Malawi

Beating Plowshares Into Swords

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Introduction

President Lazarus McCarthy Chakwera was sworn in on June 28, 2020, ushering in a new administration in Malawi after a constitutional court ruling that led to fresh elections. His speech was rich in prose as well as in revolutionary tone and content.

Chakwere took power as the candidate of the Tonse Alliance which unified his and Vice President Saulos Chilima's UTM party among others. The speech not only presented the Tonse Alliance as the 'Deux Machina' but also inflated the hopes and expectations of Malawians who had in previous months braved police teargas and cold weather as they demonstrated for political change in the country. The President promised 'servant leadership' as he took the country to the 'promised land of Canaan.' The Alliance promised a "Malawi wokomera Tonse" which translates as 'Malawi prospering together.' Two years later, it is yet to be seen if a revolution has occurred or the speech was just empty rhetoric.

The Tonse Alliance Cracks: Where Do We Go From Here?

What were the terms?

The Tonse Alliance was formed from a coalition of a number of political parties. The Malawi Congress Party (MCP), UTM, People Transformation Party, People's Party, Umodzi Party, People's Progressive Movement, Freedom Party and Malawi Forum for Unity and Development formed an electoral alliance. Dominant among these political parties are MCP, UTM and PP. The alliance was finalised on 19th March 2020 when the deal was finally sealed.

Despite a seemingly healthy working relationship between President Lazarus Chakwera and Vice President Saulos Chilima at the start of the new government, the alliance appears to be encountering headwinds.

On 1st July 2022, the Vice President Chilima made a scathing attack on the political union. Among other things, Chilima suggested that, in terms of the alliance agreement he would be the one to lead the Alliance as its presidential candidate in the next election, a claim which MCP – led by President Chakwera, immediately dismissed. Chilima's media address opened a Pandora's box as the terms of the alliance had not been publicised when they were signed.

Chilima also decried the Alliance's failure to push for an amendment of the Constitution to remove presidential immunity against investigation. These outbursts came 11 days after President Chakwera suspended his delegated powers to the Vice President after the Anti–Corruption Bureau (ACB) presented a report that implicated Chilima in alleged corruption dealings involving Zuneth Sattar.

The bureau alleged that Chilima was among 53 public officers that received bribes from Sattar, who was said to have been awarded contracts worth $150 million (over MK150 billion) between 2017 and 2021.[1]

Reacting to the Vice President's outburst, political analyst Ernest Thindwa suggested that the future of the alliance was bleak and that there were huge cracks which may be too monumental to address.

Another political and governance analyst, Makhumbo Munthali, observed that Chilima was bitter as the President's reaction to the ACB report is what triggered Chilima's outburst. He went on to suggest that Chilima's call for the removal of President's immunity implied that the President may also have some skeletons in the cupboard.

Humphreys Mvula, a veteran political commentator faulted Chilima for using the wrong platform to talk about his grievances. He said Chilima ought to have used the Alliance platform which convened a week before the outbursts at the State House. He concluded that his kind of behaviour discredits him.

Alliance leaders echoed Mvula's observations. PPM President Mark Katsonga observed that Chilima just displayed his ignorance of the law. He went further to say that the alliance will never fall apart because of one person. He, of course, is wrong. Tonse's derives from the two main parties – MCP and UTM. Umodzi Party President John Chisi said that it is up to Chilima and the President to figure out what happens to the alliance going forward. He is right.

It is ironic that all these developments happened in the week that marked the second anniversary for the Tonse Alliance. The events present additional dynamics to the stability of the unity of the government moving forward. In addition to dealing with pressing socio-economic issues, the Tonse Alliance will now also have to work to sustain its unity following the Sattar allegations.

How all this drama will be handled and whether moving forward portends crisis or progress for the alliance government and country at large, only time will tell.

Indecisive Leadership: The Buck Stops Here?

US president Harry Truman's statement, "the buck stops here," is relevant. The blame for leadership failures at the very top must rest with the President.

Stakeholders have accused the President of being indecisive. The religious commiunity's Pastoral Affairs Committee and Pastoral letters (from Catholic and CCAP clergy) accused the President of not addressing corruption allegations swiftly enough as members of Tonse

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[1] 'I am not corrupt – Zuneth Sattar', *Malawi24*, 27 June 2022 at https://malawi24.com/2022/06/27/i-am-not-corrupt-zuneth-sattar/

Alliance administration, including the Vice President and Cabinet Ministers, have been implicated in the Sattar corruption allegations.

The administration’s hesitancy to deal with the allegations has heightened the public perception that it is complicit in corrupt practices.

Some also question the President’s decision to surrounded himself with members of the Church rather than long-term loyal members of the political Malawi Congress Party - a question worth pondering.

Opposition

The Democratic Progressive Party (DPP) was deposed from power in 2020 after the Constitutional Court ruled that elections had not been properly conducted and ordered that fresh Presidential elections be held. The DPP had enjoyed political dominance since 2008. However, after it was ousted from power, the party was rocked by factionalism as its leaders fought over who would succeed the aging former president, Arthur Peter Mutharika (APM).

It is widely believed that it is the APM camp that is fueling factionalism in the Party as it is grooming the former Reserve Bank Governor Dalitso Kabambe to succeed him and represent the party in 2025. The opposite camp is led by DPP’s Southern region president Kondwani Nankhumwa who is aspiring to lead the party in 2025 together with the Secretary General of the Party, Grezelder Jeffrey.

Recently, their battles have spilled over to Parliament where they are fighting over the position of Leader of the Opposition, a position which Nankhumwa currently holds. Speaker of Parliament Catherine Gotani Hara has expressed frustration with the infighting in the DPP, saying the leadership wrangle is affecting the smooth running of parliamentary business.

Her frustration comes against the background of the failure by the Business Committee of Parliament, which comprises party leadership and decides which business to be tackled, to start its meeting after the DPP presented two chief whips from its two camps.

Commenting on the DPP wrangles Humphreys Mvula described the events in the DPP as unique and strange in that the individuals involved are experienced in politics. He said even Mutharika seemed happy to fracture his legacy with these developments.

Human Rights Defenders Coalition (HRDC) chairperson Gift Trapence believes the opposition Democratic Progressive Party (DPP) is equally to blame for the current administration’s failures. He said that “the current scenario is that we have a weak opposition party [DPP] that is entrenched in leadership wrangles. This has provided a soft spot for the Tonse Alliance administration to do business as usual. The failure by Tonse Alliance is because we have a weak opposition that has, also, lost its direction.”

Change or Continuity?

Fuelled with high hopes and energised by the President's rhetoric, Malawians waited as he delayed releasing the Cabinet despite promising to announce it on 6th July (Independence Day). Political commentators, took this as indication of indecisiveness and possible squabbles within the Alliance. When the Cabinet was released, there was an angry reaction from different quarters. Civil Society organisations and the media criticised it for appointing the three members of the Kamuzu Banda family. Feminist civil society organisations who had advocated for a 60 – 40 gender representation, vowed to demonstrate until the quota was achieved. The DPP accused it of tribalism and regionalism (Chakwera is a from a Chewa tribe from Central region) as there were few members from the Southern Lhomwe tribe dominated region. The question arises; "what has actually changed?" The words of French writer Jean-Baptiste Alphonse Karr resonated: "The more things change the more they stay the same".

In the same vein it was noted by critics that the President had appointed members of his family to top positions at the State House and Office of the President and Cabinet (OPC). Notable amongst them were Sean Kampondeni (his son in-law) and Prince Kampondamgaga (a member of his Church). On top of this, criticism came from the youth who felt betrayed by the President who promised creation of jobs for them. The President employed Felix Mlusu, a veteran retired banker, to head the Ministry of Finance. He also employed an old guard, Zangazanga Chikhosi, who was recalled from retirement (now not in good terms with the President after he was fired from the Office of the President and Cabinet), to head the Civil Service as the Secretary to the President and Cabinet.

When the positions for board persons and ambassadorial allocations were announced, again, there was an outcry about nepotism and tribalism as the President had appointed his daughter and people from his church and tribe to prominent positions.

These did not reflect the President's campaign rhetoric which lambasted the DPP administration for the same practices. On his visit to the UK, the BBC's Hard Talk confronted the President on the question nepotism and employment of his daughter. He strongly denied this and challenged Zainab Badawi to provide proof. However, it has since been established that not was his daughter sent on diplomatic mission, but so was the sister of Sean Kampondeni, Executive Assistant to the President.

These among other ambiguities, have not given confidence to the populace and donors who had expected and anticipated a new dawn for Malawi's political landscape. The use of old phrases that always excite the electorate have given way to the usual political pot-holes that lead to the same old dodging and weaving on a slightly different path to the same destination.

Law and Order

Sattar and predatory state capture

Chakwera's 'Super Hi-5' campaign was geared towards servant leadership, uniting Malawians, prospering together, ending corruption and imposing the rule of law. On 22nd June 2022, Chakwera delivered a speech that has the potential to make Malawi a paragon of integrity in the SADC region or a politically tragic nation. The political cost of the speech is yet to be seen, but it is certain that the Tonse Alliance will never be the same. The catch phrase of the Tonse Alliance campaign was 'clear the rubble' in reference to the corruption within the DPP administration. However, Chakwera finds himself now clearing the rubble within his own administration.

The speech follows the investigations by the British National Crimes Agency (NCA) and Malawi's Anti-Corruption Bureau (ACB) into UK based Zuneth Sattar, who has had business connections through his companies with the government of Malawi since 2008.

Following a public outcry, donor conditionality on aid and direct budgetary support to curb rampant corruption amidst Sattar's state capture allegations, Chakwera ordered the ACB to prepare a report on the investigations within 21 days.

The Bureau's report is shocking, more especially on the magnitude of the state capture by the 41-year-old Sattar. In his speech, Chakwera mentioned that a total of fifty-three public officers and former public officers allegedly received money from Sattar in the eight months between March 2021 and October 2021. Apart from the Legislature, the two arms of government - the Executive and Judiciary - were captured. The captured public officers members of the Malawi Defence Force, the Malawi Police Service, the Malawi Broadcasting Cooperation, the Malawi Revenue Authority, the Public Procurement and Disposal of Assets Authority (PPDA), the Office of the President and Cabinet, the Office of the Vice President, the Judiciary, the Ministry of Justice, the Ministry of Finance, the Ministry of Information, the Ministry of Homeland Security, the Ministry of Lands, the Ministry of Tourism, State House, the Reserve Bank of Malawi, the Financial Intelligence Authority and the Anti-Corruption Bureau itself. In addition, thirty-one individuals from the private sector are also alleged to have been involved, bringing the total number of those on the Bureau's list to eighty-four.

Following these revelations, the President has fired the Inspector General of Police, suspended the Chief of Staff for State Residences and 'excused' the Chairperson of the Public Procurement and Disposal of Assets Authority from the position. On the Vice President, who also appears on Sattar's list, the President has withheld from his office any delegated duties while waiting for the bureau to substantiate the allegations. The President maintains that his Cabinet is clean so far.

Political commentators have commended the President for taking this bold step towards addressing the pervasive issue of corruption. The Leader of the Opposition commended

Chakwera for such a bold move. Danwood Chirwa, a Law Professor at the University of Cape Town, applauded the President for showing leadership.

However, some commentators blamed the President and the Vice President for attacking the ACB for what they described as 'rookie procedures,' 'a substandard report' and 'unprofessional'. They found the tone as too harsh and emotional. Mustapha Hussein, a political analyst from the University of Malawi described the outburst of the two as not befitting of leaders.

> "In simple language, it is going a bit too far to chastise the ACB Director in public as people may start misinterpreting the whole thing. People will start wondering if there is something else you are angry about. So, for fear of giving out wrong signals, it is important that the President and the Vice President must be mindful of the way they relate with the ACB Director, more so now when there are so many issues about corruption. People may read too much into it."

Twice in a matter of weeks in national addresses the ACB, which has a well-known and highly qualified crusader at the helm, has been chastised in public whilst doing its work under stressful conditions. It begs too many questions as to what is really behind this rhetoric.

Could it have been avoided?

A number of Chakwera's Presidential advisors were arrested by the ACB for their involvement in the procurement of Covid materials and some for their involvement in National Oil Company (NOCMA) procurement deals. In the same vein, one former Minister of Lands was fired on the same related Sattar deals. Perhaps the administration can be accused of negligence despite all the warning signs.

An Afrobarometer report in May 2022 showed that the majority of Malawians say that corruption is increasing and that the government is performing poorly in dealing with the vice. Most want strong sanctions against cabinet ministers and businesses associated with corruption.

Two days before the President's speech, one of the renowned lawyers who helped prosecute Cashgate cases through DFID funding, Kamdoni Nyasulu, described Malawi's leadership as 'clueless' in fighting corruption. He argued that the leaders of the agencies mandated to fight corruption have provided the required leadership.

Pastoral letters

The Catholic Church and its Bishops have been the signal and bearers of public sentiments since 1992 when they issued a pastoral letter that sent seismic waves through the then conservative country leading to the the end of Dr. Hastings Kamuzu Banda's dictatorship. The voice of the Catholic Church still carries weight when it comes to its commentary on socio-economic issues in the country.

The Church, on 6th March 2022, issued an open letter that offered pastoral reflections on various issues of national importance. Titled, 'Commemorating the 30th Anniversary of the Living Our Faith' the letter deplored corruption and poor governance as vices that leave Malawians stuck in the doldrums of poverty and underdevelopment.

"Vast numbers of men, women, and children today, Like Lazarus in the gospel (Luke 16, 19-31), languishing in abject poverty while wealth and luxury are enjoyed by few who are unconcerned about these dehumanising conditions of the majority."

The Pastoral letter deplored what it called the 'weak and indecisive leadership' of President Lazarus Chakwera. The Bishops said that the current leadership was slow and indecisive despite having all the necessary incentives to do things better.

> "We have also noted with sadness that decision-making at the highest level of government is slow despite having necessary legal powers, authority, and information. This is particularly true concerning the fight against corruption. We believe that the President will not keep any of his ministers and aides when there is sufficient evidence about their involvement in corruption."

This was a vote of no confidence by the Church in the Tonse Administration.

Public Affairs Committee – PAC

The Public Affairs Committee (PAC), a quasi-religious body voiced similar concerns to those articulated by the Catholic Bishops. In the course of meetings with the President, the PAC asked the President to reshuffle his Cabinet and dismiss ministers suspected of involvement in corruption. The group also asked Chakwera to fire Secretary to the President and Cabinet Zanga-Zanga Chikhosi on the basis that his decisions had eroded public trust in him. They also rebuked Chakwera for entrenching nepotism and selective justice. The PAC's voice is usually in tune with national sentiments.

Development

Energy

Malawi is a landlocked country. Development experts, in an attempt to sound positive, describe it as a 'land-connected country.' However, the President realised early in his administration that the country is more landlocked than connected. His first foreign trip was to Mozambique to initiate transport deals to ease the transportation cost of fuel and put together an energy deal to connect Malawi electricity grid with Mozambique's Cahora Bassa. Unlike the previous governments, it appears Chakwera and President Nyusi of Mozambique have struck a cordial relationship which has seen both presidents paying each other extended visits. Chakwera visited Mozambique this year in April to launch The Mozambique-Malawi Regional Interconnector Project. The project is a huge boost to Escom which lost 30% of its power generation in January after Tropical Storm Ana destroyed its main power station. The new project is expected to generate fifty megawatts for the country when completed. The $154 million interconnector project is being funded by the World Bank, the European Bank and the German state-owned bank KfW. If used properly, this electricity connection can boost industrialisation and production which has been affected by power outages.

Railway

In the same month, Chakwera signed the Nacala Development Corridor Agreement, the Railway Agreement and the Road Transport Agreement with Mozambique. This marked a departure from previous governments' reliance on private transporters who preferred to use Dar es salaam port to make huge profits. Since the dawn of multiparty democracy and World Bank's structural adjustment program, Railway transport collapsed and its infrastructure was sold through The Privatisation Commission. The route has been closed for more than 20 years after floods destroyed portions of the track in Malawi, along with sections of the Mozambique portion which were damaged during the country's 17-year civil war. However, in the past two years of the Tonse Alliance's administration, they have collaborated with Mozambique to have the railway line opened. According to Railways Africa, reopening the route will allow Malawi to export its sugar to EU markets via Beira. Malawi's annual imports and exports through Mozambique amount to roughly 48m tonnes.

Nacala development projects financed by Japan will also make this port more efficient and easily accessible with the Moatize to Nacala rail link well established and extremely well managed – private sector driven of course. The Malawi Fertiliser Company has established a blending plant in Liwonde and accesses the Nacala line with ease for all its imported raw materials.

Road infrastructure

Roads in Malawi remain in bad shape more especially after a heavy rainy season. During the past rainy season which saw Cyclone Ana swelling rivers and flood plains, shoddy road engineering has been exposed as bridges and roads with thin tarmac surfaces were washed away.

The visible salvation for the Tonse Administration comes from the European Investment Bank to rehabilitate the M1 road from the Kamuzu International Airport junction going up north, covering almost five hundred kilometres. If completed in good time before 2025 elections, this could be a hallmark of the Tonse administration's achievements. Apart from rehabilitating the M1, the project will create employment for different sectors.

The Roads Authority also initiated the construction of Toll Gates on the M1 which is the main artery that connects north and south and all main centres in between. It had generated five hundred million kwacha in the first three months of operation. More Toll Gates are expected to open in the North and Central regions. However, the success of these projects lies in the transparency of the administration of the fees collected. A few months after they became operational, six operators well caught having swindled ten million kwacha ($9,000) through the issuance of fake tickets. They were immediately suspended and are on bail awaiting trial.

National Planning Commission: Another White Elephant?

Development initiatives need a framework and policy direction. With this in mind, the Tonse administration initiated and developed a National Planning Commission (NPC) to harness all development initiatives towards the 2063 vision. The NPC was principally mandated to coordinate the development of long- and medium-term national development plans for Malawi including the flagship projects that would operationalise them.

There are doubts on the feasibility of NPC and the 2063 vision to come into fruition. Just like the failed Vision 2020, the blessing and curse that Malawi has always had is that it has well-articulated visions but fail in implementation phase (policy rich, but implementation poor analogue).

The NPC claims that Malawi can achieve a Middle-Income Status by 2030. Eight years from now and probably something added late in their plan after presenting Vision 2063 to advisor Greg Mills in their boardroom in March 2021. Mills asked: "What is wrong with 2030? It's been done before in many countries with Singapore being the best example of all." In order to achieve that, Malawi needs to generate an extra 7% of its nominal GDP. However, with the current economic growth this is a far-fetched dream. Moreover, a lot of the sectors which the administration touted to be sources of revenue are underdeveloped and these include mining, tourism and agriculture.

Economy – Slippery Downward Slope

The Tonse Administration came into power during the first wave of Covid and had to grapple with business closures and job losses as well as the cost of dealing with the pandemic. According to the Ministry of Finance, the Government had to contend with a number of challenges which have a bearing on public debt, including the high and rising primary deficit which was financed by domestic debt contracted at high interest rates. The high primary deficit is largely on account of underperformance in revenues, COVID-19 related expenditures, the expenditures on the newly launched Affordable Input Program, high statutory expenditures, including a high public wage bill. Further, the Government has a substantial amount of arrears to pay.

In 2022, Malawi's debt stock has jumped to K6.38 trillion, up by 13% from K5.65 trillion in 2021 which is equivalent to 62% of 2021/2022 GDP. This is according to the Annual Public Debt Report of 2021 to 2022 by the Ministry of Finance and Economic Affairs. The report has attributed the increase to a high deficit in financing and debt refinancing requirements during this period. The biggest challenge so far with this development is that Malawi borrows for consumption and not investment.

Malawi Kwacha Depreciation and the Devaluation

The kwacha has been slowly depreciating against major trading currencies since the second half of 2020 on account of the persistent shortage of forex, although the Reserve Bank of Malawi (RBM) official dollar exchange rate showed some stability around MK823 in the first quarter of 2022. This is simply through political manipulation. The age-old philosophy of a free-floating currency is that the value is determined by aggregate supply and demand. Supply and demand are influenced by a number of factors, including interest rates, inflation, capital flow, and money supply. The most common method to value currency is through exchange rates. This has not been the case in Malawi since 2005.

The kwacha is now selling at 1,131 against the US dollar following the recent 25% devaluation. RBM Governor, Wilson Banda, says that the recent devaluation of the kwacha is going to cushion Malawians from the scarcity of commodities on the market which could have triggered unnecessary price increase. However, the devaluations are half hearted as the kwacha is selling at 1,300 against the US dollar on the black market. In fact, as with most countries whose policy is to manage the currency, it is the parallel rate that is driving a substantial portion of the economy at the moment. This is a development that the RBM has decried since it is not reflected in the formal economy.

The forex shortage and devaluation are odd, especially at the time when Malawi is selling tobacco and other crops and farmers are exporting their agricultural products. In a bid to stabilise the forex situation, RBM ordered Auction Holdings Limited to begin a mandatory sale of 30% of its foreign exchange proceeds, generated from tobacco auction floors to the Reserve Bank of Malawi. Some commentators have rightly pointed out that the devaluation should have taken place prior to marketing of all crops in order for farmers to obtain the maximum amount of kwacha to educate their children, feed their families and pay for costs and inputs for the following year. This demonstrates a lack of forward thinking and planning and typifies the thinking of those in political power -- it's not about the majority, who, incidentally, are poor.

Malawi has also experienced an acute increase in the prices of goods and services whereby headline inflation has increased from 8.6% in 2020 to 15.7% in May 2022 (African

Development Bank). Prices of basic commodities like sugar and fuel that were bought at lower prices a few years ago, are now soaring. Real income and purchasing power have reduced considerably. There are audible murmurings from the people who had previously supported the Tonse administration on the state of the country's economy. The opposition DPP seized the opportunity to lecture the government on poor economic governance. All in all, the economic situation, if not addressed correctly, steadfastly and assiduously, could well be the cause of the Tonse Alliance downfall.

One million job promise - a fantasy?

In a populist drive, common in the rest of the democratic world and recently in the SADC region, the Tonse Alliance, mostly through the Saulos Chilima's UTM, promised to create one million jobs within the first year in government. In Chakwera's second SONA, he claimed that the Tonse Administration had achieved this promise. He claimed that his Tonse Administration had created about 997,423 jobs out of one million jobs promised during the campaign.

He repeated this when he spoke with BBC's Sarah Montague; "When we started, for example, with the Affordable Input Programme, we had thousands of jobs. Young people were employed across the country with millions of people accessing the affordable inputs. It was 3.5 million accessing inputs." A weak argument that has somehow escaped scrutiny.

The reality on the ground paints a different picture. If one is to drive along the roads in the larger cities, there are hundreds of unemployed youths selling their merchandise (which is only worthy of a dollar) by the roadside. There are thousands of graduates including teachers, doctors, nurses, and other professionals who are still waiting to be employed. The teacher to pupil ratio or the doctor/nurse to patient ratio still remain very high as the government does not have the economic muscle to narrow the demand ratio. The National Organization of Nurses and Midwives of Malawi (NONM) has disclosed plans to secure jobs in the United States of America for nurses which the government of Malawi has failed to recruit for a period spanning from 2016. According to NONM, the country has over 3,000 registered nurses and midwives who are yet to be employed. Malawi's narrow tax base cannot absorb more civil servants. According to Malawi Revenue Authority (MRA), it is expected to collect K1. 528 trillion in tax revenues in the 2022/23 financial year.

The tried and tested way to create employment and revenue is through FDI. But foreign investment is simply a term used in its rhetorical sense with no sensible plan to make Malawi an attractive destination for investors. The reverse is evident. Malawi is an expensive destination to fly to, has poor institutions that are there to provide ease of service to prospective investors, pot-holed roads, congestion, difficult land laws for foreigners to invest in agriculture especially, police roadblocks almost every 25km on the main arteries, speed limits in open unpopulated spaces that are traps for revenue collection, bribery and harassment by the police at some of these checkpoints, border inefficiency, corruption at almost every level and low productivity in government departments where an eight hour day means actually 5 hours of “some work” by many government officials. These are not an exciting prospect for would be investors. Added to this is the lack of efficiency and action within the MITC to make investors’ feel comfortable in their prospective new working environment.

World Bank

The Times has recently reported that the World Bank has called for the adoption of three bold reforms.

World Bank Country Manager Hugh Riddell was speaking in Lilongwe when the bank launched the 15th edition of the Malawi Economic Monitor titled “Strengthening Fiscal Resilience and Delivery’.

Riddell said the Malawi Government could restore short term macroeconomic stability through a package of reforms such as flexible exchange rate management, fiscal consolidation and debt sustainability.

He also said the government can prioritise private sector led solutions to chronic forex shortages, including scaling back expensive government interventions in the imports of strategic commodities while facilitating domestic and foreign investment in export sectors like agri-business and agri-processing.

“Finance has not followed function in Malawi’s decentralisation journey to date,” Riddell said. Local Government Minister Blessings Chinsinga admitted that fiscal decentralisation has lagged, and finances have not correspondingly followed devolved functions.

The rhetoric is nothing new, its simply history repeating itself.

Agriculture – A Black Hole

The first year of the Tonse Alliance administration saw the nation registering bumper harvests in maize (a staple food source) and legumes. For example, in the 2020/2021 season, Malawi was estimated to have a surplus of 1,356,000 tons of maize. Farmgate prices for soya and groundnuts skyrocketed, averaging almost half a dollar. Praise was showered on the administrations’ subsidy program under The Affordable Input Programme (AIP). However, this year, Ministry of Agriculture data shows that although this year’s harvest will decline by 14% as compared to the previous year, the country will harvest about 3.9 million metric tonnes (MT) of maize this. According to Admarc, it alludes to the fact that the country will have a surplus of 900,000MT of Maize.

AIP as politics of Nsima (politics of the belly)

AIP eats a huge chunk of the Agriculture budget. Last year, for example, this was MK120 billion (about $150 million) taking up over 50% of the agricultural budget. A policy note by the International Food Policy Research Institute (IFPRI) titled 'Are fertilizer subsidies in Malawi value for money?' noted that every Kwacha spent on fertilizer, less than 8 Tambala worth of maize is produced on average. It costs MK3, 236 to turn fertilizer into a kilogram of maize, while that same kilogram of maize can be imported five times more cheaply at a total cost of MK600. Rising prices of fertilizer and decreasing yield response rates will make the situation even worse.

The AIP targets smallholders for subsistence farming which is not sustainable. If the government is to promote commercial farming, it should not involve smallholder farmers because they cannot manage to follow standards, procedures and requirements of the international market. The IPS driven sector within the tobacco industry is the only model which has been proven to create the desired results for its international customers. It is yet to be seen if the government will still maintain the AIP with soaring prices of farm inputs including fertilizer. IFPRI has calculated that fertilizer prices have increased drastically by more than 230%, since May 2020.

Dwindling tobacco volumes

Tobacco Commission chief executive officer Joseph Chidanti Malunga told AFP that this year's harvest will be fifty million kilogrammes short of what the buyers are looking for. But he insisted Malawi needs tobacco because it is the only crop earning foreign currency.

"We cannot abandon this no matter what," he said. "All we do now is to make sure that we produce tobacco that is compliant with what the customers want."

It is surprising that despite a sharp decline in tobacco earnings over the years, Malawi's government still calls it a "strategic crop" and defends the country's continuing investment in its production. It is also ironic that since 1994, every administration has been talking of finding an alternative crop to replace tobacco but almost 30 years later tobacco is still reigning supreme as the government's main forex earner. Government statistics show that over 70% of the nation's export income comes from tobacco. And therein lies the answer to all questions prior.

As we write, the 2022 burley tobacco crop, still Malawi's bread and butter, is heading towards a volume of no more than 70,000 tons; 40,000 tons shy of demand. The question is why? After a reasonable year in 2021 where the Government set minimum price was almost achieved on the contract market – normally a trigger for growers to respond and plant more – has seen an unwillingness for them to plant. Weather has played a significant role with rains falling as late as 3rd January which is about three – four weeks later than average. This should not be the sole reason for this outcome, in 2001 a similar pattern was experienced with an almost vintage crop produced. Although weather has played a large part in crop estimate surprises, an important difference being that the collective approach between government and industry was all going in one direction in the eighties, nineties and 2,000's. They worked together.

On 20th April 2021, Chakwera opened the Tobacco Selling season in Lilongwe and stated that the future for the tobacco industry looks bleak. He tasked the ministry of agriculture to come up with solid alternatives. Again, on 12th May 2021, he stated in his SONA address to the nation that there is no future for tobacco and it was on its "deathbed". The fallout from such a massive statement is apparent. When the person at the very pinnacle of political power makes powerful political and policy related statements of this nature, the reaction filters down to the grass roots levels where smallholder farmers are positioned.

This, however, cannot be deemed the sole reason. There are a combination of factors here, one of which is the fact that soya beans are in demand, the price was right and it's an easy crop to grow. This, coupled with the fact that with very little regulation, soya and other crops such as groundnuts are sold informally and generally at farm gate with no levies, transport costs, forced storage in association warehouses, taxes, prolonged delivery periods with weeks of waiting and the high cost of selling as growers experience on the designated tobacco selling floors, makes life that much easier for some.

The truth is that Malawi actually has all the necessary structures in place that can make it a global competitor and grow enough leaf to sustain requirements by compliant importers and manufacturers abroad. The country could even use its position as a country well on the road to becoming a compliant producer to pressure manufacturers buying leaf from non-compliant origins by using the slogan *"Buy Compliant Malawi Leaf."* Regardless of the shrinkage and the WHO progress on the FCTC, the crop affects millions positively and can provide a steady, visible and predictable income to all players and thus earn the foreign currency desperately needed. Tobacco will remain as the country's largest export for the next decade and will contribute to the economy for at least another two decades after that. It is the springboard for other crops to grow in stature and become major contributors to the wider economy. It's not over bar the shouting.

One of the country's existing buyers has stated that they will not leave Malawi and will keep buying until "the last ever tobacco leaf is grown."

Mega farms solution

On 10th June President Chakwera sounded an ultimatum to the Minister of Agriculture to open a mega farm and show results within six months. During the campaign, the Tonse Alliance promised to open mega farms as a solution to perennial hunger and youth employment. On June 30th, 2022, the Ministry of Agriculture published an 'Invitation for Expression of Interest to Establish Mega Farms' in the local media. The Ministry is inviting investors from the private sector to establish mega farms at the 5,000 hectares Dwambazi

Estate in Nkhotakota to raise beef cattle and Chimwamkango Estate in Mchinji to grow value crops.

Mega farms are commercial farms that are demand driven by the need to address the gap which is there in the country or abroad. Since Malawi's comparative advantage is agriculture, this is a viable venture. However, the scope and direction which the mega farms will take needs to be carefully defined. Important questions should focus on financing, adoption of technology, crops to be produced, value to be added, who will manage them and most importantly the market that will buy and consume products that have to be competitively priced.

In a complete turnaround this week, the ministry of agriculture put a second advertisement in the local newspapers withdrawing their previous advertisement citing "gaps in the initial call for interest that needed to be addressed." A classic case of putting the cart before the horse, but on reflection, perhaps more so related to the fire from the hip directive the president gave his minister.

Tonse Philosophy: A Mirage

The Tonse Alliance cannot be accused of not trying to achieve its objectives. Apologists will point out to the Access to Information Bill operationalisation and engagement with the media as well as transparency in the appointment of public sector positions. However, 'Sattargate' points to the fact that the Tonse Alliance fails to learn from the national memory of Cashgate. In fact, Sattargate could be the straw that breaks the Camel's back. With the allegations laid on the Vice President's shoulders, we are yet to see if the Vice President will continue exposing the divisions in the Alliance. At the moment, Malawians' goodwill which welcomed the Alliance in 2020 has turned to disillusionment as the leaders are focused on politics and personal challenges rather than national agendas of social and economic importance.