of such lessons, and at the same time perhaps identify possible elements for an agricultural development strategy for Malawi for the 1980's, this paper will review what has happened in Malawi both at, and below, the level of the project entity, where judgements of success or failure are usually made. Using what is, of necessity, a truncated case-study approach, the focus is on the 'equity' of distribution of inputs and services with the potential to generate 'growth' at the farm and household level. Finally, attention is directed to the macro-level of policy in Malawi, which, according to some, has followed a 'rural-biased' development strategy.[15]

THE LILONGWE LAND DEVELOPMENT PROGRAMME[b]

The first of its projects to which the World Bank itself applied the 'integrated rural development' label was funded in Malawi in 1967. This was the Lilongwe Land Development Programme (LLDP), a 13-year, agricultural-intensification programme operating in an area of some 486 000 ha in the Central Province. The significance of LLDP for Malawi

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is that it was the first major rural development effort to be launched in the post-independence era and the first large agricultural project in the country to be funded by an external donor agency. Using LLDP and other early projects as prototypes, Malawi is now firmly committed to project-style rural development, although all projects now fall under the umbrella of the National Rural Development Programme (NRDP).[c] The significance of LLDP for the World Bank is that the project typifies one of the Bank's two principal strategies for 'integrated smallholder development programs', which were promoted so widely in the 1970's.[16] The 'integrated' strategy embodied in LLDP, unlike the alternative strategy based on a single cash crop, is formulated on a broader concept of development and includes a wide range of activities designed to support production both for subsistence and for the market and the provision of social infrastructure and services.[d] Although LLDP was never originally intended as a model of a particular approach to rural development, it was promoted as such and in fact became a very important model—as attested by the constant and heavy flow of visitors to Lilongwe from all over the world and widespread replication of its approach not only in Malawi but also in a large number of other countries.

Project strategy

The initial overall objective of LLDP was to increase agricultural productivity on a scale large enough to have a significant impact at the national level. The development tactics adopted rested upon an implicit belief in what project management referred to as the 'initial thrust' approach, a model in which improvements and inputs are concentrated into a 'big push' of 5 years' duration. After the initial thrust of 5 years, it was expected that the areas exposed to this treatment would then experience a 'take-off' into sustained growth.[7e] The total area of the programme was divided into units of some 8100 ha to allow for a phased expansion of activities and, aside from three small subareas with atypical soils and topography, each of these units was provided with an identical array of development activities and a blanket approach to improving productivity in smallholder farming.

Essentially, LLDP originated, and has operated, as a large-scale crop extension effort, aimed at raising yields and production, but reinforced increasingly by an integrated package of complementary activities and inputs intended to stimulate rural development on a broad front. By the

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end of the 1970's, LLDP included, under expatriate management in a semi-autonomous administrative structure parallel to government, the following components: extension and training; seasonal and medium-term credit; planning and construction (including roads, water supplies and service centres); conservation; land demarcation and registration; beef, dairying and poultry production; a beef-breeding ranch; survey programmes; health facilities; markets and input stores; and monitoring and evaluation.

The project was, from the outset, directed toward 'traditional' smallholder farming, and the emphasis was placed on facilitating the transition from a semi-subsistence to a cash economy with a minimum of social disruption. Virtually all economic benefits ascribed to the programmes—increases in incomes, export surpluses and government revenues, a favourable rate of return, etc.—were to be generated by the primary, secondary and tertiary effects of increased production, specifically increased production of two crops: maize and groundnuts. Although explicit yield, production and area targets were modified somewhat over time in the Bank's appraisals of the second and third phases of LLDP, they can be summarized broadly as follows: the marketable surpluses of maize and groundnuts were to increase dramatically as the combined result of both substantially increased yields and large expansions of cropped area, while the production of tobacco was to remain more or less static, but yields were to double while area planted was to decrease by half—to allow for the expansion of the other two crops in an area experiencing heavy population pressure. No reliable technical package was available for groundnuts except graded seed, so gains were to depend almost entirely upon extension impact. Increases in maize production were to stem from packages of fertilizer and seed for improved varieties in conjunction with enhanced extension coverage. The programme's credit scheme (operated first on an individual, and later a group, basis, as well) was to be the initial route of access to the improved inputs, but cash sales were expected to become more important over time.

'Success or failure?': judgements at the project level

LLDP was among the first World Bank projects to include an evaluation unit.[f] In part because the unit was established after other project activities had begun and in part because of its novelty and the lack of relevant experience in the Bank, the unit was never completely successful in

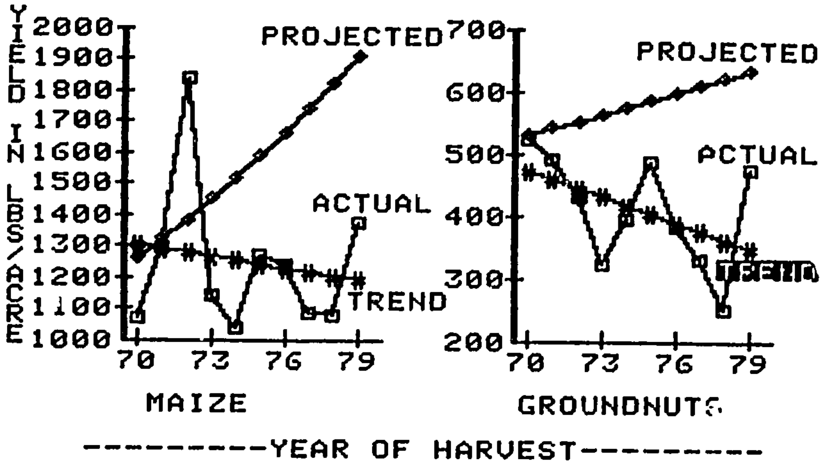

Fig. 1. LLDP maize and groundnut yields. Actual yields are derived from Government of Malawi[2] and projected yields are derived from a number of World Bank sources. The two trend lines have been fitted by ordinary least-squares. Of the years shown, 1970, 1973, 1977 and 1978 were regarded as poor agricultural seasons while 1972, 1975 and 1979 were considered good seasons; the other years were average.

assembling the data which would permit a reliable assessment of project performance in terms of the expectations in the appraisal reports, which placed so much emphasis on yields and planted areas. Yields became a particularly controversial issue in the bureaucratic eagerness to attach a 'success' label to LLDP and establish the validity of the LLDP model. Repeated attempts were made to dismiss evaluation findings which indicated that average groundnut yields were experiencing a persistent decline, while it was difficult to find evidence of any convincing trend in maize yields. (Attempts to record tobacco yields had been abandoned very early because of methodological problems.) Figure 1, which plots the yields projected for maize and groundnuts against actual annual yields for 10 years and a trend line fitted to actual yields, shows why it became increasingly difficult to explain away the poor performance of the yields indicator by recourse to the conventional scapegoat of seasonal variability.

Certainly there was no argument that the technical package for maize—correctly used, as in the experimental trials—gave the anticipated results; what was difficult to ascertain was how and where the inputs provided for maize were, in fact, being used and why the extensive yield surveys were unable to detect any general improvement. There was no technical package for groundnuts other than graded seed, although

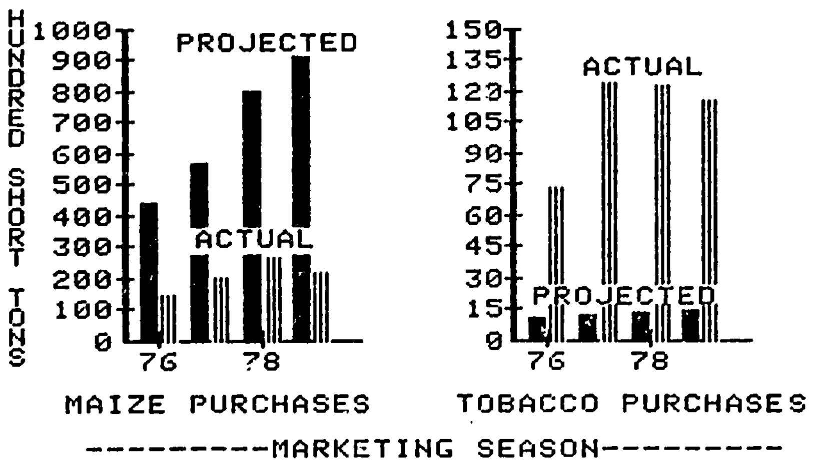

Fig. 2. Maize and tobacco bought, 1976–1979. Derived from Government of Malawi,[2] Annex IV(f). The figures represent recorded quantities of maize and tobacco marketed through ADMARC. Over the period shown—the third phase of LLDP—actual tobacco purchases averaged 8·9 times the amount projected, while maize purchases averaged only 30 per cent of the projected level. By comparison, groundnut purchases averaged 83 per cent of the projected level over this period.

sulphur-dusting was promoted—without effect—for a limited time. In this case, the explanations for declining yields, aside from the frequently repeated one of seasonal effects, were more imaginative and included mysterious and undocumented diseases, the relatively greater returns from maize, and the fact that groundnuts are traditionally a 'women's crop' and extension efforts neglected women.[9]

One of the difficulties encountered in the search for valid explanations for poor yields was that the internal evaluation exercise was designed on the assumption that the model of change incorporated in LLDP was sound. Thus, a disproportionate amount of attention was devoted to monitoring the level of yields as the key indicator and too little attention was given initially to examining those factors which could be expected to bear either a direct or indirect relationship with yields. When yields then failed to meet expectations, the tendency was either for those involved to dismiss the findings altogether or, under pressure to explain the findings, to resort to ill-informed speculation about the possible causes.

Other data emerging from LLDP also raised questions about apparent divergencies between design and reality within the project. Figure 2, for example, compares the projected purchases of smallholder maize and tobacco with actual purchases for the period 1976 to 1979. The Figure

TABLE 1
Land Allocated to Crops and Varieties, 1973-74 – 1977-78

Crop/ variety	*Season* 1973–74	1974–75	1975–76	1976–77	1977–78	*Percentage change over 1973–74*
	(Proportion of cultivated land in per cent)					
All maize	68	66	57	63	64	−6
Groundnuts	17	19	25	22	15	−12
Tobacco	10	7	12	11	16	+60
Other crops	5	8	6	4	5	0
Total	100	100	100	100	100	
	(Proportion of total area planted to maize in per cent)					
Local maize	71	78	85	87	—[a]	+23
Improved varieties and mixtures	30	23	15	13	—[a]	−57
Total[b]	101	101	100	100	—[a]	

Source: Derived from Kinsey,[4] pp. 34–5, and based on data supplied by the LLDP Evaluation Section.
[a] The use of (—) indicates data are not available.
[b] The area planted to the two categories of maize does not sum to 100 per cent for the first two seasons shown due to rounding errors.

shows a striking reversal of expectations, with maize purchases falling far short of projected levels while tobacco purchases dramatically exceed the targets. As noted earlier, tobacco production should have remained more or less static as a result of yield increases coupled with a reduction in area to make way for an expansion of maize and groundnuts. Here too, though, what actually happened was the reverse of what had been expected. Table 1 indicates that the area planted to tobacco increased by 60 per cent between 1973–74 and 1977–78, whereas the area planted to both maize and groundnuts declined. Moreover, during roughly the same period, there was a discouraging trend in the composition of maize types as farmers greatly reduced their plantings of improved varieties and reverted to the local, open-pollinated maize.

At about this same time, there was a growing awareness that its semi-autonomous status could not ensure that LLDP's activities, however well executed, would have the concentrated impact expected of an area-based project authority. While many policies and programmes could be specifically tailored to local project conditions, other critical policy decisions—notably pricing policy—were taken at the macro-level and

TABLE 2
Average Gross Margins for LLDP with ADMARC Prices[a]

Crop/ Season	*Yield (lb/acre)*	*Unit price (tambala/lb)*[b]	*Variable costs (kwacha)*[b]	*Gross margin per acre (kwacha)*[b]	*Gross margin per day (kwacha)*[b]
Local maize					
1973–74	786	1·25	0·28	9·55	0·20
1974–75	1 079	1·75	0·39	18·49	0·38
1975–76	1 102	2·25	0·50	24·30	0·50
1976–77	963	2·25	0·50	21·17	0·43
			Average	18·38	0·38
Hybrid maize[c]					
1973–74	2 263	1·25	24·18	4·11	0·08
1974–75	3 321	1·75	42·35	15·77	0·29
1975–76	2 967	2·25	43·93	22·83	0·42
1976–77	2 773	2·25	43·93	18·46	0·34
			Average	15·29	0·28
Groundnuts[d]					
1973–74	379	6·50	8·41	16·23	0·16
1974–75	491	8·00	10·20	29·08	0·29
1975–76	388	8·50	10·20	22·78	0·23
1976–77	337	9·00	10·20	20·13	0·20
			Average	22·06	0·22

Source: Derived from Kinsey,[4] p. 36, and based on data produced by the World Bank and the LLDP Evaluation Section.

[a] Prices are ADMARC's pre-planting prices. Variable costs for local maize include only the market value of the seed used. For hybrid maize and groundnuts, variable costs assume farmers take the appropriate credit package and include an element for shelling and transport.

[b] One kwacha = 100 tambala.

[c] Assumes the maize variety grown is SR52.

[d] Assumes the variety grown is Chalimbana.

the decisions at this level were often poorly articulated in terms of the objectives of the individual projects. Table 2, for example, reveals the consequences of the commodity prices administered by ADMARC—the Agricultural Development and Marketing Corporation—for the average gross margins achieved in LLDP. With ADMARC prices and actual yields, hybrid maize consistently produced lower gross margins per

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unit area and per labour-day than local maize during the mid-1970's. Groundnuts, while yielding higher gross margins per unit area than either type of maize, produced almost consistently lower margins per day because of their very much higher labour requirements. While a comparable series of gross margins is not available for tobacco, these were undoubtedly higher than for any of the crops shown in Table 2. Thus, the structure of relative commodity prices and input costs determined at the macro-level tended to induce cropping patterns at the project level that were diametrically opposite those which LLDP's activities were intended to produce. And, in retrospect, it is clear that it was this divergence between macro-policies and the objectives of micro-projects that resulted in much of the departure of observed project impact from what had been planned.

Whatever the exact levels achieved in LLDP may have been, yields as an issue were overshadowed in the late 1970's by mounting concern over the unimpressive performance of smallholder agriculture as a whole and, given a decade's concentrated investment, the major projects—including LLDP—in particular. This concern was accentuated within the lending agencies by growing strains on the economy which raised the question of Malawi's ability to continue implementation of the NRDP as planned and at the same time service its international debt.[1]

A recent series of restricted World Bank reports, however, presents a growing consensus with which few close observers of LLDP would disagree. Two points emerge clearly. The first is that any attempt to provide a definitive statement on LLDP's contribution to economic growth inevitably depends heavily on subjective judgements regarding crop yields and production and the factors that have influenced them. The second point is that LLDP has undoubtedly had numerous beneficial impacts; but many of these lie far from the original productivity objectives, were not always anticipated and are even more difficult to assess objectively, both because of basic methodological problems and because they were not included within the scope of the project's evaluation work.

It is also clear that the preoccupation with yields and output dictated an emphasis in the work of the evaluation unit that effectively precluded analysis of large bodies of data—collected at considerable cost in terms of resources and manpower—which could shed light on parallel issues closely related to productivity, such as the distribution of inputs and evidence of an extension impact. In view of changes in the Bank's lending policies toward a greater poverty and equity orientation following Robert McNamara's addresses to its Board of Governors in Santiago in 1972 and Nairobi in 1973, it is also curious that so little effort was made to extract the lessons of experience for the 'McNamara strategy' from what was, after all, a pioneering integrated rural development project focused on smallholders. In the early and mid-1970's, the Bank did, however, fund several secondary analyses of part of the LLDP data, and subsequent work carried out at the University of Malawi has consolidated and extended the analysis.[/] This secondary analysis has addressed for the first time a broader range of issues, which incorporates to a considerable extent both elements of the growth–equity debate and an explicit linking of what has happened at the project level to the wider macro-level policy environment; and it is this analysis which provides the basis for the following section.

TARGET GROUPS AND PROJECT IMPACT

In designing phases one and two of LLDP, Bank planners recognized (or assumed) that the population of the area was not homogeneous. They based maize and groundnut yield projections upon a classification scheme, which grouped farmers into four or five categories depending upon whether they were 'unresponsive' in the lowest category to extremely responsive, skilled credit-users in the highest group. It was assumed that, over the period 1970–71 to 1979–80, farmers would graduate from one category to another in a more or less linear progression, so that, for example, the proportion of the total maize area planted by 'unresponsive' farmers would decline from 36 per cent to 10 per cent and that planted by fully participating farmers would rise from 3 to 32 per cent.[7] Because of assumed yield increases, the corresponding changes in shares of total production were, of course, even more dramatic.

It was only with the appraisal of the third phase in 1975, well over halfway through the development stage of the project, that these crude categories were replaced by a classification scheme based at least in part on evaluation findings relating to resource endowments and rates of adoption. Some 50 per cent of farms were assumed to be cropping the average endowment of 1·82 ha, 25 per cent to be cropping 1·01 ha and 10 per cent 3·24 ha or more. It was also assumed that 25 per cent of farmers were unlikely to apply any modern inputs, and the build up to target adoption rates and yield levels was extended from 5 to 8 years. While this added dimension of realism was an improvement over earlier approaches, there remained significant omissions of other facts and relationships which inevitably impeded the ability of LLDP to reach its target group. Examples are provided by the assumptions that no labour is hired in LLDP and that the average farm family on an average holding can cope with the workload throughout the year without outside help. It was also assumed that farms of whatever size would experience roughly equal proportional increases (41 to 48 per cent) in value of production as a result of LLDP's activities. Indeed, it could be persuasively argued that the assumptions built into the appraisal of phase three subtly redefined and reduced the size of LLDP's original target group. Certainly, it is difficult to find much evidence of a move toward a poverty-focused strategy in the final phase of LLDP.[k]

Beyond labels: Who are LLDP's farmers?

The first 'non-standard' evaluation[l] of LLDP was the review carried out early in the life of the project for the Bank's Africa Rural Development Study in 1972–73.[7,13] This review generated a large number of unanswered questions relating to the impact of the project which it was thought could be answered through the re-analysis of data previously collected by the evaluation unit plus a small supplementary survey. A follow-up study was accordingly carried out during 1973–74 which involved a small field survey and the shipping of data to Washington and their analysis there.

The follow-up study[5] was the first serious attempt made using the large amount of data from LLDP to test hypotheses relating to the impact of the various project components. (Characteristic of much of the work of other early monitoring and evaluation units in Bank projects, for a number of years the unit at Lilongwe presented the results of its surveys only in summary and massive numbers of uninterpreted crosstabulation Tables.) The analysis done revealed considerable evidence that the population of LLDP was indeed far from homogeneous and that the project was likely to have a highly differential impact on various segments of the population. For example, it was found that a significant proportion of farmers were ineligible for credit—the project's only activity capable of dramatically affecting productivity and incomes—because they cropped less than the criterion threshold area of half a hectare. Moreover, there were distinct patterns—reflecting geography, farm size, and socio-economic class—in the distribution and use of credit-supplied inputs, and these were further associated with patterns of extension visits and default rates. Not surprisingly, crop yields and incomes displayed much the same patterns. While the study identified tobacco growers as a special group in terms of holding size, yields (of all crops) and incomes, the evidence available at the time indicated that tobacco revenue as a proportion of total cash receipts was declining, suggesting that progress was being made toward the goal of increasing monetized output of maize and groundnuts.

Kydd[10] is among the researchers who is critical of the reliance on yield changes as an indicator of project impact. His detailed analysis of the two farm management surveys[m] done at LLDP reveals the underlying structure of the local society and economy in a specific attempt to assist the formulation of policies which might improve the effectiveness of LLDP. Using cluster analysis techniques to define household types on the basis of variations and similarities in resources and farming systems, Kydd identifies two basic groupings of households, each of which can be decomposed into three subgroups.

This work is important in several respects. First, it shows the need for continuing analysis before judgements of project success or failure are made. For example, Kydd demonstrates that the fairly high initial rates of adoption of improved varieties of maize achieved in the early 1970's were not sustained. By 1978–79, the cultivation of improved varieties was limited to two groups: (1) a small group of 'commercial maize growers' who were using improved varieties but in small amounts relative to local varieties and (2) richer tobacco farmers who grew improved varieties on a very small scale. Secondly, the careful delineation of household classes strongly invalidates the concept of a single project 'target group'. Even for an area such as the central plateau of Malawi, where absolute differences among households and farmers are small, it is the relative differences which determine the capacity of various social and economic categories—or, in Kydd's terminology, 'household types'—to respond to, and benefit from, the project's activities. Kydd's discussion of two groups—tobacco farmers and female-headed households—is particularly good in indicating how project activities can *only* have a differential impact. There is little doubt that the major share of economic growth within LLDP has come from the former group (and a close cohort group) while the latter group has been significantly bypassed by project activities. It is also clear that, as in agriculture in many other parts of the world, one of the principal mechanisms of inequity is the symbiotic operation of the substantial labour market which ties together the disadvantaged and those who are relatively well off. Finally, the analysis is important because it illustrates the value of having impartial local researchers and institutions intimately involved with the work of evaluating projects such as LLDP, which represent major investments of public resources.

LLDP AS A MICROCOSM

There is a growing body of evidence that many of the social and economic processes at work within LLDP are being replicated on a much wider scale throughout the country, although the ultimate effects may be mitigated by the fact that the new project areas coming into NRDP are based on a somewhat less resource-intensive model. On the other hand, however, there are also strong indications that macro-level policy is, and has been for some time, operating so as to reinforce a trend toward greater inequity.

A recent study of changes in the distribution of household per capita incomes for Malawi as a whole over the period 1968–77 concludes that the distribution of income has become significantly less equitable during this 9-year period and that only the top 2·5 per cent of the population has experienced any increase in their aggregate relative share of income.[11] The same study suggests that falling returns have been experienced by both richer and poorer peasant groups. The impact on the former has come largely in the form of large increases in input costs which have not been compensated for by price changes for outputs, while the latter group has been driven increasingly by the uncertain and worsening returns to cultivating their own smallholdings to the seeking of employment in the poorly paid estate sector.[n]

In considerable measure, what has been happening on a national scale is a consequence of the price policy operated by ADMARC. ADMARC staff have espoused the position that the principal rôle of the Corporation's price policy is to maintain stable domestic prices by insulating farmers from the vagaries of international markets; however, it is evident that the relative stabilization of prices has been achieved only at the expense of both the destabilization of incomes and their reduction in real terms.[4] Also associated with this policy, there has been a deliberate restructuring of the agricultural sector in favour of the estate subsector

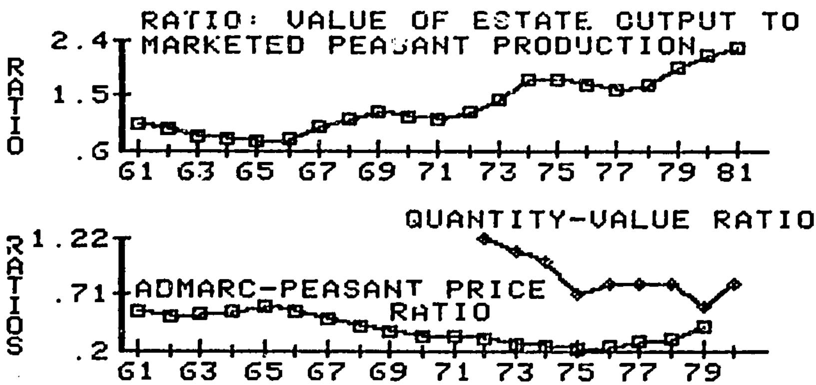

Fig. 3. Selected ratios for agricultural production and value in Malawi. The quantity–value ratio is derived from Government of Malawi,[3] p. 3. The other two ratios are derived from Kydd and Christiansen [12] pp. 357 and 369, and updated with data supplied by Kydd (personal communication). The topmost series represents the ratio of the value of estate production to the value of officially marketed peasant production and is based on the ratio of centred values from 3-year moving averages; the figure for 1981 is a 2-year average. The quantity–value ratio is the total quantity of ADMARC's domestic purchases divided by the total value of purchases times 100. The lowermost series is the ratio of the price received by peasant growers for dark-fired tobacco to that received by ADMARC at auction in Malawi; the series is based on the ratio of centred values 5-year moving averages, except that the ratio for 1979 is based on a 3-year moving average.

and at the cost of the smallholding subsector.[12] Figure 3 illustrates the extent to which estate production has supplanted peasant production and the way in which pricing policy has operated against the smallholder subsector. What has become increasingly obvious to the analysts of rural development in Malawi is that there are some powerful inconsistencies between the declared objectives of NRDP, and the individual projects such as LLDP, and the policies defined at the macro-level. These latter policies have, by controlling a major factor in the economic environment to which peasant farmers respond, dominated the policies and programs operated at the micro-level by the projects.

CONCLUSIONS

What is clear from the Lilongwe experience is that the World Bank's emphasis on monitoring and evaluation primarily as a tool to improve project management invokes an inevitable question: improve the management of what? Recent analysis clearly shows that the blanket approach of

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LLDP's credit and extension activities inevitably bypassed large parts of what was originally defined as the project's target group. These analyses also suggest that there is a great need for the evolution of micro-strategies tailored for different groups within the project. The attempt to manage a standard approach for a non-standard population can only have been a frustrating experience for all concerned.

It is also clear that the development and application of micro-strategies appropriate to the large majority of the projects' populations will, in the absence of consistent and supporting policies at the macro-level, have little, if any, impact on either growth or equity within the smallholder subsector. Moreover, a continuation of the macro-policies pursued over the past several years can only exacerbate a pattern characterized by worsening inequity across the economy as a whole.

NOTES

[a] Direct, project-based interventions aimed at improving equity might include, for example, such things as the provision of enhanced health and educational services and access to improved water supplies and sanitation facilities which would be equally available to everyone in the project area. Such non-productive project components, however, will lower the internal rate of return calculated for the project, thereby jeopardizing the entire investment or creating pressures to excise the non-productive components.

[b] The word *programme* was used in the name in preference to *project* because it was argued that each of the three planned phases could be regarded as a separate project and that each of LLDP's activities constituted a project on its own. The *programme* was seen as providing the co-ordinating and integrating function for all other activities. In 1983, LLDP is operating as a division within NRDP.

[c] NRDP absorbed the four major area-based, integrated rural development projects into the national programme and changed their intensity and investment priorities. The NRDP strategy is to give priority to investments expected to have an immediate impact on agriculture. Other investments, which are either relatively more costly or have a less direct impact on production, will be given lower priority. NRDP is to be implemented over a 20-year period through some forty development project areas. Like the other first-generation projects, LLDP is now what is referred to as an agricultural development division within NRDP. Malawi's current financial crisis suggests that the emphasis in investment priorities is likely to be placed even more heavily on directly productive activities.

[d] It is worth noting that the original design for LLDP placed very little emphasis on social infrastructure and services aside from improved water supplies. The subsequent inclusion of a range of such services can be traced in

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large measure to the programme's efforts to stimulate popular participation. One 'felt-need' which was strongly articulated at the grassroots level and passed up through the hierarchy of committees established by LLDP was for better rural health facilities.

[e] It was largely taken for granted that policies determined at the national level would operate in such a way as to allow the individual area development projects to achieve their 'take-off'.

[f] The experience of the monitoring and evaluation unit at LLDP has been extensively documented.[5–8]

[g] It is accurate to say that extension staff neglected female farmers, who constitute a very significant minority of heads of households in the Lilongwe area. 'Female-directed' extension tended to focus on domestic and kitchen-garden activities. The decline in groundnut yields was an 'average' one only in a statistical sense. What, in fact, was happening is that many farmers continued to achieve excellent yields but many others 'abandoned' their groundnut plots by directing their labour resources elsewhere, resulting in many plots with very low or zero yields being included in the annual yield surveys.

[h] A comparison made in 1976–77 of gross margins with ADMARC prices and prices obtained in local markets showed that margins were 87 per cent higher for maize and 210 per cent higher for groundnuts if farmers sold these crops in local markets rather than to ADMARC.[4]

[i] Many of the concerns that had begun to emerge in Malawi in the late 1970's were reiterated and amplified in an Africa-wide context in the World Bank's[17] strategy for African development.

[j] The first of the Bank's analyses was done as part of its Africa Rural Development Study and was published separately[7] and also provided a major input into Lele's synthesis volume.[13] The second Bank-supported study[5] was carried out as a follow-up to investigate a set of hypotheses arising from the first analysis. The most recent study (Kinsey[4]) was carried out in order to examine the single issue of pricing policy and smallholder responsiveness to price policy. Work carried out at the University of Malawi[9,10] has been based chiefly on two farm management studies, one carried out shortly after LLDP started and the other shortly before completion of the originally planned three phases.

[k] The World Bank's 'sector policy paper' on rural development was published in February, 1975, the same month the 'grey cover' version of the phase three appraisal report came out, so it may be unfair to expect to see any significant reorientation of strategy in what was, after all, a project which was more than half completed. On the other hand, the nature of the so-called 'new style', or poverty-focused, projects had been widely discussed within the Bank for at least a year and a half, and LLDP—with its high level of visibility and focus on small-holders—would seem to have been a perfect candidate for dressing in the new livery.

[l] Standard World Bank 'evaluations' include periodic supervision reports and a performance audit of each phase of a project.

[m] A highly detailed and costly, 3-year farm management study was carried out in the early years of LLDP as a basis for farm planning, but the data were not analyzed at the time because project management considered that there was no scope for farm planning on holdings averaging only 2 ha.

[n] This process of structural change is spelled out by Kydd and Christiansen.[12]

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