Land grabbing and patterns of change in the local labour regime: 
Case study of Illovo Sugar Company in Dwangwa, Malawi

Hanne Serroven

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PROMOTOR: DR. Koenraad Bogaert
COMMISSARIS: DR. Steven Van Bockstael

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When you put a man in a vacuum, you rob him of the air. You do the same, when you take away the soil from him... for you are putting him in a space void of wealth, so as to leave him no way of living except according to your wishes.

Hippolyte de Colins, 1856
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ABSTRACT
In this master’s thesis I will focus on the recent wave of global land grabbing that has sparked great interest among many academics and development organisations. More specifically, I will take a broad view on the political economy of these land deals by making use of the concepts of primitive accumulation and accumulation by dispossession and by pointing at continuities and changes of the current rush for land compared to the earlier global history of land alienation. Moreover, I will take a closer look at dynamics of change in labour regimes resulting from land deals, while taking into account a disaggregated view of ‘the local community’. Despite the importance of labour changes to land-related debates, this topic has received little attention in the scientific literature on land grabbing so far. That is why in this thesis, I will present a case study I conducted in Dwangwa (Malawi), where I examined the way in which a land deal between the Malawian government and the South African Illovo Sugar Company significantly altered the labour landscape and influenced the livelihoods of different groups of people at the local level. Before doing so, however, I will shed light on the thorny issue of defining land grabbing, to which I turn now.

SAMENVATTING
In deze masterproef zal ik me focussen op de recente golf van wereldwijde landdeals die de belangstelling van vele academici en ontwikkelingsorganisaties gewekt heeft. Meer bepaald zal ik een poging doen een breed politiek-economisch kader te schetsen van deze landdeals aan de hand van concepten zoals primitieve accumulatie en accumulatie door onteigening en zal ik wijzen op zowel de continuïteit als de uniciteit van de huidige wedloop om land in vergelijking met vroegere fases van landonteigening. Vervolgens zal ik mijn aandacht richten op dynamieken van verandering in arbeidsregimes ten gevolge van landdeals, terwijl ik er een genuanceerde kijk op ‘de lokale samenleving’ op nahoud. Ondanks het belang van de arbeidsthematiek in land-gerelateerde debatten, heeft dit onderwerp tot dusver weinig aandacht gekregen in de wetenschappelijke literatuur rond landroof. In deze thesis zal ik daarom een casestudie beschrijven van Dwangwa (Malawi), waar ik onderzocht hoe een landdeal tussen de overheid van Malawi en het Zuid Afrikaanse suikerbedrijf Illovo het arbeidslandschap heeft veranderd en de levens van verschillende groepen mensen op lokaal niveau heeft beïnvloed. Echter, alvorens ik daartoe overga zal ik een blik werpen op de definitie van landroof.
INTRODUCTION

A POLITICAL ECONOMY OF THE RUSH FOR LAND

DEFINING LAND GRABBING
The growing international interest in farmland has recently led to a wave of media attention and has sparked great interest among international development organisations, NGOs and academics (Borras et al, 2012, p. 402). The term ‘land grabbing’ is fluid and not easy to define, as evidenced by the several definitions from the literature. While some denote the phenomenon as ‘the new scramble for Africa’, international organisations like the World Bank argue that this mistakenly suggests that land is being stolen from poor countries and therefore refer to it as ‘foreign investment in land’ or ‘large-scale land acquisitions’. Moreover, the interest in farmland is not limited to Africa, but involves countries all over the world, situated mainly in Africa, Asia and Latin America (Cotula, 2012, p. 652). Borras (2012, p. 405) defines land grabbing as ‘the capturing of control of relatively vast tracts of land and other natural resources through a variety of mechanisms and forms involving large-scale capital that often shifts resource use to that of extraction, whether for international or domestic purposes, as capital’s response to the convergence of multiple crises’. White (2012, p. 620) adds to this that capturing of control may not result in the actual enclosure of land until many years later, and that dispossession of its previous users and the establishment of new labour regimes are often, but not always, consequences of land grabbing. However, in cases where dispossession does occur, several academics point to the risk of a far-reaching global land reform where governments seize the land of the poor and sell or lease it to the rich (Borras et al, 2012; Cotula, 2012; White et al, 2012, p. 620).

Despite the lack of transparency in many deals, the World Bank estimated that before 2009, 56 million hectares of farmland in Third World countries had been sold or leased or were under negotiation for sale or lease (World Bank, 2010, xiv). One year later, the International Land Coalition (ILC) reported that foreign investors expressed interest in 80 million hectares of land (Edelman, 2013, p. 487). In 2011, Oxfam declared that between 2000 and 2010 a surface area of more than 203 million hectares had been sold or leased in large-scale land transactions, with countries in Sub-Saharan Africa as the main targets (Oxfam, 2011, p. 5; Anseeuw et al, 2012, p. 19). The huge discrepancies among these datasets are partly caused by a lack of agreement on the definition of land grabbing and the reliance on different measurement methods. In this light, Edelman (2013) heavily criticises the land grabbing data for being imprecise and unreliable. He points to the fact that cancelled, delayed or scaled-back deals are still included in some of these calculations, which lack transparency as a result of the high speed with which the phenomenon is taking place (Edelman, 2013, pp. 487-489). Indeed, some land deals fail or are only implemented to a limited extent as a result of difficulties on the ground or troubles with financing the project due to disadvantageous economic circumstances or over-ambitious business plans (Anseeuw et al, 2012, p. 57). In contrast, Cotula (2012, p. 652) points to the possibility that the magnitude of the phenomenon is underestimated due to limited data access and warns for the tendency of many studies to under-report internal land acquisitions by national elites. However it may be, the figures above consistently point to the immense and growing nature of the phenomenon.
CONCEPTUAL FRAMEWORK: PRIMITIVE ACCUMULATION AND ACCUMULATION BY DISPOSSESSION

Several authors have pointed to the importance of framing the contemporary land grab debate within a broader historical analysis of land alienation (Borras et al, 2012; Borras & Franco, 2012; Edelman et al, 2013; White et al, 2012). Not only does it enable a more extensive inquiry into the origins and dynamics of the rush to acquire land, but it is also useful in recognizing the way in which historical processes affect agrarian relations up until today (Edelman et al, 2013, p. 1521). Already in the nineteenth century, Marx coined the term ‘primitive accumulation’ to describe how capitalist social relations were created and spread. At the heart of his analysis is the example of the pre-capitalist medieval English peasants who were forcefully separated from their means of production and turned into propertyless proletarians who had to sell their labour to capitalists in control over the means of production. This mode of labour organisation spread due to the essential drive of capitalism to commodify and privatise more and more previously common or collective goods and thereby suppress alternative modes of production. According to Marx, primitive accumulation is an ongoing state in the history of capitalism. As long as capital is in power, new people and resources will unavoidably be incorporated into capitalist social relations (Hall, 2013, p. 1595). Already in 1867, he came up with the term ‘land grabbing’, and stated the following:

*Land grabbing on a great scale [...] is the first step in creating a field for the establishment of agriculture on a great scale. Hence this subversion of agriculture puts on, at first, more the appearance of a political revolution* (Marx, 1867, quoted in White et al, 2012, p. 621).

The political aspect lies in the fact that a power transfer takes place whereby control over land is becoming more and more concentrated in the hands of dominant capitalist social classes (Borras & Franco, 2012, p. 52). The centres of capitalism are evermore subordinating the world’s agriculture to their leadership (White et al, 2012, p. 622). Indeed, according to Moyo, Third World countries are unevenly incorporated into the world economy that continuously urges countries in the Global South to open up, with the burdens of primitive accumulation falling mostly on them (Moyo et al, 2012, p. 186). After all, this opening up does not simply refer to a growing global network, but consists of a strategy to organize this network in a certain way (White et al, 2012, p. 622).

According to many authors who are positioning themselves in the land grabbing debate, this is exactly what is happening in the new wave of land alienation. They see the recent enclosures of vast tracts of land as a symptom of the merciless capitalist geographical expansion and intensification into the countryside where non-capitalist modes of production are attacked (Hall, 2013, p. 1594; Moyo et al, 2012, p. 182). Indeed, it is said that the global rush for land is mainly targeted at land previously ‘out’ of the capitalist system to make it available for capitalist investment, for studies have shown that many people affected by land deals mainly relied on subsistence farming and that they had limited experience with the labour market (Hall, 2013, pp. 1595-1597). However, assuming land grabs go on in areas outside capitalism can be misleading. It is unlikely that all areas where land grabbing currently takes place were completely unaffected by capitalism. Moreover, it must be noted that the recent wave of land grabbing also shows differences from earlier processes of land alienation. While primitive accumulation normally results in a process of privatisation of common lands, many contemporary land deals take place on state-claimed land, to which investors often only get access with long-term leases or concessions rather than purchases (Hall, 2013, p. 1595). Furthermore, not all land deals are causing dispossession and therefore they are not necessarily separating people from their means of production, especially in cases where land is leased for speculative reasons (White et al, 2012, p. 620).
Very much connected to Marx’s concept of primitive accumulation is Harvey’s concept of accumulation by dispossession. Harvey understands the contemporary land rush as an extended variant of primitive accumulation whereby global political-economic relations facilitate a process of enclosure of public goods (Harvey, 2004; White et al, 2012, p. 627). Specifically, according to Harvey, land grabbing constitutes a response to recurrent crises of overaccumulation that capitalism embarked on since the 1970s. A crisis of overaccumulation refers to a condition in which there are large surpluses of capital (an abundance of goods on the market that cannot be sold without suffering loss) and labour power (high unemployment). If this accumulated capital cannot be absorbed internally, the risk exists that strong devaluation within the given territory will follow (Harvey, 2004, p. 66). Moreover, the risk of class struggles grows since the bourgeoisie is unwilling to give up any of its privileges by absorbing overaccumulation through social reform (Harvey, 2004, p. 68). Therefore, the most viable option to solve the problem is to look outwards for geographical expansion and spatial reorganisation of capital by opening up new markets, or to embark on temporal reorganisation by investing in long-term capital projects or by intensifying investment in social infrastructures like education that take several years to return their value. This strategy of looking for new domains or spheres capable of absorbing the surpluses of capital and labour is called a spatio-temporal fix (Harvey, 2004, pp. 63-66; McMichael, 2012, p. 684). In this respect, in ‘The ‘New’ Imperialism: Accumulation by Dispossession’ (2004), Harvey describes several crises of overaccumulation in global capitalism since the 1970s and the way in which the United States convulsively tries to preserve its hegemonic position in the world against Europe, Japan and East and Southeast Asia.

When capital accumulation is set in motion on a new territory, surpluses of commodities are sent here in exchange for money or other commodities like minerals and resources. Sometimes, money is lent or donated to these places in order to generate a demand for the surplus goods of the originating country (Harvey, 2004, p. 66). It may take many years before the newly enclosed territories turn into advanced centres of accumulation, but when they too start to produce surpluses of capital, they will also find themselves in need of a spatio-temporal fix (Harvey, 2004, p. 67). Further on, I will show that countries like India, Brazil and South Africa have turned into new hubs of capital accumulation looking for ways to avoid an internal crisis. This results in an increasingly intense competition between multiple capitalist centres that are all deepening their politics of accumulation by looking for land abroad. This explains the high number of new players in the latest wave of land alienation, which was caused by a convergence of multiple crises, as I will show next.

THE CURRENT RUSH FOR LAND: THE MULTIPLE CRISIS THEORY
The phenomenon of land grabbing is not new. It is important to recall that land alienation in the global South has historical roots that go back to the nineteenth century when many European, American and Japanese companies already established large-scale plantations in developing countries (Cotula, 2012, p. 661). Moreover, the Berlin Conference of 1884-85 and the subsequent process of colonial expansion ensured the colonisers of a steady supply of agricultural commodities. This lasted until the 1960s. However, even though the intensity of land alienations has fluctuated, it has remained part of the history of the Third World ever since. Interest in land for agrofuels was already sparked in the 1970s, after the onset of the oil crisis (Borras et al, 2011, p. 215). During the 1990s, the commodification of land led by local capitalists expanded African land markets as a consequence of World Bank advice (Moyo et al, 2012, p. 198). The current phase of land grabbing is widely experienced as the latest stage
of a process of capitalist enclose of lower-income areas, whereby the global South is once again treated as the provider of commodities (Cotula, 2012, p. 672).

Following Harvey’s accumulation by dispossession theory, the 21st century land grab can be seen as a reaction to capitalist crises of overaccumulation. More specifically, in this case, the rush for land flows from the convergence of multiple crises of fuel, food and finance. In 2010, Borras, McMichael and Scoones described a biofuel complex in which the biofuels revolution is framed as a response to an expected energy crisis due to increasing costs of capital inputs (production, processing and transport). Moreover, the oil price spikes at the end of 2007 and 2008 encouraged governments and private companies to look for ways to be less dependent on Middle Eastern and Russian crude oil. An industrial biofuel complex thus serves to provide energy security by acquiring land for energy crops (Borras et al, 2010, p. 577; White et al, 2012, p. 628). McMichael (2012, p. 687) argues that this new bioeconomy, whereby natural resources like land and water are enclosed and degraded in order to transform them into industrial commodities, is further based on their anticipated rising value. In this respect, agribusiness, energy and biotech companies are massively investing in land for biofuel projects (Cotula, 2012, p. 663). Also the EU, USA and other countries have issued directives to promote the use of agrofuels, made from sugar ethanol, oil palm, Jatropha or soya. For example, in 2009 the EU implemented the Renewable Energy Directive (RED) which states that the Union should fulfil at least 20% of its total energy needs with agrofuels and member states should increase their use of renewables for transport to 10% by 2020 (EC, 2009, p. 2). Since the EU lacks the capacity to produce large quantities of biofuels domestically, it will rely on importing biodiesel and ethanol to meet its targets (Richardson, 2010, p. 919). Also, in 2008, the UK released the Gallagher Review, arguing that by 2020 about 500 million more hectares of land would be needed for producing agrofuels as a so called answer to the climate change problems (Gallagher, 2008, p. 29). Besides supporting fuel security, investors often argue countering climate change (by reducing greenhouse gas emissions) is one of the main reasons behind their investments in land for energy crops (Richardson, 2010, pp. 917-918). Indeed, producing and using biofuels is widely recognised as a way to reckon with environmental issues without affecting economic growth or reducing consumption levels, a win-win framing which has been dominating the biofuels debate globally (Borras et al, 2010, p. 576). However, this form of market environmentalism is highly contested since first-generation biofuel feedstock are inefficient energy sources that require large tracts of land and offer relatively low energy return on investment, emitting amounts of carbon dioxide that are not lower than those of fossil fuels. Moreover, it is estimated that by 2030, renewables will account for less than 10% of the global energy consumption (GRAIN, 2007, p. 6).

Furthermore, several factors like the food price crisis of 2007-2008, the strong global population growth, speeding urbanisation, changing diets, unfavourable climatic conditions and poor soils threaten the food stocks of many countries and will most likely put pressure on food prices in the long run, creating incentives to invest in land (Borras & Franco, 2013, pp. 1723-1724). In this respect, McMichael (2012, p. 682) came up with the ‘corporate food regime’ concept, situating international food production and consumption in a neoliberal project established to stimulate food export from the global South to the North in the name of global food security. However, also food insecure countries like China, India, South Korea and Saudi Arabia are active players in the search for farmland. For example, in 2000 it was estimated that the population of Saudi Arabia would grow from 30 to 60 million in thirty years time. As a result, dependence on food import was expected to increase tremendously. This, in combination with the anticipation of rising food prices, has been causing severe
concerns about national food insecurity and social unrest. The urge for cheap food for a growing population thus lies at the basis of foreign policies and faraway agricultural investments of some of the Gulf countries (Cotula, 2012, p. 668).

The current wave of land grabbing was further boosted by the worldwide financial crisis of 2008 and the onset of global recession (Hall, 2011, p. 193). The importance of finance in land grabbing cannot be overstated. According to McMichael (2012, p. 688), financialisation is a symptom of an overaccumulation crisis for capitalists relocate their investments from fixed capital to speculative financial ventures due to declined industrial productivity. Likewise, Harvey emphasizes the importance of finance in the reallocation of capital and labour surpluses (Harvey, 2004, p. 65). Financial investors, looking for new sources of investment following the crisis, directed their attention to food- and land markets in the global South, rendering land increasingly interchangeable with money. Indeed, changes in global supply and the expected growing demand for agricultural products will most likely result in increasing commercial land values and thus generate large returns in the long run, especially on the African continent where farmland prices tend to be very low. Moreover, land can be used as a hedge against inflation (Cotula, 2012, p. 666). This explains why some land deals (in this case often made by hedge or pension funds) are purely speculative (White et al, 2012, p. 621).

To conclude, the contemporary land grab shows both continuity and change from past episodes of land alienation. Certainly, according to Harvey and many other academics the current wave of land deals can be seen as a reaction to just another crisis of overaccumulation in the neoliberal global project, whereby spatio-temporal fixes cause new territories to be enclosed. However, in this case, the convergence of multiple crises of fuel, food and finance expressed itself in the commodification of ‘what is left of nature’. Habitats and farmland are converted into spaces of industrialised agriculture in the name of climate mitigation and food security, seemingly only serving the short-term needs of a minority of economic elites and consumers with purchasing power (McMichael, 2012, pp. 685-697). In the next sections, I will clarify the highly contested roles of the international community, the investors and the governments of the target countries in the contemporary land grab.

FEEDING THE WORLD AND SAVING THE PLANET: THE WORLD BANK’S RHETORIC

International financial institutions (IFI’s) like the World Bank or the IMF, imposing rules, regulations and incentives on developing countries, are characterised by a persistent paternalism towards the Third World (Moyo et al, 2012, p. 184). These agencies have endeavoured to establish a hospitable climate for foreign investment by imposing structural adjustment programmes on indebted developing countries, demanding to implement neoliberal policies and to open up their economies (White et al, 2012, p. 630). Moreover, in accordance with the modernisation paradigm, in recent years, these institutions promoted land deals as true development opportunities for poor underdeveloped countries. According to the World Bank, land grabbing offers possibilities for rural employment and income generation since smallholder farmers can jump on the bandwagon of high-standard competitive industrial farming through wage labour or contract farming whereby an agreement is made between a farmer and a company for the production of a certain amount of a particular crop in exchange for money (Bush et al, 2011, p. 189; White et al, 2012, p. 626; World Bank, 2010, p. 34). This implies the IFI’s fundamental belief that true wealth can be rather attained by money than by security of landholding. Furthermore, financial institutions like the World Bank argue that large parts of the
world are hugely under-utilised. In this respect, the advocacy for land grabbing is backed by the notions of marginal lands or wastelands that are not fully exploited in economic terms (Borras et al, 2011, p. 221). These concepts originate from the colonial period and used to indicate all land that did not generate revenue for the European governments (Ariza-Montobbio et al, 2010, p. 879). Today it is often assumed marginal lands are remote and very thinly or even not at all populated. In 2011, Klaus Deininger of the World Bank pointed to low productivity on somewhere between 445 million and 1.7 billion hectares of marginal land where agricultural potential is perceived to be neglected (Deininger, 2011, p. 219). The underlying rationale is that a yield gap between current and potential yields exists and that with an influx of capital and high-yield industrial farms the global food security and fuel problem can be tackled in a highly efficient manner and without undermining the food security or livelihoods of targeted communities (McMichael, 2012, p. 683; Richardson, 2010, p. 921). In this respect, in its Rising Global Interest in Farmland (RGIF) report, the World Bank argued:

None of the Sub-Saharan African countries of most interest to investors is now achieving more than 30 percent of the potential yield on currently cultivated areas […]. Agricultural development is not only sustainable, it is our future. If we do not pay great care and attention now to increase food production by over 50% before 2050, we will face serious food shortages globally. (World Bank, 2010, xiv)

However, the discourse on marginal land is misleading in the sense that most of these so called wastelands are crucial elements in the livelihoods of many locals (Ariza-Montobbio et al, 2010, p. 879; Borras et al, 2011, p. 215). According to Lavers (2012, p. 804), misclassifications of empty land stem from both inept land surveys as well as highly economical conceptualisations of land use, dismissing the use of land by pastoralists, for example. Moreover, agro-industrial production is highly damaging to the environment and the ‘potential production’ and accompanying yield gap calculations are unrealistic given the poor infrastructure, limited input supplies and restricted market connections in the targeted regions (White et al, 2012, p. 632). McMichael (2012, p. 695) and Araghi (2009, p. 131) are therefore right to assume this powerful rhetoric of ‘feeding the world and saving the planet’ is simply a justification for the introduction of an extractive form of capitalist value-chain agriculture, facilitating over-consumption by a rich minority. Certainly, insofar as produced crops are usually exported, motives of rural development are highly questionable (Borras & Franco, 2012, p. 35).

INVESTORS IN LAND: TRACES OF GLOBAL CAPITAL

The contemporary struggles over land are distinguishable from previous episodes of land alienation because of numerous reasons. First, evidence suggests that in the recent wave of land grabbing, agribusiness involvement is reaching unprecedented heights. Klaus Deininger of the World Bank found that agribusiness companies and investment funds make up the vast majority of investors (World Bank, 2010, p. 53). However, even though private companies account for more land acquisitions than governments do, government policy plays a vital role in advocating agribusiness-led land deals (Cotula, 2012, pp. 660-662).

Media attention has especially focused on Western countries, China and the Gulf States as main players in the current land grab. However, also notable is the partaking of non-Western competitors in the race for land. Among the ‘new’ grabbers are countries like India, South Korea, Brazil and South Africa (Borras & Franco, 2012, p. 48). Not only BRICS but also several powerful MICs (middle-income countries), including many Southeast Asian and Latin American companies, have been very active.
players (Borras et al, 2012, p. 410). Referring to Harvey’s theory of accumulation by dispossession, one might say that the growing involvement of these countries points to a shift in the global geopolitical equilibrium, and new centres of global capital are looking for a spatio-temporal fix. However, a too narrow focus on transnational capital would carry the risk of underestimating the role played by intraregional and domestic actors. Undoubtedly, large amounts of regional capital are hiding behind many land deals. Land investments in Latin America and the Caribbean often have their roots in Latina companies (Borras et al, 2012, p. 410). Cotula (2012, p. 657) showed how agribusinesses in Vietnam, Thailand and China dominate land deals in Laos and Cambodia. Moreover, South African capital is quickly making its way into the rest of the African continent (Hall, 2012, p. 824). As will appear later on, the South African Illovo Sugar Company acquired vast tracts of land in Malawi, Mozambique, Tanzania, Zambia and Swaziland. In Borras’ words, this led to a situation marked by land grabbed land grabbers (Borras et al, 2012, p. 410). In addition, national elitist investors play an important role in national land acquisitions, often in close cooperation with the state. Even though the average size of their targeted parcels is small in comparison with some international deals, the cumulative area of all small deals can amount to vast tracts of land being acquired (Cotula, 2012, p. 656). In this light, Borras (2012, p. 407) gives the example of Ethiopia, where in the period before 2009, domestic investors accounted for more than half of the area acquired.

It is important to note that the nationality of the investor does not always coincide completely with the geography of the interests at stake. Many investment projects involve complex compositions of foreign and domestic private or governmental capital, meaning different countries or parties can be involved in one particular land deal (Edelman, 2013, p. 498). At times, lenders are located in a third country or capital invested in a certain land acquisition originates from a different country than the place where the company is headquartered. Moreover, investments may be channelled through transit countries. Especially on the African continent, countries like South Africa serve as strategic areas through which investments from faraway countries or companies are channelled into other African countries. Hall (2012, p. 834), for example, demonstrates how the Associated British Foods plc purchased a 51% share in the South African Illovo sugar company in 2006, which acquired huge sugar estates in five relatively nearby African countries. I will expand on this particular case further on. The same author moreover points to the importance of recognising the wide network of stakeholders profiting from a particular land deal, spanning different sectors that go beyond the farming industry, like for example companies involved with logistics, transport and storage (Hall, 2012, p. 837).

TARGET COUNTRIES AND THE DISPUTED ROLE OF THE STATE

As the examples above indicated, land grabbing is not confined to African territory. Regions like Southeast Asia, Latin America, the former Soviet Eurasia and even countries in the global North are also targeted by investors (Borras et al, 2012, p. 403). Even though Harvey’s accumulation by dispossession theory may seem to suggest that land grabbing is basically a top-down strategy applied by global capitalist hubs, Harvey also underscores the important role of national actors in defining to what extent new forms of capital permeate the country (Harvey, 2004, p. 74). Indeed, we should not forget that unlike in the past, relatively autonomous states have the possibility to resist leasing or selling their land, and that land deals that are made today are mostly legal (Moyo et al, 2012, p. 182). Moreover, Borras and Franco (2013, p. 1729) point to the fact that only the state has the power to
carry out legal-administrative procedures aimed at seizing so-called empty land and turning it into a commodity for investors.

In this respect, many host governments have tried to create an attractive investment climate by legitimising considerable tax breaks and by revising investment and land policies in order to facilitate investors’ access to land (Cotula, 2012, p. 669). As I will argue later on, some African governments have even identified vast tracts of allegedly idle land in anticipation of investor interest (Lavers, 2012, p. 803). They do this in hopes of national development, political stability, military security, territorial control, political patronage or opportunities for rent seeking (Hall, 2013, pp. 1589-1590). After all, the influx of (foreign) money provides an opportunity for extending the reach of the state (White et al., 2012, p. 627). Furthermore, states have the power to impose their decisions by use of extra-economic coercive mechanisms and forceful expropriation of resources (Hall, 2013, p. 1586). However, at the same time, states are eager to maintain a minimum level of political legitimacy, leading to the occasional refusal of a land deal proposal (Borras et al., 2012, p. 411).

**LAND GRABBING AND THE LABOUR ISSUE**

Above, I have argued that primitive accumulation and accumulation by dispossession are useful concepts when trying to understand the historical continuity of the phenomenon of land grabbing while in the meantime paying attention to the novelties of the current wave of land alienations. Both concepts also imply that large-scale land deals are vehicles for transforming the labour environment in the targeted area. That is to say, land grabbing does not only entail the enclosure of land and natural resources, but it also means the lives of subsistence or semi-subistence farmers who were previously living on the land are being compromised. Indeed, accumulation by dispossession is underpinned by at most a partial transformation of peasants into labourers (Bush et al., 2011, p. 191). While the issue of displacement has received some attention in the scientific literature on land grabbing, the labour dimension remains strongly underexamined (Edelman et al., 2013, p. 1522).

As I mentioned before, in the last few decades, international financial institutions have been forcing economies in the global South to open up, assuming capital is the key to growth. In this light, the World Bank published a report in 2010, titled ‘Rising Global Interest in Farmland: can it yield sustainable and equitable benefits?’ (the RGIF report), which argues that land investments can reduce poverty in the target areas by means of generating employment and by introducing contract farming (World Bank, 2010, p. 129). The World Bank thereby conveys the idea that the extension of neoliberalism into rural areas will inevitably guide these places alongside a unilinear, predictable path of development, resulting in modern societies (Bush et al., 2011, p. 190). The underlying assumption is that so-called backward countries will experience an agrarian transition comparable to the one that occurred in Europe, characterised by a shift from agriculture to industry, country to city and for those who stay in rural areas, a transition from subsistence farming to wage labour on large estates, rural off-farm work or commodity production (Li, 2011, p. 293). According to the World Bank’s 2008 report ‘Agriculture for Development’, the main task of governments in target countries is to assist rural people in their migration out of agriculture and their subsequent transformation into wage labourers or proletarians, implicitly assuming enough jobs exist (Li, 2009, p. 69; The World Bank, 2008, p. 18). Indeed, the World Bank reports seem to assume new jobs are automatically generated at the same time that people are dispossessed and that these jobs are equally accessible to all evicted people, who can easily find their way into modern life (Li, 2009, p. 69).
However, Third World countries rarely follow the prescribed modernisation pathway (Bush et al, 2011, p. 190). Unemployment rates in these countries are usually very high and most of the target countries are not heading towards a labour-intensive industrial revolution that could provide enough jobs to absorb the full influx of dispossessed rural farmers (White et al, 2012, p. 625). More often than not, no reasonably paying off-farm work is available and even bad jobs are scarce. It is thus dangerous to presume a linear relationship between dispossession and job creation. The lack of jobs results in the development of a ‘surplus population’ consisting of rural people who have been dispossessed from their land without their labour being absorbed elsewhere in the economy (Li, 2009, p. 68). One of the reasons for this is that capital has a tendency to adopt labour-saving technologies. Indeed, the convergence of capital accumulation and technical progress made agriculture evermore dependent on advanced production techniques and in less need of qualified labour (Borras & Franco, 2012, p. 36).

Even though companies or governments consistently promise job creation when closing land deals, several studies have found that expected job creation after an investors’ arrival is limited (Anseeuw et al, 2012, p. 42; Oakland Institute, 2011, p. 37). In addition, companies do not always employ the same people they displaced. Instead, sometimes migrant labourers are recruited, an operation legitimised by the myth of ‘the lazy native’ (Li, 2011, p. 286). Therefore, at best, there is only an incomplete transformation of displaced peasants into labourers. So where will these other people go? And what will they do to survive? These are questions the RGIF report does not provide answers to.

Of course, not all recent cases of expulsion result from land grabbing and not all cases of land grabbing lead to the expulsion of all peasants from their land (Borras & Franco, 2012, p. 52; Borras et al, 2012, p. 404). Smallholder participation in the investor’s enterprise has received very little attention in the land grabbing debate so far, yet in cases where investors require both land and labour, peasants might have a chance to enter into a relationship with the investor as wage labourers or as contract farmers (Edelman et al, 2013, pp. 1519-1522). However, the crops most often targeted by investors generally do not generate high numbers of jobs. For grains, approximately 10 people are employed per 1000 hectares. In the cases of soy and forestry, the average numbers of jobs on the same scale amount to respectively 18 and 20. Sugar production needs about 150 labourers per 1000 hectares and oil palm and rubber employ a reasonable amount of more or less 350 people (Li, 2011, pp. 282-283). These wage labourers are usually significantly underpaid (Li, 2011, pp. 291-292). Other smallholders remain in possession of their land and enter into a relationship with the investor as outgrowers or contract farmers who produce a certain amount of the arranged crop and sell it to the company. This is usually done with crops that require a significant amount of labour, like sugar cane, oil palm or rubber (Li, 2011, p. 288). However, in many cases there is no guarantee that the monthly wage provided by the company is enough to make a living for the contract farmer and his family. Since the terms under which labourers and outgrowers are incorporated can be disadvantageous, it is important to note that an exit from subsistence agriculture does not guarantee an exit from poverty (McCarthy, 2010, p. 825). Indeed, poverty can flow from inclusion into the capitalist system under adverse terms (Hickey & du Toit, 2007, p. 2).

**LOCAL EXPERIENCES: A DIFFERENTIATED VIEW**

The concepts of primitive accumulation and accumulation by dispossession have proven useful so far. However, some authors argued these concepts tend to understate the unique and diverse effects of capitalist expansion on the local level (Borras & Franco, 2013; Edelman et al, 2013; Hall, 2013). Hall
(2013, pp. 1588-1589), for example, suggests that Harvey’s framework should certainly be praised for making capital truly global, but also stresses the risk of downplaying the contribution of local actors in making or resisting land deals. Concerning local reactions to land grabbing, Harvey stated the following:

*The power of the state is frequently used to force such processes through even against the popular will. As also happened in the past, these processes of dispossession are provoking widespread resistance.* (Harvey, 2004, p. 75)

In this regard, Borras and Franco (2013, p. 1723) argue that too often a homogenous expulsion-resistance scenario is assumed. Indeed, it is incorrect to presuppose all the rural poor support or participate in such struggles (Borras & Franco, 2012, p. 47). Consequently, Borras and Franco (2013, p. 1723) advocate a disaggregated view of ‘the rural poor’ and criticise concepts like ‘the local community’ and ‘the local people’. It is important to acknowledge that communities consist of a mix of socially differentiated groups of people. Typically, these include chiefs, elites, landlords, small farmers or landless labourers with competing interests in land (Borras et al, 2010, p. 586; Borras & Franco, 2012, p. 47). All these groups of people are simultaneously affected by the same land deal, but in different ways (Borras & Franco, 2012, pp. 46). The labour regime resulting from a land deal thus depends on the extent and terms of inclusion of several local social groups (Hickey & du Toit, 2007, p. 2; White et al, 2012, p. 633). McCarthy, for example, showed that contrary to the simplifying narratives of both the World Bank and NGO’s protesting against an oil palm deal in Sumatra in Indonesia, local changes were highly variable, and depended on the terms under which smallholders were incorporated (McCarthy, 2010, pp. 824-826). Another study on oil palm plantations in Indonesia by Rist confirmed this uneven impact on the ground. He even found that in remote areas such as Malinau, several villages were competing to lure investors, in hopes of economic development (Rist et al, 2010, pp. 1013-1014). In Laos, Baird has shown that a large-scale Vietnamese land concession has led to significant but differential livelihood alterations for indigenous people (Baird, 2011, p. 10). Furthermore, in his paper on Jatropha plantations for biofuel in Tamil Nadu in India, Ariza-Montobbio found that Jatropha deals can benefit large farmers under certain circumstances, while suppressed crop diversity increases small Indian farmers’ vulnerability (Ariza-Montobbio et al, 2010, p. 893). Finally, Lavers, who did research in Ethiopia, established a differential impact of a land deal on labourers on the one hand and outgrowers on the other (Lavers, 2012, p. 797).

The micro-politics of global capital investments are thus played out at the local level, and this is where livelihoods consequences take place (White et al, 2012, p. 633). However, what these consequences and experiences exactly look like is an underexamined facet in the land grabbing research. Indeed, White (2012, p. 633) and Rist (2010, p. 1021) argued that only very few researchers have tackled the subject of rural livelihood impacts of land grabbing. Edelman (2013, p. 1528) agreed by stating there is a lack of literature on the diverse forms of exclusion and inclusion into the investors’ schemes and reactions to this at a local level. That is why in this research paper, I will examine the way in which a land deal between the Malawian state and a South African sugar company transformed the labour regime in the targeted area and influenced the lives of different groups of people at the local level.
LAND GRABBING IN MALAWI: AN UNDENIABLE AND WORRISOME TREND

Malawi is usually not the first country that comes to mind when thinking about main targets of land grabbing given its small size and relatively infertile soil. However, in recent years, several land deals have been closed in Malawi. In 2009, the Malawian government leased 50,000 hectares of irrigable farmland to the government of Djibouti in exchange for infrastructural support, although the project has not started yet. Later on, another 2000 hectares of land were leased to the UK Farmland Investment Fund for the production of paprika for export to European markets (Future Agricultures, 2012). Moreover, in 2013, the Dutch BXR Group acquired 434 hectares of smallholder farmland for the production and export of exotic fruits, and the South African sugar producer Illovo Sugar Company has acquired more than 20,000 hectares of land in Malawi for the production and partial export of sugarcane (Land Matrix, n.d.). These are only a few of the land transactions that came to exist in the past decennium. With deals taking place under the table it is hard to estimate just how much land is currently in foreign hands.

THE IMPORTANCE OF LAND IN MALAWI
Malawi is one of the poorest countries in the world and has a population of approximately 17.7 million people of which the majority lives in rural areas. It is one of the more densely populated countries in Africa, with 149.7 people per square kilometre as of February 2016 (Countrymeters, 2016). This is putting a strain on land, and land ownership per capita continues to decline due to an annual population growth of 3% (Chipaika, 2012, p. 4). Furthermore, population growth in combination with few fallow periods have led to soil erosion (USAID, n.d., p. 4). As a result, the size and quality of the average landholding have declined dramatically and customary land is becoming ever more fragmented. Indeed, the average landholding size today is 0.8 hectares, which is only half of the average size in 1968 (IFAD, 2011). This is a problem since agriculture is the principle source of livelihood for the majority of inhabitants and by far the most important sector of the economy, employing about 85% of the workforce and contributing to a humongous proportion of foreign exchange earnings (Chinsinga & Chasukwa, 2012, p.2).

As a holdover of colonial times, the agricultural sector in Malawi is dualistic and consists of large estates on the one hand and small plots of subsistence or semi-subsistence farmers on the other. Approximately 30,000 estates consist of 10-500 hectares of irrigated land each to grow high-value crops for export, like tobacco, tea, sugar and coffee, whereas more than 90% of the rural population are smallholder farmers of which an estimated 70% cultivates small plots of rainfed land of less than one hectare (IFAD, 2011; USAID, n.d., p. 5). Problems of scarcity of farmland and unequal land distribution are becoming even more worrisome due to the sharp increase in foreign demand for land (Holden & Otsuka, 2014, pp. 88-95).

INTERNATIONAL DEMANDS FOR LIBERALISATION
During the past decades, there has been an evident pressure from international financial institutions and donor agencies to liberalise the Malawian economy in such a way as to facilitate the penetration of foreign capital. First of all, the World Bank’s structural adjustment programme that Malawi
implemented in 1981 urged the country to open up its economy. Moreover, when democracy came through in Malawi in 1994, the donor community clearly stated that it would only lend support to a regime that would open up even further economically as well as politically (Chasukwa, 2013, p. 1). These macro-economic changes meant a first step in facilitating the process of land grabbing in Malawi.

THE DISPUTED ROLE OF THE STATE
Apart from the IFI’s neoliberal measures, the government of Malawi is acting as a key player favouring land deals. Instead of protecting its citizens from foreign expropriation, the Malawian state is acting as a broker in land concessions which dispossess large portions of poorly prepared inhabitants.

THE LEGAL LAND IMPASSE: A GOLDEN OPPORTUNITY FOR FOREIGN INVESTORS
As I argued above, Malawi’s agricultural sector is highly dualistic. While large estates are mainly under freehold or leasehold tenure, rural people almost always live on customary land, which is administered by local chiefs and village headmen on behalf of the government, who owns the land. Local communities are merely issued user rights and they do not enjoy tenure security, hence their connection to the land is not protected by the Malawian law (IFAD, 2011; IRIN, 2012). The lack of recognition of customary law in statutory law means a severe threat to the livelihoods of many smallholder farmers and their families, forasmuch as the concessions for foreign investors are granted on communal land (Hall, 2011, p. 194; Holden & Otsuka, 2014, p. 90).

The issue of unequal access to land is a remnant of colonial times, when the British settlers took control over large areas in Malawi, which was then called Nyasaland (Holden & Otsuka, 2014, p. 89). The British colonisers treated the conquered land as being idle and brought it under state control (Cotula, 2012, p. 671). Despite decolonisation, a real policy shift on the land question never happened. The newly independent Malawian government felt that to be able to develop and catch up with the West, it needed to retain an elite class of farmers who could embark on capitalist agriculture, for the local people lacked the capacity to do this (Chinsinga et al., 2013, p. 1066). That is why at independence, the government adopted the English based Land Act of 1967 which states that people on customary land do not enjoy ownership rights but only alienable user rights.

An apparent change came in 1996 when a presidential commission of inquiry on land reform started revising the legal framework on land and developed a draft National Land Policy, which was finished in 2002. The Land Policy aimed for equitable access to land and attempted to tackle smallholder farmer’s lack of tenure security by allowing them to register their customary land as private property (IRIN, 2012; USAID, n.d., p. 7). However, the revision of the legal framework on land has stalled and the land bill was withdrawn from consideration by the parliament. Most authors see the desire of the political elite to protect its own interests and the present-day status quo as the main cause of this impasse in the land reform process (Chinsinga & Chasukwa, 2012, p. 3). After independence, the Malawian elites acquired vast tracts of land, and even though much of it is currently not in use, they are not willing to approve the new legislative framework since this might mean they would have to give up their land in order to correct imbalances (Peters & Kambewa, 2007, p. 451). Furthermore, under the current system it is very easy for the government to find land for ‘development projects’ since there is an unlimited reservoir of customary land which can be easily converted into private land for investors (Chinsinga et al., 2013, p. 1078). In the past few years there have been several other
attempts to revise the current land administration system in the form of 12 bills that were presented to the parliament in 2013, but these were never approved (ILC, n.d.).

**Government officials and local chiefs as key players in land deals**

A peculiar aspect of land grabs in Malawi is that they are supply-driven, indicating politicians’ obsessive search for foreign earnings in view of advantages described above, and revealing difficulties some developing countries face when trying to attract foreign investments (Richardson, 2010, p. 935). Indeed, most investors only want to put their money in areas where they can vastly increase their profits. First, in view of luring local and foreign investors, the government introduced the Green Belt Initiative (GBI) in 2009 and has committed itself to acquire about one million hectares of ‘underutilised’ land and offer it to investors in the form of large-scale irrigated schemes (Chinsinga & Chasukwa, 2012, p. 3; Future Agricultures, 2012). The problem is that the GBI targets the land held by smallholder farmers, which under the Land Act of 1967 is considered to be property of the state, as indicated above. Although the Malawian government argued investors have to engage in discussions with local assemblies before relocating villages, these discussions rarely happen and communication on land transactions seems to be rather top-down (Chikaipa, 2012, p. 10).

Besides the GBI, the Malawian government has taken other measures to attract foreign capital (Mandondo & German, 2014, p. 39). For instance, the state is issuing leases that give companies the right to use a certain tract of land for up to 99 years (Chinsinga & Chasukwa, 2012, p. 3). Companies are also able to lease land at very low prices, enjoy tax breaks and benefit from subsidies (Cotula et al, 2009, p. 54). Furthermore, there is a high prevalence of corruption. First, cases are known in which the government has misused its political powers in order to intimidate farmers out of their land. Dissatisfied farmers who refused to give up their land have more than once been regarded as members of an opposition grouping with the political purpose of impeding developmental projects, after which the government threatened to deprive the area from social and economic investments (Chikaipa, 2012, p. 9; Chinsinga et al, 2013, p. 1076). Moreover, certain deals have been secretly closed behind peasants’ backs. Farmers in Chinkhota and Chipoka felt disadvantaged after government officials alienated them in the decision making process by taking advantage of their illiteracy. Moreover, the government officially stated that families in both villages received a compensation of $1000-$1500 each, while in reality they only received $150-$185 in exchange for unwillingly giving up their land. Not in a single case, this compensation was even nearly enough to make up for lost crops (Chikaipa, 2012, p. 12).

Traditional authorities and local chiefs are also active players in the land grabbing process. According to the Land Act of 1967, it is their duty to lead community consultations and to determine whether or not the targeted land is occupied, before it is transferred to foreign investors (Chinsinga et al, 2013, p. 1071). However, in the rare cases a consultation has taken place, its outcome was ignored (Collins, 2014). This might have been be the consequence of corruption whereby the government payed large sums of money to the local chiefs who in turn approved the deal without consulting the people. In other cases local authorities deliberately rally behind the government and the investors because they want to avoid government retaliations if they oppose investment opportunities (Chikaipa, 2012, p. 9; Lavers, 2012, p. 814). This makes them inefficient representatives of the community (Chasukwa, 2013, p. 9). Moreover, it undermines ideas of voluntary submission and transparency that are put forward in the principles for Responsible Agricultural Investment (RAI-principles) of the FAO and the World Bank.
LOCAL REACTIONS TO LAND GRABBING IN MALAWI

Foreign land concessions are said to have undermined small farms in Malawi by exchanging them for large industrial schemes. Indeed, over the years, many people have lost their farmland to foreign investors, jeopardizing their subsistence or semi-subistence livelihoods. According to the Maravi Post (2012), major cities like Lilongwe and Blantyre are experiencing an influx of people whose ancestral land has been leased to investors. However, as I demonstrated in the first part of the literature study, it is highly unlikely that all displaced people have access to urban areas and it is implausible that all these people will find jobs, given the limited job opportunities in Malawi (Holden & Otsuka, 2014, p. 89). Moreover, it has been argued that the fate of the displaced people with no place else to go is harsh. Several grassroots protests and land conflicts have been taking place which yielded very little result in terms of undoing the repercussions of land grabbing (Chasukwa, 2013; Chikaipa, 2012; Chinsinga et al, 2013).

While I do believe many Malawians suffer from land deals, I am under the impression that existing literature on land grabbing in Malawi gives a rather one-sided and simplistic image of the situation on the ground. As I indicated earlier, a local community does not consist of a homogenous group of people who all experience a land deal in the same way. While some people are being excluded from a particular deal, others are being included on either beneficial or adverse terms, for capital often needs both land and labour (Borras et al, 2012, p. 412; White et al, 2012, p. 633). This will most likely play a major role in how different groups of people experience the deal. However, not much research has been done at this level. Therefore, I will make a first effort to fill this gap by trying to gain a more nuanced understanding on the new labour situation after an investor’s arrival. Specifically, in this research I will examine the way in which a land deal between the Malawian government and the South African Illovo Sugar Company transformed the labour landscape in Dwangwa and influenced the livelihoods of people at the local level, while taking into account a disaggregated view of ‘the local community’.
**METHODS**

**RESEARCH METHODS**

**RESEARCH QUESTION**
In this research I will assess the transformation in the local labour landscape in Dwangwa resulting from a land deal between the Malawian state and the South African Illovo Sugar Company. Moreover, I will look at ways in which the presence of the company influenced the livelihoods of different groups of people in the vicinity of the sugar estates.

**RESEARCH SAMPLE AND DESIGN**
After an extensive literature review, I conducted fieldwork in Malawi from October 18 until November 15 2015 as a means of collecting data that will serve as my primary source of information when trying to answer the research question. I chose to answer this question on the basis of a case study for this method offers the possibility of gaining perspective on how people of different social strata and backgrounds in one community cope with the phenomenon of land-grabbing and offers the chance to tackle the topic in a broad-minded manner. Moreover, as Edelman notes:

*Case studies of land deals are not only useful for shedding light on aggregate phenomena or filling gaps in the knowledge. They are likely and unavoidably the main means through which scholars and activists can reliably understand what has occurred and what is occurring on the ground.* (Edelman et al, 2013, p. 498)

Moreover, even though much has been written on possible advantages and disadvantages of land deals on a relatively short term, few case studies have been conducted to assess the long-term impact of land grabbing on the affected population (White et al, 2012, p. 620). This is why I chose to do research on a deal that was closed in the sixties (but that has been expanding continuously ever since).

The research was conducted in and around Dwangwa in Nkhotakota district in Malawi, where I did 28 interviews with people belonging to several social groups, which I will label below. The following list of interviews is not ordered chronologically. The first group I distinguished were the poorest people that seemingly suffer the most from Illovo’s presence. They were displaced to several villages around Dwangwa, of which I visited five: Malijani, Kaongozo, Ezlon, Kalengezeka and Lawekha. In each of the first three villages, I conducted separate interviews with four families, in Kalengezeka I managed to speak with two families and in Lawekha I visited one couple. The reason why I chose to conduct separate interviews is because I expected some stories to contain sensitive information (about for example financial problems, indebtedness or hunger) and more generally because each family history has been different and worth listening to. In order to get a more accurate image of recurrent problems that were mentioned by interviewees, I stayed for five days with a family whose land was taken by Illovo in the seventies and who were displaced to Ezlon village. It is essential to realise that in cases of participant observation like this, there is always an observer’s effect, meaning my presence undeniably altered the ordinary course of events, especially due to the limited time I could spend with the household members (Blommaert & Jie, 2010, p. 27). However, even this restricted form of participation gave me a deeper understanding on the everyday issues displaced people face.
Furthermore, in Kaongozo and Ezlon, I did an interview with local chief Mafupa and local chief Mwale. Moreover, I spoke with traditional authority Kanyenda. I also interviewed the ‘management’ of both Mlala group and Amatiki group, which are protest groups against Illovo Sugar Company, and had informal conversations with some of their members. Second, in order for me to get an image of the group of people who work at the Illovo estates, a focus group with three seasonal workers and one factory worker—a group of men between 23 and 45 who did not know each other by name—was organised. This was mainly done for practical reasons but observing the interaction between the labourers during the focus group session proved to be genuinely fruitful, as I will demonstrate later on. Of course, one has to take into account the risk of minimization or distortion of individual opinions in order to create consensus (Berg, 2001, p. 125; Davies, 2008, p. 117). I have tried to limit this risk by stressing every answer is correct and completely confidential. However, group effects can never fully be excluded during focus group discussions. Third, there is a small group of Malawians who have the chance to work for Illovo on a contractual basis, growing sugarcane on their own schemes and selling it to the company. I visited three such contract farmers in Dwangwa and on one of those three farms, I had an informal talk to three of the field labourers. Since most contract farmers are organised in farmers organisations, I spoke with the management of two major organisations in Dwangwa; Mkangazinja association and Dwangwa Smallholder Cane Growers Association.

Even though I will make a clear division between these three groups in the results-section of my thesis, it is important to note that reality, due to its enormous complexity, can never entirely be compartmentalized. For example, when non-contracted farmers want to ‘take advantage’ of the presence of an investor, they sometimes secretly filter their sugarcane produce into the buying system through family or friends who have contracts with Illovo (Fieldnotes, 3/11/15). Officially, these people are unemployed but in reality they are indirectly included in the investor’s enterprise. Therefore, the categories I will use are fluid and not as rigid as the intertitles further on may suggest. Finally, all interviews, except the few informal ones, were semi-structured and the whole research is qualitative in nature. Interviewees that wished to remain anonymous will not be personally named in this thesis. The few names I do mention are the correct names of people that explicitly asked to remain identifiable.

During the complete research, I received help from Chris Nkhoma, a mechanic from Dwangwa whose family has never been evicted from their land. In this way, I tried to limit chances that the assistant was heavily biased concerning the topic. It has been noted that a good assistant has an outsider’s look in some respects on his or her own society (Davies, 2008, p. 90). However, I expected some bias simply because Chris grew up in this village where many people around him came into contact with Illovo in one way or another. I explained him the goal of my research but did not tell him what I was expecting or hoping to find in order to make sure he would not be tempted to steer the interviews in the direction of my expectations. Moreover, in trying to prevent the assistant’s personal feelings from permeating the results, I asked him questions about his opinion on Illovo the day before we started the research and I asked him to tell me anecdotes of people that had suffered or benefited from the arrival of the company. According to Blommaert and Jie (2010, p. 52), anecdotes do not only contain information, but the way in which they are told also suggest how the storyteller feels about this information. Chris then told me stories of both winners and victims of the land deal in his neighbourhood. I got the impression that he got close contact with several middle class contract farmers, who generally benefit more from Illovo’s presence than smallholder farmers, and I tried to take this into account when doing research with him.
His role was twofold. First, he drove me to places where we expected to find people I wanted to interview, like for example the Illovo sugar estates or the villages around Dwangwa. I made sure he did not know any of the respondents by selecting them as follows: when we arrived in a certain village, we randomly picked a house and asked the family living there if they themselves had been displaced or if they knew anyone that had been displaced. If this was the case and if they were willing to cooperate, this was our starting point. From there on, we each time skipped three or four houses (according to the estimated population size of the village) and at the next house, we asked again if the family living there had been displaced and if we could do an interview. If not, we asked the same question to the family in the next house. The reason for this method of ‘systematic’ sampling did not lie in the aspiration to be completely random, which would have been impossible since I did not dispose of a list of all the displaced inhabitants in the examined villages. The main goal was to geographically spread the interviewees in order to make sure I would not end up interviewing only certain families or groups of neighbours. Secondly, Chris assumed the role of translator. He introduced me to the respondents and familiarized them with my research in Chichewa, the most widely spoken language in Malawi. Since most interviewees did not speak English, he translated both my questions and their answers (or questions). All interviews were based on voluntary cooperation and were unpaid. This was made clear before the start of the interviews.

**Methodological Challenges and Problems**

First and foremost, the respondents presumably had a particular set of images and expectations about me (Blommaert & Jie, 2010, p. 50). Therefore, questions can be asked as to whether my presence as a European interviewer, who is unintentionally but undoubtedly a part of the large-scale land acquisitions, might have triggered respondents to adapt their answers. People might have been reluctant to broach certain sensitive subjects, they might have also concealed or minimized problems out of pride or on the contrary they might have overstated needs, hoping I could change their situation (although I tried to make clear this is not within my abilities).

Second, my original research assistant who was a PhD student and with whom I was in contact before leaving to Malawi unexpectedly refused cooperation the day before my arrival, for he suddenly asked for a significantly higher salary than the one we agreed on and which I was not able to give him. When I arrived in Dwangwa, I had to make a plan B and start looking for somebody else to assist me. In this way, I found a person (Chris) who did not enjoy higher education but who spoke reasonably good English, who was very loyal and understanding and handled the interviews and respondents with care and respect. The disadvantage here was that I had to fully rely on the translation skills of the assistant, while his translations of the responses or anecdotes of interviewees often seemed a greatly reduced version of the original answers in Chichewa. I tried to deal with this by asking similar questions, formulated in different ways when I got the impression I was missing out on something important. After some of the interviews, we also reviewed certain parts of the interview in the car so the assistant was more comfortable speaking English or taking time to elaborate on something. In any case, since language is deeply rooted in social life and inscribed with social, cultural and emotional connotations by native speakers, encoding and decoding by a translator entails a certain loss of meaning (Blommaert & Jie, 2010, p. 9; Davies, 2008, pp. 124-125). Furthermore, it is important to keep in mind that translating is not a neutral activity and Chris’s perspective on the things said most likely influenced his translations (Davies, 2008, p. 125). Several of the interviewees mastered the English language well themselves, thus translation by the assistant was not needed. Nonetheless, expressing oneself in a
different language can bring about complications and generates a blurring of linguistic subtleties. Indeed, shared vocabularies may disguise different interpretations (Davies, 2008, p. 125). Additionally, it must be noted that my personal assumptions affected the interactions in Dwangwa as well and added another layer to the results (Blommaert & Jie, 2010, p. 66). The fact that even before I started the fieldwork I already frowned upon land grabbing practices of companies like Illovo unavoidably played a role in the way I have experienced and understood reality in the field and in how I consequently transformed the data into a thesis.

Third, I barely used the interview with traditional chief Kanyenda in the results-section of this paper, even though he could have been a valuable source of information. I made this decision because I often questioned his sincerity for he denied almost any role in the evictions. Moreover, his statements regularly contradicted each other. I felt it would be unrespectful to confront him with this, considering he was very old and lying in a sickbed at the moment of the interview.

Fourth, I can never be certain of the baseline condition of the labour landscape in Dwangwa (before the deal was closed). In order to minimise this problem, I asked all respondents to talk about what their life looked like before the arrival of the sugar company. More specifically, I asked them about the kind of work they (or their parents) did, whether it was common to have a job (and if so: what kind of job), if they ever used money, and so on. In this way, I tried to get an image of their former way of life.

Fifth, the fact that I only studied one case limits the scope of my results. Originally I wanted to investigate two cases of land grabbing in Malawi. I also went to Salima in Nkhotakota district in order to do research on the land deal between the Malawian government and the British/Dutch company Malawi Mangoes Ltd (Land Matrix, n.d.). However, my research in this area failed since I did not manage to find a reliable assistant. After some days in Salima, I noticed that the person who was helping me did not fully understand my research question and only wanted to put me in contact with his (extended) family or acquaintances, who were often of no interest to the research. This is why I decided to leave out the results I had found in Salima so far. I did not manage to find another suitable assistant in my opinion. However, investigating even one single case clearly has a scientific value (Berg, 2001, p. 232). The case examined in Dwangwa belongs to a larger group of cases, in other words: it is a ‘case of something’ (Blommaert & Jie, 2010, p. 13; Davies, 2008, p. 103). Therefore, making theoretical generalisations is possible in the sense that the result of this research is not simply a narrative of one individual instance of land grabbing but reveals certain things about the broader phenomenon of capitalist land alienation.

Finally, the limited time I spent in the field most likely has an impact on the depth of my results.

**CASE STUDY: ILLOVO SUGAR COMPANY IN DWANGWA, MALAWI**

**THE IMPORTANCE OF MALAWI’S SUGAR MARKET**

During the last decades, international development aid has been putting pressure on Malawi to diversify its economy away from tobacco, which is accountable for more than 70% of the country’s foreign revenues (Mandondo & German, 2014, p. 41). Certainly at a time when the tobacco industry is declining rapidly due to ever more stringent health advices, efforts to find alternative sources of income led to the increased importance of the sugar industry in Malawi (Chinsinga et al, 2013, pp.
Today, sugarcane products, which are all produced by Illovo, are one of the three most important sources of foreign incomes in Malawi, alongside tobacco and tea (IFAD, 2011).

**Behind the deal: South African or global capital?**
As I mentioned in the first section of this thesis, South African capital is quickly making its way into the rest of the African continent, revealing the intra-regional character of many contemporary land deals (Hall, 2012, p. 848). In accordance with Harvey’s concept of accumulation by dispossession, it is said that (white) South African farmers are in need of a spatio-temporal fix. Indeed, South African agro-companies are not merely relocating, but are investing in land as a part of an extensive development strategy to secure new market opportunities and expand both geographically and into new lucrative products, especially in agrofuels (Hall, 2012, p. 841; Richardson, 2010, pp. 920-921). South Africa’s sugar industry has been expanding since the 90’s, establishing or taking over existing sugar estates, as was the case in Malawi (Hall, 2012, p. 832). It is often claimed that South African investments in sugar and biofuel are the result of the country’s expertise in labour-intensive agricultural production (Cotula, 2012, p. 659). The deeper motive, however, is the improved access to international markets South Africa gained by investing in foreign land. Specifically, the EU’s Everything But Arms Agreement (2001) offers improved access to its markets for the world’s 48 least developed countries, meaning South African companies can export their sugar and ethanol without restrictions via these poor countries, including Malawi, to the EU. In this way, the EU is ensured of a steady supply of sugar and ethanol, while South African companies benefit from higher prices paid for their products on the European market (Hall, 2012, p. 835; Richardson, 2010, p. 919). Still, it is important to recognise that multiple other interests underlie the South African sugar expansion, spanning different sectors (like transport, storage and financial sectors) and countries (for example: the Chinese stake in the South African Standard Bank, financing Illovo’s expansion, is becoming larger and larger) (Hall, 2012, pp. 837-838). Hence, Illovo’s land concession in Malawi can best be seen as the intra-regional externalisation of truly global capitalism.

**About Illovo**
In an attempt of the Malawian government to diversify the national economy, Illovo Sugar (Malawi) Limited was initially a state-owned company called the Sugar Corporation of Malawi (SUCOMA), established in May 1965, and was officially converted into a private company in September 1997 after Illovo Sugar (Malawi) Limited bought the state-owned Lonrho Sugar Corporation Limited, a company with sugar estates in Malawi and other Southern African countries and with a 60% share in SUCOMA since the seventies (Illovo, 2015). In Dwangwa, the company leased a total area of 13.300 hectares, of which 6.359 hectares are currently under cane (Illovo, 2015, p. 15). Illovo Sugar Malawi Limited is a part of the South African Illovo Sugar Group. Since 2006, Illovo is a subsidiary of the UK based multinational Associated British Foods plc (ABF), which now holds 51.4% of Illovo’s shares and in February 2016 expressed interest in buying the rest of the company (Reuters, 2016). Concretely, this means British investments are now being channelled into Malawi through South Africa, making borderlines between international, regional and national investments highly fluid.

Illovo Sugar Group, being Africa’s biggest sugar producer, is a globally competitive and prominent producer of sugar and derivative products like ethanol for biofuel in six African countries, including Malawi. Illovo is the only sugar producer and miller in Malawi, where the company owns two
agricultural production estates and associated factories, one in Dwangwa (6359 hectares) in Nkhotakota district and one in Nchalo (12.602 hectares) in Chikwawa district (Illovo, 2015, p. 15). Furthermore, together with some 3.700 contract farmers, Illovo Malawi annually generates roughly 290.000 tons of sugar, which is then partly converted to ethanol at local factories. Illovo’s products are spread to local (50%) and regional markets (20%). Furthermore, the EU and the USA (30%) are important markets for Illovo. Of all Malawian sugar exports to the EU, 12% goes to Belgium (Kiezebrink et al, 2015, p. 16).
The land deal in Dwangwa as a spatio-temporal fix

Neoliberalism, due to sundry imposed measures by international financial institutions, started to gain ground relatively early on the African continent. This explains why land grabbing in the Southern African region was already occurring before the convergence of the fuel, food and oil crises of 2006-2008 (Borras et al, 2012, pp. 407-408). Although the SUCOMA sugar estate was established in 1965, it was implemented on a relatively small scale of about 4700 hectares (Illovo, 2015, p. 38). In 1974, under Lonrho Sugar Corporation, the leased area was increased by more than 12,000 hectares, spread over the Dwangwa and Nchalo estates (Illovo, 2015, p. 38). In the early nineties, another 3767 hectares of land were leased. In 1997, when Illovo Sugar Company acquired Lonrho, the deal was phased up again, which happened partially by means of establishing outgrower schemes (Hall, 2012, p. 832). Interesting is that while the amount of hectares harvested in Dwangwa remained fairly constant throughout the years before 2006, the sugar estates slightly but continuously got bigger since the UK based multinational Associated British Food plc (ABF) got hold of 51.4% of Illovo’s shares in 2006. While the seized land in 2005 amounted to 5,819 hectares, it increased to 6,160 in 2006 and further increased over the years to 6,359 hectares in 2015 (Illovo, 2015, p. 15).

These numbers can be seen in light of Harvey’s concept of accumulation by dispossession and the multiple crises theory I discussed in the introduction of this thesis. According to Harvey (2004, p. 66), capitalism embarked on its first big crisis of overaccumulation in the seventies, which was provoked by the oil crisis. As a consequence, initial interest in liquid agrofuel was sparked among governments and investors (Borras et al, 2011, p. 215). These events run parallel to the first big expansion of the sugar estate in Dwangwa. The phasing up of the deal in the nineties further coincides with the strengthening of neoliberal economic policies in Malawi following World Bank advice (Moyo et al, 2012, p. 198). Furthermore, the fuel and food crises of 2006-2008 are most likely the reason behind the British ABF acquiring a 51.4% stake in Illovo. The fact that a European company decided to invest in land (on which sugar for fuel and food production is grown), albeit through a South African transit company, and subsequently decided to scale up the investments on this land can be seen in light of a crisis of global capital.

As I demonstrated, the World Bank claims that land grabbing is a perfectly justified response to the neoliberal crises described above, for the targeted tracts of land are allegedly ‘unused’, and in cases where displacement of small-scale farmers cannot be avoided, this is said to stir a process of modernisation whereby subsistence farmers transition into urban wage labourers. However, both assumptions turn out to be incorrect in the case of Dwangwa, as I will show now.

An inquiry of the World Bank’s rhetoric

Testing the rhetoric of marginal land

Contrary to the rhetoric whereby land would be ‘grabbed’ in empty areas with vast tracts of unused, marginal land, interviews with people who were resettled in 1976, 1997 and in 2006 revealed that the sugar plantation is located on land with great potential for food production. Specifically, the land the
respondents used to inhabit is very arable since it is a flat, relatively low-lying area surrounded by hills, meaning that during the rainy season, water and natural waste from higher areas drains into the low area and forms a natural fertiliser (Fieldnotes, 23/10/15). Moreover, the area enjoys a hot climate and is irrigated by the Dwangwa river and the Rupashe river. In this regard, instead of grabbing marginal land, investor interest seemed to have focused on the best land in terms of soil fertility, water availability and irrigation potential. When asked about their lives before being displaced, respondents painted a relatively homogenous picture of each family having a couple of hectares (“a couple of football fields”) of land on which they produced maize and fruit for their own consumption and for local and regional markets. Some also pointed to possibilities of cattle raising. Furthermore, several families claimed that their previous land had a strong emotional and spiritual value to them, and referred to their ancestors being buried there. In this respect, the value of land as a place where people live seems to have been given very little attention and locating the sugar plantation in this area makes the motive of ‘rural development on idle land’ highly questionable.

It is important to see the 1974 agreement between the Malawian government and Lonrho on the lease of a 12.000 hectares tract of land in Dwangwa and Nchalo in the light of the one party system under president Hastings Kamuzu Banda, who ruled Malawi from 1966 until 1994. The expansion of the sugar deal was negotiated and agreed on behind closed doors, and up until today it is challenging to unravel who exactly was involved in the decision making process. According to traditional authority Kanyenda, who possesses his title from the seventies up until this day, he had direct contact with president Banda in 1974, who informed him on the already signed contract with Lonrho, without him receiving compensation. However, under the 1967 Land Act, land allocations are managed through the traditional chief, who needs to grant permission for a tract of land to be leased (Chinsinga et al, 2013, p. 1071). Many local villagers therefore accuse TA Kanyenda of having sold their land without prior consultation. However it may be, it was TA Kanyenda who spread the message to the senior chiefs in Dwangwa, who at their turn informed the local chiefs. It was their task, finally, to inform the unknowing local villagers. This points to the fact that communication was one-directional and discussions with local villagers did not take place. Under Banda’s regime, villagers did not stand a chance to obstruct their subsequent displacement. Even though some of the prospective victims did a futile attempt to close a deal with company officials by promising they would start growing sugarcane and sell it to the company if it would stay away, Lonrho refused this offer (Fieldnotes, 24/10/15). The strict obligation to obey orders from higher levels was illustrated by an anecdote of chief Mwale who recalled a situation in which another local chief refused to give up his village land, whereupon he was beaten by the police and dispossessed of his title by the district commissioner. According to Mwale, the few protests by villagers that took place were stifled by serious physical and material attacks by the police. However, none of the respondents in this research claim to have ever protested since they knew they had no choice but to obey their superiors’ orders under a one-party regime. While some families did not receive a compensation at all, others got very little money in exchange for the trees or the house on their land.

On the day the people were forced to leave, tractors provided by the government were sent to Dwangwa and carried people from their land to villages six to ten kilometres further away, like Malijani, Kaongozo, Ezlon and Kalengezeka. Government officials told local chiefs from these villages that people would be coming, but specific settlement locations were not provided, thus families had to gather their own means to find a place to settle down and start a new life after the tractors dropped them off (Fieldnotes, 27/10/15). All respondents still clearly remember this day. One woman in Malijani recalled
she slept under a tree for two nights with her parents and some other evicted families, while chief Mafupa remembers he and his family were dropped off at a tree in Kaongozo and after some confusing hours they left on foot to look for a new piece of land to inhabit. As I will describe below, displaced people use different coping strategies in order to get a grip on their situation. It is important to note that even though the term ‘strategy’ sounds like the victims can actively choose how to cope with their situation, the way they handle their displacement is often not a matter of choice, but rather a matter of means available to the affected families.

**TESTING THE RHETORIC OF THE AGRICULTURAL EXIT**

Unlike the prediction of neoliberal institutions that land grabbing would set in motion a process of urbanisation and a corresponding rise in wage labour employment, this was not the case in Dwangwa. First of all, only very few of the evicted people went looking for a job in big neighbouring cities. The vast majority of the people did not have the money to bridge this distance and most interviewees did not even recall anyone leaving to the city. Two older respondents argued that the few people who endeavoured to get out of the world of farming were mainly young people from higher social strata without children or small families with connections in the city (Fieldnotes, 25 and 27/10/15). One of these respondents referred to his cousin and her husband who decided to move away after they were evicted and managed to arrange transport to Salima, a bigger town 175 kilometres south. However, they did not succeed in finding a job, and as far as he knows, they are now farming in the suburbs of Salima, pointing to the general lack of employment opportunities in Malawi (Fieldnotes, 25/10/15). Not only does he refer to longstanding family ties that have been broken, but his statement also points to the fact that even though it is argued that many displaced people whose ancestral land was sold, are now living along the periphery of Malawi’s major urban areas (The Maravi Post, 2012), this does not necessarily mean they are being included in a ‘modern’ way of life. Indeed, the displaced people seem to have turned into a surplus population with limited prospects of finding work. Nonetheless, some of them managed to get a job at the sugar estates after being evicted. I will expand on this further on.

**CHANGES IN THE LOCAL LABOUR REGIME**

**MARGINALISATION OF THE EXCLUDED: DISPLACED PEOPLE**

The largest group of people that were (and still are) affected by the land deal with Lonrho and later Illovo were the ones who were displaced (although it is impossible to know just how many people were displaced) from their ancestral land in 1976, 1997 or in 2006 and who were relocated by the government to the hills around Dwangwa. This points to the fact that people were not completely proletarianised and did not end up landless, even though their new land turned out to be much smaller and less fertile. Only few people had the means or connections to settle elsewhere in the area (Fieldnotes, 24 and 25/10/15). One respondent recalled his family decided not to settle down in Malijani village in ’76 because his parents quickly noticed the land was too dry. His father managed to arrange transport with a family member, a local politician, who brought them to Lawekha village, located in a more fertile area closer to the sugar estates. They only managed to secure a piece of land of about two acres, but it is fit for growing maize, sweet potatoes and fruits. However, the local chief
of Lawekha recently warned this respondent that he and his family will soon be evicted once again since Illovo argues the land in Lawekha is part of the area it leased up to 99 years. This indicates a lack of communication and clarity about the boundaries of the company’s leased area.

Despite being one of the world’s cheapest sugar producers, Illovo claims it plays a valuable social role in the countries in which it operates. In its Socio-economic Impact Assessment, Illovo argues it administers a strong social responsibility program and annually spends millions of South African Rand on social investments in the communities around Dwangwa. Moreover, in its own words, the company increases access to community schools and to healthcare on its estates and in the neighbouring villages (Illovo, 2014, p. 2). However, Illovo highly overstates its social efforts. Chief Mafupa, who was displaced to Kaongozo village in 2006, argued that Illovo promised to build a school and borehole pumps in the village to cope with the drought. A school was built in 2007 but without supplying the means necessary to provide for proper education like books or teachers, the quality of education at this school is substandard. Furthermore, the whole area of Kaongozo was equipped with two boreholes, whereof one has broken down three years ago. Instead of getting repaired by Illovo or government officials, villagers are expected to collect the means themselves to repair it, and since they do not have the money or fixing the pump it is not on their priority list, it is out of order for several years now (Fieldnotes, 26/10/15). Also in Ezlon village, whereto many people have been relocated in 1976, inhabitants have to walk long distances to the nearest river to get fresh water after their only borehole pump broke down more than a decade ago (Fieldnotes, 27 and 28/10/15). Interesting is that the nearest river is now further away than it was approximately twenty years ago. Areas where water used to flow visibly ran dry, since Illovo changed the course of the Dwangwa river in ‘97 in order to increase the fertility of its own land. The company has uncontrolled access to highly valuable public water resources ever since (Fieldnotes, 04/11/15). The sugarcane industry is indeed heavily dependent on access to water for irrigation and for generating electricity. In 2013, Illovo abstracted a whopping 404 million m³ of water from Dwangwa river, Rupashe river and Lake Malawi (Illovo, 2014, p. 37). The reallocation of water resources, labelled as ‘water grabbing’ by Borras (2011, p. 222), has serious consequences for people in dry areas whose ability to produce food is strongly dependent on water and who are now forced to walk long distances to get small amounts of water for irrigation. Moreover, several respondents in Ezlon complained about water pollution. Finally, decent healthcare is absent in all examined villages. There is a clinic on Illovo’s estates but while some respondents did not even know about the existence of this clinic, others claimed that they do not have access to it. De facto access to professional healthcare is further limited by lack of financial means and transport (Fieldnotes, 27/10/15). The major beneficiary of the land deal with Illovo thus seems to be the state, whose foreign exchange earnings increased, while public benefits from the commercial investments in Dwangwa have remained limited, pointing to the fact that national macro-economic growth does not necessarily lead to rural development, as the World Bank claimed. In this regard, Richardson made the following fair statement:

*If the aim of trade and industrial policy is to benefit the rural poor, just as if the aim of environmental policy is reduce carbon emissions, then it should target them explicitly rather than circuitously through the promotion of large-scale ethanol production.* (Richardson, 2010, p. 936)

Besides infrastructural shortcomings, another major problem is the inability of the displaced population to adapt to their new situation, leading to a further deterioration of the already poor soil in the investigated villages (Fieldnotes, 28/10/15; Van Damme, 2005, p. 89). Poor people in the
periphery try to gain as much as possible from their few acres of environmentally fragile land with only limited means and lacking inputs to nurture the soil. After time, this agricultural intensification causes their piece of land to become ever more worthless. Declining food yields in turn increase the risk of food insecurity and soil erosion (Fieldnotes, 24 and 28/10/15; Mandondo & German, 2014, pp. 35-37). Limitations stemming from the dry soil in this area are clearly illustrated by the fact that ever more families face difficulties growing maize. In order to grow maize, which is not only an important food crop but often also the main source of income, families need fertilizer hence money (Fieldnotes, 24, 25 and 27/10/15). As a result, this dependence can lead to spiralling situations; when money is low, a family cannot buy (enough) fertilizer to grow maize and the chance of collecting enough revenue to buy fertilizer for the next season decreases significantly. They risk ending up in something they call a hunger season, in which they only eat approximately one meal a day, and their everyday activities revolve around trying to survive. Most of the families can still partially fall back on cassava or sweet potato, since these are typical end-of-the-line crops that grow without fertilizer (Fieldnotes, 24 and 25/10/15). Some respondents knew about a government programme whereby coupons were distributed to farmers to buy fertilizer at a cheaper price at local suppliers. The suppliers then took these coupons to a government official to reclaim the money. However, only a small minority of the respondents received these coupons in the past. Chief Mwale of Ezlon was given fertilizer coupons by the government in the past, but he complained about the very irregular and unpredictable moments at which he got them. For example, two years ago he received the coupons, while last year and this year he did not, and struggles to get enough means to cover the costs himself. This might be a consequence of the bankrupt government that lacks the ability to invest in fertilizer (Fieldnotes, 7/11/15). Even when households have the means to buy enough fertilizer without government intervention, the families feel they are in an unfortunate situation in which they spend more money while having a much smaller output than they used to have on their first land. Moreover, according to some interviewees, crop diseases are a common problem but none of the respondents could or did actually buy pesticides.

Families use different approaches to collect money to buy food or fertilizer. First, almost all respondents with sufficient yields sell their cassava-, groundnut-, or maize surpluses—if there are any—at a small local market. One respondent recently managed to open up a little grocery shop where he sells things like soap and alcohol in Chankhaza village, three kilometres from Ezlon. He buys these goods in the centre of Dwangwa with the money he collected from selling his maize. Other people who do not have enough crops to sell, think of other ways to collect money. One of the respondents in Kaongozo walks to the forests somewhat deeper into the hills twice a week to chop trees to produce firewood. He then sells it at a very low price at the trading centre in Dwangwa. Besides selling things, many families also engage in trading and few receive some financial help from their extended family. After the harvest of a family in Ezlon largely failed last year, they relied on trading small portions of cassava, which hardly contributed to their livelihoods. To get through these difficult times, their nephew that lives and works as a mechanic in Dwangwa sent them some money to buy food.

Families with less coping strategies at their disposal end up having too low yields to provide food for the whole year. An unexpected situation like crop disease or an exceptionally bad rainy season can have dreadful consequences and can force families to consume the seeds that were meant for the next sowing time (Fieldnotes, 27/10/15). One interviewee indicated she is in debt for a long time now, with little prospects of being able to pay off. A range of factors pushed her into this vicious circle almost immediately after she was relocated to Kaongozo in 2006. One morning, almost ten years ago, she
woke up and saw that a substantial part of her corn plants had been severely damaged, probably by wild animals. Moreover, her sixteen year old daughter who used to help her on the fields got seriously ill, which implied not only less manpower but also additional medical costs. All of this in combination with occasional very dry rainy seasons resulted in grave food shortages for this household, which the respondent’s husband tried to solve first by selling their goat and when the returns proved to be too little he borrowed money from a local lender during the hunger season, right before harvesting. However, prices of grain are at their highest during this time of the year thus the borrowed amount of money far exceeded the income this family generated from selling some of their maize after harvest, when prices are at their low point. Moreover, the respondent pointed to the fact that interest rates of loans can be very high and arbitrary. Consequently, this household sinks deeper and deeper into poverty and hunger.

Even more dramatic was the situation for two interviewed families in Kalengezeka village, who were placed there by tractors in 1997. This land, unlike the sand land in Malijani, Kaongozo and Ezlon, is stone land, meaning infertility is even a bigger problem here. The families in Kalengezeka cannot grow maize or groundnut on their few acres of land. The only crop they can grow is cassava, and even these plants are significantly lower and of poorer quality than the ones in the villages described above (Fieldnotes, 29/10/15). Since the output of their crops is not nearly enough to sustain a whole family, it can be said that families in Kalengezeka are in a further stage of proletarianisation. Indeed, their means of production are of such low value that they are obliged to look for work elsewhere in order to survive. In both cases, the oldest woman of the family walks almost every morning to Chigala, a village more or less 4 kilometres further away, to work on somebody else’s farm in exchange for small portions of food like maize and sweet potato to keep their children and grandchildren from starving. One sixty-five year old woman in Kalengezeka clearly expressed her dissatisfaction when she stated she feels too old to go plough other people’s fields, but seeing her grandchildren eating the leaves of the cassava plant when they return from school makes her realise there is no other option. One of the women also argued her husband is being bored and angry for he used to own good land and now their almost useless land does not allow him to work on it. Moreover, he was refused to participate in the wage labour economy for Illovo stated he is too old to be hired as a seasonal labourer. In this respect, Baird (2011, p. 17) concluded that land grabbing in Laos changed people’s socio-economic conditions but also their roles in society, leaving some without their former role, unable to transition into a new satisfactory one. This also seems to be the case for the household head in this marginalised family.

Illovo states it attempts to elevate living standards in the surrounding communities by growing maize on its estates in order to subdue the most poignant food shortages (Illovo, 2014, p. 4). The company argues it distributes this maize to vulnerable families. However, even though it is impossible to draw conclusions about all displaced families, Illovo’s food support never reached the two interviewed families in Kalengezeka, who clearly needed it the most. Moreover, questions can be asked as to why Illovo decided to take such measures. Even though the company claims that it truly cares about the poor people in the surrounding communities, stories of displaced people give the impression that Illovo is not sincerely committed to their wellbeing. In fact, rural poor are being ever more marginalised. It seems more likely Illovo tries to improve its image as a responsible enterprise and wants to silent opponents of their corporate practices by helping to solve a minor part of the problem they caused in the first place.
**GRASSROOTS PROTEST AND REACTIONS**

The majority of the current problems of many smallholders in and around Dwangwa is associated with the presence of Illovo. Many of the evicted people therefore join protest groups against Illovo in a futile attempt to improve their current situation, although mobilisations seem to be rather localised and isolated. First, Mlala Group is a community group that started fighting against Illovo after the company evicted people from their land in '97 to create space for outgrower schemes. The group consists of about three hundred smallholder farmers who demand their land back, claiming it is theirs on the basis of centuries-old tradition. At the moment their complaint was getting louder, Illovo gave some of the most prominent members of Mlala group a piece of land of about 25 hectares to work as contract farmers. Others were offered decent jobs at Illovo, which they all accepted. When the protest continued, Illovo decided to take Mlala Group to court last year. However, the case was dumped since Mlala Group had no money to hire a competent lawyer (Fieldnotes, 28/10/15). Even if the trial would have taken place, it is certain Illovo would have won it since the company has an official document that states it leased the land for 99 years. The lack of secure land rights for common land in Malawi would have further weakened the farmers’ bargaining power (Chinsinga et al, 2013, p. 1078). Moreover, Illovo is strongly backed by the government forasmuch as it the single biggest tax payer and an important foreign exchange earner in Malawi. The sugar company paid over ZAR 254 million (equalling US$ 30.022.800 in January 2013) in taxes to the Government in 2012-2013, for which the company has even received a Government Award for being the ‘number one compliant taxpayer’ (Illovo, 2014, p. 16). Moreover, Malawi’s Minister of Agriculture, Alan Chiyembekeza, who claims to have never received a complaint about the land evictions in Dwangwa, confirms the good bond between the South African sugar company and Malawian government officials (Butler, 2014). All this makes it virtually impossible for affected people to hold Illovo to account. The fact that Malawian politicians are siding with Illovo is also clear to many victims of the land deal:

_We approached different members of parliament several times from the nineties up until now to ask for protection of our lives. What else can you do if they take your only means of survival? When the land is gone, nothing is left. The courts did nothing. Of course, justice exists only for rich people, but we will continue to seek justice anyway. What else can we do?_ (anonymous, 2015)

Second, Amatiki Group, named after one of the villages that was evicted by Illovo in 2006, is not fighting to get its land back, but rather to receive a fair compensation for the loss of land a decade ago. This group was only founded in early 2014 and has organised two meetings in the same year ever since, which were attended by about 175 victims of land grabbing. Notable is the poor organisation of this group. A very low-profile lawyer is leading the group in cooperation with the four previous chiefs from Amatiki, namely chief Mafupa, Chasukwa, Chipembere and Mphamba. Together they decided it would be best to wait for the results of Mlala Group’s trial, and since this case was dumped last year, they did not meet again (Fieldnotes, 8/11/15). The group would probably not have been successful anyway, for reasons mentioned above. Furthermore, a lot of discouraged villagers feel powerless and therefore do not join any protest group (Fieldnotes, 8/11/15). This legal incapacity points to the fact that even though a multiparty regime has been installed in Malawi, the government still does not take into account complaints and resistance from the local population concerning a foreign actor that brings in vast amounts of foreign exchange, especially at a time the Malawi kwacha is at a low point.

Finally, it is important to note that it is highly uncommon to find local communities reacting to a land deal in a unified way (Borras & Franco, 2013, p. 1728). Some people indeed struggle to get their land
back or to receive a compensation. There are also people who struggle to be incorporated into the sugar enterprise. Others struggle for better wages or working conditions, as I will show below, and still others do not protest at all because they benefit from Illovo’s presence or because they acknowledge their inability to do anything about their situation (Fieldnotes, 3 and 8/11/15).

ADVERSE INCORPORATION OF THE INCLUDED: LABOURERS AND OUTGROWERS
Relying on mechanised large-scale monocrop plantations helped Lonrho and Illovo to save on labour costs in hopes of heightening productivity and profits, in the meanwhile squeezing many off their land, as I demonstrated above. However, not all people in Dwangwa were excluded from the land deal. Both Lonrho and Illovo needed labour, absorbing some people in the productive sector of the economy by turning peasants into wage labourers or by mobilising labour through contract farming whereby small-scale farmers are contracted to sell their sugarcane to the company. Illovo claims it is the country’s largest private-sector employer, directly employing more than 11,500 wage labourers (including 4520 seasonal workers) and 3434 contract farmers or outgrowers (Illovo, 2014, p. 2). Since Illovo does not provide numbers on the separate estates, these are aggregated amounts of workers on the Dwangwa and the Nchalo estates. The latter is almost exactly twice as big, so therefore it is reasonable to assume that on the Dwangwa estate, approximately 3830 people are employed, consisting of 1500 seasonal workers. The amount of outgrowers in Dwangwa is estimated to be more or less 1150. These are relatively low quantities considering the thousands of dispossessed people, and it is clear that the plantation enclave does not even nearly absorb as much labour as it displaced. The incorporated people’s lives have changed from being semi-subsistence farmers to becoming heavily dependent on sugar company labour. However, inclusion as such does not necessarily lead to profitable livelihood outcomes for locals. While some cases have been described where local people benefit from employment, in others, they suffer from highly exploitative labour relations (Borras et al, 2010, pp. 582-583). Thus, whether people in Dwangwa benefit from inclusion depends very much on the terms upon which they are incorporated into the globalised sugar market (McCarthy, 2010, pp. 823-824). Indeed, as du Toit’s concept of ‘adverse incorporation’ suggests, poverty and vulnerability are not only consequences of exclusion, but can also stem from inclusion on disadvantageous terms (Hickey & du Toit, 2007, p. 2). In the next two paragraphs, I will assess the labour situation in Dwangwa.

LABOURERS
Family farming is estimated to generate ten times the amount of jobs generated by sugarcane plantations per 100 hectares, reducing people’s chances to be employed by Lonrho or Illovo (Borras et al, 2010, p. 577; Richardson, 2010, p. 933). Yet, a very common way in which displaced people were hoping to get a job was by asking a company official to employ them (Fieldnotes, 24, 26 and 29/10/15). According to none of the interviewees, Lonrho or Illovo spontaneously offered them a job, pointing to the fact that the sugar company never had the intention to compensate for the loss of land by offering the victims work. Although it is impossible to know just how many displaced people were employed by Lonrho or Illovo, in a little more than half of the cases where displaced families in this research asked for a job, the company refused, while in the other cases someone managed to get a job on the estates. Up until this day, Illovo’s hiring policy is characterised by generational and gender divides. According to the interviewees, older people over 40 are often being refused as seasonal labourers. Moreover, not a single woman I met during the research who applied for a job got through the
selection process, causing a lot of frustration among them. These claims were confirmed by my visit to the sugar estates, where I saw only one woman doing low-profile weeding work on fields dominated by young and middle-aged men.

The importance of job creation should not be underestimated and it must be noted that the average wage of a seasonal labourer in Dwangwa is K40,000 a month (equalling US$ 68 in November 2015), which is indeed above the World Bank’s poverty line of US$ 2 a day and the national minimum wage the government increased in October 2015 from K551 to K688 a day (Banda, 2015). However, while Illovo regularly highlights its favourable corporate policy towards labourers in its Socio-Economic Impact Assessment (2014), several authors have opposed these statements. First, Richardson (2010, p. 933) has proven there is a huge inequality between wages for different types of labour, with female weeder at the Illovo sugar estates in Zambia earning three times less then male factory supervisors. Moreover, Kateta (2014) demonstrated that the salaries of seasonal workers in Dwangwa did not go up after the sugar exports to Europe and other African markets increased in the late 2000’s or at a moment when the devaluing Kwacha is currently rapidly increasing the cost of living in Malawi, while salaries of permanent workers increased by 26% in 2014. Finally, in most cases a labourer’s income is spread out. Taking into account the fact that he is often the sole earner of the household, his income is not enough to sustain a whole family for a month (Kiezebrink et al, 2015, p. 21). This is especially problematic for the 1500 seasonal workers, working 48 hours a week during peak periods, generally running from April to November. Indeed, to cut costs and boost profits, Illovo hires a large proportion of its workers only on a seasonal basis, doing the cutting and weeding work on the fields. Five months a year, these people have no income without high hopes for alternative work during the slow season (Fieldnotes, 5/11/15). For one of the seasonal workers in the focus group, this is a serious concern for he argued his income is too small to save some of it and there is no employer in the neighbourhood who can use his labour for only five or six months a year. Furthermore, his family lives on a tiny piece of land of about one acre in Malijani on which farming is hardly possible. As a result, he and his family face serious difficulties in making ends meet during the rainy season. The other respondents, including the permanent factory worker, argued their own small-scale agricultural production is still an important and necessary supplement to their livelihood portfolio. Furthermore, according to the youngest respondent in the focus group, the company has failed twice to pay him in full, but when I asked him to expand on this problem, he pulled back. All other respondents felt visibly uncomfortable as well. Therefore, drawing conclusions on working conditions at the Illovo estates is beyond the scope of this paper. Building trustful relationships with respondents and interviewing them separately would have been more useful techniques of gathering information on this topic.

My goal, however, is to demonstrate that labourers, irrespective of the conditions in which they work, are being pushed in a position of subordination and dependence. This is reflected in their little job security and the seemingly arbitrary lay-offs. During one of the family visits in Kaongozo, one 52 year old respondent argued he worked as a seasonal labourer at the Illovo estates for 12 years and was suddenly fired four years ago without medical cause ‘because he was too old for the job’, even though his one year older friend could come back the next year. He later pointed to his participation in a strike in 2011, in which several workers demanded a raise, as the probable cause of his dismissal two months later. Along similar lines, in March 2015, an incident was documented where 25 workers were dismissed because they had complained about working conditions (Kiezebrink et al, 2015, p. 18). These events can be seen in light of Borras and Franco’s differentiation between the agrarian struggles of
displaced people that I described above, and labour justice struggles in which workers raise labour issues and struggle against exploitation (Borras & Franco, 2013, p. 1936). Indeed, the labourers in the strikes were not protesting against Illovo, but they were demanding improvements in the terms of their inclusion into the sugar economy. The fact that these complaints were followed by such radical measures points to the fact that Illovo is obviously the superior party here.

First, reasons for the weak position of the workers can be found in the oversupply of potential labourers. Indeed, during the focus group discussion, respondents argued that Illovo has thousands of people in Dwangwa at its disposal who are willing to do unprestigious jobs, for they are considered to be lucky when they are employed by the company. In this sense, Hall (2013, p. 1596) noticed that the unemployed form a labour reserve that suppresses wages and social benefits. On the basis of her case study in Indonesia, Li (2011, p. 291) further argued that the lack of alternative work in the area of Buol and the poor condition of the surrounding land operated in the favour of the investor. This is undoubtedly also the case in Dwangwa, where the fierce competition for scare work makes it very easy for Illovo to pursue its own interests instead of being concerned about the labourers’ needs. This is even reinforced by the fact that apart from seasonal workers who are mostly people from the neighbourhood, a relatively large proportion of the current staff is recruited from outside the group of local people (Fieldnotes, 5/11/15). Especially people in higher positions allegedly come from areas like Kansungu, Lilongwe and even South Africa, causing a lot of frustration among the interviewees. In this regard, Baird (2011, pp. 18-19) stated that in Bachieng in Laos, people who favoured a Vietnamese rubber deal were generally poorer migrant labourers with less attachment to the place that was being transformed into a monocrop plantation. Although I did not examine this hypothesis, it can be expected that in this case too, labourers coming from other areas in or outside Malawi have a more positive view on Illovo for the company did not compromise their former way of living in exchange for a wage. Second, the common situation in Dwangwa whereby labourers work for the company while their wives cultivate small fields offers a chance for Illovo to pay less attention to the needs of the workforce, forasmuch as the company assumes the workers’ family members produce enough to stay alive (which is not always the case as I demonstrated above) (Fieldnotes, 5/11/15). Illovo therefore pays a salary that only meets the basic needs of the individual labourer (Van Damme, 2005, p. 93). Finally, the company is strongly backed by the government, giving it a large degree of freedom to pursue its own interests without having to worry too much about creating a stable or pleasant working environment.

To conclude, even though workers’ wages at the sugar estates are higher than the national minimum wage and the global poverty line of US$ 2, labourers are being pushed into a position of subordination and are forced to rely on insecure employment. In du Toit’s words, they are being incorporated adversely into the globalised sugarcane market, meaning they are heavily dependent on this market and yet marginalised within it (Hickey & du Toit, 2007, p. 17).

Outgrowers

When Illovo acquired the Lonrho estates in ‘97, it enlarged the annual produce of sugarcane by securing access to smallholder produce (Hall, 2012, p. 832). At this moment in Malawi, more than 80% of Illovo’s sugar is sourced from Illovo’s own estates, while the remaining share of sugarcane (450.760 tonnes) comes from independent contract farmers or outgrowers (Illovo, 2015, p. 15). Contract
farming is often portrayed as a win-win solution to the problem of displacement (White et al, 2012, p. 626; World Bank, 2010, p. 34). Specifically, it comprises a commitment of a farmer to produce quality sugarcane and sell it to Illovo, and a commitment of the company to support the production and to purchase this sugarcane (Van Damme & Dirckx, 2000, p. 55). In this way, the sugar company is able to control land while avoiding displacement of smallholders. Similar to the wage labourers on the estates, outgrower participation is characterised by age and gender divisions. Mostly middle-aged wealthier male landholders were allowed to join the project. Moreover, respondents did not know of any female contract farmer, pointing to the fact that women are being systematically excluded from the capitalist enclaves.

It is generally claimed that contract farming can contribute to rural development by providing smallholders with channels to link up with international markets. Furthermore, it is said that smallholders can benefit from the outgrower project since the company delivers inputs like seeds and fertilizer (the cost of which is later deducted from the outgrowers’ income in the case of Illovo), teaches them new skills to enhance crop productivity and assists them in getting loans (Eaton & Shepherd, 2001, p. 9). However, it is often concealed that the establishment of outgrower schemes implies the eviction of many more people. That is to say, profitable sugar production requires larger plots of irrigated land for maximum production compared to other crops, meaning less people can benefit from a constant amount of land that is converted into sugarcane cultivation (Butler, 2014). For example, a tract of land in the South of Dwangwa was converted into sugarcane plantations as a part of the Dwangwa Cane Growers Trust (DCGT). DCGT is a private company that received a loan from Illovo to acquire 500 hectares of land from the government. After this deal was closed, few relatively big farmers were allowed to stay on the leased land, provided that they would shift from food crops to cash crops, forcing the rest of the people to leave their land. This resulted in land size increase for some and the dispossession of others (Fieldnotes, 2 and 10/11/15). For Illovo and DCGT agreed on cooperating with local farmers only after a careful selection process in which capitalised growers were privileged, it can be said that contract farmers in Dwangwa constitute a relatively wealthy middle class peasantry. The outgrowers I interviewed all said ‘someone of Illovo or DCGT’ came by to ask them questions on the size of their land and their usual output before they were incorporated into the outgrower project. One of the respondents further stated that the village headman, a close friend of his, was also present at his interview, most likely to his advantage. At the same time, many poorer smallholders were excluded and the engagement of real small farmers therefore could not be granted (Fieldnotes, 3/11/15). These findings are compatible with Watts’ research in which he demonstrated growing rural inequality is a common result of the introduction of outgrower schemes (Watts, 1994, p. 55). Indeed, as a consequence of DCGT and Illovo’s outgrower settlement, small groups of contract farmers now prosper while a significantly larger group of poorer smallholders earn low or no incomes.

This inequality is illustrated by the current situation on food markets in Dwangwa. The sugar economy, whereby thousands of hectares of land were converted into sugarcane plantations, caused a decline in the per capita production of food crops like maize, on its turn causing a tangible inflation in the price of food in this area (Fieldnotes, 27 and 30/10/15). Contract farmers were obliged to switch from subsistence farming to sugarcane production, reducing their immediate access to food crops. However, for these people food security is not a major problem, given their higher incomes that allow them to purchase food. However, the fragile position of farmers who are excluded from contract farming or wage labour is further weakened by the rising food prices, negatively affecting net buyers of grain (especially before the harvesting season when prices are at their highest) (Chisinga et al,
This leads me to conclude that the inclusion of smallholders is a means of poverty alleviation for only a small group of people, who weren’t even poor to begin with, creating a new class of commercially orientated farmers who are able to take advantage of their new situation and are experiencing an increase in economic wellbeing, while the majority’s access to global markets is being blocked. This is consistent with results found by McCarthy (2010, p. 845), who talked about the emergence and sharpening of differences within the population in Sumatra following a land deal, and Ariza-Montobbio’s research (2010, p. 887) in which he states that even though Jatropha is being presented as a pro-poor crop in Tamil Nadu, results show a clear bias towards big farmers in possession of irrigation infrastructure, excluding small and marginal farmers lacking such infrastructure.

An often cited benefit of outgrower schemes is the fact that contract farmers usually employ some wage labourers to help them with planting, fertilising, weeding and cutting cane on their fields, which might be an opportunity for some to supplement their household income (Illovo, 2014, pp. 19-20). However, outgrowers claimed they are under pressure to produce at competitive prices, resulting in low wages for these seasonal workers (Fieldnotes, 2/11/15). An encounter with six farm workers on a contract scheme of one of the interviewees revealed that they earn wages below the poverty line of US$ 2 a day. When I asked the outgrowers about non-contracted farmers who ‘take advantage’ of the outgrower system by growing sugarcane and secretly filtering their produce into the buying system through contracted family or friends, one of the respondents admitted this occasionally happens, though not under his authority. This points to the fact that contract schemes indeed generate additional unofficial labour, but under unfavourable conditions. Moreover, even though the contract farmers in this research were visibly better off than most other respondents and some of them even eagerly joined the sugarcane business, it is incorrect to assume that they themselves are not being incorporated adversely, as I will demonstrate below.

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All contract farmers are members of a certain farmers organisation. Farmers organisations are self-help groups that can be advantageous to both farmers and companies. For farmers, the fact that they are organised in groups strengthens their bargaining and marketing position and creates economies of scale. The sale of their sugarcane does not happen directly, but they first transfer their output to an association in order to bundle all of their sugar yields. The association then sells it to Illovo for a better price and finally transfers the money back to the farmers each month. These associations also assist farmers in getting loans and developing their land and teach them skills in using fertilizer, pesticides and other inputs. For companies, organisations serve as communication channels and can be useful for close monitoring of participants (Van Damme & Dirckx, 2000, p. 80).

Interviews with the management of two farmers associations in Dwangwa, Dwangwa Smallholder Cane Growers Association with approximately 570 members and Mkangazinja association which counts more than 150 contract farmers, revealed that these organisations are generally weak. Interviewees of both associations emphasized that they have no bargaining power in their relationship with Illovo. The sugar company introduced a negotiating board in the nineties, consisting of the management of the company and the general directors of all associations. At the board meetings, Illovo communicates general factory news or things that affect associations and outgrower farmers directly, like price changes in sugar or the amount of cane crushed for ethanol. It only gives the impression that a fair debate is possible in which all stakeholders have a voice about matters like for example salaries, while in reality the associations never get a chance to oppose Illovo (Fieldnotes,
In rare cases, Illovo can decide not to buy all sugarcane from associations if the total produced amount of cane exceeds Illovo’s milling capacity. When this happens, farmers have no other market for their sugar and have to carry it over to the next season, meaning a loss for them (Fieldnotes, 3 and 4/11/15). Moreover, Illovo sets the price it pays for the smallholders’ sugarcane, depending on the open market price of sugar in order to maximise the company’s profits. The general manager of Dwangwa Smallholder Cane Growers Association added that when Illovo buys their cane at a low price, there is nothing the association or the individual farmer can do about it, since Illovo is the only owner of two mills in Malawi, which makes it impossible for smallholders to sell their produce to another buyer at a higher price.

According to the interviewed contract farmers, during the past decade their salary has fluctuated between K3.800 (US$ 6.46 in November 2015) and K6.500 (US$ 11.05 in November 2015) a month for one hectare, with the average size of an outgrower’s scheme being about twenty hectares. General manager Dziweni of Dwangwa Smallholder Cane Growers Association pointed to the fact that the problem with this pricing system is that sugarcane is subject to price swings in a competitive world market, and that an unstable sugar market can be a risk factor in undermining contract farming schemes. According to him, the market value of Illovo’s sugar is particularly strongly related to the European sugar market. With 30% of Illovo’s sugar being exported to the EU and the US, the EU has been an important importer of Illovo’s product for a long time (Kiezebrink et al, 2015, p. 16). Europe’s absence from the world sugar market was a consequence of the EU sugar policy reforms of 2006, whereby production quotas were implemented after being accused of sugar dumping by the World Trade Organization. The EU consequently gave up its role as a major sugar exporter and became a net sugar importer, benefiting Illovo Sugar, who could sell its sugar at soaring prices (Richardson, 2010, p. 919). However, after years of absence, the EU is striving to become a leading player in the global sugar economy once again in order to decrease its dependency on Third World countries for its sugar supply. In 2017, sugar production quotas will be lifted, the minimum price for sugar beet farmers will be eliminated and export limits abolished. Concretely, this means European sugar production is expected to rise up to 20% from 2017 on, which will be highly tangible for Illovo (Terazono, 2015). However, Dziweni argued that at the negotiating board, general manager Chakanika of DCGT stated that if sugar prices keep on declining, the infrastructure to produce ethanol at the factory would be expanded since the demand for biofuels is expected to grow. In this respect and in light of the convergence of multiple crises, the flex crop concept becomes relevant. The fact that sugarcane can be used to produce both food and biofuel seems to be a hedge against heavy fluctuations in demand (Hall, 2012, p. 832). Nonetheless, outgrowers are being exposed to these fluctuations on the global market without a secure income, a safety net or legal protection and at the expense of the autonomy to produce food for subsistence.

Contract farmers and associations also complained about the 40% Illovo deducts from their salary for mill maintenance (Fieldnotes, 2 and 10/11/15). One of the managers of Mkangazinja association argued that there is no justification for how the sugar company came up with that number and when they questioned this high percentage at the negotiating board, they were ignored. Furthermore, 5% is deducted for administration fees, 3% for the government withholding tax and finally also fixed amounts of money, for example for association membership, cutting fees and haulage are subtracted from their monthly wage (Collins, 2014; Fieldnotes, 10/11/15). Once again, the reason why Illovo can get away with this untransparent pricing system is because farmers have no choice but to sell their sugarcane to Illovo. Similar issues were established by Richardson (2010, pp. 933-934) who referred to
the Kaleya outgrowers in Zambia whose relation with Illovo has been far from harmonious. This was illustrated by quarrels over the low price these outgrowers received for their sugarcane and the large sums money the company charged for service fees. Once again, this indicates the subordinate position in which outgrowers are being pushed. During interviews with contract farmers, two of them claimed to have ensured a supplemental income from off-farm activity during the time the crop is not mature yet as a way to spread risk of low wages and price fluctuations, which are highly unpredictable to them given their lack of access to market information (Fieldnotes, 3/11/15).

To conclude, the introduction of outgrower schemes has regularly been depicted by the World Bank and national governments as an ideal situation in which investor capital can be combined with smallholders’ land and labour (Lavers, 2012, pp. 813-814). This makes contract farming politically more acceptable than production solely on large centralised estates, especially in land-scarce areas like Malawi, where working with smallholders can be part of a solution to overcome land constraints. However, Watts (1994, p. 32) argued that there must be a certain balance in negotiating power between the company and the farmer if the latter wants to be able to truly benefit from such a deal. As I showed above, this is not the case in Dwangwa. Indeed, outgrowers are momentarily provided with above-average wages and remained the owners of their land, but they ceased to have any control over it and were integrated adversely into the capitalist sugar market via a highly unequal relationship with Illovo. This inequality reveals that Illovo is not really interested in rural development, but has made a priority of making large profits on the back of small farmers. Illovo’s main goal, just like any other capitalist enterprise, is profit, not people. The involvement of contract farmers in the sugar economy therefore seems to be little more than a measure to justify land grabbing.
I began this thesis by embedding the contemporary rush for land in the longer history of capitalist development. In this regard, Harvey’s concept of accumulation by dispossession has proven useful, for it frames land grabbing as a capitalist reaction to an internal crisis. In the process of looking for solutions to the current crises of fuel, food and finance, a coalition of international actors led by the World Bank pushed many countries in the Third World -including Malawi- to liberalise their economies. The same actors promote land grabbing for several reasons. First of all, the World Bank claims that vast areas in the world are underutilised and points to large-scale land acquisitions as a way to solve ‘global’ problems of fuel and food insecurity without undermining the food supplies and livelihoods of targeted communities. Second, the World Bank promotes land deals as true development opportunities for underdeveloped countries, for they are said to offer possibilities of rural employment and income generation, ultimately paving the way for modernisation.

Despite the centrality of the labour theme in land-related debates, empirical research on the impact of land deals on rural employment and local labour regimes has been thin on the ground. Hence, the goal of this research was to examine the way in which a land deal between the Malawian government and the South African Illovo Sugar Company altered the labour landscape in Dwangwa and influenced the livelihoods of different groups of people. Indeed, by using a disaggregated view of ‘the rural poor’, I found different categories of people engaged with the sugar deal in highly differentiated ways, triggering processes of agrarian differentiation and transformation.

Results showed large discrepancies between the World Bank’s rhetoric and the reality on the ground. First of all, multiple evictions in Dwangwa revealed that the World Bank’s discourse on wastelands is misleading. Moreover, the conversion of farmland into sugar estates set in motion a process of semi-proletarianisation whereby ‘unproductive populations’ were displaced without being absorbed into the sugar plantation economy, negatively affecting their livelihoods and widening the gap between rich and poor. Indeed, Illovo’s presence seems to have created an enclave of capital-intensive sugar production surrounded by hills filled with marginalised, unemployed people. Secondly, Dwangwa clearly did not evolve into a modernised society. Although some wage labourers and outgrowers were incorporated into the capitalist system, this happened under adverse terms. Today, labourers at the sugar estates find themselves in a position of subordination and uncertainty since the vast oversupply of labourers in and around Dwangwa makes it easy for Illovo to suppress their wages. Outgrowers, on the other hand, currently benefit from relatively increased earnings. However, they lost the possibility of subsistence farming and are being exposed to global price swings in a competitive sugar market without any safety net. The World Bank is therefore wrong to equalise inclusion into the capitalist system with true rural development.

The fact that I studied only one case in Malawi for a limited amount of time must of course be taken into account when reading this thesis. Research on a longer term and on a bigger scale would have been desirable, for this would have expanded opportunities to look deeper into varying experiences between but especially within the different affected groups, an aspect which has been underemphasized in this research due to time constraints. Also, in order to get a more complete image of affected people in Dwangwa, follow-up research might benefit from including and interviewing more parties, like migrant labourers, senior chiefs or prominent staff members of Illovo. Furthermore,
most current research on land grabbing lacks a clear depiction of the community’s (labour) landscape before the arrival of an investor, even though this might be useful in more accurately sketching transitions in local labour regimes. These shortcomings aside, it seems safe to say that the balance of the land deal’s impact on people’s lives in Dwangwa is negative.

In order to cope with the negative ‘side-effects’ of land grabbing (and in order to fend off criticism), a group of IFI’s, unwilling to admit that their own neoliberal policies are inherently causing dispossession and growing inequality among small farmers, published the voluntary ‘Principles for Responsible Agricultural Investment’ in 2010. In this report, they argued win-win solutions can be reached if only governments of host countries would care about the problems of the rural poor and if investors would voluntarily comply with moral codes of corporate social responsibility and ethical behaviour. This advocacy essentially encourages good governance, improved land rights and the protection of local interests by locating negotiation at the local level (FAO et al, 2010).

However, there are two main reasons why these RAI-principles lack the capacity to change the situation of people in Dwangwa. First, making the Malawian government responsible for safeguarding the rural poor against harmful deals is preposterous since the state is probably not going to give up its role as key player in promoting foreign agricultural investments. The government is almost desperately looking for foreign capital at a time when the Malawian economy is on the brink of collapsing, and as if this were not enough, in doing this, the Malawian state has to compete against other countries (Li, 2011, p. 284). If the government would oblige Illovo to create lots of well-paid employment, sugar prices would be less competitive and the company would decide to invest elsewhere. Moreover, Malawi’s political context is one that allows very limited political opposition. Therefore, locating negotiation on land deals at the local level is not a solution. Indeed, local communities are places where the political power of dominant groups is the most deeply rooted (Borras & Franco, 2012, p. 55). For the same reason, giving locals improved land tenure security would not stop investors from grabbing their land. Even in countries with progressive land policies, large power imbalances in negotiation procedures keep affected rural populations in a subordinate position (Borras et al, 2010, p. 587).

Secondly, shifting responsibility of rural poverty mitigation to investors is absurd as well. As White argued:

*Capitalist firms are not Boy Scouts, and they are unlikely to place moral codes and ‘good governance’ above the interests and demands of their owners or shareholders.* (White et al, 2012, p. 637)

Indeed, poverty alleviation is not the main concern for a company like Illovo. Its goal, according to the logics of a capitalist enterprise, is maximising profits, not looking after the welfare of the local population. As I demonstrated, an impoverished population surrounding the plantations even plays to the company’s advantage. Furthermore, Illovo holds monopoly power in Malawi, resulting in increasingly skewed power relations between the sugar company and the local people and making it even more unlikely Illovo will refrain from exploiting them.

All this makes it hard to believe that the IFI’s main priorities are rural development and poverty alleviation. Moreover, by publishing these guidelines, they seem to portray land grabbing as something inevitable instead of questioning the paradigm of neoliberal development underlying these deals, leaving alternatives for rural agricultural investment in the shade (De Schutter, 2011, p. 250). To conclude this thesis on the same note as I started it: just like land grabbing, the RAI-principles
legitimizing it seem to be a tool serving capitalism to maintain its hegemonic position and to continue practices of accumulation by dispossession, rather than being an instrument of the defenceless.


IFAD. (2011, August). *Enabling poor rural people to overcome poverty in Malawi*. Retrieved September 22, 2015, from https://www.ifad.org/documents/10180/c31ccb11-f0e5-4b56-b0ef-0bd74f1e6e79


