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Timely nudges could address Malawi's increasing agricultural woes

We first suggested “nudges for development” as a replacement for Malawi’s renowned, but costly, farm input subsidy program (FISP) [back in December](#). It looks like the idea could be even more relevant now that the [program is shrinking](#).

We look to what research results can offer as a potential alternative– one that is sustainable and won’t be as costly for the Malawian government, which spent about 20 billion kwacha (currently US\$121 million) on FISP during the 2010/11 fiscal year. This figure made up a sizeable 6.7% portion of Malawi’s total budget of 297 billion [Source: [Malawi Budget Statement](#) (pdf)]. Donors, too, are seeking alternatives: “We are currently considering options for new support to agriculture in Malawi,” Andrew Massa, a communications officer for UK’s Department for International Development (DFID), [stated to IRIN](#). DFID backed 5% – half of donor support – of the program’s overall cost of 23 billion kwacha, and may be looking for more effective strategies.



Maize is the main food crop for Malawians, over 80% of whom are subsistence farmers

How about a free one? The gains from a farm input subsidy can be mimicked for next to nothing with well-timed nudges to purchase unsubsidized fertilizer vouchers. Offering vouchers shortly after harvest, when farmers have more cash on hand, can help them commit to purchasing fertilizer for the next season.

A study implemented by [Esther Duflo](#), [Michael Kremer](#), and [Jonathan Robinson](#) showed that such a program was very popular in Kenya, increasing fertilizer usage to an extent similar to that achieved by a 50% fertilizer subsidy – but at a much lower cost. The intervention was so successful that IPA has included it in our Proven Impact initiative as a trusted program for development. Read about the [study](#) and check out the [evidence](#).

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