Book Review

Chavula Hopestone Kayiska, Thomas Chataghalala Munthali, Harold P. E. Ngalawa, and Boniface Dulani, eds. The Oxford Handbook of the Malawi Economy*

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The main purpose of *The Oxford Handbook of the Malawi Economy*, as Chavula (eds.) et al. present, is to trace Malawi's development trajectory from independence to the present, while underscoring the importance of data-driven analysis in shaping the country's future aspirations. The volume brings together insights from leading Malawian and international researchers, making it a timely resource for addressing the country's persistent development challenges. At a moment when Malawi's development outcomes continue to decline, despite extensive internal and external interventions, the editors stress the need to understand the economy holistically by recognising the interplay of domestic and external factors that contribute to its vulnerability. Particularly, emphasis is placed on implementation dynamics within political and economic drivers, the macroeconomic environment, and the role of development initiatives. The book also highlights the impact of adverse external factors and the importance of fostering sustainable and resilient responses.

Critically, the editors succeed in framing the "economy" in terms of development trajectory. The book offers a detailed chronicle of Malawi's post-independence development, showing the links between governance, institutional quality, and economic structure. It argues that political stability, governance reform, and macroeconomic stability are essential foundations for growth, while acknowledging entrenched weaknesses manifested through corruption, weak institutions, and policy inconsistency that have undermined sustained progress. It stresses that structural transformation, especially industrialization and agricultural modernization, is crucial to Malawi's future, aligning with global best practices while also being cognizant of local constraints.

Chapters on macroeconomic policy examine the mixed legacy of stabilization reforms and the role of international institutions such as the International Monetary Fund (IMF) and World Bank. While such reforms delivered periods of stability, persistent fiscal deficits, inflation, and external vulnerabilities remain obstacles to long-term growth. The book also highlights Malawi's overreliance on agriculture, especially tobacco, which leaves the economy exposed to external shocks and commodity price volatility, thus reinforcing the urgency of diversification. Accordingly, the book treats economic diversification as central to productivity growth and sustainable development. Using growth accounting, the book shows that past growth was driven largely by capital accumulation, but returns have diminished. Factor accumulation alone is insufficient for sustained progress; productivity gains, innovation, and technological adoption, particularly in agriculture and manufacturing, are essential. The need for structural transformation manifests as Chavula (ed.) et al. advocate for shifting labour from low-productivity subsistence activities into higher-value sectors.

The book also identifies human capital as a critical bottleneck. Skills gaps, poor-quality education, and weak vocational training limit Malawi's capacity for industrialisation. Chavula (ed.) et al. argue that investment in human capital, both technical and soft skills, is vital for productivity and for ensuring inclusive growth across rural and urban divides. Health deficits, including malnutrition and weak healthcare systems, are also recorded to undermine labour productivity. The editors thus call for comprehensive reforms in health, education, and vocational training, complemented by digital investments to accelerate innovation, service delivery, and financial inclusion. Finally, the book situates Malawi's economy within recent global shocks, most notably COVID-19. The pandemic exposed structural vulnerabilities in health systems, social safety nets, and economic diversification. Macroeconomic modelling shows how the crisis stalled growth and deepened poverty. The book, therefore, argues for resilience-building through stronger macroeconomic buffers, effective social protection programmes, and economic diversification as essential safeguards against future shocks.

Against this background, the book is essential to scholars, researchers, policymakers, and development practitioners as it provides a nuanced understanding of Malawi's historical policies, institutional capacities, and strategic priorities in industrialisation, agriculture, and digital transformation. This makes it a useful reference for designing evidence-based policies, drawing lessons from past successes and failures, identifying growth sectors, and emphasising governance and regional integration. The analytical frameworks and empirical data presented offer essential tools for developing targeted interventions, fostering inclusive growth, and addressing institutional weaknesses. The book also equips stakeholders with a holistic perspective for creating development strategies tailored to Malawi's context. It stresses the need for pragmatic reforms to strengthen institutions, enforce policy coherence, foster climate resilience, and expand investment in infrastructure, education, health, and digital innovation. Such strategies, the editors argue, are necessary to build productivity, inclusivity, and resilience. More broadly, the book provides a comprehensive lens for engaging with Malawi's complex political, social, economic, and infrastructural challenges, while situating them within global development trends.

Nonetheless, the book could benefit from deeper engagement with the political economy of reform. While governance weaknesses are acknowledged, more analysis of elite capture, patronage, and political incentives would clarify why reforms often stall. Similarly, greater attention to emerging geopolitical dynamics would enhance understanding of how international politics shape Malawi's development prospects and how to navigate through such forces. Finally, while the book's focus on structural and macroeconomic factors is important, it underplays the role of social movements, civil society, and grassroots actors in driving policy change. Incorporating more qualitative insights or case studies of such actors could enrich the analysis and provide a clear picture of how development outcomes are shaped.

In conclusion, *The Oxford Handbook of the Malawi Economy* is, in its own right form, a seminal interdisciplinary resource that captures Malawi's development complexities while charting plausible pathways forward. Its integrated analysis emphasises that sustainable growth depends on strengthening institutions, investing in human capital, fostering technological innovation, and deepening regional integration. Despite persistent challenges of governance, infrastructure, and external shocks, the book provides a compelling blueprint for policymakers and stakeholders, combining rigorous evidence with practical insights. It is both a chronicle of Malawi's economic journey and a guide for navigating its future, a vital addition to African development literature and a call to action for inclusive progress.

Harold Stanford Kapito, Master of Arts in Development Studies, University of Malawi