NON-FARM INCOME: THE STRUGGLES OF THE RURAL POOR IN MALAWI

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List of Acronyms

AIDS	Acquired Immune Deficiency Syndrome
BCE	Before Common Era
CUMO	Concern Universal Microfinance Corporation
DADO	District Agriculture Development Officer
DFID	Department for International Development
FAO	Food and Agriculture Organization
FGD	Focus Group Discussion
FIDP	Farm Income Diversification Programme
FINCA	The Foundation for International Community Assistance
GDP	Gross Domestic Product
GOM	Government of Malawi
HIV	Human Immunodeficiency Virus
IDS	Institute of Development Studies
IFAD	International Fund for Agricultural Development
ISS	Institute of Social Studies
LSMS-ISA	Living Standards Measurement Study-Integrated Survey in Agriculture
MFI	Micro Finance Institutions
NEPAD	New Partnership for Africa's Development
NFI	Non-farm Income
NGO	Non-Governmental Organization
NPK	Nitrogen Phosphorous Potassium
RSA	Republic of South Africa
SHMPA	Shire Highlands Milk Producers Association
UN	United Nations
UNDP	United Nations Development Programme
VSLA	Village Savings and Loans Association
WDR	World Development Report

Abstract

This research aimed at exploring the nature and prevalence of non-farm income in rural Malawian communities. It also examined endogenic factors and motives for non-farm income (NFI) and how it affected livelihoods of different types of households.

The study was conducted at Kachigwada village in Mzimba, Northern Malawi and at Liwonde village in Chiradzulu in Southern Malawi. The study used the Sustainable Livelihood Framework and took the qualitative perspective with acceptance of quantitative data. A total of 47 household interviews, 2 focus group discussion and 3 key informant interviews were done.

The results showed an increased dependence on NFI with 89% of households benefiting from at least one form of NFI. The most dominant forms were business income and wage labor constituting 79% and 23% of household participation respectively. Few households about 9% depended on remittances and only 4% were salaried employees.

The distressful conditions 'pushed' most of the poor households into NFI. Poor households had so many subsistence needs, hence it was very difficult for them to accumulate. However, the drive to accumulate motivated the 'better off' households to enter NFI.

The poor households who had some forms of NFI were able to smoothen consumption needs. The poorest of the poor who needed NFI most faced social and financial exclusion based on age, health and economic status.

Local councils can enhance NFI by improving physical assets through infrastructural development. Adopting the sustainable Livelihood framework as a planning tool may also help to cultivate synergies among various actors. The poorest of the poor households would need consistent external support to be lifted out of poverty and break the cycle of intergenerational poverty.

Relevance to Development Studies

The pathway to development of rural communities that depend on farming alone has proven to be problematic due to climate change, seasonality and shrinking landholding sizes.

This research considers NFI as a viable option for rural communities struggling to get out of poverty. It is envisaged that developing NFI could increase the division of labor, deseasonalise labor productivity and reduce reliance on farming as the only source of livelihood. NFI could increase the number of working days in a year and thus increasing labor output and is therefore extremely important in fighting poverty.

Keywords

Non-farm income, Livelihoods, Poverty, Assets, Rural Development.

Chapter 1 : Introduction

1.1 Background

Development pattern worldwide shows structural changes in term of a declining rural population as well as agriculture's contribution to GDP, thereby increasing dependence on non-farm incomes (FAO 2010: 4). This demographic change relieves land pressure as livelihoods are increasingly being divorced from agriculture and depends on non-farm incomes (NFI). This research situates the role of non-farm incomes in rural development in Malawi.

The Malawian economy depends very much on agriculture, which generates 35-40% of gross domestic product (GDP) and anchors livelihoods of 80% of the population (GOM, 2006: 26). The centrality of agriculture in economic growth and poverty reduction is critical to the state. However, agriculture-led growth has been challenged by seasonality, climate change and diminishing land holding size due to the growing population. Low agricultural production has contributed to low income and precarious food security, and henceforth the country was unable to attain the Millenium Development Goal one, which focused on halving the proportion of the poor by 2015. Low incomes and food insecurity are key factors leading to undernourishment in Malawi. According to FAO (2015) proportion of undernourished population in Malawi was estimated at 3.6 million, representing 20% of the entire population. Undernourishment severely harms children as it causes mental retardation and this affects future development prospects of their families and society (IFAD, 2010: 50). Low income households also face challenges in paying school fees and this leads to school dropout and early marriages. This scenario perpetuates intergenerational poverty.

These problems raise important questions as to how can rural households trapped under poverty be emancipated from poverty, when agriculture is endemically seasonal and landholding size continue to dwindle and sometimes yields diminish due to climate change? How are rural communities surviving these challenges? Indeed, how can they construct pathways out of poverty? These questions are fundamental to this inquiry.

Policy makers and development practitioners tend to agree that developing agriculture is probably the most effective means of fighting poverty in rural areas (NEPAD 2003: 8). Thus improved technologies in crop and livestock breeds coupled with infrastructural development in irrigation have been advocated. Nevertheless, these strategies overlook other important fact that farmers are highly differentiated. Some farmers may be landless and others may not have the ability to access technologies advocated. In view of this complex situation, it looks logical to think beyond agriculture in defining what people must do to earn a living. The Department for International Development (2002) agreed that land is a "fundamental livelihood asset," but also cautioned that land is "not always a sufficient condition for reducing poverty." This implies that working on the land is not the only means of livelihood. Similarly, Riggs (2006) argued that "No longer is access to land a necessary condition for reducing poverty, farming is just one activity among many in the countryside." There are many activities that people do in rural areas that can bring them income. It is not surprising that in 2010 the global picture was clear that development pattern worldwide was showing declining rural population as well as agriculture's contribution to the GDP, indicating an increased dependence on NFI (FAO 2010: 4).

This research therefore explored the nature and prevalence of NFI in rural Malawian communities. It also examines endogenic factors and motives for NFI and how they affected household livelihoods. The study was conducted at Kachigwada village in Mzimba, Northern Malawi and at Liwonde village in Chiradzulu in Southern Malawi. The study examined available assets in the community, their linkages and accessibility of the community and how they affected their livelihoods. Semi-structured questionnaires were used during household interviews in order to collect data for each and every household in the two villages. In addition, focused group discussions were done with key informants in the study area to augment data collected in household interviews. Furthermore, in depth interviews were done with some Micro Finance Institutions, government officials and families with migrant experiences.

1.2 Research Problem

Malawi has experienced deepening market liberalization, decentralization and democratization since 2000. During the same time there have been frequent dry spells and wash aways. These developments might have influenced the participation of people in NFI and shaped its structure and intensity. This study, therefore, sought to find out the types and prevalence of NFI in rural Malawi. It also wanted to find what motivates people to do NFI and how this affects different types of households.

This study was also motivated by the gap created by some regional studies on NFI in Sub-Saharan Africa. There was a lack of detailed data on NFI in Malawi in studies conducted from 1996 to 2013. These studies were regional in nature; hence some details were lost in the summaries. The first research on this subject was done by Deborah Bryceson from 1996-98 in six African countries, namely Malawi, Zimbabwe, Tanzania, Ethiopia, South Africa and Nigeria (Bryceson 2004: 619). Her results showed that 60-80% of rural incomes comprised of NFI, however details of local enterprises are highly masked in the regional summary. Nagler and Naude analyzed World Bank data on Living Standards Measurement Study-Integrated Surveys in Agriculture (LSMS-ISA) covering six countries of Malawi, Ethiopia, Niger, Nigeria, Tanzania and Uganda for the period of 2005 to 2013 and made a striking observation. They discovered that "risks and market imperfection are different across the sampled countries" and "that entrepreneurship is responsive to country-level circumstances and policies" (Nagler and Naude 2013: 19). They thus recommended country specific studies before enterprise creation policies are formulated and implemented because "one size fits all policies" could be problematic. Absence of data is also clear in government reports, for example Ministry of Agriculture and Food Security presents some NFIs as coping strategies, however their data were not quantified and lacked details (Thyolo DADO 2015: 6).

1.3 Research Objectives and Research Questions

1.3.1 Overall Objective

The overall objective of this research was to find the motivation of non-farm income in rural communities of Malawi and how it affected livelihoods of different households.

Specific objectives of the study were:

i. To explore the nature and prevalence of non-farm incomes,
ii. To examine how endogenic factors influence non-farm incomes,
iii. To investigate the drivers for non-farm incomes, and
iv. To explore the effects of non-farm activities on household livelihoods.

1.3.2 Research Question

In order to address the above objective, this research study centered its question on 'What are the motivations of non-farm incomes in rural communities of Malawi?'

1.3.2.1 Sub Research Questions

The main question was further analyzed through the following sub questions:

i. What kinds of non-farm incomes are there and how prevalent are they?
ii. Which factors influence adoption of non-farm activities and how do they affect different types of households?
iii. What are the motivational drivers for non-farm income diversification and how do they differ across different groups of households?
iv. How do non-farm activities affect livelihoods at household level and how do they affect different groups of households?

1.4 Significance of the Research

This research enhances understanding of the nature of non-farm income and how it affects household livelihoods. It aims to provide scientific evidence upon which would help policy makers in formulating effective policies in promoting non-farm incomes. Developing non-farm incomes is important because it increases the division of labor and this could transcend the challenges of surplus labor and marginal farming. In addition, non-farm income has the potential to de-seasonalise rural labor, making it available year round hence increasing its productivity. Increased labor productivity increases labor output and is therefore extremely important in fighting poverty.

1.5 Risks and ethical challenges

In order to carry this research with community acceptability the researcher got the social license from the district commissioners and the local leaders well in advance. The purpose of the study and likely benefits for the community as well as the local government were also explained. Furthermore the researcher recruited both male and female research assistants who already had some experience in data collection and community mobilization.

Administering a questionnaire to household comprising a husband and wife was challenging as some husbands dominated the discussion, particularly in Mzimba where by tradition, women were expected to be quiet before their husbands. The interviewer made efforts to equally engage both genders in getting responses.

1.6 Limitations

The desire to keep the quality of research high amidst financial constraints limited the scope of this study. In order to keep high quality standards within a limited budget this study focused only on two villages. In these villages in-depth household interviews were held at each household. The rationale was to get rich information and provide a better understanding of the livelihoods of the village.

Since there were only two villages the results could not be statistically representative to inform of the entire district or the entire country. However, the interest in this research was to get in-depth understanding of the household livelihoods. Since there could be villages of similar characteristics of which the results of this study could still be very useful, notwithstanding minor differences that could be there.

In addition the other limitation to this study was measurement. The exact measurement for the garden was not known by most households, hence relative estimates were used. These figures, albeit not perfectly correct helped to understand the magnitude of land ownership problem. Similarly, actual income was difficult to provide due to unavailability of records, hence the proportion of income has not been quantified in this study.

At design stage, it was assumed that at each household both spouses could be available at interview however the reality was that not at all households were both spouses available. In some households one spouse was not available at the time of the interviews. This necessitated the interviewer to tactfully ask supplementary questions to avoid compromising the quality of response.

Despite this, the results are still relevant as they give important insights regarding NFI and livelihood strategies in the study villages. Although the research cannot be generalized owing to sample size limitations and structural uniqueness the results are still transferable and useful as some of the conditions may be similar to other villages in the two districts as well as other districts in Malawi.

1.7 Organization of the paper

This paper comprises six chapters. Chapter one has laid the introduction and is followed by chapter two in which the Conceptual Framework and Methodologies are laid. Chapter three provides a brief history and growth of NFIs. Key concepts are also presented in this chapter. This will be followed by a description of the study area in Chapter four. The results and discussions are provided in Chapter five before concluding in Chapter six.

Chapter 2 : The Conceptual Framework and Methodology

2.0 Introduction

The main framework used in this study is the Sustainable Livelihoods framework. However, in order to have a deep understanding of livelihood strategies, a framework by Dorward et al on 'Hanging in, Stepping out and Stepping out' and Berner et al's concepts of 'survivalist and growth oriented enterprises' will also be used. Lastly, the methodology of the study, including characteristics details of the characteristics of the study are also provided.

2.1 Sustainable Livelihoods Framework

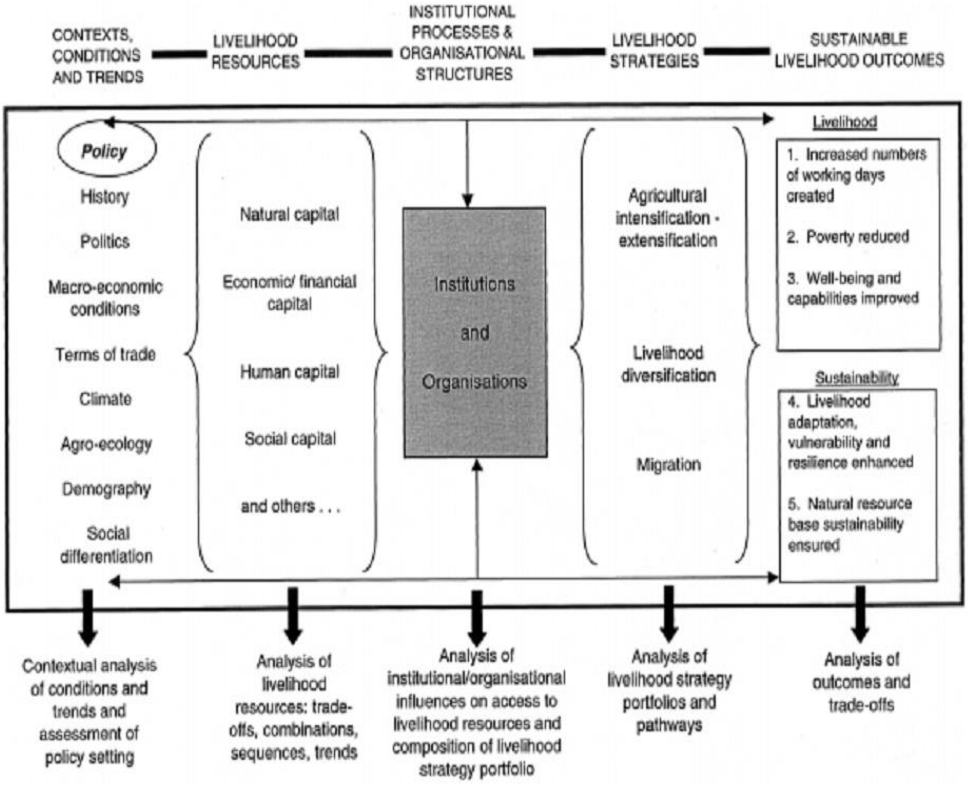
There are several ways of dealing with rural poverty. The majority of the rural population relies on agriculture as a major source of livelihood; however there are several livelihood alternatives. The understanding of the various ways of livelihoods falls under the sustainable rural livelihoods framework. For this reason this research used this framework to understand livelihood assets and how they were combined to define livelihood strategies in the research area.

Communities usually have assets which they can exploit to emancipate themselves from poverty. This intricate link between poverty and the environment is what gave rise to sustainable rural livelihoods framework (Scoones 1998:5). This framework is centered on the concept of livelihood. This concept seems to originate with the writing of Chambers and Conway, who defined livelihood as "comprising people, their capabilities and their means of living, including food, income and tangible as well as intangible assets" (Chambers and Conway 1991: I). At the center of Chambers and Conway definition are four things *people, capabilities, assets* and *activities (what they do) which* play a critical role in building livelihoods. Other scholars like Ellis puts much emphasizes on *institutions* and *social relations*. Ellis (2000:10) defined livelihood as comprising "the assets (natural, physical, human, financial and social capital), the activities, and the access to these (*mediated by institutions and social relations*) that together determine the living gained by the individual or household" [italics added]. According to Ellis (ibid:8) natural assets are environmental based or natural resource based like land, water, forests, minerals; physical assets are man-made bought through economic process like equipment machinery, and infrastructure; human assets refers to population, and individual health, education and skill; financial assets are actual cash, savings, remittances and credits; and social assets are synergies that a person benefits from association or networks which can contribute to livelihoods. This study examined endogenic factors and the social networks that were essential in construction of livelihoods.

The sustainability aspect of the framework is both social and environmental. Livelihoods are said to be sustainable if they are enduring. Since this framework recognizes exploitation of natural assets then a concern for continued exploitation of natural resources without depleting them and disfranchising future generations gave rise to the concept of *sustainable* livelihoods. It is much easier to understand the concept of sustainable livelihoods as reflected from the concept of sustainable development defined by Brundtland Commission Report of 1987 as “development which meets the needs of the present without compromising the ability of future generations to meet their own needs” (Drexhage and Murphy 2010:2). Appropriately Chambers and Conway (1991:6) described a sustainable livelihood as one “which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generations, and which contributes net benefits to other livelihoods at local and global levels.” Rural households can help in building natural assets by engaging in for example catchment conservation, damming, afforestation, observing closed season in fishing among others. This can help to ensure environmental sustainability which guarantees continued use of natural by current and future generations. Unfortunately, in most cases rural households exploit natural resources beyond the level of replenishment. Such practices include overfishing, poor farming practices and deforestation. These practices may satisfy current needs but increasingly compromise future needs and livelihoods hence are said to be environmentally unsustainable (Chambers and Conway 1991:9). The dimension of social sustainability refers to the resilience of households and community to withstand and cope with stress and shocks. In doing this households usually have different approaches. Some of these approaches could be short term (reactionary) or long term (strategic or proactive). Reactionary approaches could be selling of household items, wage labor, reducing meals per day, petty trading just to mention a few while strategic could include migration, skill acquisition, education, savings, and infrastructural development among others.

Sustainable livelihoods are achieved through access to a range of livelihood resources (natural, economic, human and social capitals) which are combined in the pursuit of different livelihoods strategies (agricultural intensification or extensification, livelihood diversification and migration). Central to the framework is the analysis of the range of formal and informal institutional factors that influence sustainable livelihood outcome. Fig 1 below shows Scions’ diagrammatic presentation of the framework.

Figure 2-1: Sustainable Livelihood Framework



Source: Ian Scoones, IDS working paper 72

This framework as depicted from Fig 1 shows the extent to which people's livelihood could be examined. Livelihoods at household or village level could be examined in terms of the context, livelihood resources (capitals), the institutional setup and their livelihood strategies to determine their actual livelihoods and how sustainable it could be. In this study, major focus was to see what livelihood diversification strategies were taking shape considering the fact that migration could be limited and agricultural diversification was problematic due to reasons already highlighted in the introduction. This framework takes cognizant that rural households could be doing more than just farming to earn a living. This study examined the nature of NFI taking shape in the study area and explored what drove people to engage in such activities and how they are related to the general livelihood.

2.3 Dorward et al 'Hanging in, Stepping up and Stepping out' Framework

In order to understand how households combined the assets and with what results, categorizations framed by Dorward et al and Berner et al was used. Dorward et al (2009: 242, 243) set propositions that "people generally aspire both to maintain their current welfare and to advance it and in trying to advance their welfare, people attempt to expand their existing activities." Based on these propositions Dorward et al further argued that three livelihood strategies emerge in which households could be *'hanging in'* meaning just maintaining the livelihood level or could be *'stepping up'* where the focus is on expansion of activities and improve livelihood and *'stepping out'* where households diversify portifolios for example investing in livestock. Accumulation therefore could take two forms of *'stepping out'* or '*stepping up*'. Stepping out could possibly be preferred as a strategy to spread risk and convert financial resources or other stocks that can be shared into a form that cannot be extracted in the moral economy of sharing.

2.4 The Survivalist and Growth Oriented enterprises

Berner et al (2012: 387) and Rogerson et al (1996: 171) described survalist enterprises as driven by 'desperate attempt to survive' or 'necessity driven' mostly done by women with little capital and skill investment. Berner et al (ibid) further described these enterprises as easy to enter and often run by family labor with frequent interruptions. In addition, they are highly embedded in the family network with the ultimate obligation of sharing the income.

In contrast to the survivalist enterprise, Berner et al (2012: 387) described growth oriented enterprises (which are stepping up activities in Dorward et al's proposition) as an opportunity driven, have some barriers to entry arising from skill and capital intensity. Furthermore, they are embedded in business networks and accumulate capital. These types of businesses have potential to create employment outside the household labor.

2.5 Research Methodology, Methods, data collection and Analysis

The nature of the research questions in this study determined what paradigm was the best to use. The research questions basically sought to *explore* the nature of NFI, *examine* endogenic factors, *investigate* the motivational drivers and *explore* links with household livelihoods. This study realizes that there could be different explanations regarding how endogenic factors affect NFI and what motivates people to engage in NFI. Scoones (1998:7) vividly put it that

> "The concept of sustainable livelihoods is *a composite of many ideas and interests*, the coming together of a number of different strands in the development debate. The important thing to recognize about the term is that it is always *subject to negotiation. The contradictions and trade-offs* between different elements of the composite definition (above decomposed into five parts, but potentially divided up in different ways) must always be recognized. Different people will inevitably have *different views* as to the priority indicators, and where conflicts are highlighted, choices then have to be made." [Italics added]

This description shows the fluidity of the concept and multiplicity of ideas that could be generated when inquiry was made. In this study the focus was on getting a deeper understanding as to 'how' several factors affected motives and livelihoods. Hence it was exploratory. According to Saunders et al (2003) exploratory studies are valuable means of finding out 'what is happening; to seek new insights; to ask questions and assess phenomena in a new light to clarify the understanding of the problem.' This pathway to knowledge categorized this study into the interpretative paradigm. However, the nature of NFI needed to be quantified and described and this enhanced understanding of qualitative data. For this reason this study took the *qualitative perspective with acceptance of quantitative data.* Zina O'leary (2014:149) described this perspective as one that takes an in depth exploration under a qualitative framework where traditional qualitative data is explored and quantified to add breadth to a study making it more representative of the study area. In the study area human skills, educational attainment, livestock ownership and occupations were quantified to inform of the spread and intensity of the problems and opportunities.

2.2.1 Selection of study areas

There were two villages purposefully selected from two districts. These districts were Chiradzulu and Mzimba. Chiradzulu district with a population density of 379 per square kilometer was the most densely populated district in the Southern region and wanted to see how people in such areas were creating livelihoods. Mzimba district has a population density of 70 far lower than the national average of 139 per square kilometer however, despite having relatively large landholding size compared to Chiradzulu there were high incidences of migration to South Africa. This puzzling contradiction motivated the selection of the two districts. Furthermore, the study also wanted to capture the influence trading centers could have on the livelihoods of rural communities and how rural communities could be affected by such centers. In addition, the study aimed at holding household interviews to all households in a village hence a village of 20-35 households was deemed to be manageable. This led to selection of Kachigwada and Liwonde villages in Mzimba and Chiradzulu districts respectively. Kachigwada had 27 households and Liwonde had 20 households.

2.2.2 Unit of Analysis

There was several ways people could come to know what kinds of NFI households do and why and how they are related to their households. This research used the *household* as a *unit of analysis*. Households were chosen because these were focal units from which livelihood decisions are primarily made. Crehan (1992a:90, 91) observed a household as a unit of production, consumption and co-residence through which "different activities are organized … which [are] absolutely central to individuals' lives." The livelihood stresses, shocks and counter actions are thus made at this economical unit.

2.2.3 Data collection methods

The background and the research problem provided a solid base to determine the types of methods to be used. There was no secondary data regarding the structure and extent of NFI in the research area. Due to absence of data it was problematic to establish the social relations and motives for relying on NFI. For this reason this study gathered primary data that helped to see the diversity and prevalence of NFI. This study collected data using household interviews, focus group discussion, key informant interviews and observation. Two research assistants from both genders with some experience in data collection and community mobilization were recruited and oriented on the questionnaire and research ethics before pretesting and data collection.

(i) Household Interviews

This was the principal means of collecting detailed data about assets and activities that households had and were doing to earn a living. All the households in the two selected villages were interviewed. 'Households' in this case meant household heads and or their spouses and any household member old enough to contribute regarding the assets and activities of the household. A semi structured questionnaire was used to collect both qualitative as well as quantitative data. The questionnaire captured basic information such as age, marital status of household head, highest education attained, garden size, family size, etc. It was also designed to get data on the motives, opinion, viewpoints that would help to explain qualitative data. Refer to appendix 1, 2, and 3.

(ii) Focus Group Discussion

Focus group discussion was another way of generating data regarding livelihoods in the sampled villages. One focus group discussion was conducted in each village. Participants in the focus group discussion were drawn from local leaders and extension workers in the local area. Local leaders comprised of a Village headman, Group Village Headman, a Representative from Area Development Committee and the Ward Councilor. Refer to appendix 3 for participants in these discussions. The aim of these discussions was to capture 'territorial' assets and activities that could offer opportunities or frustrate efforts done by individual households. These focus group discussions augmented the finding from the household interviews.

(iii) Observation

Observation was used to support findings and helped to ask additional questions to compare with what was being observed with what was being said. Some of the things observed included infrastructure of the area like road condition, type of houses, food storage structures and condition of the road.

(iv) Key Informant Interviews

The key informant interviews came in as a response to emerging issues during interviews and focus group discussions. The issue of rural households failing to accessing financial loans from Microfinance Institutions and village saving and loans needed to get clarification from concerned Microfinance Institutions. This compelled the researcher to have interviews with the Branch Manager of FINCA and also The District Community Development Officer who is responsible for village banking activities. These interviews provided worthwhile information enriching what was already collected from households and focus group discussion.

(v) Secondary data

The secondary data were taken from the National statistical office to capture on population dynamics outside the study areas to inform of the broader picture at district and national level. Such statistics helped in calculating estimated land holding size at district, regional and national level in comparison with the study areas. This helped to see the relevance and transferability of research results to other parts of the country.

2.2.4 Data Analysis

The collected data were coded and analyzed using Microsoft Excel to generate pivot tables addressing the research questions. Pivot table helped to cross tabulate various parameters to get in-depth analysis of the data. This helped to generate most tables that have been used in this study. Qualitative data were analyzed and organized in particular thematic areas to address issues raised in research questions. The qualitative data and various sources of literature were used to provide an explanation of the trend

Chapter 3 : Non-Farm Income: Concepts, Histories and its Growth

3.0 Introduction

This chapter sheds light on the growth pattern of NFI. It provides a brief development history of NFI, how it fits in development paradigms and recent studies in sub-Saharan Africa and Malawi in particular. To ease comprehension three key concepts, namely *the household* and *non-farm income* and *poverty* are introduced first.

3.1 The household

The unit of analysis in this research is the household. According to Malawi National Statistical Office a household "is defined as a person or a group of persons, related or unrelated, who live together in the same dwelling unit or separate dwelling units, but make common provisions for food and regularly take their food from the same pot or share the same grain store, or who pool their income for the purpose of purchasing food" (GOM, 2009: 11). In the study area the majority of households had all members living under one dwelling unit with some older children (mostly teenagers) living in separate dwelling units. Some households had a member (often the husband) who migrated to South Africa was still considered as the head of the household as long as there was still communication and support to the family at home. Households whose husbands migrated away and never communicated backwards nor supported the family for a long period of time (mostly 2 years) were considered abandoned and hence were categorized as female headed households.

3.2 Non-farm Income

The term non-farm income has been widely used in this study. It is therefore important to explain its meaning. Drawing from the definition of nonfarm from Haggblade et al (1989: 1174) NFI could be defined as all income arising from economic activities other than from crop and livestock production. It could be incomes generated from petty trading, mining, manufacturing, and service industry. Agro-industry processing even trading in agriculture produce other than from own-farm production has also been considered as NFI in this study. Ellis (2000:12) categorized NFIs into six namely: (1) salary employment, (2) self-employment/business income; (3) property rentals (4) urban-to-rural remittances within national boundaries; (5) pension funds (6) international remittances.

3.3 Poverty

The term poverty is elusive and conveys different meanings to different people. In the study area, participants described a poor household as one that did not have adequate food and most of clothes were worn out and their shelter was leaking in rainy season. Similarly, the WDR (2015: 81-82) described the poor as "more likely to find themselves in a situation in which they must forgo meals or live in substandard housing. … [their scarcity gap] create additional cognitive burdens that interfere with decision making in important ways beyond a person's monetary constraints." In monetary or economic terms being poor in a developing country means living on less than one US dollar per day. Most of the people living in rural areas live below this threshold of one dollar and this is condition is called 'absolute poverty'. Todaro and Smith, (2012: 211) defined absolute poverty as "a situation of being unable to barely able to meet the subsistence essentials of food, clothing and shelter". There are so many factors that can make rural households go into or out of poverty. IFAD (2010: 16, 17) identified personal health, education, ownership of assets and weather pattern as micro factors and conflict and disasters, state of infrastructure, economic growth and governance as meso to macro level factors through which can help households to climb out or plunge into poverty.

In the study area, there were three categories of households based on the level of poverty as defined in the community. They categorized some as 'better off', 'poor' and 'the poorest of the poor'. Communities combine a number of factors to categorize households. The 'better off' households were those households that had enough food to take them to the next harvest. They had a number of livestock. They were able to hire additional labor in their gardens. In addition, these households had some household items like a bicycle, radio, cell phone, chairs among others. Their houses were not leaking during rainy season. The poorest of the poor were those families that did not have enough food. They had huge problems to find food often depended on handout from relatives, the church, NGOs and government. Most of the times they would go without food. They didn't have good clothes; mostly their clothes were worn out. This group comprised of mostly the elderly, sickly and those keeping large number of orphans or dependents. The 'poor' were midway. They also did not have enough food, but had some means of hunting for food. They had some assets to sell, especially livestock or could engage in wage labor and rescue out the household from food shortages. They could also do some business to cope up with the situation.

3.4 The History of non-farm income and its growth

Mankind has relied on NFI since time immemorial. Historically, mankind has pursued a number of activities in earning a living. These have included hunting, trading, artisanal mining and other trades in earning incomes off the farm. Mankind had survived severe droughts through livelihood diversification and even migration. The Bible, one of the oldest books of history records a number of incidences testifying livelihoods diversification in the first century and around 3500 BCE. The records of Acts of Apostles and Mathews account the events of the first century, while Genesis records an account of about 3500 BCE.

> "… Abram *went down toward Egypt to reside there for a while,* because the famine in the land was severe." Genesis 12: 10.

> "… and because he had the same trade, he stayed at their home and worked with them, for they were *tentmakers by trade*."-Acts of Apostles 18:3

> "A woman named Lydia, *a seller of purple from the city of Thyatira* and a worshipper of God, was listening, and Jehovah opened her heart…"-Acts of Apostles 16:14

> "Walking alongside the Sea of Galilee, he saw two brothers, Simon…and Andrew his brother, casting a net into the sea, for they were *fishermen*." Matthews 4:18

These accounts show some of the activities people were doing to earn a living. Some were fishermen, tent makers and petty commodity sellers, and others coped by migrating to another area to mention just a few. These records clearly show the differentiation of occupations shifting away from traditional agrarian livelihood to non-farm economy. During the industrial revolution and beyond, NFI became more pronounced. In an analysis as to why Europe grew rich and Asia did not from 1600-1850, Parthasarathi (2011: 1) pointed the development and diffusion of revolutionary methods of manufacturing as a contributory cause to the global economic divergence. The booming of manufacturing industries evidently increased employment opportunities off- farm and triggered migration of people from the rural to urban in Europe. From 1950 to 1980 most countries tried to replicate 'industrial revolution' through industrial policies with different successes. Despite changes to free market economies propagated by neo-liberal policies, this trend of increased non-farm activities in urban areas, triggering rural-urban migration has been increasing since the industrial revolution to the extent that by 2008 the global urban population exceeded the rural population (Bernstein 2010: 2).

There have been several studies on NFI. Bryceson cited some studies on NFI from 1980 to 2000. In these studies, it appears NFI started to emerge significantly with the dismantling of marketing boards and the implementation of structural adjustment programs (Bryceson 2002: 730-731). In these studies the dominance of NFI increased from 40% in 1980s to 57% in early 1990s. In the study conducted by Bryceson herself (ibid) in six countries, including Malawi from 1996-1998 NFI comprised 60–80% of total household incomes. Nagler and Naude (2014: 5) analyzed World Bank data covering 2005-13 and found that rural incomes in Malawi comprised 17% of NFI.

Ellis et al (2003: 1495-1505) studied livelihoods and rural poverty reduction in Malawi in the two districts of Zomba and Dedza districts and concluded that "poor rural Malawians confront multiple severe constraints that can only be addressed by some combinations of raising agricultural productivity, diversifying farm output to reduce risk and shift towards higher value outputs, *and diversifying livelihood towards non-farm enterprises"* (italics added). Their study found 50.7 % relied on NFI with 13.2% of household income coming from wages, 29.8% self-employment and 7.7% from transfers for Dedza district where livelihoods hinged on agriculture. By contrast, in Zomba district where fishing constituted a dominant livelihood, 75.2% of income was derived from NFI with 30.3% from fisheries, 8.1% from wages, 32.4% from self-employment and 4.4% from transfers. These statistics show that endowment factors played a critical role in defining livelihoods. Most of the livelihoods in Malawi could be similar to that of Dedza with some variations in landholding sizes, availability of wetland or rivers, natural vegetation and rainfall pattern. The livelihoods dependent largely on fisheries could be similar to those districts close to Lake Malawi and other small Lakes.

The global trend of rising NFI raises an important question. What is it that explains the trend of growing NFI? According to available literature, there are two factors categorized as "push factors" and "pull factors" that explain the trend. The push factors are unfavorable factors that push households from traditional farming to NFI. Ellis (2000: 55) calls them 'involuntary and distress reasons for diversifying.' These factors include land fragmentation, land degradation, droughts, floods and crop pests and diseases. In additional farming may appear to be unprofitable because of failing input and output market. Due to these conditions (Barret et al 2001: 322) explained that some farming households diversify to cope with or mitigate low production by reallocating labor to NFI generating activities. The 'pull factors' refer to conditions that attract rural households to make investments into NFI out of a free will (Ellis 2000: 55). Relevant examples of pull factors cited by Ellis are when a person seeks seasonal employment during off season, or accumulate savings or makes long investments in education to increase chances of employment. Infrastructural development, for example passable roads, electricity, water and telecommunication may open numerous opportunities that were not there before. Similarly, job opportunities in the urban may also pull rural households into NFI. Furthermore, farming households may decide to go into NFI to take advantage of economies of scope (Barret et al: 323). However, there appears to be a thin line between the pull and push factors as one would also want to take advantage of prevailing opportunities while running away from distressful agrarian livelihoods.

3.5 Development pathway

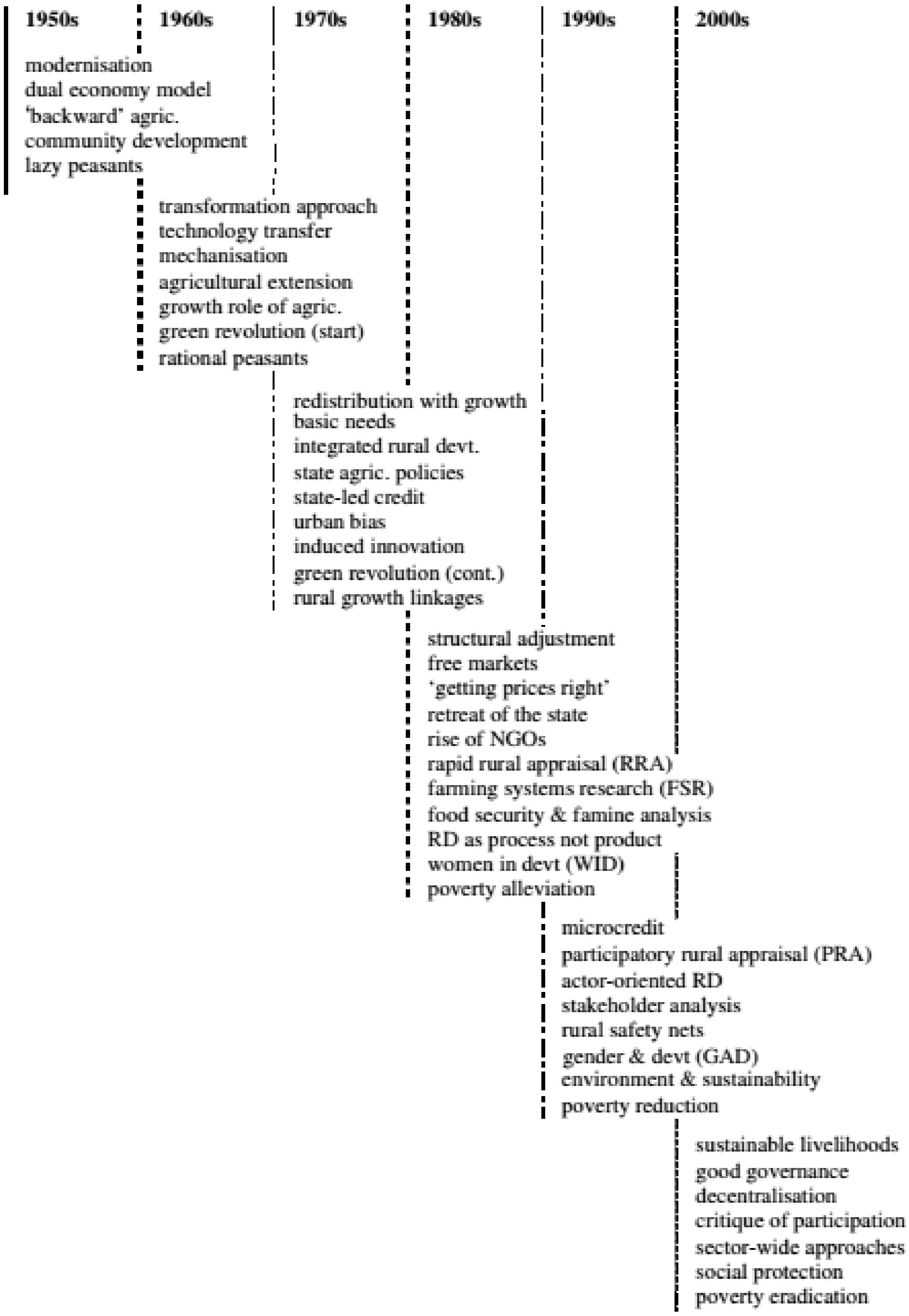
Intensification of agriculture by smallholder farmers has been supported by many urban bias critics such as Michael Lipton (Kay 2009:110) and considers investing in agriculture as an efficient way to rural development. Intensification of agricultural production happens through use of improved farming technologies, intercropping and promotion of livestock that do not need much land for grazing or for fodder. Intensification of agriculture is at the heart of agrarianism approach to rural development. The idea was that increased production would provide raw materials for industries which in turn could create employment and trigger migration from rural to urban areas. However, its dependence on rainfall and high infrastructural costs, reduces its efficiency in reducing poverty. Furthermore, the landless or near landless seem to be excluded under this ideology.

The second ideology is that industrialization should come first and this would stimulate demand for agriculture produce. Industrialization was also believed to create employment and trigger migration from rural to urban areas. In doing so, commercial farming could emerge. There are a number of scholars that supported this school of thought. Kurt Mandelbaum argued that to industrialize 'backward areas' there was a need to shift labor from rural areas to urban to work in the industries (Kay 2009:106). Least Developed Countries have been seen to hoard an army of reserve labor. Arthur Lewis, Ranis and Fei are among key scholars who are proponents of labor shifts from traditional to modern sectors. The idea is to improve labor productivity and achieve higher productivity (ibid). The challenge with this school of thought is to keep the balance of extracting the rural without choking it. The other challenge came with the dismantling of the industrial policies.

The third paradigm probably the most recent believes in stimulating growth right away in the village through the concept of local economic development. According to Helmsing and Egziabher (2005:1) local economic development is a "a process in which partnerships between local government, NGOs, community based groups and the private sector are established to *manage existing resources*, to *create jobs* and stimulate the economy of a well-defined territory [italics added]." This school of thought believes that both farm activities and non-farm activities can be developed concurrently in the same locality. Haggblade and Hazell (1989:345) emphasized the importance of agriculture as a stimulant to non-farm activities. He observed that increased agricultural productivity increases income which can be invested in non-farm activities. Intensification of agriculture is seen as a way of reducing inflation and a pathway to job creation through agro-processing and as a source of capital for non-farm enterprises. However, there is a limit to which large industries can establish themselves in rural areas. Lewis (1978:43) observed that most industrialists prefer locating themselves in urban areas where there is a network of institutions and organizations resulting in low cost of transaction. This observation still holds as most large businesses locate where they can access adequate security, good infrastructure like water, electricity, banks and government institutions.

Within these paradigms there have been various "theories, themes and policy thrusts" that have had a great impact on practices and rural development thinking since 1950 (Ellis and Biggs 2001:440). Refer to Fig 2.1 that shows these themes, themes and policy thrusts. From this diagrammatic presentation, Sustainable Livelihoods Approach, which was developed in the early 1990s is still one of the key development approaches currently being used by development practitioners.

Figure 3-1: Development Themes



Source: F. Ellis and S. Biggs, Evolving Themes in Rural Development 1950s-2000s, p.440

3.6 Factors affecting non-farm income

In addition to the general push and pull factors, there are also other generic factors cross cutting the likelihood of venturing into NFI. In a study on Living Standards Measurement Study-Integrated Surveys in Agriculture (LSMS-

ISA) covering six countries of Malawi, Ethiopia, Niger, Nigeria, Tanzania and Uganda for the period of 2005 to 2013, Nagler and Naude (2014: 8-10) observed that education level, access to credit, distance to the nearest road, distance to the next population center, ownership of land had an effect on the extent to which people engaged in NFI. They observed that individuals who were educated had a higher chance of getting employment and moving away from farming. Availability of credit facilities also increased the chance of engaging in NFI. Similarly, population centers offered agglomeration of small businesses and spillovers and this creates non-farm employment. This increased opportunities for NFI in areas closer to these population centers. In addition to this study, Hatlebakk (2012: 74) conducted another study on regional variation in livelihood strategies in Malawi and identified age, landholding size, and religion as factors affecting adoption of NFI. He observed that younger people and Muslims unlike Christians were more likely to adopt NFI. However landholding size both large and small motivated farmer into non-farm diversification differently through 'pull' and 'push' forces respectively.

Chapter 4 : Location, People and Assets in the study area

4.0 Characteristics of the study Population

In this chapter characteristics of the study area are highlighted. Since the study uses the sustainable livelihood framework this section sheds light on the location of the study area, physical assets, human capital and social capital. It is envisaged that this will enhance understanding of the prevalence of NFI and what drove or impeded households into non-farms incomes to be covered in the following chapter.

4.1 Location

This research study was done in two villages at Kachigwada and Liwonde. Kachigwada is in Mzimba district in Northern Region about 106 km from Mzuzu city and 75km from the district capital. Mzuzu has a population of 128,432 and is the regional city in the North region. The village is close to a forest reserve which is located about 10km from the village. There is also South Rukuru River about 15 km away from the village. People around South Rukuru depend on it for irrigation, capture fisheries and for harvesting reeds. Although Kachigwada doesn't have access to irrigable land along this river, but benefited reeds a raw material for the mat business. The village did not have wetlands to support irrigation, but had a potential site where a dam could be constructed to support irrigation farming.

The village is located about 2 km from Euthini Trading center. This area is the main focal area for business. There are so many business opportunities like welding, groceries, saloons, restaurants, transport and accommodation. In addition, government institutions like the judiciary, health, agriculture and education are also located at this center. In addition, at the trading center there were two microfinance institutions, namely FINCA and Microloan Foundation. This Trading Center is growing very fast offering opportunities for wage labor. The location of Euthini however, limits the scope and scale of business as most traders were drawn largely from Mzimba Boma and Mzuzu.

Liwonde Village is located in Chiradzulu district in the Southern Region. It is about 25 km to Blantyre and 45 km to Zomba. Blantyre is the second largest city after Lilongwe the capital city and has a population of 661,444 and Zomba city had a population of 87,666 (GOM 2008: 8). Within a radius of 20 kilometres from Liwonde village there were four commercial farms. There were also important rivers where irrigation farming takes place and these support trading in agriculture produce. These rivers are Mbulumbuzi, Mwanje and Namiwawa rivers. Furthermore, Liwonde village is located 4km from the Mbulumbuzi Trading Center, where open markets are held twice every week. Other government institutions like the judiciary, health center, and Agriculture offices are located at this center.

4.2 Landholding size and farm incomes

The total study population as of July 2015 was 218 comprising 129 from Kachigwada and 89 from Liwonde. The total land under cultivation was 43.7 hectares for Kachigwada and 8.15 hectares for Liwonde comprising 5.85 hectares arable land and 2.3 hectares of wetland where irrigation was practiced. The average household land size was 1.6 and 0.3 hectares for Kachigwada and Liwonde respectively. In both villages maize was the main staple crop that all households grow. Other crops included groundnut, pigeon peas, pumpkin, sweet potatoes, cassava and fruit trees. In the wetland vegetables like tomatoes, eggplants, green grams, leafy vegetable and carrots were common crops grown in addition to maize. At Liwonde there was more intercropping with an average of six different crops in a garden and some fruit trees in the homesteads. Kachigwada had three to four different crops intercropped and fruit trees were rare in the homesteads. These crops were the major source of farm income in the study area.

4.3 Livelihood Resources/Assets

The Sustainable Livelihood Framework focuses on how various livelihood resources could be combined to make a living. The livelihood resources consist of natural, econonomic/financial, human, social and 'other' assets like physical resources (Scoones 1998). Table 4-1 gives a summary of assets in the study area which could be combined in making a living. This table provides a summary of the key assets in the study area. The greatest asset is human asset with so many dimensions like numbers, education, skills, age and health.

Table 4-1: Household Assets

Area Characteristic	Measurement	Kachigwada (n=27)	Liwonde (n=20)	Total
Human Assets				
Total Population	*Number*	*129*	*89*	*218*
Female headed families	Number	6	4	10
Male Headed Houses	Number	21	16	27
Age of Family Head				
21-31 years	Number	5	3	8
31-40 years	Number	7	5	12
41-50 years	Number	6	5	11
50+ years	Number	9	7	16
Education level of household heads				
Junior Primary Class	Number	13	7	20
Senior Primary School	Number	13	7	20
Secondary School	Number	1	6	7
Total	*Number*	*27*	*20*	*47*
Education level for children				
Preschool	Number	23	9	32
Std 1-5	Number	49	11	60
Std 6-8	Number	7	20	27
Secondary	Number	2	13	15
Total	*Number*	*81*	*53*	*134*
Skills				
Bakery	Number	2	1	3
Brick Laying	Number	0	4	4
Carpentry	Number	0	2	2
Handicraft	Number	6	1	7
Tailoring	Number	0	2	2
Timber sowing	Number	1	0	1
Total	*Number*	*9*	*10*	*19*
Natural Assets				
Land holding size	*hectares*	*1.6*	*0.3*	*1.05*
Wetland availability	*hectares*	*0*	*2.3*	*2.3*
Rivers	*location*	*In territory*	*In territory*	
Forest availability	*availability*	*Yes*	*No*	
Social Assets				
Village and saving groups	*availability*	*Yes*	*Yes*	
Farmer groups	*availability*	*Yes*	*Yes*	
Village development committes	*availability*	*Yes*	*Yes*	
Regious groups	*availability*	*Yes*	*Yes*	
Physical Assets				
Road condition to major city	*description*	*Earth road*	*Paved road*	
Health facilities	*Type*	*Public and private*	*Public and private*	
Primary and Secondary Schools	*Accessibility*	*Both within 5 km*	*Both within 5km*	
Financial Assets				
Microfinance	*organizations*	*CUMO*	*FINCA/microloan*	
Livestock	*availability*	*Yes*	*Yes*	
Crop sales	*availability*	*Yes*	*Yes*	
*Wage labours**	*Number*	*9*	*2*	*11*
*Remitances**	*Number*	*2*	*2*	*4*
*Employment**	*Number*	*1*	*1*	*2*

Source: Fieldwork July 2015

4.3.1 Population, age and marital status

Table 4-1 above shows that the total study population was 218 comprising 129 and 89 from Kachigwada and Liwonde villages respectively. There were a total of 47 households. Thirty seven of the households were male headed and 10 were female headed arising from divorce, separation and death of the partner. About one third of the household heads were more than 51 years of age. About 40% comprised a physically active group of between 21 and 40 years. With average family size of 5, dependents comprised 60 percent of the total population.

4.3.2 Education, skill and capability

Education is quite fundamental in building capabilities. It increases chances of acquiring employment away from the village. This research investigated the levels of education and the skills, both spouses held at household level. Table 4-1 above shows that in Kachigwada Village there was only one household head that attained secondary school education while at Liwonde there were seven households ho completed secondary education almost the same number as those in senior primary and junior primary classes. The attainment of secondary education probably exposed the Liwonde people to more skills and hence more occupation opportunities.

Skills are important pathways determining occupation of rural households. Skills help people to get salaried employment or even self-employment. In the study area, though skills seemed to be limited there were still important skills that influenced the nature of business income and chances of salaried employment. Table 4-1 shows that there were eight different skills. Liwonde had relatively more skills in a number of trades namely: brick laying, carpentry, tailoring and hairdressing. Kachigwada had more handcraft skills, possibly acquired largely through parental training. Overall, there were more households without any skill representing 55%, while those with skills were only 45%.

In order to escape from poverty and increase chances of NFI, investment in education is crucial. The attempt that households were doing to educate their young ones was inquired. Table 4-1 has also shown levels of education of dependents. Although the population sizes of the two villages are different, the focus was the proportion of children who completed secondary school education relative to those that are in primary school.

The number of children or dependents who completed secondary education in Kachigwada Village was much lower compared to those in primary school. Actually, only 2 completed secondary school while 56 were still in primary school. For those in primary school, there were 49 in Junior primary classes (Std 1-5) and only 7 in Senior primary classes. This may imply that most children drop out in junior primary classes or they repeat these classes until they drop out. In contrast, for Liwonde Village the proportion of those who completed secondary education to those still in primary school was much higher compared to that of Kachigwada. There were 9 who completed secondary education compared to 31 who were in primary school.

4.3.3 Livestock Ownership

Livestock is a very important asset for rural households. It is a source of animal protein, income and manure. It is also a source of prestige and a symbol of status in society and often used to determine who is 'poor' or who is 'better off'. The types of livestock kept included chickens, ducks, goats, pigs and cattle. Table 4-2 below shows the ownership of livestock. Ownership of livestock is a proxy indicator of who are 'poorest of the poor', 'poor' and 'better off.' As can be shown in table the majority did not own even a chicken. This implies that the majority had a 'weak insurance' to cover them up in time of crop failure or disasters. The percentage ownership of livestock generally diminishes with the size and cost of the livestock. Liwonde had a better ownership of cattle largely because of external support from SHIMPA and FIDP who introduced dairy animals on pass-on program.

Table 4-2 Livestock Ownership (n=47)

Type of livestock	**Kachigwada (n=27)**		**Liwonde (n=20)**	
	Total census	% ownership	Total census	% ownership
Chickens				
0	0	74	0	65
1-5 Chickens	6	15	13	20
>5 chickens	28	11	25	15
Total	*34*	*100*	*38*	*100*
Ducks				
0	0	89	0	100
1-5 Ducks	2	4	0	0
>5 Ducks	16	7	0	0
Total	*18*	*100*	*0*	*100*
Goats				
0	0	85.2	0	80
1-5 goats	3	7.4	3	10
>5 goats	17	7.4	13	10
Total	*20*	*100*	*16*	*100*
Pigs				
0	0	100	0	90
1-5 pigs	0	0	10	10
>5 pigs	0	0	0	0
Total	*0*	*100*	*10*	*100*
Cattle				
0	0	89	0	70
1-5 cattle	6	11	7	30
>5 cattle	0	0	0	0
Total	*6*	*100*	*7*	*100*

Source: Fieldwork July 2015

4.4 Social capital

Social capital constitutes networks, claims, relations, affiliations, associations through which people construct livelihood strategies that require involvement of other people (Scoones 1998: 8). The social relationship between families, friends, and wealthier families and patron becomes a source of support in times of need and this support may or may not be reciprocated (Devereux, 2001: 509). Other material, moral or financial support came from religious groups, village savings and financial organizations, farmer clubs among others. In both villages households had access microfinance institutions. Inherent to the social capital is the local culture. The Kachigwada is the Ngoni culture that follows the patrimonial marriage system. In this system a man pays marriage dues to the woman's parents before marriage. Men own traditional land and pass it on to their sons at inheritance. The Liwonde people were of the Yao tribe. Their marriage system was matrimonial. In this tradition women owned the traditional land and had relatively more power than their counterparts at Kachigwada.

Chapter 5 : Non-farm Income: Prevalence, Drivers and Livelihoods

5.0 Introduction

This chapter shows the results of the study. It shows the nature of NFI in the study area, intentions and motivations for engaging in NFI and how this links up with household livelihoods.

5.1 Non-farm income diversification

There were four major sources of NFI in the study area. These were business income, wage labor, remittances, and salaried employment. Most households had combinations of these sources of NFI. Table 4.1 shows details of these NFI in the study area.

Table 5-1 Distribution of Non-farm income (n=47)

Type of NFI	Kachigwada (n=27)		Liwonde (n=20)		Total	
	No. of house-holds	%	No. of house-holds	%	No. of house-holds	%
Business income	25	93	12	60	37	79
Wage labor	9	33	2	10	11	23
Salaried Employment	1	4	1	5	2	4
Remittances	2	7	2	10	4	9
Total with NFI	**25**	**93**	**17**	**85**	**42**	**89**
Total Without NFI	**2**	**7**	**3**	**15**	**5**	**11**

Source: Fieldwork July 2015

The table above shows that 42 of the 47 households had NFI representing 89% of the total households. Kachigwada had 25 of the 27 households participating in at least one NFI while for Liwonde, 17 of the 20 households supplemented their incomes with non-farm activities. This shows an increased dependence on NFI compared to the findings of Ellis et al (2003: 1495-1505), which indicated 50.7% of the households in Dedza had NFI. Dedza being an upland has similar livelihoods to the areas of study in this research.

The total number of households without NFI was five representing 11% of the total households. The most important source of NFI was business income and about 79% of the households had one or more business incomes. This implies that business income was the second most important activity after farming, which had 100% household participation. Third in importance is wage labor market outside own household in which 23% of the households were involved. Remittances and salaried employment only accounted for 9% and 4% respectively.

5.1.1 The Drivers of Non-Farm Income

These statistics beg the question as to why households depended on NFI. The major reason given by the participants was that they did not have adequate food and income to meet basic needs. In both villages, most households did not have enough food stock to connect to the next harvest and did not have enough farm income to meet regular basic needs. There were several reasons attributed to this. In both villages households cited inadequate fertilizers, prolonged dry spells, flush foods as major obstacles leading to lower agricultural production and hence low incomes. In addition, Kachigwada households complained of lack of irrigation structure to support irrigation farming hence only depended on rain-fed agriculture. Lack of irrigation facility made it difficult for people to supplement rain fed production in times of dry spells or crop failure. At Liwonde land was extremely fragmented averaging 0.3 hectares which could only produce just enough to eat with very little or none at all for sale. Table 4-1 shows the asset base of the study area. Table 4-2 that shows that livestock ownership was very low and this weakened household resilience to shocks. In both villages, farming also centered largely on maize as a staple crop with very little diversification thereby negatively affecting their resilience. This therefore increased vulnerability of households to external shocks, such as droughts and price instability.

The other challenges with farm incomes were poor marketing of agricultural produce. Participants explained that the cost of inputs was high yet selling prices of most of agricultural produce were low. In addition, they also experienced postharvest losses due to poor storage facilities. These factors greatly compromised farm incomes and profitability of farm enterprises.

The perceived low profitability of agricultural enterprises 'pushed' some households to try other ways of earning a living. Chayanov attributed the growth of NFI like crafts, trade and non-agricultural earnings to the imbalance between labor and consumption resulting from land scarcity (Ploeg 2013:33, 34). He explained that when there are more mouths than hands and land, people will tend to intensify the production system or diversify into NFI. The mismatch of income and consumption was also well explained by Dorward et al (2009: 242) as follows:

> Irregular and uncertain pattern of production and income, however, do not fit with people's consumption and investment requirements. People have regular consumption and investment requirements. People have regular consumption requirements (for food and other daily needs), and they also have intermittent investment and consumption needs (for example to pay for school fees, to buy animals or equipment, to construct buildings, to participate in annual festivals, or to participate in family or community social events such as celebrations of births or weddings). There are also uncertain demands for expenditure to cope with accidents, sickness, or sudden demands from family members

or others in the community, and to take advantage of unexpected or unpredictable investment opportunities.

This apparent mismatch of production and consumption pushed households into NFI and sometimes even completely getting divorced from agriculture. One young man at Kachigwada expressed his frustration this way: "our forefathers have been practicing farming until they died, they never developed. We cannot develop with farming ... Farming is cursed!...Our generation must try other things except farming." Such frustrations led people into diversifying their livelihoods to NFI. Other studies also found some rural households simply had no commitment to farming, particularly the youth always wanting to switch their livelihood away from farming (Rigg 2006: 18). In this study there was a clear pattern that most of the youth between 20 and 35 years were active in these enterprises probably because they were still energetic and therefore open to a variety of enterprises.

5.2 The labor market

A significant proportion of households participated in the labor market. It comprised salaried labor (4%), wage labor (23%) and self-employment (79%). Wage labor is a short term labor agreement payable in cash or kind after completing agreed tasks. Salaried employment is long term labor contractual agreement with fixed and regular payment. Self-employment also known as business income is when one uses their own labor or their own household labor in running a business. The following sections discuss these three categories.

5.2.1 Salaried labor

This was the least form of NFI. Tables 4.1 showed low levels of education and skills. The two who were under salaried employment had attained secondary school education and one of them even went to a teacher training school. This enhanced their capability and increased chances of getting employed. Of course, getting a secondary school education is not a panacea to being employed. However, acquiring education certainly increases employment chances. It's a fact that even illiterate and unskilled labor can also get salaried employment, however, in the two villages or nearby trading centers there were limited investments that created jobs. In both villages a total of seventeen people attained secondary school education, however, getting employment was not always easy. Unemployment in Malawi was very high and hence competition was so stiff with secondary school education. It required additional vocational skills to remain competitive. Unfortunately, there were limited skills. The few skills that were there were mostly acquired through practice not through vocational schools. One participant at Liwonde who had finished his secondary school education, remarked "our friends who are in the city are well connected they get information about training opportunity and jobs easier than us. Sometimes we hear about these adverts when closing dates are already past." This observation shows that access to information could also be a significant contributory factor to getting employment and increased chance of getting employment.

5.2.2 Wage labor

This was the second most important source of NFI after small businesses. Again, this category was pulled from the sample to identify what type of households make up this group and what do they do. The study found out that those who engaged in wage labor were both male and female mostly from poor households as well as some of the poorest of the poor. Wage labor was needed throughout the year, however, more jobs are found during the agricultural season. These jobs were largely agricultural activities in other people's gardens as well as post-harvest processing. At Liwonde village there were fewer opportunities to work in other people's gardens probably because of small land holding size. However, commercial farms around Liwonde offered huge opportunities for wage labor during the production season. During off season (June to October) there were fewer job opportunities. The most common ones were brick molding, building construction and transportation. At Euthini there were relatively more opportunities for wage labor in other people's gardens, however, villagers expressed that more job opportunities for piece work than at Mbulumbuzi. There were more construction activities taking place at Euthini than at Mbulumbuzi perhaps because Mbulumbuzi is too close to Blantyre and Zomba hence investors would rather consider investing in Blantyre or Zomba.

Wage labor was helpful to *poor* households in bridging the gap of production and consumption (Dorward et al 2009: 242). Wage labor earned during off season helped to increase labor productivity and gaining extra income above seasonal farm incomes. This helped poor households to meet their regular basic household consumption needs. It also helped some families to avoid selling their food in an attempt to find money for the regular needs. Wage labor, however, could put livelihoods of the *poorest of the poor* in danger. Continued dependence on wage labor income increased reliance on purchased food other than own production as most of the time their own farms get neglected (Sitienei et al 2013: 18). This cyclical problem emanates from high prevalence of low wages. This was also exacerbated by high ratios of non-working members to working members (dependence ratio) in some *'poorest of the poor'* households. The persistence of continued reliance on wage labor perpetuated the gap between the rich households and the poorest of the poor. This situation was putting the *'poorest of the poor'* in a condition too difficult to climb out of poverty and had high chances of passing on poverty to the next generation.

5.3 Business Income or Self-employment

Table 5-1 further shows that most rural household derived income from self-employment. There were a number of small businesses that rural communities operated to supplement household income. Most of the households had multiple sources of business income. These enterprises were analyzed to identify what types of enterprises were there. When and who were doing the enterprises and why? Refer to Table 5-2 where NFI has been categorized into four major categories, namely natural resource based, service, food processing, and trading. Natural resources based business incomes were all non-farm enterprises that relied on the exploitation of natural assets. These enterprises included making and selling mats, molding and selling bricks, selling firewood and timber. Trading included buying and selling goods. These goods were mostly farm produce, fish and groceries. Services commonly offered were transportation, hair dressing (salon and barbershop), tailoring, carpentry, bricklaying and prostitution. Food processing largely comprised of baking, beer brewing and local beverage. The other thing clearly noticeable in the Table 5-2 was that Kachigwada had more households dependent on natural resources based enterprises while Liwonde has relatively more households depending on services. Both of them however had incomes from trading and food processing.

Table 5-2 Types of Business Incomes

Type of Non-Farm income	Kachigwada	Liwonde
Natural Resource Based	• Making and selling mats • Molding and selling bricks • Selling firewood • Selling timber	
Trading	• Selling farm produce • Groceries • Selling fish • Selling vegetables	• Selling farm produce • Selling fish • Groceries • Selling vegetables
Services	• Brick laying • Prostitution	• Salon and barbershop • Tailoring • Carpentry • Brick laying • Transportation • Prostitution
Processing	• Beer • Bakery	• Bakery

Source: Fieldwork July 2015

Most of these enterprises under this study were very small. Most of them were just generating barely enough to meet immediate basic needs like food, clothes and school fees. They transacted business sporadically and preferred diversifying business portfolios to accumulating growth within one enterprise. Accumulation defines a process in which households or individuals are able to have surplus income which can be re-invested to generate additional incomes which can be transferred to the next generation to create a potentially permanently wealthier stratum and by doing this they rise above others (Crehan 1992b: 122,123). Few households that were able to accumulate did so through the purchase of livestock like goats.

5.3.1 Seasonality and Non-Farm Income

There were a number of factors that impeded accumulation. For instance seasonality had a huge impact on NFI. Table 5-3 shows the spread of NFI across rainy and dry season. This table shows that there were more business incomes during dry season (off agriculture season) than during the rainy season. The wage labor was more concentrated during rainy seasons because of high labor requirements in field operations. Households' labor concentrated more on field activities than on NFI. During rainy seasons most households first work their gardens before they can go to their business incomes. Others completely abandoned their businesses during rainy season and yet others reduced the frequency of business operations. Other enterprises for instance beer brewing was only done when it was convenient to do so and was never on a regular basis. This down scaling of business activities during the rainy season frustrated efforts to accumulate.

Figure 5-1: Seasonality of Non-Farm Income

Type of NFI	Non-own Farm Income	Agricultural season (rainy season)							Off-season (dry season)				
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Natural resource based	Making mats							X	X	x	X	x	X
	Timber sales							X	X	x	X	x	
	Firewood sales	X	X	X	X	x	x	X	X	x	X	x	X
	Selling grass							X	X	x	X		
	Craftwork	X						X	X	x	X	x	X
	Moulding bricks	X						X	X	x	X	x	X
	Craftwork							X	X	x	X	x	X
	Selling fish	X	X	x	X	x	x	X	X	x	X	x	X
Agricultural	Agriculture produce sales		X	x	X			X	X	x	X	x	X
	Vegetable sales	X	X	x	X	x	x	X	X	x	X	x	X
	Selling horticultural crops	X	X	x	X	x	x	X	X	x	X	x	X
	Bartering salt and fish with maize							X	X	x	X		
Labor	Wage labour	X	X	x	X	x	x	X	X	x	X	x	X
	Employment	X	X	x	X	x	x	X	X	x	X	x	X
Food processing	Bakery	X	X	x	X	x	x	X	X	x	X	x	X
	Selling alcohol	X	X	x	X	x	x	X	X	x	X	x	X
	Baking fritters	X	X	x	X	x	x	X	X	x	X	x	X
	Beer brewing and sales		X	x	X				X	x	X	x	
Trading	Groceries sales	X	X	x	X	x	x	X	X	x	X	x	X
Transfers	Remittances		X		X		x		X		X		X
Services	Barbershop	X	X	x	X	x	x	X	X	x	X	x	X
	Brick laying	X	X					X	X	x	X	x	X
	Carpentry and joinery	X	X	x	X	x	x	X	X	x	X	x	x
	Hair Salon	X	X	x	X	x	x	X	X	x	X	x	x
	Tailoring	X	X	x	X	x	x	X	X	x	X	x	x

Source: Fieldwork July 2015

5.3.2 The motives for NFI and types of households

In most cases, surplus income generated from these NFI were not re-invested in the same business to expand it, instead it was diverted to other small businesses and in some cases to farming activities. It appears the aim was to diversify portfolios in order to reduce risks. These elements inform that most of these NFI were just survivalists (Berner et al 2012: 387).

The study found that those who derived incomes from self-employment were the 'better off' and some of the 'poor' households. Most of the poor households invested in low capital enterprises like selling vegetables, fritters, fish, firewood to mention a few while the better off invested in capital 'intensive' enterprises like a hair salon, transportation and brick making. Within specific enterprises there was also a gender division of labor as some of the enterprises were mostly done by women and others were dominated by men. Men were associated with such business as selling timber, making and selling mat, molding bricks, brick laying and carpentry. Women were associated with selling vegetables, firewood, food processing, beer brewing, salon and prostitution.

In both study areas most of the poor households explained that they did not have enough income and harvest to take them to the next harvest hence they had to do small business in order to bridge the gap of food requirement and other needs. The 'better off' were concerned with the low prices of agriculture produce at harvest, so they wanted to hoard their produce and sell when prices were high consequently concentrated on other sources of incomes which could generate better income.

5.3.3 Gender and Non-Farm Income

This study also observed that women were very active in these business enterprises especially at Liwonde. Reasons for active participation included the need to supplement household income as well as gaining financial independence. But why would women want to seek financial independence? What do they use the money for? A woman at Liwonde explained that "women most of times stay at home with children and feel the pinch of inadequate food hence need to supplement husband's income. When a household doesn't have food it is shameful" This view is similar to what people expressed in another study by Narayan et al. Participants in most of focus group discussion explained that "times have changed" for men "do not have well defined means of livelihood" women need to "complement" and not always to "rely on their husbands." (Narayan et al 2000:12). This explanation also strengthens the explanation why women do small businesses. In sub Saharan region the trend is similar. The reason given by Nigerian women is the same study (ibid) may also apply to women in Malawi. They expressed that women take responsibilities of providing for the family when a husband dies or is jobless hence need to learn to supplement to household incomes. This implies that women start small business as a risk management strategy.

5.3.4 Skills and Non-farm Income

Skills and education attainment were other factors that separated the two villages and explain the differences in enterprise choice. Tables 4-1 show that Liwonde had relatively more people that completed secondary school education and had a variety of skills than Kachigwada. These skills made it easier for Liwonde to diversify into enterprises that required special skills like carpentry and tailoring. This difference could be attributed to the 'push factor' of land fragmentation at Liwonde hence their investment in education and skill development to increase chances of NFI was more pronounced than at Kachigwada.

5.3.5 Non-Farm Income and personal characteristics

The differences in the choice of business enterprises were also shaped by age, family responsibilities and the health of the person. Most of women who had young children that needed parental care preferred business that did not involve a lot of travelling. Such businesses included tailoring, hair salon and trading from their houses. Similarly the aged and those who are not physically fit preferred business that did not require a lot of physical energy or involved extensive travelling.

5.3.6 Location Specific Non-Farm Income

The strategic location of Liwonde village, however, created huge opportunities for small businesses. The village is close to a tarmac road that connects to Blantyre and Zomba cities. The open market held twice a week at Mbulumbuzi was highly patronized and afforded opportunity for trading in farm produce and other services. On other normal days vegetable sellers commuted to Blantyre and reported significant sales. The growth of Blantyre city also increased demand for bricks hence booming of brick business. In contrast Euthini was a small growth center far away from both Mzuzu city and the district capital. Worse still the road connectivity was not good and sometimes became impassable during rainy season. Although the two trading centers were almost of equal sizes, but the size of business transactions at Euthini was far less than that of Mbulumbuzi.

5.3.7 Non-Farm Incomes and household livelihoods

These households who were doing non-farm enterprises explained that business income helped them to meet most of household needs. They were able to buy food until the next harvest and pay school needs for their children. Some households also said they able to buy paraffin for lighting their house and this also helped to extend study hours for their children. What these households explained mirrored other finding in Narayan et al (2000:53) study in which they quoted a woman from Chitambi in Malawi who said “I got the capital for my fritter business from my husband….in times of shocks like famine, I use the business money to buy foods and so shocks are not such a blow on our family.” This shows that small businesses were critical to the livelihoods of rural households.

Many of businesses based on natural resources were unsustainable and had short term benefits. At Liwonde focus group discussion participants explained that brick molding degraded their soils as the top soils was depleted leaving infertile soils resulting in perpetual low crop production. Furthermore, it created drainages which became breeding grounds for mosquitoes during rainy season and this increased incidences of malaria. Similarly, firewood sales, timber making, mat sales, carpentry sales were crumbling following increased dwindling of natural assets. Participants explained that now they walked longer distances and collected fewer of these forestry products. Unfortunately, there were no efforts for regeneration of the natural resource base. These drawbacks weakened household resilience to external shocks and rendered these types of livelihoods unsustainable. However, livelihoods based on service businesses, trading and agro-processing were more resilient and sustainable.

5.4 The challenges of financing Business income

The sustainable livelihood framework considers financial capital as of the assets that households can utilize to combine with other capitals in making a living (Scoones 2015: 39, 40). Households in the study area financed their businesses through sales from crop and livestock. However, due to challenges facing farm incomes this prompted households to seek additional finances outside farm income. This included raising financial capital through borrowing from financial organizations. Rural households usually face challenges accessing financial services from both commercial banks as well as Microfinance Institutions. Oftentimes, commercial banks are reluctant to reach out to remote areas probably because of undeveloped infrastructure like roads, internet and security. In addition the majority of the rural communities do not save up with banks and their loan portfolios are usually small and without collateral (Todaro and Smith 2014: 741-742). Because of these challenges, it is difficult for rural households to get loans from commercial banks. This challenge led to establishment of micro-credit organizations and village Savings and loan groups. It was hoped that if rural communities were mobilized into financial groups they can share skills and peer pressure could minimize defaults hence making such groups collateral to access loans from these financial institutions.

5.4.1 Financial exclusion

In both study areas there were groups for Village Savings and Loan Associations (VSLA) and for micro-credit organizations. Microfinance Institutions were FINCA, CUMO and Microloan Foundation. These institutions all claimed to be reaching out to the poor even in the remotest areas, however rural communities complained of exclusion and prohibitive conditions of the loans. There were various forms of exclusion taking place based on gender, age and poverty levels. The VSLAs, Microloan Foundation and CUMO exclusively targeted women. Men were therefore financially excluded. One of the conditions to get loans from the Microloan Foundation was that one had to be female and not more than 65 years of age. According to the Microloan Foundation at ages greater than 65 years, loans were often consumed not invested in business consequently default was high among this age group. This condition excluded poor old women from financial services. The third exclusion was based on the level of poverty. According to village categorization, there were three types of households namely 'the poorest of the poor', 'the poor' and 'the better off'. From these groups of the households 'the poorest of the poor' faced huge obstacles in getting financial services. First, these VSLAs and microcredit financial groups required their members to save up with the group before they could borrow. This condition of regularly saving up with the group disfranchised 'the poorest of the poor' households who were unable to raise such money. In addition the 'poorest of the poor' were also deliberately ignored and excluded from joining financial groups because they are perceived to be potential defaulters. Even some employees of microfinance institutions as noted by Hulme and Mosley (1996) preferred to exclude the ultra-poor to reduce default risk. The ultra-poor faced multiple exclusions difficult to break through and could hardly access loans from VSLA and microcredit institutions. This is consistent with studies by Narayan et al (2000: 58) who reported of a villager from Mbwadzulu in Malawi expressing exclusion "I do not have a chair. I cannot be given a loan. What will they confiscate from me?" The frustration of this villager informs of the plight of the poor in rural Malawi. Similarly, studies by Rooyen et al (2012: 2258) on the impact of microcredit in sub-Saharan Africa, observed that "Microcredit …*should not be promoted as a solution for the poorest clients*" [italics added] because of its potential to harm the poorest clients. This observation on the poorest of the poor was supported by Roodman (2012) who also pointed that microfinance doesn't perform well as a vehicle for the poorest of the poor to escape poverty. This means the 'the poorest of the poor' may need a different financial strategy.

Those who were able to get loans from VSLAs and microfinance institutions were drawn from the 'poor' and 'the better off' households. However, not all such households were willing to get these loans. There were some conditions that created bottlenecks. According to FINCA, loans could only be given to businesses with regular sales at least weekly to guarantee loan repayment. Most of agricultural production businesses like crop and livestock production were not acceptable by FINCA unless the production cycles guaranteed regular sales to sustain servicing of the loan. There seemed to be a disconnection between the nature of businesses most households were doing and what Microfinance institutions were willing to support. Most of the businesses were very small and did not have such regular flow of income. Understanding the nature of these businesses requires understanding the drivers for such businesses.

5.4.2 Salient reasons limiting accumulation and growth oriented enterprises

Most households said they do such businesses in order to buy basic needs. However, there could be other salient reasons that prevented households from going beyond just meeting subsistence level. Based on available literature, households in the village often comprise people who are related and are expected to assist each other in time of distress. The poor expects the 'better off' to help them in such time of distress and Berner et al (2012: 384) attributed this as a factor that prevented the drive to accumulate. Similarly, hinting on intention of entering in such incomes Eric Wolf, one of the moral economists argued that "market production occurs only when a peasant is unable to meet his cultural needs within local institutions. If the peasant, who is oriented to local norms and roles, sells a cash crop, the money is only 'to buy goods and services which he requires to subsist and to maintain his social status rather than to enlarge his scale of operation'" (1979: 9). Acknowledging that the rural is differentiated, Dorward et al (2009: 242, 243) categorizes into those who are able just to maintain livelihoods as *'hanging in',* those able to diversify their assets as *'stepping out',* and those who expand business portfolio as *'stepping up'*. Dorward et al explained the difference in term of the disconnection between production and regular consumption needs. Berner et al (2012: 387) categorized enterprises into two broad into '*survivalist*' and '*growth oriented*'. Berner et al attributed the moral economy as contributing to the growth of survivalist enterprises.

(i) Defaulters and property seizure

Participants in focus group discussion in both study areas also explained that these loans created social tension due to default. According to the discussion with FINCA, group members were supposed to pay for any defaulting members, but most often they were not able to do so. In such cases FINCA moved in and confiscated property to defray loan cost. According to studies by Ganle et at (2015: 341), "loans invested in productive business or used to expand existing businesses were able to make monthly profit" and those invested in a nonproductive venture such as direct consumption had problems to pay back and ended up borrowing from friends and other money lenders with high interest to pay up the loan or could suffer property seizures and embarrassment. The 'poorest of the poor' unfortunately had urgent consumption needs to survive and hence highly likely to spend on consumption first. This led to such households to come worse off after getting micro-credits, if ever they got it. This created fear among the poorest households to join these financial groups.

(ii) High loan interest

The other reason why most of the households did not want to get loans from these financial groups was the high cost of borrowing. One woman said at Kachigwada said "the interest rate is very high, when you get the loan all the business income goes paid back to where you got the loan. It's just like working for them like a slave." This observation was also corroborated by the District Community Development Officer for Mzimba district who said that high interest rate from these financial groups was a huge stumbling block. He noted that at 20% interest rate per month for VSL poor households had problems to make meaningful profits hence unwilling to obtain loans from their groups. The interest rate from MFI such as FINCA was at 7% per month, translating to 84% per annum. These high interest rates were not compatible with the nature of business done in the area. At such rates, it was extremely difficult for poor household to get out of poverty and diminished the desire for financial inclusion.

(iii) Infrastructure growth limiting business opportunity

In addition to financial challenges the other challenge was the level of infrastructure development. Development of appropriate infrastructure like roads, electricity, portable water, warehouses, irrigation facilities among others, can facilitate the establishment of some non-farm businesses. Such infrastructure could also attract establishment of businesses which create employment to both skilled and unskilled workforce (IFAD 2011: 194). Todaro and Smith (2012: 319) pointed out that electricity contributed to increased productivity as employees were able to work for longer hours than those without electricity. In both study areas, electricity was available at the trading centers providing opportunity for the establishment of a number of businesses like welding, hair salon, film screening and others. However, due to poor road and water infrastructure, the scope of business opportunities is limited. The establishment of these infrastructures is beyond the capacity of local people. The only possible action by local communities is to actively engage with local and central government for such infrastructure.

(iv) Skills create a ceiling on the scope of NFI

The other challenge was skill. The diversity of enterprises was limited by the skills of people especially at Kachigwada. Lack of skills led to household enterprises to cluster around petty trading. Evidently, the scope of business income was limited by available skills in the village. These skills were passed on to others through socialization. Any additional skills were supposed to come from external sources through vocational schools and investing in education for children. Expanded opportunities for vocational skills needed external intervention.

5.5 Remittances and Migration

The statistics of the two villages show a total of 9% of the people received remittances usually from family members within the country and abroad. Migration therefore is critical to understand remittances in the study area. Before analyzing the status of migration, it is worthwhile to examine who gets remittances, how often and what do they use it for? Regular remittances were received by family members, mostly wives and parents to migrants. Remittances from a brother or sister were not common and often just occasional. International migrants often leave their wives and children behind in order to get established first.

One family that was interviewed is described below:

> *This grandmother is 68 years old and cultivates on 0.8ha. She lives with her grandchildren aged 10, 8 and 7 who were left by her son when he went to South Africa. Her son divorced his wife before he went to RSA. She received remittances quarterly. The remittances were spent on farm inputs and basic needs like food, clothes and school fees. She works alone in her garden as these grandchildren go to school. Occasionally she supplements basic needs through brewing beer and also uses the same at peak periods to get additional hands to help in the field.*

This excerpt shows a picture about the use on remittances and responsibilities that some of the people who get remittances do have.

5.5.1 Forms of Migration

Three forms of migration can be noticed in the study area. The most dominant form was rural to rural migration. People migrated to neighboring villages largely on the basis of marriage. In making migration decision people often combine several factors that include economic opportunities, education, skills, wealth, security, availability of information and aspirations (De Haas 2007: 20,21). In the study area education levels were low and this limited rural-urban migration (Refer to table 4-1). Liwonde had relatively more who migrated to Blantyre but still owned and cultivated their gardens. In case of Liwonde, its proximity might have exposed people to town life and trigger aspiration. However, it's not the entire village migrating to Blantyre. A participant in Focused group at Liwonde observed that "most people who are migrating to Blantyre are between 18 and 35 years, they go there to do business, very few find employment …jobs are rare in town."

5.5.2 Drivers for Migration

At Kachigwada a focus group discussion showed that although the village had only three who migrated to RSA but in other villages there were also some people who migrated to South Africa. The land holding size for this area was five times larger than Liwonde's however, there were high levels of migration ruling out land fragmentation as a 'push factor' to migration. This provokes the question as to why did they migrate and who migrates to RSA? One woman who went to RSA following her husband narrated the story of her family

"We *admired a beautiful house that was built using remittances, and we inquired what was needed for one to go there. When my uncle who was in Johannesburg accepted to keep him (my husband) while he was looking for job, we were all happy that a dream house was possible. Four years later when I followed my husband, I was so excited to be abroad. My husband who has a Junior Certificate (Form 2 certificate) worked as a garden boy, but received more money than a Secondary School Teacher in Malawi. Life is really good in Johannesburg. I discovered that there were so many menial jobs, but required one to communicate in English."*

What this woman expressed echoes Haas' observation that apart from better prospects of jobs in South Africa, personal aspirations, information and social networks also contribute to migration decisions. Who migrated? Mostly young men leave behind women to look after children while they searched for jobs. Sometimes unmarried young men also migrate. Those who migrated were not the poorest of the poor because migration is expensive. It required money for one to process travel documents or bribe law enforcers en route.

5.5.3 The benefits of Migration-a Heated debate

The prospect of improving one's welfare through migration is a heated debate. Andre Gunder Frank a proponent of the dependency theory argued that migration ultimately contributed to underdevelopment as it destabilized societies and took away the active workforce. It contributed to marriage breakdown and spread of HIV as both partners leave each for a long time (De Haas 2007:115). In a focus group discussion, participants mentioned of incidences of marital break-up, increased cases of HIV and AIDS and some migrants who only return very sick only to die a little longer. One woman complained of child delinquency and said "it's not easy to discipline teenagers, they don't listen to me. I wish if their father was around." The negative social impact on families can really be huge.

In contrast, other scholars point to positive contributions to development by migration through remittances, knowledge, ideas, attitudes that these migrants share with their relatives. Cyclical migration has been observed to be helpful in Europe and China as the migrants invest in farming, shops and small enterprises (Ploeg, 2013:81). Remittances had helped some households around the study area to construct good houses, pay for school fees and buy food. If the situation was like this why then could migrants not take their spouses and completely get divorced from land to fix these migration challenges once and for all? The response was that they were afraid to lose land and wanted to use it as a fall back option. In addition, most parents wanted to 'preserve' their identity and were not in favor of permanent migration. This revealed the perception people had towards land. It conjures Peters' study (2002:159) in which she noted that apart from being a source of livelihood, land also "defines social place –the place where one belongs-hence social and personal identity. … where kinship groups are located, identity is also associated with the place that is 'home.'" It is this identity that migrants and their parents want to preserve. Of course the fear that as their village population grows and the need to have land as a fall back option demotivated migrants to take along their families. The fear of losing land was also exacerbated by the fact that in the two villages there is no titled land and therefore no basis to claim land in the future if they decided to rent it out, when leaving and claim it back upon returning home.

These migrants who went to RSA worked on lowly paid jobs such as cooks, garden boys, and watchmen and sometimes as drivers. They were not knowledge migrants. The nature of their job limited acquisition of extraordinary knowledge and ideas that can bring huge difference at home.

5.6 Why some people can't have non-farm income

About 11% of the total households did not have any NFI. This raises questions like: Are they perhaps self-reliant? Who are they? What do they do? Why don't they have sources of NFI? How do they survive? These were important questions worth exploring to attain inclusive development. The responses from these households were drawn and analyzed closely. Below are some brief cases providing insight of these households aforementioned.

> *A 75byear woman at Kachigwanda lives alone. Her husband left her 24 years ago to work in tobacco estate and never came back. She neither has a child, nor livestock. She cultivates maize on a plot 0.4hectares on which she harvested 27kg in 2015. She said "there is no one in the village willing to employ an old person like me when there are many young one looking for the same jobs. I depend on generous people who give me food or invite me to eat with them in their homes. Sometimes I receive food from government."*

> *A 32year old woman lives at Kachigwada with her five children. The eldest child is 12 and the youngest is 2 years. Divorced by her husband, she works on her 0.4ha to feed her children. In 2015 she harvested 300kg on her plot. This is inadequate to take her family to the next harvest. "I had some complications during delivery, it's hard for me to do hard work. I don't know how I will survive only God knows. Sometimes I think of going to Mzuzu maybe I can find a job of cleaning dishes, but I don't know anybody there. I am worried my relatives who help me had poor harvests and they will get tired with me, they also have their own problems," she expressed herself sounding so depressed.*

The households that did not have NFI were all female headed households. They were a total of five households. One was the 'better off' household and the other four were 'the poorest of the poor' households. The 'poorest of poor' households did not have NFI for different reasons. All the four households explained did not have enough food and income. There were sufficient 'push factors' to drive them into NFI; however, they could not engage in NFI activities. As noted in the Table 5-1 non-farm income could be in the form of remittance, wage labor, business income, and salaried employment. These households could not draw any income from any of these sources. First, they did not have relatives who could send them some remittances. Secondly, they had individual problems relating to age and health that prevented them from entering the labor market. Some were old and couldn't compete with the young ones in securing wage labor and worse still people were not willing to hire labor from them. Other studies show that at age 50 and beyond age is negatively correlated with wage labor (Sitienei et al 2013:13, 14). In addition others could not be employed on health grounds because they were sick or caring for the sick. Thirdly, getting employment was problematic because of weak social networks as explained in the excerpt. The *'poorest of the poor'* lacked networks that could help them find jobs. In a similar study a woman at Phwetekere narrated that "often well-educated and well networked….change jobs as if they are pairs of trousers" Narayan et at (2000: 54). This explains the need to have social networks in securing employment. Sadly the poor didn't have such networks, and this partly prevented them from migrating and getting employed. Fourthly, the poor also faced exclusion from the financial market due to lack of self-confidence, perceived threat of default, and lack of finances to save up with financial groups. In view of this exclusion, participation in business incomes was also undermined. The livelihood of this group was under severe threat and potential for intergenerational poverty was high.

The household that never engaged in NFI was one of the 'better off' households. It had 0.3 hectares in the upland when was growing maize intercropped with groundnuts, millet, sorghum, pigeon peas and phaselous beans. She also had 0.2 hectares of the wetland where she was growing vegetables, sugarcane and maize. At her homestead she had a variety of fruit trees of mangoes, apples, bananas and paw paws. She also had three pigs, two goats, four chickens and one cow. She relied on farm income to meet household needs that included basic needs and sending her children to school. This household intensified its agricultural through mixed farming, intercropping and irrigation. By doing this the household could draw income from a wide range of crops and livestock. This helped to reduce the impact of crop failure as the household could as well get income from other sources. Irrigation farming greatly helped to deal with seasonality effects. She was able to spread her labor throughout the year hence improving her household labor productivity. Her irrigation farming also helped to spread her income throughout the year, thereby reducing variability of income. In addition, the farming system of this household was well integrated, creating interdependences between crop and livestock farming and this reduced the cost of inputs as she was able to use animal manure in her garden and crop residues as animal feed. This helped to increase profitability of her enterprises. These factors help us to see that that the household was self-sufficient, hence there were no 'push factors' driving it into NFI. However, when asked why could she not consider business income to expand and accumulate capital. She explained that she was labor constrained because most of the times her children were at school.

Chapter 6 : Conclusion

This study used Sustainable Livelihoods Framework proposed by Scoones (1998) to understand the possible combination of the types of assets in creating livelihoods in the study area. These assets were natural, financial, human, social and physical assets. Using this framework, this study aimed at unpacking NFI to understand its nature and prevalence and how these assets helped formation of the NFI. It further aimed at understanding the endogenic factors propelling or derailing NFI and captured motivations for NFI and how livelihoods had been affected by these NFI. Finally, issues of policy implication for rural development raised by this study are presented.

6.1 Prevalence of non-farm income

The study has shown that a significant proportion of the households supplemented their agricultural income with NFI. This is consistent with earlier studies by Ellis (2003: 1495-1505) in which he found that 50.7% of the households had NFI in Dedza, a district with similar livelihoods to the ones in this study. A total of 89% of the households supplemented farm income with NFI, in this study. This shows that there has been a relatively increased dependence on NFI. The NFI in this study was dominated largely by business income and wage labor income constituting 79% and 23% household participation respectively. Few households about 9% depended on remittances and 4% of salaried employment.

The business income which was a dominant NFI in this study comprised of natural resource based, petty trading, processing and service businesses. Natural resource based and petty trading had a low requirement of skills while processing and service businesses required relatively more skills. In the two villages it was evident that Kachigwada relied more on natural assets because it was endowed and Liwonde being limited on natural assets relied more on skill development.

6.2 Endogenic factors

The nature and types of businesses were shaped by endogenic factors. These factors included geographical location, natural resource endowments, and social capital. Both villages were located near a trading center. These trading centers had electricity and this increased a number of business activities. There were also a concentration of businesses and government offices. These somehow increased population density and in turn demand for produce market as well as wage labor market, especially in construction. The demand for goods and services also increased on open market days which were held twice every week. In addition to being close to a trading center Liwonde is much closer to Blantyre city. This close proximity to Blantyre offered a wide market for agricultural produce.

The natural endowments also played a significant role in shaping business income. Kachigwada was rich in natural resource as it is located near forest reserves and South Rukuru where firewood and reeds were harvested which supported the firewood and mat businesses. Both villages were located in an area where communities in other villages had irrigation opportunity. This provided a source of agricultural produce, especially for those who were buying and selling vegetables. This informs us that the nature, intensity and size of business were determined by what happened in a particular territory in which a village interacts. The richer the area in term of assets like natural, physical, human, financial and social, the better the combinations in creating livelihoods.

The social capital also helped the rural households in accessing NFIs. As defined by Scoones (1998: 8) social capital constitutes networks, claims, relations, affiliations, through which people interact in locating livelihoods. Using the sustainable livelihood framework, the study captured relationships and affiliations that helped some households to engage in NFI. For instance presence of VSLAs and MFI groups helped in providing some business training and loans to some households. Similarly, some religious organizations in the study area provided both skills training in tailoring and grants for starting the tailoring business. It was also found that those who migrated to RSA initially had links with someone who was already there. These links provided relations and networks, crucial for new migrants who in this study were the major source of remittances.

6.3 Drivers for non-farm income

The nature of this business income in terms of Dorward et al's (2009) and Berner et al's (2012) categorization also varied significantly. There were more businesses that were *'hanging in'* and *'stepping out'* than they were *'stepping up'* or as Berner et al framed it, more *'survivalist'* than '*growth oriented'*.

The predominance of *'hanging in'* and *'stepping out'* or 'survivalist' enterprises suggests that most households were close to subsistence level. The idea to engage in NFI was to augment consumption may have resulted from the distressful conditions which included droughts, wash aways and inadequate inputs. These distressful conditions *'pushed'* poor households into NFI. The *'better off'* households were not under compulsion, but ventured into business opportunities that maximized their profits like transport and the brick molding business. In this case the *'better off'* were motivated by the desire to accumulate.

In addition, other factors like size of capital, age, natural endowment and household responsibilities determined what type of business income to invest in. Likewise, physical assets like electricity, road network, and the availability of financial institutions provided the necessary business condition but didn't necessarily drive households into business income.

6.4 Non-farm income and livelihoods

In general, NFI was important in balancing the gap between household's production and consumption. Livelihoods based on farming had several challenges ranging from seasonality, dry spells, floods, and agricultural marketing. These challenges limited production and income, yet households had several expenditure needs ranging from food, clothes, investment in building and education for children. The businesses were spread throughout the year with much intensity during the off season, which is the dry season. NFI improved the flow of income making it more regular thus enabling households to meet their regular consumption needs. Some of this consumption needs included education for children. Households that had NFI, therefore, were better able to meet current consumption and made future investment in children's education and therefore were likely to break the cycle of intergenerational poverty.

However, the *'poorest of the poor'* that needed NFI most, met huge obstacles to gain such income. They had no-one to send them remittances. Additionally, on the basis of age, health and weak social network they faced exclusion from the labor market. They also faced various forms of exclusion regarding joining financial groups from which they could capitalize business income. Even village institutions were unable to provide sufficient support to such households. This group would require consistent external support to be lifted out of poverty and break the likelihood of intergenerational poverty.

Some NFI, especially business income based on exploitation of natural assets proved environmentally unsustainable and people already experienced a declining dependence on such businesses. Worse still, some of these business income competed with farming over the same natural resource base. For instance brick molding degraded the same land meant for farming. In addition, it increased deforestation and perpetuated erosion, which has a long term, negative impact on farming. Such natural resource based businesses had a great potential of compromising future livelihoods as they were degrading and depleting the assets needed to create livelihoods. Similarly, long distance migration was also seen to contribute to the weakening of social ties, divorces, HIV and AIDS incidences and orphan hood. These side effects of migration were detrimental to livelihoods, reduced the ratio of working members to non-working members in households, thereby making the ride out of poverty a daunting task.

6.5 Policy Implication of Sustainable Livelihoods Framework for Rural Development

The Sustainable Livelihood Framework proved helpful in understanding what assets and with what combinations were needed for households to make a living. Examining the nature of these assets, activities that people were doing in combining these assets, the actors and institutions helped to understand holistically the challenges and opportunities rural communities faced in creating livelihoods. The issues that came out were broad, ranging from agriculture, health, trade, education, security, social welfare and community development. This implied that in dealing with local development there is a need for multi-sector approach. Local Councils can use the Sustainable Livelihood Frame as a tool to capture needs, craft developmental plan and build synergies across sectors.

By extending assessment of assets in the study villages to cover a wider local area in which it is situated, it was noted that the study villages benefited from natural and physical assets in the local area outside their village. For instance, availability of rivers, open markets, and commercial farms enhanced business interaction and wage labor in the local area. By improving infrastructure like good roads and electricity in a territory (wider than a village) it would increase the amount of assets to be combined and the number of market players transacting thereby increasing the number of NFI. This therefore implies that territorial planning might help to create more synergies and business opportunities. Therefore, policies that focus on territorial planning would be an effective way to stimulate rural growth in an area.

Looking at the nature of business income, the majority of the businesses were *'hanging in'*. This implies that the majority of the households were 'pushed' into business income due to distress. These types of businesses were able to sustain household consumption by exclusively using family labor. 'Hanging in' enterprises were unable to create employment for other people outside the household. Stepping up these *'hanging in'* enterprises into *growth oriented businesses* would surely improve the drive to accumulate and the potential of creating employment that can attract others outside the household. Promoting growth oriented business would also make access to financial assets from MFI or commercial banks easier. Policies that are geared at upgrading the hanging in enterprises towards growth oriented businesses would improve financial inclusion and access to financial assets. Financial inclusion also improves social capital through which members can also get business training and networks. Policies geared at upgrading *'hanging in'* enterprises to '*step up'* or to be *growth oriented,* have a high potential of linking households to other forms of assets (social, financial and human skills) and this could be an important lever in development of rural communities.

Lastly, rural households are highly differentiated. They differ in terms of age, health, social positions, economic status and household responsibilities. These differences created inequalities in terms of access to assets and activities to combine resources to create livelihoods. These differences classified households into 'the better off', 'the poor' and 'the poorest of the poor'. The poorest of the poor needed the NFI most, yet they faced huge obstacles. They faced various exclusions financially and could also not participate in wage labor. This class of households needed consistent external support to be lifted out of poverty. They may need to be considered under other social protection policies like social cash transfers and other support systems.

The nature of NFI in this study may not have been enough to enable households to completely rely on them for livelihood. Thus households in the study area combined farming with one or more NFI. However, there were so many factors apart from financial assets that determined combination of these assets to come with up with specific NFI. Households considered other factors like time, availability of labor, skill, personal health and household responsibilities to determine which combinations were possible. There could be many factors that fall under "and others…" in the framework like *time*, *household responsibility* captured in this research. Policy makers need to anticipate possible additional livelihood resources not specifically mentioned in the framework. There could be many salient assets that households can combine to define their livelihoods.

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Appendices

Appendix 1: Household interviews questionnaire

The purpose of this questionnaire is to understand what people in the village do to earn a living in addition to farming, designed especially to capture what motivates them to engage in non-farm income generating activities. This study is an academic requirement for a Master of Arts in Development Studies majoring in Agrarian Food and Environmental Studies at the International Institute of Social Studies.

Personal Information

1. Gender of the household head ______________________________
2. Age of the household head

   ____
3. Marital status of household head

   ____
4. Highest education attained by household head and spouse

   Household head ____________________

   Spouse ____________________
5. Any occupation skills acquired by

   Household head ____________________

   Spouse ____________________

6. Number of Children currently living in the household

   ____

   Year of birth gender Education level Relationship

   i)

   ii)

   iii)

   iv)

7. Do you have some members of the household who have migrated, if so how many and for what reasons?

   ____

   ____

   ____

   ____

Agricultural activities

8. What is the size of your garden in hactares? ....

9. What different types of food crops do you grow and how much do you harvest?

Type of Crop Production	Hectares
i)	
ii)	
iii)	

10. Do you produce enough food until the next harvest?

☐ Yes ☐ No, explore why?

11. If not, what do you do to find food when you run out of food?

____

____

____

____

12. What different types of cash crops do you grow and how much do you harvest?

Type of Crop Production	Hectares
i)	
ii)	
iii)	
iv)	

13. What is the money used for?

____

____

____

____

14. Is it enough to meet household needs?

____

____

____

15. What are different types of livestock kept and their census
    Livestock type Population estimated value

    i)

    ii)

    iii)

    iv)

16. How do you benefit from these livestock?

____

____

____

____

____

_

Non-farm incomes

17. Do you have other sources of income for this household apart from farming, ranked in order of importance?

____

____

____

____

____

_

18. Apart from farming what other activities do you do to earn income during
    i) Rainy season

    ____

    ____

    ____

    ii) After harvest/off season

    ____

    ____

    ____

19. Which ones are done throughout the year?

    ____

    ____

    ____

    ____

20. Why are some enterprises seasonal?

    ____

    ____

    ____

    ____

21. What made you choose these types of income generating activities and not other types of IGA?

    ____

    ____

    ____

    ____

22. Why do you engage in additional activities of earning income apart from farming?

23. Which IGA do you think is the most important and why?

24. What is it that is required to engage in these income generating activities?

Endogenic factors affecting non-farm incomes

25. How does the location of this village facilitate smooth running of your IGA, in terms of:
    i) Access to Natural resources

ii) Access to credit facilities

iii) Infrastructure availability and use

iv) Rules and regulations

v) organizations

26. Does your income generating activity employ additional labor outside your household? If yes how many, and how do you recruit them?

27. If you do not do any activity for additional income, what are the reasons for not engaging in additional income?

28. What other income generating activities do you aspire?

29. What is it that prevents you from engaging in such activities?

FGD for key informants and extension workers

The purpose of this questionnaire is to understand what people in the village do to earn a living in addition to farming, designed especially to capture what motivates them to engage in non-farm income generating activities. This study is an academic requirement for a Master of Arts in Development Studies majoring in Agrarian Food and Environmental Studies at the International Institute of Social Studies.

1. What are the major livelihood activities in the area?

2. What opportunities are in the area that people can utilise to earn a living?

3. What are the institutions and organizations in the area that support the people to earn a living?

4. What does local government do to improve livelihood in this village or the area it is situated in terms of asset building, capabilities, institutions and claims?
   a) Asset building/infrustructure

   b) Capabilities/skills and capacity building

   c) Institutions and organizations

d) Claims

5. What would you consider as the major challenges to non-farm incomes in the area?

Appendix 2: Household List

Household	Gender	Age	Marital status	Education years	Dependants	Migrants	Destination	Hectares	No of Crops	Livestock	Business income	Skill	Aspiration	Limitation
1	M	34	Married	10	3	0	0	0.15	8	2	Salon, Labor,	Nil	Selling fish	Capital
2	F	48	Divorced	2	0	1	Blantyre	0.3	6	1	0	Cookery	Selling rice	Capital
3	F	48	Widowed	3	4	0	0	0.2	11	4		Nil	Selling farm produce	Capital
4	M	45	Married	10	7	0	0	0.3	10	3	Trading farm produce	Brick Laying	Selling clothes	Capital
5	M	40	Married	7	5	0	0	0.3	6	3	Carpentry, trading farm produce	Carpentry	Hawker	Capital
6	M	27	Married	10	3	0	0	0.2	6	1	Barbershop, selling fish	Brick Laying, barbering	Selling clothes	Capital
7	M	41	Married	8	3	1	Zomba	0.2	3	2	Baking fritters	Tailoring	Upgrading tailoring	Capital,skill
8	M	52	Married	6	4	0	0	0.6	2	0	Baking fritters	Weaving chairs	Selling rice and beans	Capital
9	F	35	Married	8	2	1	Blantyre	0.1	1	0	Baking fritters	Nil	Selling rice	Capital
10	M	76	Married	3	3	2	Chiradzulu	0.6	5	2	Tailoring and remittance	Tailoring	Groceries	Capital
11	M	37	Married	10	5	0	0	0.2	2	0	Carpentry and joinery	Carpentry	Butchery	Capital
12	F	83	Widow	2	0	2	Blantyre and RSA	0.1	1	0	Remittance	Nil	None	None
13	F	78	Widow	0	2	2	Blantyre	0.2	2	1	Trading kitchen ware	Nil	Selling tomatoes	Capital
14	M	69	Married	1	0	0	0	0.4	3	0	Selling labor	Nil	Selling clothes	Capital
15	M	60	Married	3	3	2	Malawi	0.2	3	1	Selling labor	NIl	selling fish	Capital
16	M	73	Married	8	0	2	Malawi /RSA	0.8	6	0	None	Nil	Moulding and selling bricks	Capital
17	M	40	Married	8	3	0	0	0.2	3	0	Building houses	Brick Laying	Selling fish	Capital
18	M	42	Married	8	4	0	0	0.4	3	1	Building houses	Brick laying	Selling fish	Capital
19	M	30	Married	12	1	1	chiradzulu	0.2	3	0	Selling horticultural crops	Bricklaying	Selling rice	Capital
20	M	23	Married	12	1	0		0.2	3	0	Teaching (employed), Selling flitters	Teacher	Selling clothes	Capital
21	F	68	Widow	1	3	1	RSA	0.8	4	2	Beer brewing	Nil	None	None
22	F	42	Married	7	4	0	0	0	0	0	Selling veg, fish and veg	Nil	Selling beans	Capital
23	M	40	Married	8	4	1	Mzimba	3	3	0	Trading groceries	Skill	Transportation	Capital
24	F	39	Married	8	0	0		0.5	3	NA	Bakery	Bakery	None	None
25	M	35	Married	3	3	0	0	2	1	3	Working with nice and selling alcohol ,Counselling		Grocery	Capital
26	M	46	Married	1	4	0	0	2	1	1	Moulding bricks, ,Nil		Beer brewing	Capital
27	M	30	Married	6	3	1	Mzimba	1	1	0	Timber, Selling labor, Foreman	Nil	Selling cooking oil	Capital
28	M	34	Married	8	2	0	0	3	1	1	Beer brewing, selling tomatoes G/nuts	Craftwork	Grocery	Capital

29	M	21	Married	6	1	0	0	1	1	1	Molding bricks, selling salt, selling labor, craft-work		Selling clothes	Capital
30	M	55	Married	7	2	2	Euthini and mzimba	1	3	2	Making mats	nill	Butchery	Capital
31	M	29	Married	7	5	1	Euthini	2	5	1	Mat making, labor + moulding bricks	Nil	Selling petrol	Capital
32	M	53	Married	6	4	2	Mzimba	0.8	3	0	Labor selling, mat making	nil	Filters, grocer-ies	Capi-taand ski
33	F	28	Married	8	4	1	RS A	0.8	3	1	Brewing beer, selling grass	nil	Selling plastics utensils	Capital
34	M	61	Married	5	2	3		0.6	4	0	Craftwork, labor selling		Selling scones, beer	Capital
35	M	50	Married	3	2	3	2 Mala-wi, 1 RSA	1.5	3	2	Bakery, trad-ing salt, brick making, fire-wood selling	Ba kery	Selling clothes	Capital
36	F	32	Di-vorced	3	5	0		0.4	2	0	Labor selling,	nil	Selling scones, agriculture produce	Capi-taand ski
37	M	32	Married	6	3	1	Mzimba	1.4	4	1	Selling beer and fish	nil	Selling toma-toes	Capital
38	M	54	Married	1	3	0		1	3	nil	Mat making, firewood selling		Brewing beer	Capital
39	M	35	Married	8	5	1	Mzimba	2	5	4	Brick making, timber mak-ing, baking fliters, mat making, sell-ing groceries		Buying and selling live-stock	Capital
40	M	41	Married	2	5	1	Mzimba	1	4	2	selling mat, mould-ing bricks, making grana-ries, selling labor	ma t making	Selling fish	Capital
41	M	55	Married	1	2	0		4	3	1	selling mat, ganyu	Mat making	Groceries	Capital
42	M	23	Married	4	0	0		1	2	0	Selling mat	Mat making and granaries	Groceries	Capital/ Skill
43	M	42	Married	7	4	0		3.5	3	0	Selling horti-culture, salt	Sewing timber	Groceries	Capital
44	M	61	Married	4	3	1	Mzimba	2.5	3	0	Selling labor, making mat	Mat making	Butchery	Capital
45	F	75	Separat-ed	3	0	0		0.4	2	0	Selling labor, firewood sells	Making mud pots	Groceries	Capital
46	M	57	Married	0	4	2	Zambia	3	3	1	selling vegetables, bartering salt and fish with maize, mould-ing bricks	Nil	Oxcart and oxen	Capital

47	M	45	Married	2	3	0		3.5	3	1	Mat making, selling veg, labor for brick making, bartering fish with maize		Oxcart and oxen	Capital

Appendix 3: Focus Groups Members and key interviewees

Name	Position	Village
Amos Kanyamula	Area Development Committee Chairperson	Liwonde
Harold Thayo	Assistant Agriculture Extension Development Cordinator	Liwonde
Paul Molande	Area Stakeholder Panel	Liwonde
Joel Karavina	Community Development Assistant	Liwonde
Beston Saimala	Area Stakeholder Panel Chairman	Liwonde
Regious Chisi	AEDC	Kachigwada
Anne Nkhata	Councillor	Kachigwada
Moses Kamanga	Councillor	Kachigwada
Clement Phiri	Group Village Headman	Kachigwada
Joseph Zimba	Village Headman	Kachigwada
Suzen Ngulube	Lead farmer	Kachigwada
Key Informants interviews		
L. Phalula	Branch Manager	FINCA
A. Mwamande	Area Supervisor	Microloan Foundation
A. Mlotha	ADCDO	Ministry of Gender and Social Welfare

Source: Field work July 2015 and Malawi NSO 2008