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An investigation of the political economy of land grabs in Malawi

The case of Kasinthula Cane Growers Limited

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Abstract

This study aims to understand the nature of land grabs in Malawi and their implications on food security. It employs a political economy theoretical framework in the quest to establish different underlying interests held by different actors and how these interests are pushed into policy documents using networks, narratives, and institutions.

Taking Kasinthula Cane Growers Limited as a case study, this paper establishes that land grabs in the current wave involve direct and indirect means of acquiring land, including contract farming, outgrower schemes, co-management, Premium Fairtrade, and shareholding. The case of Kasinthula Cane Growers Limited confirms that land deals largely ignore the local context which poses a threat to food security and livelihoods of local community members. Dangerous assumptions have been made in defining marginal land at Kasinthula Cane Growers Limited — bearing in mind that land which is 'marginal' to one person is a vital resource to another. This paper invites policymakers to engage in a political economy analysis of land deals on offer if they are to avoid the negative repercussions of land grabs while pushing their immediate and strategic interests.

Keywords: land grabs; Kasinthula Cane Growers Limited; political economy; outgrower schemes; contract farming

About the author

Michael Chasukwa is a lecturer at the University of Malawi based at Chancellor College in the Department of Political and Administrative Studies. He holds an MA in Political Science and a BA in Public Administration from the University of Malawi. His teaching and research interests include governance, local government, decentralisation, the politics of development, and political economy. Michael is a member of a research team in Malawi involved in a study hosted by the Institute for Poverty, Land, and Agrarian Studies (PLAAS) and the Future Agricultures Consortium (FAC) under the theme 'Transnational commercial land deals in Malawi'. With Blessings Chinsinga, some of their work on land reforms and global land grabs has been published in the IDS Bulletin.

Acronyms

CBRLDP	Community Based Rural Land Development Program
CSAs	Cane Supply Agreements
DFID	Department for International Development (UK)
DRC	Democratic Republic of Congo
EID	European Investment Bank
ERS	Estimated Recoverable Sucrose
EU	European Union
FAO	Food and Agriculture Organisation
FARA	Forum for Agricultural Research in Africa
FGDs	Focus Group Discussions
FOREX	Foreign Exchange
GSI	Global Subsidies Initiative
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IIED	International Institute for Environment and Development
IISD	International Institute for Sustainable Development
ILD	International Land Coalition
KCGA	Kasinthula Cane Growers Association
KCGL	Kasinthula Cane Growers Limited
KRSS	Kasinthula Rice Scheme Station
MASIP	Malawi Agricultural Sector Investment Programme
MWK	Malawian Kwacha
PCL	Press Corporation Limited
RFL	Renewable Fuel Standards
SVCGT	Shire Valley Cane Growers Trust
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
USA	United States of America
USAID	United States Agency for International Development

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1 Introduction

The political and economic history of the metropolitan and satellite countries indicate that land has always been at the centre of shaping the interaction, events, and transactions unfolding between the global north and the global south. Land determines the productivity of countries, corporations and individuals and has attracted the attention of multiple actors in its governance within and beyond the area of jurisdiction of one's sovereign state. Acquisition of land by international and local actors occurs through different means, among them negotiated deals characterised by coaxing, bribes, placing of conditions, lobbying and war. Who owns land; how much of this land is owned by whom; and for what purposes? These are critical questions that any government has to think of seriously.

The 'scramble for Africa' depicts the desperation of external actors to own land for their own economic and political benefits. Beyond colonisation, events transpiring in independent countries show that land is of interest to rulers in advancing their agendas. In the Independence wave, newly independent African countries started demanding the exchange of ownership of land from the old colonial masters to the natives. This wave loosely commenced with Ghana's independence in 1949. The elite (both internal and external), especially those in the circles of presidents, enjoyed the privilege of owning much of the land. On face value it appears that the land grabbing here is by the south (as in former colonies) from the north (as in the colonial masters). The third democratisation wave depicts another phase of global land grabs where the north started acquiring land in the south by use of neo-liberal, policies largely coming into effect through imposition. This phase of global land grabbing has been epitomised by land pressure in the north, amongst other factors.

Malawi has been no exception to global land grabs. The Scramble for Africa ended leaving Malawi, formerly known as Nyasaland, as a protectorate of Britain in 1891; the British settlers established tea farms in the southern region of Malawi. After attaining independence in 1964, Dr Banda — who by 1966 was already a moderate dictator — owned much land through Press Corporation Limited (PCL) who was engaged in farming. The referendum in 1994 marked the start of democratic politics with the donor community giving clear indicators that they will only support a democratic regime that opens up economically and politically. The concern in Malawi's democratic era is that the economic opening has actually meant multinational corporations and international elites grab land from helpless farmers. The land grabs in Malawi are worth paying attention to, especially noteworthy is that 55% of smallholder farmers cultivate less than one hectare when there are about 30 000 estates cultivating from 10ha to 500ha (Chirwa & Chinsinga 2008).

This paper aims to analyse the political and economic drivers of land grabs in Malawi during the democratic era. The primary interest is to investigate the political and economic context in which land grabs in Malawi are taking place with a view of drawing policy implications on food security for stakeholders' consideration.

2 Theoretical underpinnings

Land grabs: Brief history and definition

Land grabbing has been happening for a number of centuries; each turning moment is characterised by single or multiple intentions that may be declared or undeclared. Grain (2008) depicts what they consider as the genesis of land grabbing:

> *One has only to think of Columbus 'discovering' America and the brutal expulsion of indigenous communities that this unleashed, or white colonialists taking over territories occupied by the Maori in New Zealand or by the Zulu in South Africa.*
>
> Grain 2008.

Land grabbing in the name of foreign investment is not a new phenomenon, particularly in the agriculture and mining sectors. The intensity of land grabs has varied throughout but it has remained part of the history of the society. Mann and Smaller (2010) hold that large foreign-owned plantations have long existed in parts of Africa, Asia, and Latin America, in many cases remnants of the colonial era, and are used to produce bananas, sugar, tea, cocoa, and other export crops. A noticeable decline in foreign ownership of land for agriculture was seen in 1980s, largely because of a change of preferences by investors transnationally to other elements of agricultural production such as fertilisers, processing, seeds, machinery, manufacturing and retail.

The term 'land grab' is tricky to define, as suggested by the hundreds of definitions one encounters in literature; the term is fluid and the relevance of any definition is dependent on the specific context. The plurivalent term is employed at different levels and covers objects of a variety of types; it can be either descriptive or analytical, and in a number of cases it is both.

Shepard and Mittal (2009) describe land grabs as the purchase or lease of vast tracts of land by wealthier, food-insecure nations and private investors from mostly poor, developing countries in order to produce crops for export. Watson *et al* (2006) contends that the basic element that constitutes a land grab is foreign acquisition of farmland. Unlike in the past, where private sector was much more interested in acquiring land abroad than governments, governments are now active participants in the business of foreign acquisition of farmland, not just as regulators but also as buyers. A dictionary perspective considers land grabbing as an aggressive taking of land, especially by military force, in order to expand territorial holdings or broaden power. This dimension of land grabbing is synonymous with the moment of the 'scramble for Africa'. Aarts (2009) considers this definition of land grabbing to be inadequate as it suggests that land grabbing is an illicit behaviour whereas deals are completely legal.

Whilst the term land grab is often used by the media to emphasise that land is being 'stolen' from poor countries, international organisations are sceptical of using the term land grab to describe the foreign acquisition of farmland. For instance, the International Institute for Sustainable Development (IISD) refer to land grabbing as '(foreign) investment in land'. The International Land Coalition (ILC) and the Special Rapporteur on the right to food refers to 'commercial pressures on land', and 'large-scale land acquisitions' respectively. Aarts (2009) opts to refer to land grabbing as '(large-scale) land acquisitions', or 'investment deals' in an effort to remain objective.

How much land is at stake? Global and African context

There is a worldwide move towards making land deals. In this land grab race, developed nations are purchasers (or investors) whereas developing countries are sellers (or recipients). Food insecure and land constrained countries are also active players in the search for land abroad; China and Saudi Arabia rank high in this category of countries hunting for foreign farmland.

Since 2007, reports have revealed that China alone has managed to acquire two million hectares of foreign farmland in different countries including: Kazakhstan, Brazil, Burma, Cameroon, the Philippines, Laos, Mozambique, Tanzania, Uganda, Zimbabwe, and Russia. China has the intention of increasing its rice production from 100 000T to 500 000T in the next five years; as such it purchased 101 171ha in Zimbabwe, in June 2008, to be part of the project. It is reported that India, Japan, Malaysia, South Korea, Egypt, Libya, Bahrain, Jordan, Kuwait, Qatar, and the United Arab Emirates (UAE) also carry out food outsourcing and land grab strategies. Seale (2009) has noted that South Korea has acquired over one million hectares in Sudan, Mongolia, Indonesia, and Argentina.

Many land grabs have targeted countries including Brazil, Uganda, Cambodia, Burma, the Philippines, Ukraine, Sudan, Russia, Thailand, Tanzania, Cameroon, Madagascar, Pakistan, Kazakhstan, Laos, Malawi, Senegal, Nigeria, and Paraguay. The paradox is that these countries have given control of vast tracts of farming land to food insecure countries to grow food to feed their countries yet most of them are food insecure as well. The target countries have gone into battles to undercut each other by utilising different strategies to attract a heavy inflow of foreign capital. To this effect, Sudan is issuing 99-year leases, Kazakhstan has implemented land share policies and permanent land use rights, and the Ukraine is expected to ease restrictions on the sale of farmlands to foreigners.

For developing countries involved in land grabs, as sellers of farmland, Africa is the main target owing to the perception that the continent possesses large amounts of apparently vacant farmland. The African continent is perceived as neglecting its agricultural potential and many investors therefore consider Africa to be well suited for new rural investments (Cotula, *et al* 2009). It is estimated that 80% of the global reserves of farmland are in Africa and South America; in Africa, mainly in countries like Sudan, the Democratic Republic of Congo (DRC), and Angola (Cotula, *et al* 2009). The problem is that most of these areas are either covered by tropical rainforest, located in protected natural areas or are already used for shifting cultivation or grazing of animals (Ramankutty, *et al* 2002). Furthermore, the commercial value of the land is still relatively low, which raises an expectation of possible large returns in the future when the predicted struggle for land resources may increase their value (Cotula, *et al* 2009).

Based on a systematic screening of the media articles collected by the ILC, Friis and Annette (2010) estimate that a total of 177 deals — translating into the range of 51.415 million hectares and 63.111 million hectares — had been sealed in 27 African countries between 13 August 2008 and 15 April 2010.

A quantitative inventory of land grabs in five African states compiled by the International Institute for Environment and Development (IIED), the Food and Agriculture Organisation (FAO) and the International Fund for Agriculture and Development (IFAD), documented a total of 2 492 684ha of approved land acquisitions between 2004 and early 2009; Howard and Smaller (2010) note that this is comparable to almost half the arable land of the United Kingdom (UK) and three times the arable land of Norway. The five countries in question are Ethiopia, Ghana, Madagascar, Mali, and the Sudan. These land acquisitions including a biofuel project in Madagascar (452 500ha) and a livestock project in Ethiopia (150 000ha).

This seems to indicate that land deals are exclusive to countries and governments. However, the current trend of land grabbing includes the private sector which often comes in when deals have been finalised. The private sector, in particular financial institutions and agribusiness corporations, supply the means and methods of production. This division of labour has seen big private equity organisations such as the Blackstone Group, the Binladen Group, Deutsche Bank, and Goldman Sachs securing vast amounts of land in different parts of the globe (Cotula 2009). Jarch Capital, an American investment firm, recently secured the largest private land deal in Africa, involving nearly a million acres of fertile land in northern Sudan.

Drivers, opportunities and misgivings of land grabs

Literature specifies that three major causes of the current movement of land grabs are: food security; meeting increasing energy and manufacturing needs; and growing interest in both the land market and the soft commodities market (Mann & Smaller 2010; Shepherd & Mittal 2009; Friends of Earth Europe 2010).

In the context of food security, a number of factors threaten the food needs of many nations. The main factors include: skyrocketing food prices in the summer of 2008 that increased import bills and inflation rates; harsh climatic conditions; poor soils; scarce water; and demographic growth. Javier Blas (2009) indicates that between 2006 and March 2008, the UNs' FAO food price index grew by 73%. Concerns over food supplies have encouraged food insecure nations — particularly in the Middle East and Asia — to revisit their agriculture, food security, business and investment policies. A quick solution to get out of the trap of food insecurity has been to turn to the global south to acquire land for farming.

High oil prices in 2007 and early 2008 influenced governments and private institutions to acquire land for energy crops. Additionally, the surging demand for access to new sources of raw materials for manufacturing goods has also contributed to land grabs. Oil-dependent countries have faced increasing need for more fuel and agro-fuels (biofuel produced from ethanol and sugarcane, as well as biodiesel) which are part of their strategy to meet requirements.

It seems that the agro-fuel driven land grabs are not short term and will not vanish, especially given that the EU, USA and other countries have established strict guidelines to increase their use of biofuels. For instance, the EU directive for the promotion and use of renewable energy adopted in April 2009 demands that by 2020, 20% of the energy used by member states must derive from renewable sources, with a 10% binding target for transports and USAs Renewable Fuel Standard (RFS) aims to increase ethanol use by 3.5 billion gallons between 2005 and 2012 (Shepherd & Mittal, 2009). In 2006, the EU and the US subsidised agro-fuel corporations through US$13 billion. The Global Subsidies Initiative (GSI) estimates the amount of subsidies between 2006 and 2012 at US$92 billion dollars. Estimates are that about 20% of international land deals are for biofuel, not food; European biofuel companies have acquired or requested 3.9 million hectares in Africa (Watson, *et al* 2010). It is also estimated that between 2008 and 2009, fifteen to twenty million hectares of land in developing countries (about twice the Italian forest area) were bought by foreign investors to get agricultural produce for exports or agro-fuel processing. Tanzania, Mozambique, Ghana, Malawi and Ethiopia have recently witnessed the arrival of British, German, Dutch, Swedish and Italian biofuel producers (ActionAid 2010).

Private investment accounts for the current land grab trend as well. The stakes have increasingly become high in global south farmlands following the push on financial investors following the global financial crisis to look for new sources of investment and new strategic assets. In this regard BlackRock (US), Deutsche Bank (Germany), Goldman Sachs (US), and Knight Frank (UK) among other investment banks have set up agricultural investment funds. Some of the private investments that have taken place between 2006 and 2008 include that of Morgan Stanley's purchase of 40 000ha of farmland in the Ukraine; Goldman Sachs' taking over the rights of China's poultry and meat industries — including the rights to their farmland in September 2008; and US investor Phillipe Heilberg signing with Paulo Matip, a Sudanese warlord, to lease 4 000km^2 in the south of Sudan (Shepherd & Mittal 2009).

Land deals around the world have been initiated, negotiated, and entered into on a win-win basis. The language of land grab contracts is crafted to accommodate the interests of the seller and buyer. Land deals are put forward as bringing many opportunities to host nations.

Land deals help host nations to:

- generate forex (foreign exchange);
- improve their infrastructure development;
- increase agricultural productivity through the use of agricultural residues and waste in productive processes;
- increase income for farmers due to better market access for biofuel, feedstock, and investments in infrastructure;
- increase employment opportunities in associated sectors, i.e. agriculture, industry, infrastructure and research in both rural and urban areas; and
- create new investment and trade opportunities with prospective access to the international market.

Purchasers benefit with:

- increased access to safe and sustainable energy services in rural areas;
- increase energy supply security through diversification and progressive substitution of oil;
- a reduced national oil importation bill; and
- reduced emissions of pollutants, including greenhouse gases, thus providing both local and global environmental benefits.

However, a deeper analysis indicates that host nations have misgivings with land deals. Land deals of large-scale farmland acquisitions by foreign actors raise a litany of human rights concerns for impoverished people in 'target nations'. Primary among these are: the undermining of local food production systems; the forced displacement of smallholder farmers and indigenous people; diminished access to resources by the rural poor; and the expansion of the export-oriented, agri-industrial complex (Shepherd & Mittal 2009).

Understanding the political economy framework

Political economy is an attractive theoretical lens for scholars analysing matters around power and market. Political economy, as an analytical tool, appreciates that politics and economics are intertwined as they unfold in society; whatever happens in the realm of one force has a bearing on the other. Political economy reflects the conviction that politics and economics are inseparable when dealing with resources in society.

The economic side of the political economy analytical tool understands economics as the science of understanding human behaviour in the context of a relationship between ends and scarce means that have alternative uses (Robbins 1932:16). This is to say that economics pays attention to maximum utilisation of scarce resources at the disposal of the society. As such, the argument is that the parameters of economics encroaches on the domain of politics, especially as economic decisions have to be made in any effort regarding how scarce resources are to be used to the optimum. The decision-making process brings in power at play (hence politics) among different actors that have a stake in the optimum utilisation of resources. Decisions surrounding resources could be viewed as a factor gluing together economic and political aspects into political economy.

In the context of political economy, as pre-empted by the discussion above, politics is understood as the study of *power* and *authority,* and the exercise of power and authority. Power, in turn, means the ability of an individual (or group) to achieve outcomes which reflect their objectives. Weber (1947, 1520) defined power as '… the probability that an actor in a social relationship will be in a position to carry out his own will despite resistance, regardless of the basis on which this probability rests'. Similarly, authority 'exists whenever one or many people explicitly or tacitly permit someone else to make decisions for them in some category of acts' (Lindblom 1977:17–18). Thus, for example, Lindblom defines politics as the struggle over authority. As Drazen put it (2000:119), 'In an untidy process called politics, people who want authority struggle to get it while others try to control those who hold it.'

Alt and Shepsle (1990 cited in Drazen 2000) defined political economy as the study of rational decisions in the context of political and economic institutions, stressing explicit micro-foundations based on rational actors.The key feature of political economy analysis, therefore, is its insistence in responding to the questions of how politics impacts on economic outcomes and how power and authority affects the distribution of economic goods and services? This feature of political economy analysis falls within a history of economics that has always considered political forces not only as influencing economic outcomes, but often as a determining influence in politics (Drazen 2000).

Political economy theorists hold the view that processes of policy choice are both technical and political. Thus it is the understanding of political economy theorists that adopted policies might not be technically perfect other than being politically perfect. Policy choices are a matter of trade-offs between technical and political correctness. This is why actors are urged to be familiar with the dynamics of the political side if they are to influence the economic outcomes that are of interest. O'Malley (2009) argues succinctly that political economy focuses on: the interaction between political and economic processes; examining how power and resources are distributed and contested in different contexts; investigating the distribution of power and wealth between different groups and individuals; and the processes that create, sustain and transform the political and economic relationships over time.

Political economy analysis looks beneath surface appearances to uncover the underlying incentives, formal and informal institutions, and economic structures that drive, or constrain, change. The essence of political economy is well articulated by Alejandro Foxley, who observed that:

> *Economists must not only know their economic models, but also understand politics, interests, conflicts, and passions — the essence of collective life. For a brief period of time, you could make changes by decree; but to let them persist, you have to build coalitions and bring people around. You have to be a politician.*

Cited in Drazen 2000.

The political economy theoretical approach is relevant in interrogating the issue of land grabs at hand. The concentration on power dynamics makes political economy a useful tool in understanding that in land deals, different stakeholders may be governed by competing sets of formal and informal institutions so that concepts of 'playing the same game with the same rules' may be incorrect (The World Bank 2008). It can be argued then that power based political economy analysis is in a better position to alert, developing countries in this case, of the institutions that are created by powerful developed countries and multinationals in an attempt to arrive at a land deal.

3 Methodology

This studies objectives required qualitative data if they were to be addressed and the research was guided by qualitative research designs. A Case study of Kasinthula Cane Growers Limited (KCGL) was employed with the intention of investigating the political economy of land grabs in Malawi. The logic of employing a case study here was that the findings could be generalised and applied in areas of interest with similar conditions. Particular emphasis was put on field work as a means of generating primary information that served well in making people-centred policy recommendations. Data was collected through key informant interviews, focus group discussions (FGDs), and reports from different institutions (including KCGL, Shire Valley Cane Growers Trust (SVCGT) and the Chikwawa District Council). Key informant interviews were held with: public officials in the Ministry of Lands, Housing Physical Planning and Surveys; civil society organisations implementing projects on land matters; farmers and officials at KCGL; and traditional leaders. A total of twelve FGDs were held each involving individuals from different villages surrounding KCGL.

4 Setting the context: KCGL

The genesis of KCGL, located in the southern part of Malawi, dates back to 1974 when Malawi's government established a rice research scheme which it operated until 1996. Between 1974 and 1997, the Ministry of Agriculture and Food Security provided extension services to the rice farmers that had a piece of land in the scheme. Following a period of low production, that reached a low in 1996, due to drought, rice farmers in the scheme and the Malawi government were convinced that rice farming was a spent force as far as commercial and food farming was concerned. The 1996 draught attracted the attention of the president who compensated the farmers with MWK3000 (US$20.13) and MWK6000 (US$40.27)[1] for those with half band and full band pieces of land respectively. Climate change, reduced attention to research activities, and management problems were some of the reasons for low production.

KCGL was established in 1997 to turn a less productive piece of land under rice research production activities into a more productive piece of land that would be beneficial to the surrounding communities and the nation as a whole. KCGL was established as a private company under ownership of the SVCGT. Illovo guaranteed a loan to KCGL whereby the funds were used to acquire land on a 99-year lease from the government. KCGL engaged Agricane (Mw) Ltd by way of a tender to manage the scheme in addition to providing training and technical assistance to the cane growers.

KCGL covers a total area of 800ha of which 755ha is used for growing cane and the other 45ha is meant for growing maize by the 282 smallholder cane farmers engaged in the scheme. These farmers are allocated plots of equal size. The total area (755ha) was acquired within the period of three years (1997–1999). KCGL took-off with 103 smallholder farmers in 1997 and later incorporated an additional 179 smallholder cane

[1] Value in US$ at the time of transaction.

farmers in phase two which saw the extension of the scheme to the current 755ha under cane. KCGL is still in an extension drive; it started implementing phase three in 2010. When phase three is completed, it will bring the total land under its control to 1 200ha; thus, phase three will include another 400ha. The status quo is that land is being developed into a cane growing scheme, implying that issues of acquisition have already been concluded. Phase three of KCGL was meant to be in full operation by August 2011 and bring on-board an additional 200 smallholder cane farmers (bringing the total to 482). KCGL management is on record as having told the visiting International Finance Corporation (IFC) vice president Lars Thunell that they want to further expand the current 755ha of cane growing to 3 000ha by 2015 (Sabola 2010).

Illovo Sugar Group Limited has a 70% interest in these mills and surrounding estates. At Nchalo the outgrowers consist of only those smallholders falling within the irrigated Kasinthula project. All outgrowers are contracted to the mills through standard Cane Supply Agreements (CSAs), which detail the obligations of both parties in the procurement and milling of the cane. These agreements are normally negotiated with the mill on behalf of the smallholders by the boards of management companies representing these smallholders. No individual smallholder is contracted to the mills. All contracts are signed between the miller and the body or management company appointed to represent the smallholders. In addition there are contracts between management companies and smallholders, which detail the obligations of both parties in the growing of cane as well as with the administrative and financial controls.

Kasinthula growers at Nchalo are also highly reliant on Illovo Sugar for the bulk purchasing of farm inputs. Illovo charges a 15% handling fee on all farm inputs purchased on their behalf. At Nchalo, the Kasinthula growers are charged 25% of their turnover, deducted at source by Illovo Sugar to cover the initial development loan repayment to the European Investment Bank (EIB). In addition, a flat 6% of turnover is charged as a management fee, with an additional 5% incentive payable based on yield and profit — this results in a maximum of 11% management fee. The management fee is paid to Agricane, which is the management company currently in charge of daily operations (Church, *et al* undated).

5 Findings and Discussion

Players in land transactions at KCGL

An understanding of the actors and their identities in every game with political and economic strings is critical in unpacking power dynamics among parties which have an impact on transactions. To this effect, power dynamics affect the outcome of deals to be sealed, including those on land ownership transfers and land usage. It is vital to appreciate the players at KCGL where issues of land transfer and usage do emerge.

Kasinthula Cane Growers Association

The Kasinthula Cane Growers Association (KCGA) is an association of sugarcane outgrower farmers that was formed in 2011. The birth of the KCGA was motivated by the fact that outgrower farmers wanted to have a forum they could utilise to advance their interests. The formation of the KCGA is associated with failed attempts by outgrowers to take their grievances to KCGL management because of the *'go-alone'* approach that outgrowers were taking, which was easy for KCGL management to defuse. Without the mandate to make legally binding decisions on all farmers the KCGA is currently the main institution of representation and authority for farmers in matters relating to sugarcane growing, this includes: land transfers; land usage; land development; sugarcane haulage; and brokering the acquisition of more land to sugarcane schemes.

Specifically, the KCGA was established to:

- bring unity amongst farmer members;
- improve the economic and social conditions of the smallholder farmer members through direct interaction with, and intervention on behalf of the members;
- facilitate and foster productive communication between the Association (and its members), and KCGL, through the Trust, on the performance of the Kasinthula business;

- facilitate business activities and services and provide linkages with public and private sector service providers which benefit the interests of its members;
- facilitate smallholder empowerment through better information, training, and advocacy;
- promote agribusiness, and off-farm income generating initiatives with member organisations;
- incorporate appropriate policies to empower women for active participation in all aspects of the Associations' endeavours; and
- represent and promote the interests of its members nationally, regionally, and internationally.

The KCGA is rated highly among outgrowing farmers because of the good performance displayed so far. For instance, the KCGA in conjunction with KCGL have worked together on meeting the demand to open new sugarcane schemes. In the interest of developing the areas around KCGL, some outgrowers have been excited by the news of other sugar schemes. However, the support given to the KCGA by outgrower farmers has in some cases been limited because of their perceived closeness with KCGL management especially when it comes to negotiating for better prices. Some outgrowers fear that the KCGA might turn into 'agents of KCGL' and get captured with time if they do not keep a distance from KCGL management.

The Shire Valley Cane Growers Trust

The SVCGT is another player in the sugar sector concerned with land issues. Though linked to KCGL, the SVCGT mandate extends to all sugar schemes in Shire Valley. Directly related to matters of land ownership and transfers, the SVCGT owns land (and buildings) on behalf of people necessarily to enhance the growing of sugarcane in the Shire Valley. To this effect the SVCGT has leased 755ha of neighbouring sugarcane land from the Malawian government. As a benefit of membership, farmers that have offered their land to the sugar scheme, are each guaranteed a plot of land which is subleased from the SVCGT for 25 years.

The SVCGT is driven to acquire land as land ownership is a condition to the access of loans from financial lending institutions. Since customary land is held by people, the SVCGT has to own it on behalf of people. The SVCGT owning land on behalf of people has led to confusion over the ultimate and legitimate title holder of the land over time. In an FGD with farmers, one participant pointed out:

> *... because SVCGT has to repay the loan, it clings to the land. They chain us so that we cannot lease use it to grow crops of our own choice. Then the land is theirs not ours because if it were our land, we should have been able to use it as we see it fit.*

What is confusing to the people is the matter surrounding leasing and sub-leasing. The primary interest of the SVCGT complements that of the KCGA — i.e. promoting the interests of farmers as they bond their land to sugarcane growing.

Other objectives of the SVCGT include encouraging smallholders to:

- grow and cultivate cane and other crops grown at Kasinthula and through the Shire Valley;
- promote and protect farmers' interests;
- collect and disseminate cane farming information;
- represent interests and act for farmers when dealing with Illovo;
- ensure sugarcane is supplied to Illovo;
- distribute income and dividends from cane production to farmers as per entitlements;
- own land and buildings on behalf of the farmers;
- encourage and assist in developing sugarcane schemes in the Shire Valley; and
- solicit funds for Kasinthula and other new schemes in the Shire Valley.

Chiefs

Chiefs are the other important players in the land deals in the Shire Valley. Chiefs are said to be the custodians of the land, as such they have influence on the allocation of pieces of land. The role that chiefs play in allocating plots is used as an instrument for distributing favours in the society, consequently creating their own network of winners and losers. However, in cases where there are strong forces from 'above', Chiefs are relegated to figureheads. Their inability to command influence in other quarters of society make them inefficient representatives of the people when confronted with pressure or demands for land from the elites, particularly those aligned to the government.

At KCGL, chiefs play the role of gatekeeper, whereby they facilitate the opening of new sugarcane schemes and the expansion of old ones. In problematic land deals, chiefs are mediators who negotiate for a deal with KCGL and the SVCGT on behalf of the local people. Chiefs in the area have in many cases been left with no option to reject offers regarding the opening of new schemes and the expansion of KCGL because of forces from 'local people' and policies being pursued by central government. On the latter, chiefs are agents that have to serve the government of the day and are supposed to support government policies.

In Malawi under the Greenbelt Initiative, sugarcane is being promoted as one of the foreign exchange (forex) earning cash crops. In this regard, opposing the proposal to offer land for establishment of sugarcane schemes is interpreted as a 'failure to serve the government of the day' which may attract formal or informal sanctions. The clause saying that 'chiefs should serve the government of the day' is brought into the equation of land deals where the subjects are opposed to changing the crops they grow, especially from food crops to cash crops. Chiefs may act against their subjects' will; this can be appreciated from the observation of one respondent:

> *... we were shocked with the change of mind of our chief. At the onset of the project, the chief and us were speaking the same language, that of against giving up our land. We were against the idea of giving up our land for cane growing because we understood the nature of the sugarcane growing business as that which one day we will wake up only to realise that we have no land where to grow crops of our choice. We were overtaken by the position held by our chiefs who seem to have been convinced with the idea of cane growing as the only remedy for our problems.*

Hoodwinking, voluntarism and grabbing in the land acquisition processes

Fieldwork shows that the three phases of growth of KCGL have been accompanied by different features of politics and economics as far as getting land for the scheme is concerned. In all three phases, forces of politics and economics are evident in urging people to shift from food crops to the cash crop of sugarcane.

Acquisition of land in phase one of KCGL by the smallholder farmers was automatic as farmers that had a plot in the 'failed' Kasinthula Rice Scheme Station (KRSS) were maintained in the cane project.It is interesting how quickly farmers 'choose' to grow sugarcane, and not maize or another food crop, when substituting their initial food crops — i.e. rice. The 'failure' of rice presented an opportunity to Illovo Sugar (Mw) Limited to sell the idea of sugarcane growing to farmers who had plots in the KRSS. The misfortune at the KRSS coincided with the interests of Illovo to expand following the surplus capacity it had in the mid–90s. After consultation with different stakeholders, it was decided that an outgrower scheme would be set up to meet this shortfall, giving local smallholders the opportunity to take part in cane growing as independent producers rather than as Illovo employees.

KCGL acquired additional land for cane growing in phase two, as all land under the KRSS was already developed in phase one. Land close to KCGL was targeted. The process of obtaining land involved KCGL negotiating mainly with the chiefs; traditional leaders in turn negotiated with their subjects on behalf of KCGL. Chiefs have played the critical role of gatekeeper in land deals between KCGL and potential smallholder farmers as they are perceived to have an influence in the decision making process at the local level. Upon getting consent from individuals, whose land was targeted to be part of the scheme, KCGL developed the land. The developed land is divided into plots given to farmers equally. No compensation is given to individuals whose land has turned out to be part of the scheme because they are seen to be beneficiaries of KCGL by virtue of being outgrowers. Compensation is also not given to the people whose land becomes part of KCGL because they are contributing to the economic development of the community and the nation at large; their piece of land then becomes forfeit to development as a communal interest.

Phase three of KCGL's extension saw the acquisition of 400ha. Phase three commenced in 2005 with a delegation from the EUaccompaniedby officials from local communities paying 'courtesy call visits' to the traditional leaders of the targeted villages. The traditional leaders called a meeting with their subjects to sell the idea, as conceived of by the EU, of using their land — that was then being used to grow cotton — to grow cane, under an outgrowers arrangement. The EU and KCGL officials from local committees also came for a second time to sell the idea of cane growing to the villagers themselves.

KCGL's process of acquiring land and changing the type of crop to be grown has employed techniques of coercion and manipulation that undermine the notion of voluntary submission with a sober and objective mind. This was particularly apparent with phase two and three of the extension project. For instance, in phase three KCGL persuaded the traditional leaders that cane growing is better than cotton by making reference to the benefits accrued by the smallholder farmers in the scheme:

> *… are you not admiring those sugarcane farmers from Chinangwa village who are making progress financially and materially?*

Interview with Key Informant 20 September 2010.

Main silencing factors in KCGL land deals

KCGL land deals reflect a trade-off situation with the community and farmers advancing immediate interests whilst KCGL pursue both immediate and strategic interests. KCGL's interests have been carefully advanced amidst resistance through mechanisms that have prevented the latent tension and frustration — or 'silencing mechanisms'. These mechanisms are embedded within the agreements between the community and farmers; the KCGL and others are external to the formal rules guiding all parties. The silencing mechanisms include Premium Fairtrade and the growing of maize in the scheme.

Premium Fairtrade

The genesis of Fairtrade dates back to the late 1970s. In the present age, Fairtrade is considered to have two faces: a political/economic movement; and a product certification system. Fairtrade aims at connecting small-scale farmers to the Fairtrade market of the EU and recently, the USA whereby they have their products bought at above market prices. To this effect, Fairtrade is considered as:

> *… an opportunity to overcome some of the challenges they face … Fairtrade relationships aim to improve the well-being of producers, their families, and communities with the provision of guaranteed prices and social premiums. In addition, certification encourages greater participation, democracy, and transparency in trade and community relations to empower smaller-scale producers.*

Oxford Policy Management and Sustainable Markets Group 2000.

With technical advice from its partners (Illovo and Agricane), KCGL managed to acquire Fairtrade certification in 2002. David Phillips (2009) points out that KCGL became the first African-Caribbean-Pacific sugar producer group to receive Fairtrade certification. Phillips also observes that part of the motivation for certification is that Malawi is seen as a relatively cheap producer of good quality sugarcane and therefore more likely to be able to increase exports in the new free-trade, post EU, sugar regime era. Moreover, Fairtrade is seen as one form of intervention that provides additional layers of support to poorer producers.

Illovo plays a role in making deals with Fairtrade buyers in the USA and EU — including Wholesome Sweeteners, Napier Brown, Twin Trade and Traidcraft — to sell the sugar milled from the smallholder farmers on the local Fairtrade market. The price clause in the deal stipulates that for every ton of sugar purchased from Illovo, trade purchasers pay a premium of US$60, which goes directly to a fund managed by a farmers' committee called Premium Fairtrade. In the first two years, more than 3 500T of sugar was sold to Wholesome Sweeteners alone. In 2004, more than one quarter of KCGL's output was sold on the Fairtrade market. By the end of 2005 KCGL expected to sell up to 4 000T to Fairtrade buyers resulting into US$240 000 in premium payments. As of October 2010, KCGL earning's per tonne was MWK50 000 (Sabola, 2010). *Figure 1* below shows KCGL's production and revenue history.

Figure 1: KCGL Production and Revenue History

Description	Unit	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Sugarcane Production	Tonne	78649	64028	69831	68955	69523	69320
Average ERS (estimated recoverable sucrose)	%	12.12	12.32	12.96	12.48	12.05	11.14
Sugar Produced	Tonne	9770	7891	9064	8609	8378	7723
Price of Sugar Per Tonne	MWK	36217	42256	45442	51403	54064	62452.17
Total Turnover	MWK	359 380860	333 450622	411 885451	442 514855	457 645544	465 million

Compiled by author from the Shire Valley Cane Growers Trust 2006-12 reports documents.

The agreement between KCGL and Fairtrade buyers is not without condition; the deal demands that profits from sugar sales at Fairtrade be solely used for community development in villages that are within a 15km radius of the scheme. These community development projects include drilling of boreholes and the construction of hospital and school blocks. Premium Fairtrade funds, as a rule, cannot be given in cash to farmers. The 'unofficial' requirement is that the funds be spent on:

> *… visible and tangible projects so that when our counterparts from abroad come to inspect what we are doing, they should see with their eyes that we are not embezzling their funds and in so doing we prevent ourselves from being in bad books with the hands that feed us.*

Interview with a farmer who is involved.

It is interesting to note that profits are considered by the farmers not as their earned revenue but rather as a 'donation' from the buyers, who are seen as well-wishers. The clauses in Premium Fairtrade have not been religiously followed — as evidenced by events at KCGL. The committee has not issued money as dividends to the farmers, which they get annually as part of the agreement. The committee has, however, succumbed to pressure from farmers to providing items that they request for their personal and/or family use. One respondent observed that:

> *… management and committee members are afraid of being attacked by farmers when they refuse them their dividends'.*

Interview with a smallholder farmer in KCGL on 21 September 2010.

This pressure has resulted in farmers:

> *… coming here to let us know things that they would want to have this year. Many of them have gone away with iron sheets, cell phones, bags of maize, bicycles, bags of cement, and panga knives. The guiding principle in the selection of the items is that they should get items whose value is equivalent to the dividend which is equal to all farmers.*

Interview with Chairperson of the KCGL phase one on 20 September 2010.

Take note that KCGL does spend Premium Fairtrade funds on three activities, namely: community development projects; paying of dividends in kind; and development of the scheme. The community developments so far have included the provision of water and electricity, construction of school buildings, clinics, roads, bridges and a water treatment plant.

> *… the premium earned from the sales has led to significant improvements in the lives of ordinary people. In the village of Kapasule, for example, where women and children used to have to carry water for 15km from the nearest village with clean water, the Fairtrade premium has helped them build their own borehole and pump.*
>
> Kate 2005:1

Analysis reveals that Premium Fairtrade is incorporated in the Fairtrade market to give the transactions a face of corporate responsibility. The Fairtrade market helps KCGL to positively brand its corporate image so as to receive continued support from the community. Premium Fairtrade has managed to counteract the forces against land reform in the KCGL catchment area by targeting a wide audience by virtue of them being communal in nature. Beneficiaries of the premium are within a 15km radius from the scheme; this includes both smallholder cane farmers and non-smallholder cane farmers. The leakage of benefits to non-smallholder farmers has prevented the same from airing views against corporate land grabbing as they:

> *… send their children to schools constructed by KCGL from premium, go to the hospital constructed with premium funds, and have electricity connected to their houses under the courtesy of premium funds among some of the benefits.*
>
> Interview with a smallholder farmer in KCGL on 21 September 2010.

Premium Fairtrade has also played a role in suppressing dissenting views on the way land is transferred from individuals to KCGL. Individuals that show resistance to KCGL are branded ‘enemies of development’ and face the wrath of the traditional leaders. The power of the chiefs, propelled by the power of the mob, forces those who do not want to be part of KCGL to unwillingly become part of it for fear of reprisals.

> *… who can argue with the traditional leaders, especially this time around that you will need the same chief to give you a coupon for the subsidised farm inputs. Fellow villagers will also be irritated thinking you are blocking them from being awarded development initiatives.*
>
> Interview with a smallholder farmer in KCGL on 21 September 2010.

Maize growing

The Kasinthula scheme has grown only sugarcane since 1997 when it ceased to be a rice research station. Other crops were ruled out on grounds of unfavourable climatic conditions and not being profitable. The original KCGL concept was seen in phase one where only sugarcane was grown until outgrower farmers submitted a request to management that land should be spared within the scheme for them to grow maize. Outgrower farmers made this request because they had no land to grow maize after they had surrendered their land to the scheme. Surrendering land to KCGL meant opting to be cash crop farmers instead of food crop farmers. KCGL persuaded farmers to commit their land to cane growing by telling them that:

> *… you will get maximum benefit from this land. You will realise income more than what you need to buy food.*
>
> Interview with a smallholder farmer in KCGL on 21 September 2010.

In this analysis, it is critical not to turn a blind eye to the fact that the price of both cash crops and food crops are critical to a cash crop farmer’s wellbeing. The Fairtrade Foundation (2009) states of its producers that: ‘farmers like most smallholders, are net food buyers and as such only a minority have gained from increased commodity prices.’ For example, in southern Malawi many cash crop farmers grow sugarcane. However, the KCGA reported in 2009 that the families of their 300 members are spending on average 80% of their income on food, compared to around 50% a year before, causing many families to now eat one meal less a day. This is the case even though many of these farmers still grow much of the food that they eat; even so they still buy more food than they sell (The Fairtrade Foundation 2009).

Food insecurity experienced by the cane outgrowers ignited demands by the farmers to have part of the land for the scheme used for the growing of maize. Refusal of this proposal would have resulted into farmers pursuing the option of reclaiming their land; sentiments suggesting this had been emerging amongst smallholder farmers. Extension phase two addressed the concern of the farmers by allocating each farmer 0.5ha to grow maize. KCGL irrigates the plots used to grow maize by the farmers. An interview with one of the smallholder farmers indicated that sentiments against the 'taking away of the land' were dying out because of KCGL's compromise to let farmers grow maize:

> *It is at least okay now because we are allowed to grow maize in the scheme and this has improved our food security at a household level. In those days when we were buying maize from those without plots in the scheme, they used to sell their maize at exorbitant prices because they thought we have money. People softened up on the demands to have their land back when they allowed farmers to be growing maize in the scheme.*

Interview with a smallholder farmer in KCGL on 20 September 2010.

Marginal land: From whose eyes?

As indicated above, KCGL has undergone two phases of extension and it is currently in the third phase. Interviews with different stakeholders established different narratives as to why there has been shift in the utilisation of land from rice to sugarcane in the first phase, and maize and cotton to sugarcane in the second and third phases of the extension of KCGL.

From Government's point of view, growing cane at the Kasinthula scheme is critical for: development of the agricultural sector; economic growth; and reducing poverty among the rural communities as contained in the Malawi Growth and Development Strategy. Community members view the growing of maize as a commercial venture as they are shareholders and earn income. Those who conceptualised the idea of KCGL saw land at Kasinthula as being 'unproductive' under rice farming but with the potential of being utilised to the maximum under cane growing. Some national and international non-state actors have also seen land at the Kasinthula scheme as being unproductive. To this effect the EU, a development oriented philanthropist organisation committed to helping developing countries, has been a trusted and cooperative partner in transforming this unproductive land into a huge success story with sugarcane growing from phase one.[2] The EU bankrolled the expansion project of KCGL by giving grants. The land at Kasinthula, as seen by different eyes, has different reasons to change the crops being grown if it is to be utilised to the maximum. More importantly, it is also argued that if this optimal utilisation is to be attained, change of land ownership has to be effected as well. Note that Chinsinga (2008) has tackled the politics of land reforms in Malawi using a case study of the Community Based Rural Land Development Programme (CBRLDP) — the CBRLDP is funded by the World Bank. Chinsinga's study provides a good reading on 'who is categorising land as underutilised or marginal and why.'

From the insiders' (community members) eye, the narrative that convinces them to shift from rice, maize, and cotton growing to cane growing is the generation of revenue. Community members at Kasinthula think of shifting to cane growing as a strategy to earn higher income because market conditions are not in favour of their traditional crops namely rice, maize and cotton. It was pointed out by one farmer that:

[2] As of 2008, Malawi had received €5 667 000 under the accompanying measures, in 2006 (€6.67 million) and in 2007 (€5 million). These funds are being used for: a series of studies (€267 000); farmer and management capacity building (€2.4 million); phase three expansion of the Kasinthula outgrowers' scheme in Nchalo (€2.55 million); and improving feeder roads at the Dwangwa outgrowers' scheme (€350 000). The maximum contribution from the community to the Annual Action Programme 2008 on Accompanying Measures on Sugar in favour of Malawi was set at €4.911 million to be financed from budget line 21.060300 of the general budget of the European Communities for 2008 on: expansion of existing, or creation of new, outgrowers' schemes — grants — (€4.8 million); audits — service contract — (€50 000); and evaluation — service contract — (€61 000). Source: Draft commission decision of the Annual Action Programme (2008).

> *... If it were that cotton fetched more money than sugarcane, then I would not bother going for sugarcane growing because we are very much attached to the organisation and limited in our dealings under the current sugarcane growing arrangements.*
>
> Interview with a smallholder farmer in KCGL on 20 September 2010.

Contrary to the insiders' eye, outsiders see land at Kasinthula as unproductive under the existing climatic and tenure conditions. From a political economy perspective, a useful debate here could be that of who is defining land at Kasinthula as marginal; for what reasons; and from his/her definition, what does 'productive' land constitute? Some experiences at Kasinthula, similarly experienced around the globe, indicate that reforms have been another incidence of inaccurately defining land as: unproductive; marginal; idle; degraded; under-utilised; sleeping; wasteland; or abandoned cropland. Changes surrounding land matters at Kasinthula are under the influence of what might be considered a distorted perception that:

> *... there are millions of hectares of such land around the world, especially in Africa, which are of no importance for biodiversity or carbon sequestration, and which play no role in food production or, presumably, in guaranteeing people's livelihoods.*
>
> Paul & Anderson 2008.

For instance, Chinsinga (2008) notes that the studies done by development partners such as EU, DFID, USAID, and the World in Malawi:

> *... established the availability of underutilised, cultivable, arable land of 2.6 million hectares which could be targeted for redistribution through a carefully conceived land reform programme.*

The clash of narratives and interests supplies valuable input in the exercise of defining marginal land. More often (and KCGL is no exception):

> *... land that is defined as 'marginal' is vital for the livelihoods of small-scale farmers ... What governments or corporations often call 'marginal' lands are in fact lands that have been under communal or traditional customary use for generations, and are not privately owned, or under intensive agricultural production.*
>
> Paul & Anderson 2008.

A close analysis indicates that what is regarded as idle land by outsiders is conversely a critical resource for individuals and communities at large. It may be collective or common land used by communities for generations, even though they have no formal title to it.

Outgrower scheme and contract out: (Re) Emergence of land grab tactics

Contract farming is described as an operation on a formal basis where an agreement is made between two parties (a contractor and contractee) for financing, growing, management and marketing under defined circumstances by the farmer to the contractor and contractor to the outside (Kumwenda & Madola 2005). Kumwenda and Madola observe that the history of contract farming in Malawi dates back to the 1970s where parastatal crop authorities that were established to promote the production of sugar, tea, coffee and flue cured tobacco engaged farmers to grow specific crops that they would buy.

Contract farming declined in the late 1980s and 1990s. However, the new millennium has seen its revival. According to the Malawi Agricultural Sector Investment Programme contract farming is endorsed by government as contained in the Ministry of Agriculture's new policy on food and nutrition security in which contract farming is an important issue in addressing poverty through sustainable food security and income generation (MASIP Secretariat 2005). The logic of contract farming in Malawi is that it brings in an extensive number of arrangements that link small-scale farmers to some type of market as a way of supporting them to become successful independent commercial farmers in the long term, in a developing country context. The farmers can be linked to markets by either formal or informal contracts as a result of some type of arrangement with a buyer who adds value to the raw commodity in some way-processing, storage, and marketing. *Figure 2* shows, by crop, farmers engaged in contract farming in Malawi as of 2005.

Figure 2: Contract farming in Malawi by crop 2005

Raw commodity	Final product	Industry size	Location of the smallscale suppliers	Contact authority
Flue Cured Tobacco	Cigarettes	584 tobacco growers who collectively produced 1 million kg of leaf	Kasungu	Limbe Leaf Tobacco Company
Flue Cured and Burley tobacco	Cigarettes	Pilot Scheme	Malawi	Dimon Malawi Limited
Tea	Tea	8 000 smallholder farmers	Southern region	Smallholder Tea Growers Trust and Smallholder Tea Company
Sugarcane	Processed sugar	1 070 smallholder farmers of which 210 are women	Nchalo and Dwangwa sugar estates	Dwangwa Cane Growers Trust and Illovo Sugar Company
Green Coffee	Coffee beans	2 800 farmers out of which 720 women	northern region	Smallholder Coffee Farmers Trust
Paprika	Spice and food colorant	60 000 smallholder farmers	Malawi	Cheetah Malawi Limited
Chillies	Spice and food additive	5 640 smallholder farmers	Mulanje	NASFAM
Cotton	Cotton lint	120 000 smallholder farmers	Southern and central region	Clark Cotton Malawi Ltd

Kumwenda & Madola 2005:5.

Faith in contract farming, coupled with outgrowing, is seen to be back in farming circles particularly in a few crops, namely tobacco, tea, wheat, sugarcane, green coffee, paprika, cotton, and chillies. The point of concern, raised by different quarters, in the current wave of contract farming and outgrowing initiatives, border on the altering of land uses — or 'systematic' land grabbing. In an attempt to promote the growing of specific crops, farmers are offered the opportunity to grow these crops at a relatively better price than the traditional crops. The fears extend to contract farming threatening food security as most of the crops grown are cash ones and compete for land with the food crops such as maize and rice. At KCGL, farmers are allocated two plots of 2ha and 0.5ha for sugarcane and maize cultivation respectively. A unique feature in KCGL is that the company develops the land and thereafter allocates plots to farmers without considering the amount of land that an individual possessed before surrendering to the scheme. The perceived loss of land fuels tensions between the aggrieved individuals and the company.

6 Concluding remarks

This paper has established that the land grabs movement — promising a package of development benefits but delivering underdevelopment — has hit developing countries. Anxious to fulfil food and energy needs, wealthy nations enter into land deals with 'land-rich' nations purportedly under win-win convictions which more often than not turn out to have a win-lose outcome in favour of the buyers — i.e. wealthy nations.

The perception that there are vast amounts of idle land in Africa awaiting development makes Malawi a target of the current land grabs movement. Using the case study of KCGL, this paper has demonstrated that different techniques are employed to acquire land from the community for sugar plantation. Whichever technique is utilised, the end result is changes in land utilisation which bring serious challenges to the food security and livelihoods of the local community members. In particular, contract farming is being revived as a strategy of promoting orphan crops; handled from a commercial perspective this is a threat to food sovereignty because of its pick on cash crops that are essentially competing with food crops for land. Using a political economy conceptual framework, this paper's perspective is that land has become 'a new strategic resource' with the potential of enhancing Malawi's bargaining power only when attention has been paid to the political and economic interests of the different actors involved.

However as discussed above, land as a 'new strategic resource' for Malawi also has the potential of becoming a tool for a neo-colonial system that enhances the power of cash-rich nations and multinationals while smallholders and indigenous communities are displaced and dispossessed. This paper has also established that dangerous assumptions have been made in classifying land as 'marginal' or not. The problem in defining marginal land has been the lack of a critical eye on the actor who views the land as marginal — that could be the starting point of a cost-benefit analysis.

Since land grabs present a serious challenge to food security, this paper is of the view that accountability tools and mechanisms need to be devised so as to protect the rights and interests of the impoverished and vulnerable communities in target nations. Devising accountability tools and mechanisms will need analysis of the political and economic interests of the purchasers. Furthermore this paper holds that government policies on the transferring of land ownership need to be revised towards striking a balance between the interests of international actors, political leaders and community members. A rethinking of the land policies should do away with double standards and policies that give with one hand and take with the other.

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LDPI Working Paper Series

A convergence of factors has been driving a revaluation of land by powerful economic and political actors. This is occurring across the world, but especially in the global South. As a result, we see unfolding worldwide a dramatic rise in the extent of cross-border, transnational corporation-driven and, in some cases, foreign government-driven, large-scale land deals. The phrase 'global land grab' has become a catch-all phrase to describe this explosion of (trans)national commercial land transactions revolving around the production and sale of food and biofuels, conservation and mining activities.

The Land Deal Politics Initiative launched in 2010 as an 'engaged research' initiative, taking the side of the rural poor, but based on solid evidence and detailed, field-based research. The LDPI promotes in-depth and systematic enquiry to inform deeper, meaningful and productive debates about the global trends and local manifestations. The LDPI aims for a broad framework encompassing the political economy, political ecology and political sociology of land deals centred on food, biofuels, minerals and conservation. Working within the broad analytical lenses of these three fields, the LDPI uses as a general framework the four key questions in agrarian political economy: (i) who owns what? (ii) who does what? (iii) who gets what? and (iv) what do they do with the surplus wealth created? Two additional key questions highlight political dynamics between groups and social classes: 'what do they do to each other?', and 'how do changes in politics get shaped by dynamic ecologies, and vice versa?' The LDPI network explores a range of big picture questions through detailed in-depth case studies in several sites globally, focusing on the politics of land deals.

An investigation of the political economy of land grabs in Malawi: The case of Kasinthula Cane Growers Limited

This study aims to understand the nature of land grabs in Malawi and their implications on food security. It employs a political economy theoretical framework in the quest to establish different underlying interests held by different actors and how these interests are pushed into policy documents using networks, narratives, and institutions.

Taking Kasinthula Cane Growers Limited as a case study, this paper establishes that land grabs in the current wave involve direct and indirect means of acquiring land, including contract farming, outgrower schemes, co-management, Premium Fairtrade, and shareholding. The case of Kasinthula Cane Growers Limited confirms that land deals largely ignore the local context which poses a threat to food security and livelihoods of local community members. Dangerous assumptions have been made in defining marginal land at Kasinthula Cane Growers Limited — bearing in mind that land which is 'marginal' to one person is a vital resource to another. This paper invites policymakers to engage in a political economy analysis of land deals on offer if they are to avoid the negative repercussions of land grabs while pushing their immediate and strategic interests.

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Future Agricultures PLAAS Institute for Poverty, Land and Agrarian Studies ISS International Institute of Social Studies ICAS Polson Institute for Global Development