

How the rich world can help Africa help itself

By Glenn Denning and Jeffrey Sachs

FT.com

Published: May 29 2007 18:36 | Last updated: May 29 2007 18:36

When heads of state from the world's richest countries gather in Heiligendamm, Germany, next week for this year's summit of the Group of Eight leading industrialised nations, they would most benefit the poor in Africa by first looking at what Africa is doing for itself. News from Malawi, one of the world's poorest countries, suggests a powerful way forward in the fight against hunger and poverty. If G8 countries scale up their support to these homegrown efforts – as they promised two years ago in Gleneagles – the fight can be won.

In 2005, Malawi's maize harvest was one of the worst ever. A dry spell in February of that year cut yields. National production was just 1.2m tonnes – 29 per cent less than in the previous year and 45 per cent less than the national requirement. The United Nations issued an appeal in August 2005, seeking food aid for the immediate hunger, but also fertilisers and seeds for the coming growing season. Donors responded quickly with food aid, but gave little support for fertilisers or seeds. By November, almost 5m Malawians faced food shortages and hunger, and the prospect of another disastrous growing season in 2006. Hunger and extreme poverty are known to increase the incidence of many killer diseases, unleash gender-based violence and theft, and decrease dramatically the rates of school attendance by children. An apocalyptic conclusion seemed to be all but assured.

Despite the opposition of some of Malawi's donors, President Bingu wa Mutharika and his team introduced a bold farm-input subsidy programme to pre-empt the famine. At a cost of \$60m, roughly \$5 per Malawian, the government provided seed and fertiliser at reduced cost to more than 1m small-scale maize farmers. This represented a huge financial burden for Malawi's government, but would have been a pittance for the rich world.

Impoverished farmers could buy up to two 50kg bags of fertiliser at one-third the world market price. High-yielding maize seeds were also subsidised. The results have been spectacular. Malawi's smallholder farmers are harvesting a bumper crop for the second year running, which may reach a record 3.2m tonnes. Yields have soared, helped by favourable rains. This year's estimates suggest a more than 1m tonne surplus for the country. Malawi plans to export grain to hungry neighbours.

Millions of people have averted hunger and its cruel manifestations. The focus has shifted from food aid to food exports; and from subsistence agriculture to longer-term rural economic transformation. This year the government's subsidy programme will promote crop diversification into higher-value cash crops to grow alongside their staple food production. The impact has stunned the sceptics and the doomsayers. It seems that an African green revolution is possible after all.

Malawi has initiated a remarkable turnaround. The lesson is that an ounce of prevention is worth a pound of cure. The investments in famine prevention – roughly \$60m per year in farm inputs –

save many more lives and are vastly more affordable than the hundreds of millions of dollars that would be needed in emergency food relief to achieve the same food outcome. Malawi's farmers can now focus on the longer-term challenge of economic transformation to higher-value output.

Much more will be needed to enable Malawi to escape once and for all from the poverty trap. In addition to several more years of subsidised farm inputs, Malawi needs to invest in water harvesting and irrigation, diversified agriculture, village-based clinics, rural electrification, rural roads and other infrastructure critical for long-term growth. These are the kinds of transformative investments being demonstrated in the Millennium Villages project in Malawi.

When the G8 leaders meet in Germany, Malawi's quiet revolution should stand tall in their minds. Instead of shipping expensive food aid after famines have hit, the G8 should help Africa's farmers to obtain critical farm inputs and the other key investments to enable impoverished rural communities to achieve food security and self-sustaining economic development.

The time for ending extreme poverty has arrived. Africa is ready to lead the way. It remains for the G8 to honour its long-standing – yet long unfulfilled – promises of support.

The authors are, respectively, director of the Earth Institute's MDG Centre for East and Southern Africa, and the director of the Earth Institute at Columbia University.