

CAPACITY BUILDING FOR LOCAL GOVERNMENT'S ECONOMIC DEVELOPMENT PLANNING- A CASE OF ONE VILLAGE ONE PRODUCT IN MALAWI

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Summary: Popular demand for economic development in the local scale has been growing as decentralisation and multiparty system proliferate in Africa. In Malawian context, decentralisation of local economic development (LED) programme and public service delivery has been taking place at the same timing.

Although there are wide variety of LED programmes stipulated in each district development plan, virtually all development projects budget still rely on a support of foreign aid agencies. This limits local district development office coordinate foreign aid projects.

Despite this fact, the role of feign aid programmes are not well discussed in the local development office besides their office has a vague position in real coordination of foreign aid programme, so the programme like OVOP (One village one product) is implemented sometimes direct from the central OVOP coordination office, sometimes implemented with less coherence with the district development plan. This can cause serious distortion in the local development process if decision making is done outside it or without proper coherence with local development plan and policy process.

Therefore aid agencies which virtually govern local districts economic development process should pay a careful attention on local development needs and demands when implementing LED project. And at the same time, they need to support capacity building of the district development office and LED planning of the local development office.

Decentralization of power in Malawi, as in most other sub-Saharan African countries, developed under the guidance of the World Bank UNDP and IMF. After 1994, when the thirty years of single-party autocracy under the Banda regime ended, the argument evolved sharply; in 1996, the National Assembly passed the decentralization of power, and in 1998, administrative decentralization of power enforced by regional administrative law was put into practice.

In Malawi, where the decentralization of power and the propulsion of the multi-party system were advanced in one go, regional development schemes and the transfer of those discretionary powers to the region are extremely large government problems, and, as a result, a state of affairs has arisen where schemes related to regional development are used politically. This is pointed out by, for example, the fact that participation by local government in project application for the Malawi Social Action Fund (MASAF) meant to share the burden of maintaining the community infrastructure with area residents is viewed as a problem, and the fact that one objective of the introduction of “one village one product” was seen as a resource for electoral district. (Yoshida [2006])

Key words: Malawi, One village one product, decentralisation, LED, district development plan,

1. Building Regional Development Administration

In Malawi, arguments over the decentralization of power advanced before and after the 1994 regime change, and in 1998 the National Assembly approved a policy of national decentralization of power based on regional administrative law. Under this policy, since 1998, municipal governments have been established in 28 districts, 4 cities and seven towns in Malawi. The goals of decentralization of power are explained in the following fashion by the national decentralization of power policy.

The encouragement of a democratic environment directed towards the growth of governance on a local level, of the establishment of institutions, and of grassroots participation in decision-making.

- *To aim for the dissolution of double government via district level regional governments and central government branch offices, and for functional, economically cost-effective public services.

- *To urge good government and accountability on local levels to serve in the reduction of poverty.

- *To mobilize residents in the direction of social and economic developments on local levels.

As examples of decentralized programme , the Ministry of Commerce and Industry has given the granting office permits and approvals and of inspection. The Ministry of Agricultural Irrigation has given administration on livestock diffusion, disease control, small-scale dams, etc., and the Ministry of Youth, Gender and Community Service has given women developments, community development, orphan, street children and youth problems, cultural issues, district information services, and probation duties. There were also districts that subsequently attempted district development planning but faced great difficulties in 2001, through the support of UNDP, the regional municipal bureaus under the Presidential office once again drew up a “Development Plan System Handbook for District Assemblies.” (Republic of Malawi [2001])

This handbook guided that each district has first to gather data on the total social economy in the district, then draw up a socioeconomic profile (SEP) for it. Based on the SEP data, District Development Analysis (DDA) will then be performed. A participatory development method (ZOPP) is built in to DDA. Based on this DDA, a District Development Plan Framework (DDPF) is decided. The results are inspected by the District Executive Committee, or DEC, which then puts a priority ranking on them. District governors, district development planning office heads, assembly offices, local NGO representatives and district office representatives from the central government participate in the DEC. In this fashion, in every area of SEP drafting, the gathering and analysis of village socioeconomic data (DDA) make up the bare bones of a development plan.

In practice, however, before the writing of 2001’s “Development Plan Handbook”, the number of districts that had drawn up SEPs was stopped at 6 out of 28. In other words,

many district development plans were drawn up without either SEP or DDA. In addition, the contents of the socioeconomic profiles drawn up by each district, the amount of data they cover, and the methods of analysis differ by district. For example, the SEP for Nkhata Bay, which attracts support in the northern region, has a thick amount of data, more than 142 pages' worth. In contrast, the socioeconomic profile of the Dowa district, located quite near the central capital Lilongwe, is 80 pages, and as the amount of data is very limited, the pages are filled with many photographs. The degree of each district's efforts towards decisions (such as what constitutes enough data) and the differences in drafting ability are marked. (See Table 2)

Above, I have examined the decentralization of power and the process of transferring development plans to the regions. Moving on, as an example of concrete measures towards development plan decisions in each regional district, I will be looking at the northern Nkhata Bay district. In addition, with regard to how development schemes can respond to proposed diverse regional development needs, I will examine "one village one product".

2. Regional Development Administration and the "One Village One Product" Movement

In Malawi's current decentralization system, regionally available annual revenue sources are very limited, and development budgets must depend on subsidies and support from overseas donors; nevertheless, budget distribution is inclined towards public service delivery. Depending on the region, there isn't enough funding for municipal administration, let alone for development funds. Under such circumstances, exactly how will the regions propose and carry out development?

Malawi's "one village one product" (OVOP) movement, which I focus on in this paper, was introduced on a trial basis in 2003 by JICA, and in 2004 was officialised as a Malawian government project as well. iii It may be a fresh approach to regional development in response to the decentralization of power. OVOP produces employment and income through improved value additions to regional resources with the aim of regional poverty reduction, and the concept coincides perfectly with the LED approach I mentioned earlier.

At the time of the November 2007, 37 OVOP activities had been implemented, and regions of activity were developing throughout the country. iv Currently, in order to be adopted as an OVOP activity, each production activity group must apply of its own initiative, go through five stages of reviews including one by village-level development councils and another by the district development council, and must ultimately pass review by the central government's OVOP office. However, since political demand was strong at the time of introduction and the planning of the measure formation was performed hastily, a formal review process was not fixed until some time after commencement. This actual state of affairs can be seen in OVOP's support of Malawian government-promoted schemes such as the rice industry.

There are also activities begun by Malawian administrative officials who participated in JICA training and, upon seeing sites of local community uplift in Japan,

applied those ideas to their own villages where they provide support, and where the support is maintained by backup from JICA. (Yoshida [2006])

Both OVOP activities of the two districts I focus on here have gone through the formal application process and are receiving support. As one example, I will focus on the banana wine manufacturing group in the district of Nkhata Bay, which, while a distant region, has strong ties with the regional development administration. I will also examine the independently active cane and bamboo handicrafts group of Dowa district, which, although near the capital, has only tenuous ties to the regional development administration.

2.1. Nkhata Bay's regional development plan

Nkhata Bay district is one of Malawi's five northern districts, with a population of 167,000 (1998 census). It shares national borders with Tanzania and Mozambique. The same district borders the shore of Lake Malawi, and it is 413 kilometers (about 5 hours) along the paved lakeshore road to Lilongwe, and 48 kilometers to the central city of the northern districts, Mzuzu. The district capital holds Lake Malawi harbor, and is a major port of call for cargo and passenger ships. Nkhata Bay's lakeshore scenery is picturesque, and attracts many tourists from both Malawi and abroad. There are also several travel lodges run by Europeans as well as locals.

The assembly which shoulders the core of the district government is made up of twenty-two publicly elected members, ten traditional chiefs, two associate chiefs, six national assembly members, five members of the local financial and religious group, a representative for the disabled, and a representative of the NGO sectors. The district government's goal is touted as the realization of socioeconomic improvement for its residents through education, water, health, communication facilities, administration and the administration of justice. Nkhata Bay decided on the first District Development Plan (2002-2005) and the second District Development Plan (2006-ongoing) after the execution of the decentralization process. (Nkhata-Bay District Assembly [2002, 2006])

According to the second three-year plan, the district gives insufficient income and employment as the first problem point in development. The SEP from 2003 gives the causes of low household income in Nkhata Bay as: 1.) insufficient opportunity for employment (only five percent of the population is employed), 2.) the low productivity of small farms, and 3.) the small amount of fish caught.

Accepting this, the district has named development goals it should aim for as the increase of the current annual income of 230 kwacha to 7200 kwacha, a 5% reduction in fish caught in the shallows by 2005, and the lowering of the hard-to-obtain layer of agricultural investment funds from 95% to 85%. In addition, its short-term goals are to raise the employment rate to 10%, increase access to agricultural investment funds, introduce appropriate technologies, and increase the amount of fish caught from 867 tons to 1000 tons. As a strategy for achieving these goals, it has given: 1.) the promotion of income creation activities, 2.) the introduction and diffusion of small-scale irrigation, 3.) crop diversification, 4.) the promotion of the deep-level lake fishing industry, 4.) cultivation of marine products, 6.) community based fishing industry business management, 7.) the promotion of diffusion of the dairy industry and 8.) the promotion of diffusion of the poultry industry, as concrete proposals. vi

As shown, the district has gone so far as to give concrete strategies, but in practice, when it comes to execution plans for individual projects, the problem of budget stands in the way. Proposed alongside countermeasures for low household income such as income improvement and creating employment, as are shown in Diagram 1, are improvements meant for the promotion of the agricultural and fishing industries. Even among these, as concrete measures meant for poverty relief and employment creation, through business financing research and the diffusion of SME's appropriate technology, the clichéd explanations of promotion of men, women, school dropouts, and marginalized small-scale businesses are given. The fact that the agricultural and fishing industries, which are aiming for coexistence between environmental preservation and promotion, are firmly undertaking concrete proposals before tailoring them to fit regional conditions seems to show that there is no viewpoint of regional promotion and use of regional resources with regard to income creation projects, which in turn points to a state of affairs where concrete measures tailored to regional conditions are lacking. In actuality, they are doing nothing more than adapting the introduction of appropriate technology for existent trifling occupation support, corporate financing and small-scale production (Nkhata-Bay District Assembly [2002]). Under such circumstances, what sort of role does OVOP play?

According to Nkhata Bay's SEP, OVOP is one of several social services provision projects. There are three items on women development and community development issues in social services provisions — 1.) diffuser activity, 2.) community (social) development, 3.) women and development) — and of those three items, OVOP is included in the structure which supports the economic empowerment of women and development. As a scheme to realize the economic empowerment of women, OVOP is placed side by side with the HIPC loan project, COMSIP (the financing department of Malawi's social action fund), other micro-finances, and socioeconomic empowerment programs for poverty reduction. An explanation of OVOP is run as an appendix in SEP, and in it, the introduction of techniques for value added improvement and of plans for the use of regional resources is recorded as an objective. In this way, OVOP is one method of support for aid organizations active in the regional district, and in Nkhata Bay district it is ranked as a tool for the economic empowerment of women. (Nkhata-Bay District Assembly [2006])

Insert Diagram 1

2.2. Nkhata Bay's Mkondezi Banana Wine Manufacturing Group

The "one village one product" movement was not, by nature, defined as a gender-related project, even at the time of its introduction to Malawi. Its central concept was simply to plan for income improvement and the relief of local poverty through value addition to regional resources and using them in production activities. However, the Nkhata Bay District Assembly, which I introduced in the previous section, has given great emphasis to the viewpoint of the empowerment of women where OVOP is concerned.

That being the case, how are the regional production groups themselves interpreting and practicing OVOP? I will examine this using the Nkhata Bay's Mkondezi banana wine manufacturing group (MBWG), which receives support through OVOP, as an example.

This group produces banana alcohol by fermenting locally grown bananas. The idea of turning the production of banana alcohol into a business was actually given to them from outside. It began when an official from the Development of Malawian Enterprises Trust (DEMAT), which handles the diffusion of appropriate technology, visited the district and performed a basic investigation into the possibilities for industrialization of regional special products in 2001. The large quantities of bananas which had been wasted until that point were designated as a regional resource that should put to use, and the possibility of industrializing that use was looked into. Later, a District Development Officer who was cooperating with DEMAT decided to recommend banana wine as a production activity, and the regional group that approved of the decision took over the production. vii

The regional leader who became the center of the group's new organization had had the idea of industrializing the production of tea wine, so he put his hand to the task of banana winemaking as well, and gathered volunteers, concentrating on women. The volunteers who participated were farmers from every area who participated in the regional irrigation scheme. In 2002, after the organization was formed, the group received training and guidance in banana winemaking from DEMAT. They planned to sell this banana wine in the surrounding areas, in Nkhata Bay's beach hotel district, and in Mzuzu, the central city of the five northern districts, and are even now working at running their business in these places.

However, the sales routes for banana wine have been reluctant to open. Then, in 2007, District Development Officer introduced OVOP. At that point, MBWG made the decision to change their wine labels and cap covers completely, and received technical guidance from OVOP headquarters. The OVOP office supported the design for the wine labels and cap covers and the procurement of their components. The designs were planned by a member of the Japan Overseas Cooperation Volunteers who had been dispatched by JICA to the OVOP office, and who also assisted with component procurement.

MBWG's activity focused in on what had been a wasted natural resource, exercises appropriate technology, and is currently raising the value added. The District Development Office regards MBWG as the activity of a women's group, but in actuality its implications as a product development business are also large. For that purpose, choosing the appropriate market for the product, then achieving the technical level and production volume necessary for access to that market is the key to success in business, and in fact, inside MBWG itself, the consciousness of being a women's group is weak. However, underlying this is the fact that the District Development Office's decision to rank it as a women's support project concerned with gender makes promotion inside of the district easy.

2.3. Dowa's Katengeza Cane Furniture Group

As a contrasting example to the wine-making group, Dowa's Katengeza Cane Furniture Group is of great interest. Dowa has a population of 410,000 and adjoins the capital, Lilongwe, on the northeast.

The Katengeza region lies along the well-trafficked national highway that connects the capital city of Lilongwe with Lake Malawi's Salima harbor. In Salima District, on Lake Malawi's shore, resort lands, fishing villages, and irrigated regions for rice cultivation are being developed. In addition, bamboo groves dot Salima and the bordering Dowa district,

and arts and crafts utilizing those bamboo groves have been practiced for decades. Traditionally, they have produced mainly tools for daily use, primarily basket-type containers, and in recent years they have begun to produce large-scale furniture such as sofa sets and utensil cupboards, woven from a mix of wisteria and bamboo. The Katengeza area is located eight kilometers from Salima Town and 70 kilometers from the capital city Lilongwe but, by administrative zoning, it is affiliated with Dowa district, which runs like a strip between Salima district and Lilongwe district. Workshops located in the area along the national highway for approximately 2 kilometers; among these, there are two clusters of a few adjoining workshops, and it is in one of these two clusters that this group work from.

Up until now, three different support schemes have been put into this bamboo-producing region. One is support for the bamboo-work crafts made by a women's group in Chipara region from the Ministry of Community and Gender's Appropriate Technology Training for Income Generating Activities Center (ATTIGA). In a different collection ground along the national highway, support from the working ability development and income creation project (SDIG), which is itself supported by the African Development Bank and African Development Fund, is in operation for a bamboo-work group. In contrast to the gender support and appropriate technology approach taken up in the former, in the latter the concept of working ability development is used. It is in circumstances such as these that the "one village one product" movement was established. viii

The Katengeza cane and bamboo handicrafts group participated in OVOP in 2006, but the group has a history, having produced bamboo-based handicrafts and distributed them in the Dowa-Salima area since around 1980. In recent years, they have mixed in cane from the Salima district, producing furniture handicrafts made from both wisteria and bamboo. The group heard OVOP's information broadcast on the radio, took an interest in it, and attended a sensitization seminar organized by JICA and OVOP central office in Lilongwe without support of district development office. The group concluded that, without a market reputation of high quality, they could not possibly win against imported products or products from rival domestic companies in urban markets and more distant markets, and so they are passionate about improving their technology. This is the flip-side of the strong feelings of expectation that, if the technology is improved, deals with retail shops in urban areas may become possible, and it was from those expectations that they attended OVOP. Through support from OVOP, in addition to several varieties of tools, they gained a simple kuji boiling treatment device in order to perform treatments for killing kuji insects. From here on, through additional support, they are planning the construction of a lockable workshop which will double as a warehouse, to take the place of the simple workshop space they are currently using.

Katengeza region's cane-bamboo handicrafts are seen within Dowa district as a relatively important local industry. However, the District Development Office has no concrete support measures for regional industries. Similar to that of Nkhata Bay, which I spoke of previously, in the district SEP the name of the central government enforcing engine which supervises the existent women's support industry, appropriate technology training and financing business and that enforcing engine enroll the regions chosen by their various policies. This indicates that the enforcing engine of the capital city of Lilongwe has seized the initiative, and that the scope which the District Development Office is able to decide is extremely narrow. (Republic of Malawi [2003])

In this region of bamboo-work and cane handicraft production, including Katengeza, a traditional industry that has historically put regional resources to use has spread its roots widely. Since existent concepts such as women's support and working ability development are already spreading at the source, it will take time for the LED specific to OVOP to make itself known to regional women's groups. If the three viewpoints share their respective areas, and opportunities for cooperative learning are established, there is a possibility that they will combine their strong points. On the other hand, for example, if some group somewhere delays their financing repayment, there is the possibility that another group will, in a chain-link reaction, default on their debt; there is also the possibility that, if only the viewpoint of support for industrialization is emphasized, the standpoint of practical use of regional resources will be disregarded. This sort of element of instability should be included in the carpooling of support schemes.

In the paragraphs above, while my scope was limited, I examined examples of OVOP in operation in Malawi. What became clear from that examination was that the level at which each district's regional development office is able to participate is not constant. In the case of the banana wine group, the district is taking the initiative in OVOP diffusion. In the case of the Katengeza group, the production group leader passed over the district office and approached OVOP, before the District Development Office diffused the OVOP concept. The fact that there are cases of the regional development administration taking the lead in each region when producers first begin OVOP is exceedingly natural, since OVOP is a way of thinking which was born overseas. Even in the event that the district takes the lead, or where the group itself takes the lead, OVOP has always been a project which treats each country as one unit, so there is an insufficient degree of freedom on the district level, and ultimately it is DEMAT or OVOP headquarters, in the center, who decide whether or not to support activities. Under the circumstances, it is necessary for OVOP headquarters to grasp the state of each district's development plan and SEP, the gap between each region's SEP and the region's actual circumstances, and their ability to adjust it.

In Nkhata Bay district, urging the entry of small-scale producers in the regional fishing industry and agricultural industry is agreed to be a priority issue; however, in practice, the systems and policies brought in by DEMAT and other support engines were preexisting, and women's support and appropriate technology training, business which give an improvement in added value for agricultural products as their objective, or businesses which fall within the scope where any of the previous are applicable, are given priority. In the Dowa District Development Office as well, before the introduction of OVOP, existent women's group support and working ability support schemes were the only method of promoting development projects. Even in the case of groups which, like the cane and bamboo handicrafts group, are the greatest local industry in their district and have potential for growth as a regional industry cluster, the needs that occur in a bigger market are difficult to grasp. The actual circumstances are such that, rather than carrying out projects within the scope of usable schemes that are close at hand, other methods come first.

In the midst of the global trend towards decentralization of power, Malawi has preceded its surrounding countries and is beginning to advance the decentralisation of development administration. However, for regional development administrations with insufficient development funds, in the end, there are few choices for conducting industry promotion which surpass existent women's support groups and appropriate technology

support schemes. By nature, both finances and flexible regional development schemes pulled together from the region's inclinations are held to be necessary for regional development administrations, and demand at the district level is increasingly gaining strength, but one cannot say that the environment which will realize this is ready and waiting.

3. The Regionalization of Economic Development Policies Corresponding to the Decentralization of Power

At present, a Pro-Poor LED approach is dominant in Malawian regional development. Of course, product and business development LED approaches driven by market principles coexist inside it, and examples of development carried out according to theories difficult for the villagers who perform the production activities to understand still remain. The activities supported by Malawi's "one village one product" movement fit that example perfectly. In addition, although I omitted its introduction due to space concerns, a local project-type LED approach, in which a region as a whole is comprehensively supported by a specific regional space, is being attempted in Mitundu, near the capital city. These circumstances of mingled regional development concepts signify the insufficiency of OVOP's concept organization with regard to new development models, and the resulting lack of understanding of OVOP, which will hereafter become issues concerned with OVOP's gaining global estimation.

Upon having tidied up these mingled regional development concepts, what can the "one village one product" movement propose as a concept for regional general development? I believe that may be market-led regional promotion. Under current circumstances, products produced by women's group support or the appropriate technology approach are put on the market, but marketing consciousness for products produced by these approaches is much too low. The consumer hardly ever thinks about whether a woman made the product or not, or whether or not appropriate technology was used to make it. No matter what sort of product or service is taken as object, the possibilities for marketing differ between the areas around large urban districts and far-flung districts, and the potential among producers for the use of technological information is also different. OVOP views information that can be gained in markets such as these as important, and attempts the development and production of products that respond to these markets.

Even if support engines for villages near urban areas bring in technologies they believe to be appropriate, producers who already know the demands of the urban markets may not decide that the technology is appropriate for their own group. Take, for example, a product such as essential oils whose goal is an export market: since it is a high-value added product, even low-volume production in a distant farm village may be economically practical. In order to make a success of that project, then, more modern technologies and marketing approaches are needed. One of the essences of the "one village one product" movement is the development of products in response to markets; calculating from that reality, it is necessary to have support for the formation of production organizations suited to the targeted markets, and for the development and regional application of technology appropriate to that end, not just appropriate technologies and gender consideration which take into account only resources which it is possible to use in the field.

In Malawi regional development has arrived at the stage where it is being put into practice from a local viewpoint, and not necessarily planned from the central office of urban elite and development autocrats. It is probable that Malawi is one of the countries in which this transition is advancing in a short period of time. In this situation, if assistance engine support schemes are unable to understand the point of view that supports this localisation, there is the possibility that they will end by hindering the realization of regionalization of development. In accordance with the growing trend towards regions taking the lead in regional development, the assistance engines, which must continue to carry the better part of African regional development, must be able to transform themselves so that they can provide flexible support for regional circumstances.