Title: Sustained poverty escapes in Malawi and Rwanda

This report examines why some households experience sustained escapes from poverty, while others escape poverty only to return to living in it again. It relies on analysis of four rounds of the Tegemeo Agricultural Panel Survey over 2000-2010 in conjunction with fieldwork comprising key informant interviews, focus group discussions, and life history interviews with 60 men and women living in households experiencing sustained, transitory escapes, and chronic poverty in Makueni and Vihiga counties.

We find that farming has in the past provided the major route out of poverty and market-oriented agriculture for staying out of poverty. Supporting sustainable agricultural intensification remains an important programming implication. However, smallholder agriculture is less effective now, with landholdings reduced over time due to inheritance and/or market transactions, inputs being costly compared to some output prices, climate variability more pronounced, and crop and farm asset theft being common. The evidence is also that jobs or self-employment in the rural nonfarm economy, which could also be routes to a sustained escape from poverty, have not yet shaped up to being an adequate complement to farming. Some enabling factors for this to happen have been put in place. As noted by interviewees, the quality of implementation can be highly varied.

In this context, the research shows that certain strategies have helped households sustainably escape poverty, including: migration combined with education, and agricultural intensification and/or diversification into employment and nonfarm occupations. However, it importantly is how households experience shocks in these contexts, as well as the resources they have to help manage shocks, that helps explain the difference between transitory and sustained escapers from poverty. Indeed, sustaining escapes from poverty is challenging: shocks to be navigated include ill health, crime leading to loss of assets and income, and climate related extreme events. Social capital in various forms has been a critical enabler of reducing the negative impacts of these shocks to sustain escapes. However, excessive reliance on social capital has also held back sustained escapes: the government’s recent focus on reducing the health and education burdens on households will be welcomed if it can be implemented.