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GANYU LABOUR IN MALAWI AND ITS IMPLICATIONS FOR LIVELIHOOD SECURITY INTERVENTIONS – AN ANALYSIS OF RECENT LITERATURE AND IMPLICATIONS FOR POVERTY ALLEVIATION

Martin Whiteside

Abstract

The word 'ganyu' *is widely used in Malawi to describe a range of short-term rural labour relationships, the most common of which is piecework weeding or ridging on the fields of other smallholders, or on agricultural estates.*

Ganyu *is a crucial poverty issue in Malawi because:*

- *After own-farm production,* ganyu *is the most important source of livelihood for most poor households – for some it is becoming even more important than own-farm production.*
- Ganyu *is the most important coping strategy for most poor households in the crucial hungry period between food stores running out and the next harvest.*
- *The need to do* ganyu *to obtain an immediate supply of food may conflict with own-farm production and therefore, while addressing an immediate crisis, can lock some households into a vicious cycle of food insecurity.*
- *Low* ganyu *wage rates mean agricultural labourers do not earn sufficient incomes to invest in sustainable livelihood development.*

Despite the widespread practice of ganyu*, and its importance to the poor, it is an under-researched component of the jigsaw that makes up the livelihoods of rural Malawians. This is a mistake, as* ganyu *is too important to the poor to be sidelined – it will play a critical role in future rural development strategies and has important interactions with the current debate about developing safety nets in Malawi.*

The paper discusses recent literature on ganyu *and opens up a debate about various future scenarios and how different strategies may affect rural labour markets.*

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Acronyms

ADD	Agriculture Development Division
ADMARC	Agricultural Development and Marketing Corporation
EPA	extension planning area
FHH	female-headed household
HH	household
LIPW	labour intensive public works
MHH	male-headed household

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1 INTRODUCTION

This paper addresses the issue of off-own-farm labour and its trade-offs. The issue is not unique to Malawi, and the trade-offs (e.g. a source of food during the hungry season that may conflict with own-farm production) are common to semi-subsistence farmers in other countries.

Malawi is not only one of the poorest countries in the world but also has one of the most skewed distributions of income, meaning poverty is both widespread and deep. An extremely high proportion of Malawi's population is resident in rural areas and dependent upon agriculture as a source of livelihood. For many, the family smallholding is inadequate in size and soil fertility is low (particularly in the south), so that agriculture alone is unable to provide an adequate livelihood. Many households are forced to bridge the gap between own production and consumption needs with casual off-own-farm employment.

Ganyu is a widely used term in Malawi that describes a variety of temporary rural work relations. Some observers consider the term so broad that it should be avoided. However it is used in this report because of its common usage in Malawi. For the purposes of this report *ganyu* is defined as:

'*any off-own-farm work done by rural people on a casual basis. Usually covering a period of days or weeks, remuneration may be in cash or in kind (such as food), and is often, but not exclusively, calculated as piecework.* Ganyu *may be done for relatives, neighbours, smallholders further afield, for estates or even in neighbouring countries. The work is often, but not exclusively ,relatively unskilled and agriculturally based. Men, women and children can all do* ganyu.'

Ganyu is a crucial poverty issue in Malawi because:

- After own-farm production, *ganyu* is the most important source of livelihood for most poor households.
- *Ganyu* is the most important coping strategy for most poor households in the crucial hungry period between food stores running out and the next harvest.
- The need to do *ganyu* to obtain an immediate supply of food may conflict with own-farm production and therefore, while addressing an immediate crisis, can lock some households into a vicious cycle of food insecurity.
- Low *ganyu* wage rates mean agricultural labourers do not earn sufficient incomes to invest in sustainable livelihood development.

The purpose of this review is to examine what is already known about *ganyu* in Malawi, to identify some implications for anti-poverty work and identify gaps in the knowledge base that may require further research.

2 HISTORICAL BACKGROUND

Malawi's extreme poverty is a product of a history in which smallholder agriculture has been undermined, wages have been kept low and in-migration has caused high population densities. The unimodal rainfall pattern means there is a single short growing season per year, which limits agricultural productivity. Malawi's landlocked position results in both high import and export costs.

In the early colonial period, labour supply for both the estates of white commercial farmers and for the mines of South Africa was partly ensured by the *thangata* system. The *thangata* system enabled the white farmers to extract labour in exchange for the right to reside on the estate. The *thangata* system was made possible because there were many people migrating into Malawi in the early 20th century, fleeing the excesses of colonial officers and estate managers in Mozambique. Although officially the labour was only for two months of the year (one month for rent and one month in lieu of tax), the vulnerability of the immigrants meant this period was often exceeded and forced on them during the wet season, when they would otherwise have been cultivating their own crops.

By the second half of the 20th century, a tripartite economy had developed (Vaughan, 1998):

- A small white settler population, concentrated in the south and central region producing tea and tobacco and employing both wage labour and 'visiting tenants'.
- Migrant labourers who left every year in large numbers for South Africa and Rhodesia.
- Peasant producers who grew maize and other crops. In the 1950s, labourers returning from abroad with cash and opportunities for making cash income from smallholder agriculture, meant that for the first time there was money in the villages and there was increased differentiation among smallholders.

The number of migrant labourers going abroad waxed and waned both according to external demand and various political manoeuvres. Migrant labour to the South African mines effectively stopped in the late 1980s, dropping from 21,000 in 1987 to under 400 in 1989.

In the post-independence period, the estate sector was favoured over smallholders by preferential access to extension, credit and markets, particularly for the most profitable crop, burley tobacco. Low prices paid to smallholders through the state marketing apparatus, the Agricultural Development and Marketing Corporation (ADMARC), amounted to a 50 per cent tax on smallholders during the 1970s. Smallholder agriculture was undermined and the number of estates grew from 229 in 1970 to about 22,000 today. Smallholders not only lost land, but the depressed terms of trade undermined smallholder agriculture and created a plentiful supply of cheap labour and tenants for the estate sector.

Wages for agricultural labourers on the estates fell; between 1982 and 1990 the rural minimum wage halved relative to the consumer price of maize. Despite an average annual decline in estate wages of 2.8 per cent between 1981 and 1986, there was an increase in estate wage employment of eight per cent per annum, indicating a lack of alternative opportunities, including on their own farms, and a lack of political voice among rural workers (Mkandawire, 1997; Vail and White, 1989). Remittances to the home farm were therefore small or non-existent; insufficient to maintain the family, let alone invest in sustainable agricultural intensification or income-generating activities.

3 THE MANY FACES OF *GANYU*

Types of ganyu

The term *ganyu* covers a range of different types of work:

Chipere-ganyu – this is perhaps the original form. Neighbours or relatives would take turns to work as a group on each others' fields. Often a meal was cooked or beer brewed to reward the workers. The work could be agricultural or non-agricultural, such as constructing a house or digging a well. Sometimes groups of young people might form themselves into a work gang and hire themselves out. Triverdy (1990) found that *chipere ganyu* was declining in Mulanje. This type of *ganyu* is sometimes still used in planting and harvesting.

Ganyu on less poor smallholder's farms (*kontalakiti*) – this is typically in the period October to February and involves preparing fields, seeding and weeding. Harvesting and threshing may be included later in the season. Payment is typically on a piecework basis and may be in cash, kind or a combination. Often *ganyu* is done nearby and the labourers travel daily to work, sometimes distances can be great (tens to hundreds of kilometres, even across international borders – see below); in these cases the labourer lives with, and is fed by, the employer for the days or weeks the work takes.

Ganyu as a coping mechanism – at times of acute food shortage (typically December–February) the least secure move around the country trying to exchange labour for food. Providing food in exchange for work may be as much a social obligation for those with food as a response to work needing doing.

Ganyu on commercial estates – this may involve travelling daily, or require staying for the work period on the estate. Larger estates may pay the rural minimum wage, smaller estates generally do not. Tobacco estates are the largest employers of *ganyu*. Pearce et al. (1996) found in Salima that casual workers hired by estate owner/managers tend to be allocated to tenants on a credit arrangement (the tenants pay for the labour hired at the end of the year).

Short contract *ganyu* – rural people refer to any short contract employment, lasting from a few weeks to about a year as *ganyu*.

Non-agricultural *ganyu* – although the term *ganyu* is generally limited to the unskilled tasks, many other rural pieces of work are sometimes described as *ganyu* – tasks such as making bricks, building houses, digging wells. These jobs tend to be done in the dry season and conflict less with own-farm production. In some areas, fishing *ganyu* – helping pull in the nets, often for a share of the catch – is locally important. Women and girls may also do *ganyu* collecting water, being paid per trip.

Ganyu by children – this is done by both sexes though is particularly common among young men. This is typically a way of getting 'pocket money' and the children are generally allowed to use the cash earned for themselves, rather than giving it to their parents.

In a survey of 420 smallholders in four of the eight Agricultural Development Divisions (ADDs) in Malawi, Leach (1995) found the majority of *ganyu* being done for other smallholders (Table 1).

Whether payment is made in cash or kind varies with the season and with different circumstances. Looking at estate *ganyu*, Mkandawire and Ferguson (1990) found that the method of payment varied, with about one third of workers receiving cash, one-third receiving food and one-third receiving a combination of both. Leach (1995) found 91 per cent receiving cash payments. Pearce et al. (1996) found most people were paid in maize grain or flour and that this was the preferred method of payment. For estates, Livingstone (1995) notes that payment rates were lowest on tobacco estates, highest on tea estates, with rates of pay on sugar estates in between.

The types of tasks undertaken as *ganyu* vary from

Table 1 Types of *ganyu* done 1993/94

Month	Smallholder ganyu (%)	Estate work (%)	Urban work (%)	Other *ganyu* (%)**
Oct*	44	8	7	53
Nov	68	2	3	42
Dec	76	5	4	27
Jan	71	6	10	23
Feb	63	7	11	33
Average	64	6	7	36

* Row totals may exceed 100 per cent since a household may have members engaged in more than one type of activity.

** Unfortunately Leach does not comment on what is covered in the 'other ganyu' column, which appears quite significant, particularly at the beginning of the season.

(*Source*: Leach, 1995)

area to area, with the season and with the year. Pearce et al. (1996) found that in Salima District the most common tasks were land preparation, ridging, weeding and banking. Few households were involved in tobacco operations (leaf picking and tying), cotton picking or rice transplanting and harvesting.

Pearce et al. found that 75 per cent of villages surveyed in Salima District had at least one better-off farmer who hired *ganyu* in 1994/95, with the numbers of farmers hiring *ganyu* labour in these villages ranging up to 20. The number of labourers hired per farmer ranged from two to twenty. The frequency of an individual performing *ganyu* tasks varied from once in the year to every day, but typically was one to three times a week for one to several months of the year.

Relative importance of *ganyu* to livelihoods

It is difficult to interpret quantitative data on the importance of *ganyu* to household livelihoods because there is a great range in the figures reported. As illustrated by Table 2, different authors tend to use different definitions of *ganyu*, and there are distinct geographical, wealth group and annual variations. Since *ganyu* is both informal, and to an extent shameful, it is probably often under-reported.

Another way often used to estimate the importance of *ganyu* is to look at when households run out of their own food, with the implication that the deficit is made up by doing *ganyu*. Although this assumption is certainly partly true, other coping strategies may also be used to make up the food deficit. When households run out of their own food varies from year to year, with the poorest households with the smallest landholdings generally running out earliest.

Data collected by Peters (1998) suggest that, in some years, *ganyu* and other coping strategies will be used by the majority for around four months, and for a minority for much longer. Even in good years the poorest households may rely on *ganyu* for six months. In bad years over 80 per cent of households run out of maize. In such a scenario it is difficult to imagine there being enough richer farmers able to provide the *ganyu* needed.

There are great variations from district to district (as well as from year to year) on the amount of *ganyu*. Sijm (1990) found that the proportion of households hiring out labour varied between seven and 95 per cent in different districts. The average amount of time the labour was hired out per year also varied from two to 100 days. The amount of *ganyu* undertaken may be an effective indicator of poverty in a particular district.

Ganyu and gender

There is a high proportion of female-headed households in Malawi (representing about 25 per cent of rural households) and a disproportionate number of these households are poor or very poor. Micro-level studies indicate that female-headed households are particularly labour constrained and are therefore unable to take advantage of off-farm employment (Smith, 1999). Leach (1995) found that on average male-headed households had 3.16 workers available for *ganyu* and female-headed households had 2.71. Not only did male-headed households have more male workers available, but since men generally earn a higher remuneration they had considerably greater *ganyu* earning potential. Female-headed households used up more of their labour time on *ganyu*, but for a lower reward.

Workers from male-headed households were paid daily rates 38 per cent higher than those from female-headed households (Leach, 1995). Since it is often the head of household who does the *ganyu*, this was considered to reflect the differing earning capacity of men and women *ganyu* workers. Pay rates near Balaka, although calculated in piecework rates, came to about 20 Kwacha/day for men, 5–10 for women and 2–3 for

Table 2 Livelihood contribution of *ganyu* according to different authors

Author	Data	Circumstances
Whiteside, 1998; Mkamanga, 1998	Income (food and cash) from *ganyu* for poorest households contributed 57 per cent of total livelihood. In different villages between 15 per cent and 75 per cent of adults do *ganyu*. Despite this, people defined themselves and derived their self-respect from being 'farmers' rather than casual labourers.	A small sample in six villages close to the border with Mozambique in a district (Mulanje) with very high population density (460/km^2) and very small farm sizes.
MEPD, 1996	*Ganyu*/Estate Work contributes an average of two per cent of rural Malawian household livelihood compared with 36 per cent from consumption of own harvest*.	Rapid Food Security Assessment of over 20,000 households in 1995.
Leach , 1995	Households with one or two workers spent 33 per cent and 25 per cent respectively of their entire time between October and end of February 1993/94 on g*anyu*. Fifty per cent of farmers relied on *ganyu* to buy food to bridge the gap between their own production and consumption and the other 50 per cent use a mixture of strategies including *ganyu*. Households with below average farm size are often unable to do enough *ganyu* to bridge the gap. Average households had a 10 per cent deficit in food production.	420 households in 14 sites in four ADDs participating in the ADDFOOD Programme.
Peters, 1998 (draft)	Approximately one third of income comes from off-own-farm (mainly *ganyu*) and the proportion increases as income declines. 58 per cent of households in the poorest quartile compared with 22 per cent of households in the richest quartile do *ganyu*.	Smallholder households in Zomba District

* Figures calculated by author from MEPD data for appropriate categories.

children (Whiteside, 1998). The wide gender difference was partly attributed to women having other household commitments and therefore being unable to put in such a long day.

Since men can leave the village more easily than women, they are thought to have access to a wider range of coping mechanisms, *ganyu* being the most important. Whiteside (1998) found a similar outcome for cross-border *ganyu*, with women being confined to *ganyu* relatively close to their homes and men having wider horizons. Having men away from their homes doing *ganyu* has implications for the workload of the women left behind, for decision making and work on the home farm, for sexual behaviour and for local gender politics.

Quite a common group among the very vulnerable are older women living alone (or sometimes caring for grandchildren). They often have limited physical capacity, but may be given *ganyu* in exchange for some food on relatively easy terms 'out of kindness' (Whiteside 1999b). Traditionally, such older people should not do *ganyu*, but be cared for by younger family members. However this is not always the case in practice.

Cross-border *ganyu*

In most areas the border between southern Malawi and Mozambique is characterised by a large difference in population density, with much higher densities on the Malawian side, but few ethnic or other barriers. A recent study on cross-border interactions (Whiteside, 1998) found that cross-border *ganyu* was common because on the Malawian side of the border the principle constraints were lack of land and food, while on the Mozambican side lack of labour and lack of markets predominated. In Mabuka (Mulanje district), *ganyu* made up 57 per cent of livelihoods for a small sample of households, and communities stressed the importance of *ganyu* being available in Mozambique for their survival. Over 50 per cent of Malawian households near the border in Mabuka were involved in cross-border *ganyu*, and payment rates were higher in Mozambique than in Malawi. A gender dynamic was observed, with *ganyu* close to the border in Mozambique being done by both male and female Malawians, because of the possibility of travelling to work on a daily basis. However, as distances became greater, involving several days, travel and stays of several weeks in Mozambique, then male *ganyu* labourers predominated. Access to a bicycle to travel to work, or to transport grain back home, can also be an important factor. The Mozambican farmers were reported to favour Malawian *ganyu* workers because of their 'seriousness' – they did the work quickly, were paid and then went home.

Social attitudes to *ganyu*

Traditionally *chipere ganyu* was a part of the culture and part of the social fabric of mutual interactions that bound communities together. Today the situation appears very different, although little commentary was found on this in the literature:

- To undertake *ganyu* is an admission that the household has run out of food. It is an admission of poverty and can have a stigma attached. For this reason people needing *ganyu* sometimes travel to a village where they are not known. Alternatively, the transfer of resources among relatives or neighbours has to be disguised to overcome the social stigma. This disguised 'sharing' takes place at the point of consumption, by eating together (Vaughan, 1998).
- There may be some obligations to provide *ganyu* employment for needy relatives and neighbours. The provision of *ganyu* opportunities as a social obligation warrants more research.
- *Ganyu* tends to be done reluctantly, out of necessity when food has run out. Once enough is earned to provide food then the *ganyu* usually stops. *Ganyu* is not usually done in order to build up food reserves or for other types of saving. The reason for this approach may be a combination of the low pay rates making it only worth doing in an emergency; or because *ganyu* is still treated in work scheduling as an emergency coping strategy rather than a permanent livelihood strategy, even though it is becoming more regular.

Lawson-McDowall (1999) notes that although *ganyu* is an established patron–client relationship, it is often disguised as egalitarian neighbourly behaviour. Therefore an apparently simple contractual relationship for weeding or banking may be set within a 'nest' of other relationships such as the giving of food on credit, gifts of seed, or the sale of produce at a reduced price. Consequently *ganyu* labour may be one strand in a network of ties between households which may, over time, provide something of a safety net for poorer households by linking them to wealthier households. Farmers identify a component of social assistance within the contracting of labour for agricultural activities – they say that giving your neighbours the first chance to earn some money or food is a way in which you can help them. Undertaking *ganyu*, even if it conflicts with own-farm activities, may not only be due to immediate need but part of maintaining the safety net.

Ganyu supply and demand

The literature identifies three different models of the labour market for casual agricultural labour – market, patron-client and monopsonistic. It is quite possible that all forms may co-exist in the same village, though at different times of the year or among different individuals.

The general view is that there is a large elastic supply of rural labour in Malawi, which keeps wage rates very low and makes it difficult to introduce measures to improve either payment or work conditions. Pay rates tend to be bid down to the subsistence minimum. However the reality can be more complicated.

There seem be preferential rates given to relatives or neighbours (Peters, 1996) and an obligation to help worse-off relatives by employing them to do *ganyu*

(Lawson-McDowall, pers. comm.). Pearce et al. (1996) noted that better-off farmers feel some moral obligation to hire more *ganyu* seekers than they actually need when faced with people begging for work, and that in the hunger months most would preferentially hire relatives or neighbours.

Ganyu may be considered an unfortunate necessity. Since it is done only to earn food and/or cash for survival, increasing pay rates may reduce the supply of workers (as the required food can be earned in a shorter time), contrary to the classical supply curve.

Pearce et al. (1996) noted that in 1994/95 in Salima and Mchinji Districts, following poor rains and harvests in 1993/94, the better-off smallholders had had their wealth eroded and were less able to hire *ganyu* or make food donations to relatives compared to a normal year. Twice as many households seeking work in 1994/95 reported difficulties in finding *ganyu* work compared to the number who reported that work was always available. They also found a similar situation on estates, with estate managers reporting more *ganyu* seekers since the drought, but that the number they could recruit was decreasing. Labourers reported travelling from place to place looking for *ganyu*.

Payment rates deteriorate in bad years where there are more seekers than suppliers of *ganyu*. Peters (1996) notes that in a drought year the amount of *ganyu* needed for a certain quantity of maize rises. However when food aid was distributed in 1993 the supply of *ganyu* labour dried up and the bigger farms had difficulty recruiting sufficient labour. Lawson-McDowall (pers. comm.) found in Matawata extension planning area (EPA) that whereas normally payment would have been in cash, following a bad harvest in 1996/97, payment in 1997/98 was in maize bran. This may be one way in which following a bad year the amount of *ganyu* undertaken expands with the supply of desperate labour, despite the fact that employers have relatively few resources with which to pay for it.

There may however be a backward-bending labour supply curve for *ganyu*, with smallholders rationing labour supply to allow them time to work on their own fields. Labour-rationing can be accommodated within a market model however – there are just two markets rather than one. Whether a farmer chooses to work as a *ganyu* labourer is a rational economic decision based on the relative weights attached to food now and in the future (A. Orr, pers. comm.).

The patron-client and monopsonistic models are more likely to be important in the slack season or in poor years when *ganyu* is harder to find. In the villages observed there were few 'patrons' dispensing *ganyu* to needy neighbours – maize stocks are a closely guarded secret. The main source of safety net seems to be assistance between relations, e.g. feeding your parents, sharing cooked food with your sisters, sending children to eat at your grandparents, getting help from sons in work etc. – more of a horizontal relationship, often not reciprocal (A. Orr, pers. comm.).

There is little in the literature to show how the payment rate for *ganyu* is fixed. However in particular areas in a particular year, a rate does seem to become established as a local norm.

The issue of price liberalisation and *ganyu* labour needs to be studied. The dramatic rise in fertiliser and seed costs may mean less money is available to pay *ganyu*. Alternatively it may also mean that larger smallholders are more keen to substitute labour for purchased inputs. This could mean using more labour-intensive sustainable agricultural practices such as compost making and agroforestry.

There does not seem to be much literature looking at the likely future trends in supply of labour matched against the demand. Whiteside (1999a) found in Phalula and Utale EPAs (Balaka District) a worrying scenario in which an increasing proportion of the population seemed to be becoming dependent on *ganyu* for an increasing proportion of their livelihood. It seemed unlikely that the local demand for labour would continue to rise at a sufficient rate to meet the livelihood needs of the poor. A run of poor seasons could precipitate a crisis sooner rather than later.

4 INTERACTION BETWEEN *GANYU* AND SUSTAINABLE LIVELIHOODS

Ganyu and short-term livelihood security

Ganyu clearly meets short-term needs. However, while meeting these short-term needs it can have negative longer term implications. Mkandawire and Ferguson (1990) identified four main problems for households doing *ganyu* on estates (and these would seem to apply to *ganyu* for less poor smallholders as well):

- The amount of remuneration is low and not adequate to sustain the household for a reasonable length of time, meaning a considerable portion of the wet season needs to be given over to *ganyu*;
- In cases where both husband and wife go out to do *ganyu*, young children are sometime left on their own. Since the household already has a food deficit, these children often have insufficient food left for them;
- Households may been unable to fully cultivate their own farms and/or to adopt intensified practices.
- *Ganyu* may not benefit all household members, especially where payment is made in cash and women complain that the cash is not spent on food.

Competition between *ganyu* and own-farm production

Leach (1995) found the number of workers available to do *ganyu* varied considerably from household to household. The effect of *ganyu* on home production is likely to vary as well. Table 3 shows that households with more labour available carried out much more *ganyu*, yet the total proportion of household time used up in *ganyu* was higher for the labour-poor households.

Leach also found that although female-headed households use up 25 per cent of their total labour time

doing *ganyu* (October–February) and male-headed households use only 20 per cent, the total days of *ganyu* done by male-headed households is 60 compared with only 50 for female-headed households (because more labour is available to male-headed households). Thus female-headed households use up more of their time for less reward.

Table 4 appears to imply that although the households with the smallest landholdings spend a higher proportion of their time doing *ganyu*, they still have more time left to cultivate their own plots per hectare than those with larger landholdings. Caution is however needed in interpretation: the definition of labour availability is quite generous (all children over 10), and the time theoretically left after *ganyu* is not necessarily available for own cultivation. Children may go to school, people may be sick or need to go to funerals, and women may have considerable childcare and other commitments.

There are observations of poor households being unable to cultivate all their land due to a lack of labour. Mkandawire (1997) notes that in the Nsaru area female-headed households could only use 86 per cent of their 1.6 ha (mean) holding while male-headed households used 90 per cent of their larger 2.2 ha holding. Competition between *ganyu* and own-farm cultivation can be critical – a two week delay in preparing fields can lead to a yield reduction of a quarter.

Pearce et al. (1996) found that in a year of relatively poor rains (1993/94) in Mchinji and Salima Districts, both the poorest and better-off failed to cultivate all their available land. Despite about half of the poorest households having less than one ha, one-half of the poorest households did not use all their land (amounting to one-quarter of land available to them in Mchinji and nearly one-half in Salima).

Pearce et al. (1996) note that the poorest 25 households interviewed in Salima District left a total of 27 ha uncultivated. Even without purchased inputs, this land could have provided an extra nine bags of maize per household in a year with reasonable rainfall – in most cases enough to overcome their food deficit. The poorest households suffered most from labour shortages and attributed this, at least in part, to time spent on *ganyu*. Lack of labour was reported by 60 per cent of the poorest and intermediate households and 40 per cent of the better-off households as one of the four main constraints to own production (along with lack of fertiliser, lack of seed, and drought) in Mchinji. Where labour was a constraint, the reason given was usually due to competition from *ganyu* or a combination of factors including *ganyu*.

Lawson-McDowall (pers. comm.) reports a more positive interaction between *ganyu* and own-farm production, with a farmer being given seed by a neighbour and repaying this later in the season by doing weeding *ganyu*. Whiteside (1999b) notes that in the Balaka area, many poor households report having to do *ganyu* in order to buy seed. This resulted in these farmers planting late on their own fields, with the associated risk of low yields.

Links between low wage rates and sustainable livelihood investment

Low pay for *ganyu* – giving the minimum necessary for survival – can mean no surplus is generated for investment in anything but short-term survival, trapping households in a vicious cycle of low productivity and low investment.

Leach (1995) compared the *ganyu* income received and the amount of money required to make up the food deficit for various types of household.

Table 5 shows that even with *ganyu* income, those households with smaller landholdings do not earn sufficient income from *ganyu* to make up their maize deficit. These households either go hungry or have to find other coping strategies. The indications are that many go hungry. Pearce et al. (1996) found that a day's *ganyu* usually resulted in a payment of a day's food, although this might only be a single meal. (It is not clear whether this is for the family or the labourer alone.)

Links between *ganyu* and changing agricultural practices

There are a number of changes in agricultural practices that are likely to inter-relate with *ganyu* practices (Table 6).

Overall most of the changes remain relatively small, but most seem to be in the direction of spreading the period of labour demand, which is probably good news for poor households.

Table 3 Days spent on *ganyu* for different sized households

Workers in household*	1	2	3–4	5–6	7–8
Av. total number days worked (Oct 93 – Feb 94)	35	50	66	95	111
Av. days per worker	35	25	19	17	15
% of households' available time used in *ganyu*	35	25	19	17	15

* The study defined anyone over 10 resident and available for *ganyu* as available. Although children that age are active in the field they are unlikely to represent a full adult workload.

(*Source*: Leach, 1995)

Table 4 Proportion of household labour spent on *ganyu* for different size landholdings and labour remaining for own-farm production

Holding size (ha)	% of all HHs (n=420)	Mean no. of workers	% available time spent on *ganyu* (Oct–Feb)	Potential cultivation intensity after *ganyu* (days/ha)
0–0.25	4	2.5	32	189
0.25–0.49	17	2.8	23	113
0.5–0.99	35	2.8	23	65
1–1.49	26	3.0	18	44
1.5–2	10	3.7	18	39
>2	8	3.4	18	22

(*Source*: Leach, 1995)

Table 5 *Ganyu* income and maize purchases for different households 1993/94[1]

	Average MHH	Average FHH	HH with 0.25 ha*	HH with 0.75 ha*
Oct – Feb *ganyu* earnings (Kw)	123	89	347	97
Maize deficit (Kg)	98	99	637	306
Cost of replacing deficit (Kw)	69	69	446	214
Cash balance (Kw)	+54	+20	-99	-117

[1] maize at 0.7 Kwacha/kg
* female-headed households in each of these categories are likely to be even worse off than the average shown in the column

(*Source*: Leach, 1995)

5 POLICY OPTIONS

Minimum wages

There is some agreement in the literature that there is a need to increase the supply price of *ganyu* to force up wages. This is generally considered to be best achieved by improvements in returns to smallholder agriculture. There is less agreement on the potential for applying minimum wage legislation to rural agriculture more actively.

One of the major sources of rural poverty is the extremely low returns to labour in both formal and informal employment (Mkandawire, 1997). In comparison to other African countries, Malawi has an unusually high proportion of its formal sector employment in agriculture. Mkandawire (1997) considers that in the extremely low wage environment of Malawi, 'living wages' could increase efficiency, by increasing the health and nutrition of workers. Also, in view of the monopolistic position of estate owners and weak labour movement, a government-imposed minimum wage may provide the only social protection available to the poor.

The arguments against minimum wages and other government intervention in the labour market are that:

- Minimum wages 'distort' the market and lead to misallocation of resources. Minimum wages can curtail employment creation by raising the cost of labour.
- Minimum wage legislation benefits only a few. It is difficult to enforce minimum wages when much of the labour is in small-scale agriculture and informal activities, and when there is an elastic supply of unskilled labour available at very low wages. Larger scale labour intensive public works may be a more effective way of increasing the demand for labour and therefore forcing up the price.
- With different abilities to pay in different enterprises, legislation could hurt those enterprises that have the highest labour absorption capacity but low ability to pay.
- Minimum wages reduce the flexibility of the economy in adjusting to changing conditions.

Labour intensive public works as a safety net

There is widespread consensus that chronically food insecure households need some form of safety net. Safety nets are defined here as institutional systems providing livelihood security to the poorest households through the transfer of resources, often in the form of cash, vouchers or food. Even the strongest supporters of market liberalisation accept that safety nets will be needed to see the poor through the transition phase. The problem is the large proportion of vulnerable households in Malawi, indicating a very high overall cost and difficulty in targeting those most in need.

A work requirement is probably the best way to ensure self targeting, complemented by a transfer programme for particular female-headed households, orphans, etc. who cannot work (Smith, 1999).

If effectively targeted at those unable to work, a transfer programme will probably have a fairly limited impact on the rural labour market. A larger scale labour intensive public works (LIPW) programme will however

Table 6 Interactions between changing agricultural practices and *ganyu*

Changing practice	Possible interaction with *ganyu*
Increased planting by smallholders of sweet potato and cassava – decreased dominance of maize	• Spreading the labour peaks may slightly reduce the adverse impact of *ganyu* on own-farm production. • More availability of off-season food may reduce desperate need to go for *ganyu.*
Increased cultivation of burley tobacco by smallholders.	• Greater and more evenly-spread demand for *ganyu* labour from other smallholders, but perhaps less from estates – difficult to assess overall impact. • *Ganyu*-induced time constraints may prevent poorer households growing burley and low payment rates for *ganyu* will not enable poorer households to save enough to buy inputs for burley without credit.
Starter packs (a donor initiative to provide seed and fertiliser sufficient for 0.1 ha to all smallholders).	• *Ganyu*, by providing for immediate needs, may enable the poorest households to use the starter pack on their own farms rather than selling it. • If the starter pack is effective in reducing food deficits for the poorest households this could lead, in subsequent years, to reduced need to do *ganyu* and therefore rising payment rates.
Irrigated and dry season (*dimba*) gardens.	• This is likely to spread the labour demand over the year, reducing adverse impact of *ganyu* and strengthening the position of *ganyu* workers.

Box 1 Relative impact of dry and wet season labour intensive public works

Dry season public works

- Less likely to interfere with own-farm production.
- Possibility of enabling farmers to save for seed and fertiliser for the beginning of the rains.
- Unlikely to enable poorest households to meet their food needs at the most critical time (the wet season) unless accompanied by some type of credit or savings schemes.
- Some projects logistically more feasible during the dry season.
- Self-targeting may be more effective as only the very poor are in need of food at this time

Wet season public works

- Likely to interfere with own-farm production.
- May enable farmers to buy seed and fertiliser, but rather late.
- Meet food needs of households at most critical time.
- By competing with *ganyu* labour demand they may force up overall *ganyu* wage rates.
- Self-targeting may be more effective in the wet season as the less poor are more likely to have other demands on their labour.

have a profound impact. LIPW are a potentially attractive way of providing self-targeting safety nets that can also have a developmental impact.

There are some important issues with LIPW:

The shortage of fit labour amongst the poorest households must be taken into account. This shortage is partly seasonal but also can be due to absolute unavailability of fit labour. Enabling the less fit to do less arduous tasks (such as mending tools, cooking or childcare) can broaden the scope for reaching these households.

Targeting women may appear appropriate (60 per cent of participants in 'food for work' programmes implemented by the World Food Programme are women). However, involvement of women places an undue burden on their already heavy work commitment. In one NGO-run programme, although most of the participants are women, it was noted that men often send their wife(s) to do the work. A high level of women's participation does not necessarily indicate gender equality – possibly the opposite.

Seasonality should be considered. Conventional wisdom favours slack (dry) season works programmes, however this may be completely wrong, as it is the wet season that is the time of greatest short-term food insecurity. It is believed that people are unlikely to be able to save food from dry season schemes into the agricultural season, therefore wet season schemes can better meet the short term needs of the poor (Box 1). Action research and discussions with a range of communities is likely to be needed to unpack the different variables.

There are practical problems of doing LIPW during the rains – it is not a good time for making roads or moulding bricks. In terms of minimising conflict with own-farm production the best period for wet season LIPW might be when the maize is turning green. This would allow poor households to start eating their own maize later, prolonging self-sufficiency for one to two months; provide employment as *ganyu* is getting scarcer; and not compete with period of peak 'own-farm' labour demand (A. Orr, pers. comm.).

The wage rate for LIPW in relation to prevailing *ganyu* rates has a number of dimensions. If wages are set too high, there is likely to be excess supply of labour (including from the less poor) and some bureaucratic rationing system will be needed. Higher wages, especially in the wet season, which compete with and force up *ganyu* wage rates, could create an efficient multiplier effect from the LIPW – in effect redistributing wealth from the rich to the poor (important given the highly skewed income distributions even within rural areas). However the knock-on effects on overall production, and hence food prices, would also need to be looked at. The effect of low rural wages on household investment in sustainable production has been discussed. It needs to be decided whether the LIPW is only designed to enable people to survive or whether the objective is to give participants a surplus to enable them to develop out of the need for LIPW.

All these issues need further investigation through a variety of pilot programmes. It is probably desirable to try to pay rates as high as possible without destroying the self-targeting process – to get a maximum transfer to the poor with minimum diversion of their already overstretched time resources.

Savings, credit and deferred payment

If a LIPW programme is implemented over a longer period (± 10 years) in particular communities there may be opportunities for building in credit, savings and deferred payment components into the scheme.

Although credit providers and LIPW organisers should be separate agencies there would be considerably more opportunity and security for giving seasonal agricultural credit if there were relatively secure opportunities to do LIPW in the following year to repay loans.

There are opportunities for introducing savings clubs alongside LIPW programmes, with members paying a proportion of their wages into the scheme. Although it is undesirable for LIPW organisers to organise savings schemes themselves, they can facilitate the work of others (and provide incentives such as a bonus payment into the club accounts of successful savers at the end of the work period).

One form of *de facto* deferred payment is to pay partly in fertiliser or fertiliser vouchers. Another possibility is to pay in maize vouchers – denominated in kilograms of maize rather than Kwacha – which would gain cash value through the season when the price of maize rises rapidly. There are other possibilities – the LIPW agency could defer part of workers, payments until the wet season period of greatest need, for instance paying a bonus at the end of the work period. Beneficiaries' views and the effect of such deferments

Box 2 Further research required

Policy option	Research needed
Safety nets	• Patron-client relations and safety net characteristics of current and future *ganyu* relationships. • Likely trends in *ganyu* labour supply and demand.
Labour intensive public works	• Preferences for wet and dry season LIPW among very poor households. • The effect of wet season LIPW on rural *ganyu* wage rates, poor household production and possible secondary effects. • Opportunities for linking LIPW to savings, credit and deferred payment schemes.
More general rural policy development and possibly minimum wage legislation	• Likely trends in *ganyu* labour supply and demand. • The impact of increased *ganyu* wage rates on own-farm production, investment and other knock-on effects on the rural economy.

on poor household livelihoods and self targeting would need to be studied. The danger of badly designed schemes is that they can reduce beneficiary involvement in their own household budgeting and saving, creating more dependency rather than less.

Organisation of rural labour

The potential for labour organisation to improve the returns and conditions for *ganyu* labourers is limited due to the large and elastic supply of labour in relation to the demand; the large number of small and isolated workplaces; the casual and variable nature of the contractual arrangements; and the complex patron-client relationships between *ganyu* labourers and employers.

Despite this, support to organising capacity, which is likely to be concentrated in the estate sector first, is likely to produce some benefits, including some knock-on effects within the smallholder sector. Therefore initiatives towards rural labour organisation should be viewed sympathetically for appropriate support.

6 SUMMARY

Considering the crucial importance of *ganyu* as a coping mechanism, and indeed as a major source of livelihood for the poor in Malawi, it is very under-researched. Some of the current policy issues under discussion need to be supported by more knowledge, as suggested in Box 2.

However research alone is not enough – the dynamics of *ganyu* need to be understood by policy makers, and be taken account of in policy formation. *Ganyu* is too important to the poor for it to be ignored or misinterpreted by those designing and implementing development and safety net programmes in Malawi.

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