Africa power & politics

Developmental patrimonialism? The case of Malawi

Diana Cammack
and Tim Kelsall
with David Booth

Working Paper

No. 12 July, 2010

Published on behalf of the Africa Power and Politics Programme (APPP) by the Overseas Development Institute, 111 Westminster Bridge Road, London SE1 7JD, UK (www.odi.org.uk).

The APPP Working Paper series is edited by Richard Crook, Professorial Fellow, Institute of Development Studies at the University of Sussex, Brighton BN1 9RE, UK (r.crook@ids.ac.uk).

The Africa Power and Politics Programme is a consortium research programme funded by the UK Department for International Development (DFID), with additional support from Irish Aid, for the benefit of developing countries. The views expressed in this publication are those of the author and not necessarily those of DFID, Irish Aid or the Programme as a whole.

UKaid from the Department for International Development

Irish Aid Department of Foreign Affairs An Roinn Gnóthaí Eachtracha

Developmental patrimonialism? The case of Malawi

Diana Cammack and Tim Kelsall
with David Booth*

Economic governance in Malawi has never been without problems. Yet, for significant periods, the country's development performance has been better than might be expected given its geographical location and natural resource endowments and the global context of the time. This paper argues that underlying the episodes of better performance are institutional configurations which include: centralized, long-horizon rent utilization, a disciplined economic technocracy, and an inclusive form of ethno-regional politics. In particular, the 1964-79 phase of the presidency of Kamuzu Banda conforms closely to the concept of 'developmental patrimonialism', defined in this way. It tends also to support the proposition that regimes of this type are associated with relatively good development outcomes. Furthermore, the characteristics and performance of subsequent regimes (Banda II, Muluzi and Mutharika) are consistent with the emerging theory.

1 Introduction

It is widely accepted in development circles that economic growth depends on a climate conducive to business investment. This climate is affected not only by a country's geographical and ecological endowments, but also by its economic policies and political institutions. In respect of the latter, current donor advice is for African countries to adopt 'good governance'. On the agenda are the creation of strong property rights and a transparent regulatory framework, democratic politics and the rule of law, and an arm's length relationship between businessmen and politicians enacted through formal business associations. There is a growing recognition, however, that this agenda may not be realistic, since in the short run good governance may be beyond the will and capacity of African governments to achieve. This makes imperative the search for 'good enough governance' (Grindle, 2004) and 'second-best' investment-stimulating solutions, at least until economic and social progress is sufficient to support fully fledged democratic institutions. It is increasingly clear, moreover, that development in Africa would be easier if indigenous institutions or local norms could be built upon rather than importing foreign prescriptions. Thus, the search is on for 'what works' in various parts of Africa. The general argument has been made at greater length in a previous APPP Working Paper (Kelsall and Booth, 2010).

1.1 Emerging theory and the Malawi case

This paper contributes to the search for 'what works' by exploring relevant aspects of the economic and political history of Malawi.[1] It argues that although Malawian economic

* Tim Kelsall and Diana Cammack are APPP Associates based respectively in Phnom Penh (tim.kelsall@gmail.com) and Cape Town (cammack@mweb.co.za). David Booth is at the Overseas Development Institute in London (d.booth@odi.org.uk).

governance has never been without problems, for significant periods the country has performed as well or better than might have been expected given its geographical location and natural resource endowments. It finds that underlying these promising episodes are distinct institutional configurations, namely, centralized, long-horizon rent-creation and distribution, a disciplined economic technocracy, and an inclusive form of ethno-regional politics. Only the second of these conforms (and only partially) to the expectations of the good governance agenda; moreover, when economic and political competition has been at its most liberalized, following most literally the specifications of the good-governance agenda, economic performance in Malawi has suffered.

We structure our discussion of Malawi in terms of three political-institutional variables which have been suggested by APPP research into business-politics relations in African and Southeast Asian states as crucial determinants of economic performance. The variables address 1) the structure and orientation of rent-creation and distribution in the political economy; 2) the norms governing relations between political leaders and the economic technocracy; and 3) the inclusiveness of the political system.

Research in APPP's Business and Politics Research Stream is suggesting quite strongly that these relationships are important and under-recognized drivers of the investment climate and development performance in sub-Saharan Africa, as well as in Asia. The evidence to support this claim is bulky, and some parts of argument await refinement. For these reasons, we are taking a stepwise approach to publishing our material. The working paper referenced above is largely focused on the single variable of centralized rent-creation and distribution. In this paper, we make use of all three components of the emerging theory, but in a tentative way, as work in progress. We devote the remainder of this Introduction to a brief presentation of the elements of the theory.

1.2 Rent-seeking: structure and orientation

In our model, a key determinant of whether or not rents contribute to growth is the degree to which they are centralized. Our terminology follows that of Khan (2000) where rents are 'excess incomes' – those which do not exist in the abstract world of perfect markets, but which are widespread in the real world in the forms of profits from monopoly trading, income from subsidies, income that comes from owning (naturally or artificially) scarce resources, and/or income from corruption. Some rents are inefficient and growth retarding, while others may play a highly constructive role in the process of development, depending on how they are generated and how they are used.

Centralized rent-seeking makes it easier for an individual or group to coordinate rents for the overall benefit of the political economy. Moreover, the centralization of rents gives an individual or group an incentive to grow the economy so as to maximize rent collection, as explained by Olson (1993) in his discussion of stationary and roving bandits. In the absence of such coordination – and there is no reason to suppose that the market itself will provide this – each individual has an incentive to maximize his own take, leading to an unsustainable level of

[1] Supplementing a survey and critical analysis of written sources, Diana Cammack and Al Osman conducted in-depth interviews with politicians, senior civil servants, donors, and other officials in Malawi in the last two weeks of January and in July 2010.

rent-seeking. Centralization, however, is not sufficient to ensure growth-promoting outcomes. If leaders take a short-term view, they will discount the future in the interests of the present, leading again, in all probability, to an unsustainable type and level of rent collection. The leadership's *time horizon* is therefore important as well.[2]

We know that rents are centralized when there is a structure in place that allows an individual or group at the apex of the state to determine the major rents that are created and to distribute them at will. We know that the leadership is far-sighted when it limits the rent-collection of both itself and others with a view to maximizing rent-collection in the long term. Figure 1 provides a simple typology of situations taking both the degree of centralization and time-horizons into account.

Figure 1: Definition of long-horizon, centralized rent utilization

		Centralization: Low	Centralization: High
Time horizon	Short	Free-for-all	Non-developmental kleptocracy
	Long	Losing battle against corruption	Developmental rent utilization

In the top-left quadrant, rent-centralization is low, and the leadership has little interest in disciplining rent-collection with a view to the long term. The result is likely to be a highly competitive free-for-all in which anyone with the ability to extract rents takes the maximum in the short-term, grasping as much as they can today for fear that tomorrow there will be nothing worth taking. Sustained economic growth seems impossible in this scenario, since there will be no limit to the shake-downs potential investors can expect. Classic examples might be the Nigerian First Republic, Sierra Leone under Albert Margai, or the First Republic in Congo. In the bottom left-quadrant, the leadership desires to take the long view, channelling rents so as to maximize its own take, or in the interests of society as a whole. However, because it lacks the machinery to centralize rents, its ability actually to implement the long-term view is strictly limited. The result is likely to be a losing war against corruption. Tanzania in the early 1980s provides a good example.

---

[2] For elaboration, see Kelsall and Booth (2010).

In the upper-right quadrant, by contrast, the leadership has had considerable success in centralizing the rent-taking machinery. Few big rents are generated or allocated without the knowledge of the leadership. In theory, the President and his inner circle would have the power to channel rent-taking in developmental ways, but for one reason or another, they do not take the long-term view. Consequently, those with connections to the top leadership are allowed to enrich themselves almost without limit. The Kenyan regimes of Daniel arap Moi fit well here. Finally, in the bottom right quadrant, the leadership has succeeded in centralizing control over rents, and takes a long term approach to rent-maximisation. The result is a developmental type of neopatrimonial state, which, while not necessarily free from corruption – which may achieve rather high levels – does not hurt investment in the way other types do. Jomo Kenyatta's Kenyan regime is perhaps the archetype.

What kinds of factor might induce a leader to take a short-term view? In competitive polities, leaders are more likely to think in time-spans of just a few years, discounting the long-term in favour of being re-elected in the near-future. Presidential term-limits are liable to have a similar effect: a President in his second and final term has much less interest in restraining his own or his cronies' rent-take than if he expects to be in power for another ten or fifteen years. Succession crises in authoritarian polities create similar problems. The nearer a leader is to the end of his probable life, the less interest he will have, other things being equal, in disciplined rent-collection. Even a comparatively young dictator will have difficulty taking a long-term view if he presides over a difficult-to-govern polity and his leadership faces acute challenges. Finally, there may be some leaders who, for purely personal reasons, prefer to live high on the hog in the short term rather than husbanding rents with a view to the longer term.

1.3 Political leadership and the technocracy

We hypothesize, secondly, that the investment climate and development performance depend on the norms governing relations between the political leadership and the economic technocracy. In most of the polities we are concerned with, the former term refers primarily to the President and his/her team. The latter term refers particularly to the senior staff of the Ministry of Finance or equivalent, although Planning, Industry and Commerce, Energy, and Agriculture may also be important.

Again there seem to be two dimensions to be considered. One is the degree to which the economic technocracy is subject in practice to *vertical coordination*, such that it receives and is responsive to policy directives emanating from the political leadership. The flip side of vertical coordination is one in which either this type of direction is absent or the technocracy does not respond to it, both of which are likely where the civil service has become more a vehicle of patronage than an instrument of policy. The second dimension is what we propose to call *technocratic integrity*. Where there is technocratic integrity, technocrats are typically willing and able to provide robust, technically informed advice to leading politicians. Where there is technocratic integrity, unwise or incoherent policies may still be adopted and implemented, but only after the relevant technical objections have been considered and rejected by those in power. Where it is absent, for example because senior officials are systematically either afraid or badly equipped to provide the requisite advice, policy is likely to be bad more often and for a more complex set of reasons.

Figure 2 provides a matrix showing four ideal-types of relationship between the political leadership and the economic technocracy, capturing both dimensions. In the upper left-hand box, the technocracy lacks integrity, but it is also not subject to vertical coordination. Technocrats are afraid to speak up, but leaders are not providing a strong steer, or directives are not taken seriously because officials hold their positions on the basis of factors other than performance (e.g. clientelism). The result is likely to be stasis, or the growth of anti-developmental opportunistic behaviour.

Figure 2: Definition of disciplined economic technocracy

		Vertical coordination	
		Low	High
Technocratic integrity	Low	Stasis, or anti-developmental opportunism	Policy incoherence and white elephant projects
	High	Conservatism	Disciplined technocracy

The upper right-hand cell shows what happens when technocratic integrity is low but vertical coordination is high. Here we have a leadership which wishes to pursue developmental or other policy goals, using the bureaucracy as its instrument, but is served by technocrats who are too afraid or lacking in confidence in their own judgement to steer the leadership away from a technical flawed way of doing this. This is likely to create a situation where technocrats are pushed into designing and implementing unrealistic, non-viable or wasteful projects, or policies that are characterised by major internal inconsistencies (e.g. between distributional objectives and maintenance of macroeconomic balances). Nkrumah’s Ghana and 1970s Tanzania are among the best sources of examples.

In the lower left-hand corner we have a situation where bureaucratic integrity is strong but the political leadership is uninterested in or unable to enforce vertical coordination. Technocrats are likely to be conservative, or unduly cautious, as a result. This scenario might not be a disaster for the business climate, but it is likely to mean only a weak performance in all areas of development which call for a dynamic public service, including the promotion and preparation of large-scale public or private investments. Post-Rawlings Ghana and Kikwete-era Tanzania might fit this type.

Finally, we have the bottom right quadrant. Here the political leadership is driving the technocracy to devise and implement developmental policies, but the prevailing norms require and empower the technocrats to put the brakes on when good sense requires this. The first few years of Independence in Tanzania, Kenya, and Côte d'Ivoire are all arguably examples. Present-day Rwanda might be a similar case. This type of technocratic integrity – we may call it vertically coordinated integrity, or disciplined technocracy for short – is the one we think most likely to result in an environment conducive to investment and growth.[3]

1.4 Politics: competition and inclusion

A measure of political stability is essential for long-term investment and sustained growth, and this, in our view, is a function of the *inclusiveness* of the political system on the one hand and the degree of political competition it permits on the other. A system is inclusive if all significant social and economic groups feel they have a realistic chance of getting a share of the proceeds of power; none must feel permanently excluded from the system. Otherwise, civil war or another form of conflict with similar effects on the investment climate and development prospects is likely to result. Which form of disruption actually occurs will depend in part on the degree to which the political system permits formal *competition* for power, through free elections or some equivalent. Figure 3 illustrates.

Figure 3: Political exclusion and inclusion

		Inclusiveness	
		Low	High
Formal competition	Low	Coercive state, likely to face armed challenge	Stable 'dictatorship'
	High	State plagued by election-related instability	Stable 'democracy'

The ideal-typical state defined by the upper left quadrant has a political system with low levels of competition which excludes, to a high degree, one or more politically significant groups from power. It will probably survive only on the basis of large amounts of coercion, and it may face

[3] It may be worth noting that a somewhat similar concept of bureaucratic discipline is emerging as an important explanatory variable in the APPP's Local Governance and Leadership research stream (Booth, forthcoming). As pointed out in that connection, the implication is not that rational-legal or, in the Weberian sense, bureaucratic practices and norms need to be adopted in a comprehensive way, or that regimes need to dispense with all neopatrimonial traits, but that the specific features identified make the difference between more developmental and less developmental forms of neopatrimonialism.

an armed challenge as a result. Rwanda under Juvenal Habyarimana may provide an example. The state in the bottom left quadrant has a competitive polity, meaning that there are regular contests for power. However, the winners in such contests typically rule exclusively, directing benefits to members of a minimum winning coalition and not to others. The outcome typically adds to the political salience of any concerns there may be about the fairness of election process. Consequently, struggles for office are extraordinarily intense, and liable to tip into violence. Post-1992 Kenya provides an example.

Both right-hand quadrants, by contrast, are consistent with a relatively high level of political stability, favouring the investment climate and development prospects. That is, politics does not need to be competitive, and certainly not formally democratic, in order to provide for adequate stability; equally, competitive systems are not necessarily unstable. Single-party Tanzania provides an archetypal example of the upper right-hand quadrant.

The bottom right quadrant, on the other hand, represents the situation where, for example, there are elections but no one feels permanently excluded because democracy has been consolidated, alternation in power has become institutionalised and election losers feel confident they will have another chance in five years time. It might be one where, for constitutional or other reasons, winning governments tend to be coalition or power-sharing governments. Post-Rawlings Ghana, Benin, Malawi, and Senegal are possible examples of some of these variants.

2 Malawi in overview

We may turn now to our discussion of Malawi. To what extent does the country's post-Independence history and development performance lend support to the propositions we are putting forward?

In many respects Malawi presents an environment unfavourable to economic growth. It has few exploitable natural resources, is landlocked, has but a single rainy season, is subject to unpredictable weather, and is poorly connected to the outside world. In the colonial period, economic policy focused on developing the agricultural sector, carving out estates for white settlers, and later promoting an African 'yeoman farmer' class. None of these efforts was particularly successful, and in 1964 when Malawi obtained independence the country was under-resourced, exceedingly poor, lacking in capacity and indebted (Vail, 1976: 89-112 and 1977: 365-95).

The paper proceeds to discuss four distinct economic periods in post-colonial Malawian economic history in Sections 3-6. Section 7 draws some conclusions.

- 1964-1979, when national GDP grew quickly though subsistence agriculture began to stagnate, and President Banda and the MCP (Malawi Congress Party) consolidated political power;
- 1979-94, when the national economy vacillated and was subject to repeated restructuring programmes guided by the IMF and World Bank and Dr Banda slowly lost power;
- 1994-2004, when neo-liberal reforms were planned but poorly implemented by President Muluzi, resulting in a chaotic economic and political environment;

- 2004-09, when the technocratic President Mutharika pushed through economic reforms that stabilized the economy, especially in respect of food security, while democratic consolidation made little headway.

3 Banda I (1964-1979)

In 1964 as the sun set on British colonial rule in Nyasaland, political power formally passed to the redoubtable Dr. Hastings Banda, Malawi's first prime minister, a medical doctor in his late sixties who was to dominate the country's politics for the next 30 years.[4]

3.1 The context

Much has been written about Banda's development strategy (Mhone, 1992; Pryor, 1990; Harrigan, 2001), which Harrigan has labelled 'state-monopoly capitalism'. According to Banda himself, 'we have to have something half way. The government has to do certain things. Let the government through statutory bodies own the railway, airways, water, electricity. But the people must own their own land on which to have their own houses; people must be allowed to have shops, to have farms and estates' (Pryor, 1990: 38, citing 1975 speech).

Thus much of the government's early development efforts were directed toward infrastructural expansion. Under the Gwelu Plan no. 2, produced by Banda and others when in prison before independence, provisions were made for building a new capital in the centre of the country in Lilongwe, a lakeshore road to the north, and a university in the old capital, Zomba. The Nacala railway through Mozambique to the sea was later added as were the Nkula Hydroelectric Project, the Rural Development Programme, and the Blantyre-Lilongwe road. These high-visibility infrastructural developments were central to the success of this first phase of the post-independence economy (Chipeta and Mkandawire, 2008).

In the agricultural sector, government sought to transform legal tenure. It stated in 1965 that 'economic farming systems are viable only when operated under a sound system of land tenure based upon security of individual land ownership and negotiability of the title. Until such a pattern is introduced in Malawi, there is little hope of achieving significant increase in national agricultural output' (GOM, cited in Thomas, 1975: 39). Thus a portion of customary lands was converted into leaseholds on which more entrepreneurial farmers were provided with incentives and assistance to grow high value crops, especially tobacco. This newly Africanized 'estate sector' was in the vanguard of agricultural expansion for the next fifteen years.

Manufacturing policy emphasised private investment, including inflows of foreign capital, labour intensity and the '*selective* use of tariffs' to protect domestic producers (Harrigan, 2001, emphasis in the original). Others feel that tariffs were more important (Chipeta and Mkandawire, 2008).[5] Large firms,[6] they argue, benefited from the 1966 Industrial Development

---

[4] Malawi became a Republic in 1966, Banda becoming President. Banda's date of birth is the subject of some dispute, but it is thought to be between 1893 and 1898.

[5] This included the abrogation of the Rhodesia Trade Agreement in 1965, which had permitted Rhodesian duty-free imports into Nyasaland. 'There had been no attempt during Federation to spread industrial development throughout the member countries. Industries that might have been attracted to the local market within Malawi located themselves at the centre of a much larger market, primarily in

Act and by ‘generous investment and depreciation allowances … [while] the provisions relating to tariff and exclusive protection bred monopolies and infant industries’ (Chipeta and Mkandawire, 2008: 157).

Industrial policy was geared toward processing agricultural products for domestic use and export. Non-agricultural, industrial export-oriented incentives were introduced much later (1989). What industry emerged in the 1970s was ‘highly monopolistic and oligopolistic’. Three entities – Press Holdings, the Malawi Development Corporation (MDC) and ADMARC (the state agricultural marketing corporation) – in partnership with foreign capital, dominated domestic industrial development (Kaluwa et al., 1992). Smaller-scale industrial enterprises were absent, though some attention was given to promoting these from 1979 onward with the establishment of the parastatal SEDOM (Small-scale Enterprise Development of Malawi).

This economic environment gave rise and sustenance to Press Holding Company, an important ingredient in any story of Malawi’s development. Founded in 1961 by Banda to run the party newspaper, but expanding greatly after independence, it was in many ways the epitome of Banda’s economic philosophy – it was capitalist, in that it was privately owned and generated profits; it supported national development goals and benefited from government economic policies; senior staff moved between it and the public service; it was involved in every sector of the economy, especially estate agriculture, and held a majority shareholding in the two commercial banks that loaned to estate leaseholders. Strict oversight by Banda and others, which included dismissals and imprisonment of staff for theft, promoted a professional ethic.

3.2 Rent creation and distribution

The main thrust of development policy was to generate capital for reinvestment by means of productive transformation in the agricultural and manufacturing sectors. Access to these rent-earning opportunities also provided Banda with a useful fund of political patronage (Frankenburger, 2003). At independence the agricultural sector was divided into a small ‘estate’ sector and a much larger smallholder sector. Government policy was to make possible conversion of customary land to leasehold farms for commercially oriented smallholders, which were subsequently classified as ‘estates’ and licensed to grow tobacco. In this way, a few privileged Malawians were granted customary land and so joined the largely expatriate estate (tea, tobacco and coffee) sector, then responsible for most of the country’s exports.[7]

Rhodesia. Thus at independence industrial manufacturing within Malawi was very limited’ (Thomas, 1975: 44).

[6] Europeans dominated the senior civil service and controlled almost all the larger economic enterprises. Except for two large European firms, the Asians controlled the distribution sector. In such an environment it was inevitable that government policy would seek to increase African participation in the economy. Towards the larger economic enterprises Banda has consistently pursued a policy of government participation by shareholding. Being content generally with minority participation Banda has generated relatively little friction with ‘big business’, especially as their overall economic interests coincided’ (Thomas, 1975: 48).

[7] ‘Estates had the further advantage of cheap finance collateralised by land … acquired from smallholders. [They also] … benefited from financial repression favouring low interest rates [and] a favourable [land] tax regime …’ (Stambuli, 2002: 16).

Building on colonial development thinking, Banda thus fostered the creation of an elite class of Malawians that he thought would spearhead agricultural development and national growth[8], while excluding those individuals deemed to be less productive. This policy has been criticized by poverty analysts because ADMARC 'taxed' smallholders through its pricing policies and used that income to promote estate farming for export (Mhone, 1992) and because customary land was transferred to estates and credit to adopt improved technologies was less available to smallholders (Stambuli, 2002).

Banda exhorted farmers to 'work hard and to distinguish themselves by producing a variety of crops of high quality and by observing the rules of animal husbandry'. Soon the term *achikumbe* (sing: *mchikumbe*), meaning 'master farmers', was being used to label those 'few whose performance was approved by the government extension workers'. Being identified as a *mchikumbe* eased access to loans for farm improvements, thereby reinforcing the advancement of these farmers. Eventually the term was used to describe that class of beneficiaries of Banda's patronage that included parliamentarians, key government officials and certain members of the MCP (Mtewa, 1986).

Besides land (some 1m ha. were converted to leasehold land during the Banda era), other advantages were provided to estates, including licenses to grow and sell burley tobacco (denied to smallholders on grounds of technical incapacity, a need to control quality and prices, and its environmental impact), extension services, credit[9] and marketing support (Frankenberger, 2003; Stambuli, 2002; Ellis et al., 2003). These were provided by the Ministry of Agriculture, the commercial banks, and ADMARC respectively.

The promotion of local businesses was also a major instrument of patronage. This, too, fitted with a national development policy that sought to indigenise commerce and industry, albeit with the help of foreign capital and partners when needed. From 1969 onward legal restrictions were placed on white/Asian rural business, eventually seeing these abandoned or sold. Lending institutions were reorganised to increase credit to emerging businessmen 'by removing demands for collateral security'. The MDC was created to take over the colonial-state investment portfolio, and to generate further funding (Chipeta, 1992) while an Import and Export Company was established to promote local business. Overall, Malawian entrepreneurs were assisted by Banda's government in a manner that generated political loyalty (Mhone, 1992) as well as national development.

State bureaucrats, MPs and party functionaries topped the list of beneficiaries but people not known to be ardent loyalists also acquired land and support for growing crops for export. Senior civil servants were encouraged to go into commercial farming; Banda offered to co-sign loans for some known to him that did not have sufficient funds to acquire estates. Beneficiaries straddling the rural-urban divide moved profits from farming into urban real estate (as a rentier class), retail trading and transportation. A class of rural traders and transporters emerged (some in partnership with Asians). Thomas narrates how in 1969-70 Asian traders were restricted to

[8] 'Dr Hastings Kamuzu Banda … pursued policies consciously biased towards supporting the estate sector in agriculture, promoting a handful of non-agricultural private and parastatal businesses, and creating a small and highly educated middle class elite' (Ellis et al., 2002: 3; also see Pryor, 1990).

[9] 'The nationalisation of banking institutions enabled the government to underwrite loan facilities to aspirant African farmers who wanted to open up in agriculture' (Chipeta, 1992).

certain specified trading centres, leaving rural areas to Africans. From this point, the African business elite began to lobby against 'minority' control of wholesaling, which they wished to move into themselves. As Banda himself was establishing a major urban-trading empire through Press Trading, a congruence of interests emerged and restrictions increased upon wholesalers and urban Asian traders alike.[10] Excluded from rural trading, many Asians went into the transport business. Unfortunately for them, road transport was also an area into which MCP leaders had diversified: 'The financial interests of ministers, MPs and important local officials were immediately and adversely affected and as a consequence orders were issued to restrict the number of road permits going to Asian haulage firms' (Thomas, 1975: 48).

The most successful farmer-bureaucrat-businessmen went on to invest in small-scale secondary industries, like food processing. Meanwhile yeoman farmers were supported through smallholder authorities (for tea, coffee and sugar). And as the intervention of the state in the economy increased, a 'bureaucratic bourgeoisie' was created that had 'well vested interests in the state control of the economy' (Mhone, 1992: 44). Thus the key beneficiaries were the political and state elite, an incipient urban middle class, government bureaucrats (as long as wages held), indigenous traders and master farmers (*Achikumbe*). As time passed their interests came to be represented by a number of associations, including the Chamber of Commerce and Industry and the African Businessmen Association (Chipeta, 1992; also see Lwanda, 2006). But above all they remained beholden to the MCP.

Banda's own commercial interests were by the mid-1970s very substantial. Initially Press was simply a company formed by Dr Banda to run the party newspaper. After independence it acquired old expatriate estates (via government) and farmed and traded tobacco (via Limbe Leaf company). It went into food processing, wholesaling and retailing; financial services; textiles and manufacturing; and distilling and bottling. It contributed to national growth, paid hefty state taxes, and its owner, Dr Banda sought to serve as a role model for other entrepreneurs. Whether it filled gaps left open in the economy by the absence of other investors, or barred entry to entrepreneurs in an attempt to maintain control of sectors and profits, is a question left open for further investigation.

According to Thomas (1965: 48), 'through his [Banda's] majority shareholding in Press Holdings Ltd. he controls the largest chain of retail supermarkets and shops in Malawi (Press Trading Ltd.), a major chain of hardware stores (Hardware and General Dealers Ltd.), a major share in the flue-cured tobacco industry (Press Farming Ltd.), a stake in the burley tobacco industry (General Farming Ltd.), and a haulage firm (Press Transport Ltd.). There are also Press Properties, Press Industries, Press Produce and others; Press Holdings Ltd. also has a substantial shareholding in Malawi's two banks'. Before its restructuring in the early 1980s due to over-extension and a decline in tobacco profitability, Press Holdings had interests in 17 subsidiary companies and 23 associated companies (Press Corporation Ltd., 2008).

[10] 'In the 1970's, Dr Banda's directive removing all Asians from the rural areas paved the way for expansion of PTC shops under press Corporation and also Chipiku stores owned by Lonrho' (Stambuli, 2002: 23).

Press (reportedly with Lonrho's assistance) built Kamuzu Academy [11] – another elite enterprise spearheaded by Dr Banda to train Malawi's future leaders – and substantially helped members of the Malawi Women's League with houses and trips abroad. Reportedly Dr Banda put the company in trouble financially[12] through his use of Press funds to support 'political' projects, resulting in its restructuring in the 1980s (van Donge, 2002).

Incomes and expenditures in Press were closely mixed up with those of the nationally owned banks, government departments, and statutory corporations (especially ADMARC). Banda's use of all those funds was thought to have been a form of corruption by those intent on prosecuting him.[13] Putting aside the political impact, we argue here that in-depth research into how Press Holdings (and later Press Corporation and Press Trust) and other Banda companies worked, and into how monies were actually spent, is needed to assess whether these practices were in fact, corrupt. Our interviews have tended to confirm Harrigan's view[14] that Press and government funds – at least in the first phase when Banda was still in firm control of government – were not generally used to generate rents for patronage by distorting markets. Similarly, with regard to clientelist appointments, some people may have been given jobs in Press, Banda's companies, or in the public service because of their connections, but these organisations appear to have run along meritocratic lines and even politically connected people would be dismissed if ineffective (van Donge, 2002: 671-72).[15] Further, people who knew Banda well consistently state he was 'not personally corrupt' himself.

Banda consequently used the power of the state to direct productive assets into the hands of those he thought would use them most productively (politicians and civil servants with capitalist ambitions), and/or those whose political support was useful (smaller African businessmen, particular MCP members, and investors[16]). By contrast, other forms of rent-seeking: corruption, predation, or theft, were not much tolerated. Banda felt his 'main business' was the maintenance of a 'stable government, an efficient, honest and incorruptible administration. People must come here when they have money to invest, get a licence without putting so many pounds in the pocket of a certain Minister first' (Baker, 2001: 162).

---

[11] Reportedly, £2m had come from Tiny Rowland to build the Academy (Cammack &Osman interview with a former Secretary to the Treasury, 21 Jan 2010, Lilongwe, Malawi).

[12] 'By July 1980, the company's obligations amounted to MK100 million. A loss of MK12 million in 1980 brought the company to the brink of collapse' (Press Corporation Ltd, 2008).

[13] Banda, Tembo, Kadzamira and two others were charged with two counts of fraud in 1997, one of which was 'defrauding the government of the equivalent of 5.6 million dollars by building the grammar school'. The other had to do with withdrawing Press funds before as it was moved out of Tembo's control. ANC Daily News Briefing, 29 March 1997.

[14] Harrigan (cited in van Donge, 2002) states that 'the fact that parastatals, Press Holdings … and governmental price interventions were not used to create rents and economic patronage helps explain why Banda acquiesced to [SAP] reforms in these areas without fear of loss of political support from economic rent receivers'.

[15] Some employees of Banda's enterprises and government were also dismissed or held in detention while cases of treason against them were investigated, which led good people to quit their jobs as soon as they could do so without causing a ruckus. Family members were employed in Banda's own companies (Chayamba, etc) but that is hardly unusual.

[16] Tiny Rowland of Lonhro was close to Banda, who used his funds and connections to support domestic and international economic and political ventures.

3.3 The technocracy

An enthusiastic Anglophile, Banda inherited and adapted the British colonial model of public service to his own ends. Europeans remained in many permanent/principal secretary (PS) and other senior positions several years after independence, and some stayed into the 1980s. They set the tone and standards of the civil service for two decades. It was ‘a dedicated civil service, that was clean, efficient and corruption-free’ (Cammack & Osman interview with a former Secretary to the President and Cabinet (SPC), 19 Jan 2010, Blantyre, Malawi).

Many of the ‘early crop of local talent’ were trained by British instructors at the Staff Training College (Institute of Public Administration) at Mpemba, Blantyre. There, young Malawians learned how to draft reports and memos; the law of tort and the law of contracts; and ‘how to handle politicians’. They learned to ‘say “no”, without saying “no”: “it can be done sir, but you may want to consider …”’ (Cammack & Osman interview with a former SPC, 19 Jan 2010, Blantyre, Malawi). Some of those who worked in the Reserve Bank were trained in the Bank of England first, while administrative officers were often young men who’d been to universities outside Malawi on scholarships. They were hired on merit, and many were very young and bright.[17] Like Dr Banda, they were expected to work hard[18] and those that did well were recognised and promoted through the ranks. In those years staff felt a career in the civil service was predictable and professionally rewarding.

Though talented, these young men were inexperienced and Banda insisted in the early years on doing much of the policy planning himself. If he did not understand an issue, he would study it and then meet with his PS and give instructions. PSs were expected to travel with the President, in case he set new policy during a meeting or rally. For the same reason, they were ‘glued to MBC radio’ when he gave a speech. PSs deemed competent were given power to negotiate with donors, though a negotiator would only make agreements he was sure Banda would approve (Cammack & Osman interviews with a former Secretary to the Treasury and a former SPC, 21 and 22 January 2010, Lilongwe, Malawi).

It is argued by our informants (as well as by Anders’ informants; see Anders 2002 and 2006) that corruption within the civil service was minimal. Indeed, some of Banda’s detainees were thieves who had attempted to benefit from their employment in statutory corporations and ministries.

Banda’s ministers were a different breed. MPs were men and women who were selected by senior party officials in a district or region and recommended to Dr Banda as candidates: it was their loyalty that brought them favour. Most were poorly educated, without much overseas experience. Banda patronised them, saying he ‘impart[ed] to them some of the things that I

---

[17] After two years in government, one civil servant aged 33 became the youngest ambassador (of more than 100) to one major European state (Cammack & Osman interview with former Secretary to the Treasury, 22 Jan 2010, Lilongwe, Malawi).

[18] He told one new recruit at External Affairs (where Banda was minister) that ‘you have joined my ministry. It is hard work. We have no Christmas; we have no Sundays’ (Cammack & Osman interview with former Secretary to the Treasury, 22 Jan 2010, Lilongwe, Malawi). Several informants mentioned that if you gave Banda a memo one day, it would be returned the following day with margin notes and comments in the body of the text and any attachments.

know and they do not know' (Williams, 1978: 205.), and frequently referred to them as 'my boys' (Williams, 1978: 200-01). Ministers 'rarely had an input into policy' (Cammack & Osman interview with a former SPC, 21 Jan 2010, Lilongwe, Malawi).[19] Most did not have the technical capacity to design policies; instead, Dr Banda bounced ideas off his cadre of PSs, to whom he related much more easily. Public servants were told: 'the civil service is the civil service. Do not get near to any minister. No minister should influence you about what you can do'.[20] The head of the civil service (the SPC) was expected to answer solely to Dr Banda and any interference from politicians he reported to him right away.

A very effective strategy for controlling ministers psychologically was the annual dissolution of cabinet, when all ministers and their families were expected to move from their capital-city houses, and return their cars to government. In January the President would call the politicians back as a group and one-by-one appoint his new ministers and outline their specific duties. He sometimes reminded them that he had managed government for a month without them. Once he gave a speech, telling the crowd that 'Caesar ran the whole [Roman] empire without ministers. How? He did it with his army and his administration. You ministers think you are important, but I don't need you'.

Meanwhile, as 'party functionaries' the Ministers were to ensure that people were 'mobilized to develop' and to make sure any projects emanating from government or the MCP in their constituencies and districts were successful. If they were not, they'd be called in to see Banda and explain. Any policy decision emerging from PSs' offices or the Office of the President and Cabinet (OPC) would be taken to parliament and there 'ratification bills' passed with hardly any dissent. Quick decision-making was facilitated by the fact that there were few ministries, and Dr Banda headed several of them (External Affairs, Agriculture, Works). All in all, development policy-making was highly centralised.

3.4 Political competition and inclusion

The notoriety of Dr. Banda's regime rests on its autocratic and rights-abusive nature (e.g., Williams, 1978; Africa Watch, 1990; Mhone, 1992). Thousands of people were detained without trial, some of whom died in prison, while the MCP sought to control multiple aspects of citizens' lives – their information, appearance, discussions, affiliations, livelihoods, etc. This was done through instruments of state repression – the police, Malawi Young Pioneers (MYP), the MCP's Youth League, the so-called 'Traditional Courts', the Censorship Board, paramilitaries, and the army. MCP chairmen and Women's League leaders were ubiquitous and

---

19 One senior official said when he was young, working in the Ministry of Finance, he happened to meet Banda who said that 'the Minister is in the village' and then laughed with him about it as they went on about their work (Cammack & Osman interview with a senior civil servant, 20 Jan 2010, Lilongwe, Malawi).

20 One Secretary to the President and Cabinet told us that he was encouraged by a minister to dismiss the Secretary of the Treasury, but he refused and went to Dr Banda and said, 'if this is your instruction, I will carry it out'. He then told Banda that to do so he would have to know what the person had done to put it in the file and 'to warn others not to make the same mistake'. When Banda told him to ask the minister to report to him, he knew he could not summon ministers and asked a senior politician to arrange it. Another SPC explained that when a public servant was given any instruction orally, he had been taught to put it in writing and get his boss to sign it (Cammack & Osman interview with former SPC, 18 Jan 2010, Blantyre, Malawi).

at all levels ensured popular conformity with party and presidential dictates, and made certain the party led and managed virtually all initiatives.

A dictator by nature, Banda's authoritarian tendencies became better known following the 'Cabinet Crisis' of 1964, when younger ministers refused to support some of his domestic- and foreign-policy measures (Baker, 2001). This resulted in several dismissals, some resignations, and a failed coup attempt. Those who supported the 'rebels' were arrested and detained or fled into exile. They had their property confiscated, and their gardens reallocated by party officials and chiefs to neighbours. Anyone deemed to have sabotaged the political-economy of the country were subject to the Forfeiture Act (Roberts, 1966), which Banda was not above using to pursue political vendettas.

Legislation was passed to outlaw alternative political parties. Within the MCP the President was instrumental in selecting those who ran as MPs and who took posts at local level. Local governance, chiefs' authority, the courts and parliament were all subordinated to the Executive. So too were the media, women and youth groups, and the censorship board; independent trades unions and rural cooperatives were muscled aside.

Political detention was used frequently against those who criticised, or were imagined to be critical of Banda. The security services and the Malawi Young Pioneers, who were guilty sometimes of egregious rights abuses, were used to intimidate the population, all of which was justified by the purported need to uphold 'order, loyalty, unity and discipline' – the four 'pillars' of Banda's regime:

> 'Let the world criticise me and my Government. If I do not act there will be chaos in this country … The people sitting in the editorial chairs in London will say: "Oh, we told you, Africans cannot govern themselves … there is political chaos in Malawi" … My first job as long as I am in Zomba [the capital city] is to maintain political stability in this country, and efficient, incorruptible administration' (Short, 1974: 229).

Although it will be cold comfort to his victims, this paranoid repressive politics did go hand in hand with an attempt to develop Malawi as a nation. And despite his reputation as a Chewa-promoter, Dr Banda was, according to those who worked with him, neither a 'tribalist' nor a 'regionalist' but was interested in 'balancing out' development in the country.

Projects such as the Dwangwa sugar estate in the northern part of the central region, the move of the capital city to Lilongwe, the Viphya timber estate established outside Mzuzu, and the lakeshore road to the north, were efforts to shift growth from its concentration in the south (a colonial legacy). DevPol II points out that the 'geographical balance of development' was also promoted by building a railway through the central region and extending the electricity grid and telecommunications throughout the country (Government of Malawi, 1987). His policy of opening the (newly built) university at Zomba to all groups through a quota system (rather than favouring the better-prepared northerners) continued this trend.

Banda's use of culture and tradition has been seen as an attempt to create a sense of national unity (reminiscent of a glorified past, and a rejection of corrupting western influences). Thus, it could be argued that his policy of creating a national language, history and identity were sound and that his manipulation of ideology and his levelling of tribes probably had some merit, but his methods contributed to tribal tension and to post-transition regionally based politics (Posner, 2004; Kalinga, 1998; van Donge, 1995; Zeleza, 2002; *Africa Confidential*, 3 March 1989).

3.5 Performance

The early years of Dr Banda's government, until the late 1970s, were marked by rapid national-level economic growth. The average annual GDP growth rate was 5.9% between 1964 and 1979. Banda was 'very successful in obtaining investable resources both from external and internal sources, particularly for the public sector' (Pryor, 1990: 47-48). Besides donor aid and some foreign investment (e.g., Lonhro, Carlsberg), investment finance was drawn from the public sector where parastatals, which also received injections of foreign funds, made profits averaging about 1% of GDP (Pryor, 1990: 50-51). Following Gweru Plan No. 2 the government's Statement of Development Policies (DevPol I in 1971) promoted smallholder farming, but it was less successful than hoped.[21] Estate farming was not the focus of DevPol I. Nevertheless, the profitability of commercial estates, especially tobacco estates, forged ahead while subsistence agriculture stagnated, providing a return on investment ranging between 22% and 67% in the 1970s (Pryor, 1990). This in turn spurred further public investment.

Government's policy of setting aside part of its revenues and public enterprise profits helped raise gross national savings in this period (to 11% during 1970-74 and 13% in 1975-79). The growth in real GDP per worker in the period 1960-79 was high – about 3% p.a. – and the main determinant of growth was the contribution of physical capital per worker (compared to, say, education, which though positive, was small) (Chipeta and Mkandawire, 2008). Investment in infrastructure favoured manufacturing, as did fiscal stability (e.g., inflation and the rate of exchange). As time passed and domestic savings increased, much of the investment in manufacturing was generated locally but international capital also responded positively to this environment. Overall there was a 'marked increase in gross capital in manufacturing … [with] the growth of manufactured output during the 1970s averag[ing] 5.6 percent per annum. As percent of GDP, the manufacturing sector increased its share from 7 percent at independence to 13 percent in 1980. Employment in the manufacturing sector, in turn, increased by a high, average rate of 6.8 percent per year' (Chipeta and Mkandawire, 2008: 158).

In 1972 the World Bank called Malawi's recent record of economic development 'remarkable' and 'impressive', due to the 'prudent, management of the economy in which both the public and private sectors have played an important part' (Thomas, 1975: 32). Harrigan (2001) calls the 15 years' growth 'healthy' and notes that it compared favourably with sub-Saharan Africa as a whole.

However, early gains proved easier than later reforms. With hindsight, it is clear that growth was uneven, as small farmers' productivity did not increase nearly as fast as that of the estates or the nation as a whole. That this led to a poor, landless tenant class; a reduction in available land (and therefore land degradation) as well as the impoverishment of smallholders as a class, has been much commented on (see discussion in Harrigan, 2001). The extent to which

[21] Stambuli (2002) stated 'the predicted trickle down of income failed because estate incomes were too low. Technological cross fertilisation did not materialise, either. A majority of tobacco producers were glorified smallholders or civil servants; as such the estates were not well equipped nor well managed to set the desired examples'.

development in this fifteen year period was 'remarkable' is thus open to debate. Richard Stuart (1981) concedes only that 'Banda's policies brought Malawi into the African mainstream by making possible the efficient exploitation of its resources. The new state passed from the undeveloped condition where it had languished under the British to active underdevelopment'.

Although Stuart's view seems overly pessimistic, it is clear that by the end of the 1970s, the Malawian development process had run into structural trouble. Mhone (1992: 30) identifies a basket of problems:

> 'Interventionist patronage behaviour of the state was short-sighted in that it limited itself to entitling its clientele in traditional export agriculture activities and commercial activities, while the state's participation was also limited to encouraging easy import-substitution activities only. No attempts were made to intervene … by promoting indigenous capitalism, let alone foreign investment in non-traditional high income elastic exports, in capital goods and high income elastic export demand manufactures. … [Had policies been different] the Malawi economy could have been better diversified both in terms of domestic production and exports to weather external shocks'.[22]

Mhone blames Banda's choice of interventions on his concern with serving 'the immediate interests of the state and its clientele', but the President was undoubtedly influenced by mid-20th century western development planning and by his scepticism about the capacity of ordinary Malawians to spearhead national growth. His companies and the elite with whom he could identify were to drive development instead.

4 Banda II (1979-94)

4.1 The context

The picture we get from late 1970s and early 1980s Malawi is of an administration paralysed by a combination of succession politics, the declining powers of its leader, and an increasingly cowed civil service.

The first shift occurred as Dr Banda aged. By the late 1970s, Banda was already in his eighties.[23] Though he reportedly remained vigorous and involved in policy-making into the early 1990s,[24] in the 1980s some close observers and visitors noted that he did not seem mentally astute enough to run his government all of the time.[25] Some feel he was pretty much out of control of government by the mid-1980s, while others working directly with him on a

---

[22] Note that while we agree with Mhone that the Malawian economy required restructuring by the late 1970s, we do not agree that policy up to that point had been short-sighted.

[23] After his death family members asserted he had been born in 1896. *Malawi News Online*, No. 40, 26 Jan 1998.

[24] For instance, into the 1990s he jotted side notes and corrected grammar on official memos, involved himself in MCP succession politics, personally ordered the deportation of foreigners, and amended speeches written for him by party officials (Cammack & Osman interviews with a senior MCP official, 23 Jan 2010, Blantyre, Malawi).

[25] Pryor (1990) said that Dr Banda seemed distracted and uninterested in the details of development policy when he met him in 1987.

daily basis say his mental acuity fluctuated and that at times he was more lucid than others.[26] Still others with close knowledge of the man, state he was mentally sound though quite deaf and thus unable to hold conversations with people unless he used a sound-amplification device.[27] Generally, then, it appears that while Dr Banda remained in control of many aspects of government, he took less interest in policy in the 1980s than previously.[28]

As Banda's powers waned, those around him became more influential. For example, his nurse/mistress (Cecilia Kadzamira) and her sister ('the girls'), and a few other women (mostly members of the Women's League) were counted amongst those Banda believed were the most loyal and trustworthy (Cammack & Osman interview with a former Secretary to the Treasury, 22 Jan 2010, Lilongwe, Malawi). Key was Kadzamira's uncle, John Tembo, whose influence grew from being the nation's first African Minister of Finance in the immediate post-independence years to the power behind the throne.

Further investigation is required to unpackage practices around Tembo that, first, allowed him to become wealthy; second, supported his 'clique' and its rise to power; and, finally, explain how decisions of state were made and implemented as the President aged. As Governor of the Reserve Bank for 13 years, Treasurer General of the party, and later Minister of State in the President's Office (*Xinhuanet*, 19 May 2004), Tembo was well placed to act as gatekeeper, to monitor information flows, to hire favourites, to manage the books,[29] to interfere with civil servants' work, and to make policy. He and those nearest him, including Ms Kadzamira, increased their power while opponents were ruthlessly crushed.

Many officials perceive the influence of Tembo on Banda, if not his downright manipulation of him by controlling information and appointments. Some informants go so far as saying that Tembo ruled through Dr Banda 'as a figurehead' in later years. In the early 1990s when Tembo was a Minister of State and a member of the MCP Central Executive his power reached its zenith. By then Dr Banda was nearing 100 years old and was dependent on Tembo's niece (whom one informant pointedly said he publicly called 'Mama' instead of 'nurse' as earlier[30]). Nonetheless, informants state that Banda did not want Tembo to succeed him, and sure enough,

---

26 One senior official told us 'when Banda aged he became absent minded; you needed to prompt him sometimes'. He would then come around and get back on track. But at the end 'we didn't know who was running the country' (Cammack & Osman interview with a former SPC, 21 Jan 2010, Lilongwe, Malawi).

27 One informant said that in the early 1990s the British and American ambassadors thought Dr Banda was not mentally fit until his officials set up an amplification device that allowed him to hear and have conversations, after which they reported he was 'amazing' (Cammack & Osman interview with a senior politician, 23 Jan 2010, Blantyre, Malawi).

28 Pryor (1990: 53-76) says that after 1979 the locus of policy-making appears to have shifted from the Life President and his long-time advisors to a younger group of officials and to the civil service. He appeared to have no input into the delayed DevPol II.

29 For instance, we were told that in 1994 the incoming government found a 'Japanese Non-Project Aid' account at the Reserve Bank whose funds had allegedly been used to reward MCP loyalists (Cammack & Osman interview with a former SPC, 18 Jan 2010, Blantyre, Malawi). Reportedly, Women's League members were provided with trucks from this account.

30 This was telling, he said, because to him it indicated Banda's personal dependence on her in later years (Cammack & Osman interview with a former Secretary to the Treasury, 22 Jan 2010, Lilongwe, Malawi).

from his hospital bed in 1993 Banda personally tapped Gwanda Chakuamba to lead the party in his absence (Cammack & Osman interview with a senior politician, 23 Jan 2010, Blantyre, Malawi).

This loss of direction at the apex of government occurred at a time when the global challenges facing Malawi were deepening and when structural constraints at home were hobbling growth. The world oil crises of 1973-74 and 1979 affected Malawi's terms of trade, balance-of-payments, and subsequent growth, as did a serious drought in 1979-80 (affecting food supplies, which were exacerbated by transport difficulties on the Nacala corridor). World demand declined generally as credit dried up and became more expensive internationally. In Malawi these affected the tobacco sector especially, and estate bankruptcies followed, which induced a domestic banking liquidity crisis. Government's on-going building works added to central government's recurrent account crisis, brought on by declines in capital inflows and a sharp rise in debt service payments. In the late 1970s, as the economic crisis deepened,[31] 'the rigidity of Banda's management system' and his style of government became increasingly apparent.

IMF stabilisation funding was made available in 1979; a World Bank structural adjustment programme, started in 1981, and debt payment rescheduling followed (1983). The goals of these and later facilities were to renew Malawi's foreign exchange reserves, deal with the balance-of-payments crisis, and reduce public spending and the budget deficit. Restructuring of the economy became a primary goal as time passed and the crisis endured (Kaluwa, 1992).

Structural adjustment, following non-statist neo-liberal thinking, was meant to tackle deeply rooted problems, some reportedly worsened by Banda's development strategy. The programme aimed, among other things, to address the inefficiencies in the productive sector caused by price controls; poor performance in the smallholder sub-sector due to the pricing structure that favoured estates; inefficient public enterprises due to unsystematic and wasteful investments; a narrow export base whose products (tea, tobacco, sugar) were affected by world market conditions; the heavy import dependence of the industrial and energy sectors; a generally weak incentive framework; an over-valued exchange rate; and a need to 'rationalise' the Press-ADMARC-MDC relationship (Kaluwa, 1992).

[31] Pryor (1990: 47) states: 'The commodity terms of trade … fell, not only because of the second oil shock but also because of a relative decline in the prices of products Malawi exports. The major transportation links between Malawi and the Indian Ocean … through Mozambique were disrupted by insurgent … activity, leading to an enormous increase in transportation costs of foreign trade. Also, a partial drought occurred in 1980. The tobacco estates … were highly leveraged, and these external problems exacerbated their weak financial conditions, sending many into receivership. The parastatals that had spearheaded Malawi's industrialization not only had similar financial problems but others as well. They had grown so fast … that management control were insufficient, and they were unable to adapt easily to new conditions. As a result they began to run heavy losses. As international reserves plummeted, the Malawi government borrowed heavily in private capital markets, acting on the assumption that many of these difficulties were short turn. This assumption was incorrect. It delayed a necessary reorganization of these industries, and on top of the considerable external debt-service charges from previous long-term borrowing, it saddled the government with additional external payments'.

4.2 Rent-creation and distribution

Economic restructuring under the tutelage of the IMF and World Bank disrupted in significant ways the system for channelling rents that had worked, with limitations, under Banda I. The policy of reforming the estate sector to reduce subsidies and make it more competitive, together with the shift against import-substitution industrialization, heralded a major change in the types of rent-creation and distribution that could be encouraged.[32] Also up for reform was Press Holdings. The company was heavily in debt to domestic bankers (K54m) and to ADMARC (K50m) as well as to foreign lenders (through government-guaranteed loans). Because it was a major shareholder in the two commercial banks – and their largest debtor – as well as providing goods and services in virtually every sector of the economy, its near insolvency was of national significance. Had it declared bankruptcy it would have affected not simply the supply of goods and services, but the government budget, domestic banking, and the nation's creditworthiness (Harrigan, 2001; van Donge, 2002). Thus the donors were prepared to treat it as a parastatal, and to help with its restructuring. Van Donge (2002: 7-8) explains:

> Press's liquidity was secured by a lifeline of government loans. A swap of Press assets – farms – for ADMARC debts cleared those major debts. Press Holdings Ltd. was liquidated and it was split in two - an operating company called Press Corporation, and Press Trust to hold the shares. The shares were given by Kamuzu Banda to Press Trust: 'in consideration of his love and affection these were dedicated to the Malawi nation'. [He remained] … the principal trustee or settler in Press Trust. However, the aim of the reorganisation was a separation of the political significance of Press from its economic significance. It implied not only a hands-off attitude of ownership towards management, but also, above all, a separation of the company's finances from those of its owners. Press Corporation undertook to pay a certain amount to Press Trust every year before a dividend was declared. So, independent of the profitability of Press, Kamuzu Banda had money for political patronage, and in addition there was the dividend. Banda continued to have an income from Press that he could distribute according to his personal whim, but he could no longer personally disturb the cash flow within Press Corporation. This ushered in a period of unprecedented growth for the company.[33]

---

[32] It is hypothesized that SAP reduced the amount of cash available to Banda to promote this class of loyalists. Changes to the structure of Press and its relationship to government did much the same, though Press succeeded in improving its business portfolio and profitability thereafter. Other factors need to be considered as well – e.g., the rising cost of transport and fuel and the impact these had on estates owned by Banda's loyalists; food shortages; reduced wages especially in the civil service as inflation took hold, etc. These and other economic factors had an impact on politics throughout the 1980s, resulting in dissent by 1991

[33] In 1995 the company claimed 'to contribute an estimated 30 per cent to GDP. The Press contribution to government finances by way of duties, surtaxes and company taxes was emphasised: the figure was put at about US$141 million in the ten years after restructuring, excluding income tax of the approximately 23,000 people employed by Press' (van Donge, 2002: 660). Press Corporation Ltd (2008) reports that after restructuring 'a period of double-digit growth ensued: between 1983 and 1993, the company's performance improved from a loss of MK12 million in 1983 to pre-tax profits of MK177 million in 1993, and shareholders' funds increased from MK4 million to MK567 million over the same period. In 1993, the company repaid the debt it had assumed from Press Holdings'.

4.3 The technocracy

By the end of the 1970s, 'the civil service ceased to exist in its colonial form', partly because it grew and expatriates had mostly been replaced by Malawians (Baker, 1972). Prospective political successors' attempts to win Banda's favour gave rise to considerable political intrigue. By the end of the decade, one informant said, there was a clear 'mixing of politics and civil service', with cliques vying for influence. Civil servants interacted directly with politicians and ministers – something that would not have happened earlier.

Bureaucratic discipline of a sort lasted for some time though. Through the 1980s and until the transition to multipartyism, the culture of detentions and rights abuse kept many in line, but at the same time it demoralized and frightened civil servants more than before (Cammack & Osman interviews with former SPCs, 19 and 21 Jan 2010, Blantyre and Lilongwe, Malawi). More than one SPC told us that the 'intrigue' surrounding Dr Banda was crippling. Schemers would corner senior officials, wanting to know what it was that the SPC and Banda talked about in private, who was being discussed by the Central Intelligence Organisation (which the SPC chaired), etc. More than one said it was this – and their fear of confrontations with Tembo – that led to their resigning their posts. Such tensions also gave rise to unease within the civil service and by the late 1980s some had had enough of the regime and 'supported the opposition in a clandestine way' (Cammack & Osman interview with a former SPC, 18 Jan 2010, Blantyre, Malawi; Cammack & Osman interview with a form Secretary to the Treasury, 22 Jan 2010, Lilongwe, Malawi).

Infighting in government and lack of focus on development undoubtedly contributed to the delay in publication of DevPol II till the mid-1980s (Pryor, 1990), and to failure to improve development planning generally. Anders (2002) places the decline of the civil service from the mid-1980s (citing reduced wages and professionalism as key factors). Hesitancy in bringing difficult topics to Banda led at times to senior officials approaching his female consorts, with whom he was more likely to discuss 'silly' ideas (Cammack & Osman interview with senior politicians, 23 Jan 2010, Blantyre, Malawi).

For example, some structural difficulties – e.g., the need to dismember Press and restructure ADMARC – were difficult to raise with the President for fear that he would get angry and react by firing staff. Thus, civil servants and politicians took their problems to 'the women' (members of the Women's League) who would take them to him. Reportedly, civil servants also worried about introducing World Bank and IMF officials to Banda for fear of what he might say to them. And when it turned out that the government had a budget deficit on the current account – a problem that no one had the courage to report to Banda – senior officials shifted money from the development account, which he never looked at, to the recurrent account and reported to him. After their meeting they shifted the money back. Had they not done that, it was opined, he would probably have 'fired a lot of people and we'd have lost a lot of brains from the civil service'. (Eventually they explained the fiscal problem to him, but gradually; Cammack & Osman interview with a former SPC, 21 Jan 2010, Lilongwe, Malawi.)

The lesson here is that Banda's power and his willingness to use it created fear that underpinned efficiency and honesty in the good years, but undermined the effectiveness of his civil service when faced with problems, which was at the exact time he needed it most.

4.4 Political competition and inclusion

Throughout the 1980s, politics remained uncompetitive and relatively inclusive, in the particular sense in which we are using this term. But there were changes in the way this worked. The regime became arguably even more intolerant of dissent than hitherto. The 1983 Mwanza murders[34] – which saw four senior politicians separated from their colleagues, driven to an isolated spot near Mwanza and bludgeoned to death by police, their deaths being made to look like a car accident – started simply, when several senior politicians expressed concern about overspending by government. While Dr Banda was willing to have this question tabled in parliament and was apparently sympathetic to the need for controlling officers to be held responsible for spending, this debate was undoubtedly seen as 'coded criticisms' of himself. It also came at a time when donor pressure to reduce spending was intense.

Coming in for criticism by Dr Banda and John Tembo was the arrogance of the four men – two Ministers, the Secretary General of the MCP, and an MP. When they called on Dr Banda, he accused them of 'aspiring to his position' and warned them that they were 'being watched'. Tembo reportedly also claimed that their words showed that 'Parliament had rebelled against the President', and that it 'was contending that the President had too much power, which needed to be shared between Parliament and the President'. The President relieved one of the four of his role as Regional Chairman of the MCP for the South because he 'was posing as a big man'; the position of Secretary General was also abolished, seemingly (the Commission reported) because Banda believed these posts 'could provide platforms to … mount challenges to his authority'. One of the four, Mr Sangala, had not been involved in the parliamentary debate on spending, but seems to have become a target because he had crossed his patron, John Tembo. Sangala, it was reported, had been 'given favours' by Tembo, 'such as bringing him out of the university and giving him a job at the Reserve Bank of Malawi and making him a minister'. He had also given him a Range Rover, and had helped him buy a maize mill and a house. But he was now 'boasting that he was the leader in Dedza [where Tembo originates] and that there could not be two leaders in Dedza' (Mwanza Commission, 1994).

Further, these murders need to be read against the issue of succession. Dr Banda was probably 87 years old in 1983, and apparently desirous of taking a year off. John Tembo was keen to become Acting President in his absence, and to ensure no other politician ousted him from that position.[35] Hearsay evidence (by the wife of the late-Inspector General of Police Kamwana, before the Mwanza Commission) indicates that Tembo told I.G. Kamwana to 'cause the disappearance' of two of these men 'because [they] … objected to Dr Banda's proposal that Mr. Tembo should act as President while he went on leave abroad'. Reputedly, when Kamwana was slow to act, Banda reportedly encouraged him to follow Tembo's instructions, which he did. The nature of clientelist politics sits at the centre of these murders, for policy differences quickly became personalized, as does the need for 'big men' to maintain close control of power and to crush opponents before they rise too far.[36]

---

34 This discussion is drawn from Mwanza Commission (1994). Also see van Donge (1998).

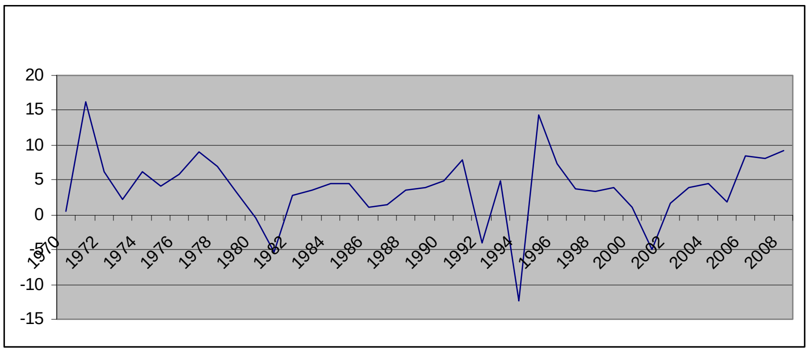
35 Ten years before Aleke Banda was reported by a foreign newspaper to be the natural successor to Banda, and was expelled from the party and sent home for a year (*The Nation*, 26 Sept 2008).

36 Over the thirty years from independence there were others who sought to gain influence, even to succeed Dr Banda, but their machinations, which were central to the 'intrigue' that some informants cited, landed them in prison or worse (Messrs. Gwede and Muwalo are famous examples, for the

4.5 Performance

From the late 1970s onward, growth slowed and then became negative (Table 1) while debt piled up and adjustment policies were implemented poorly. The cause of Malawi's economic woes came from three sources: exogenous shocks, the policy responses to those, and internal structural imbalances brought on in part by earlier development policies. Underpinning all of these were the structural constraints that Malawi still faces: recurrent drought and floods; worsening land scarcity and degradation (due to population growth and backward agricultural technologies); and its being landlocked. The war in Mozambique in the 1980s made this latter problem worse, and resulted in even higher transport costs and vulnerability to transport interruptions. These in turn raised production costs and inflation and reduced the international competitiveness of Malawi's products (Kaluwa et al., 1992).

Table 1: Annual % change in real GDP, Malawi, 1970-2009



Source: IMF (various years); Harrigan (2001).

After the implementation of structural adjustment policies some initial gains were recorded (e.g., GDP growth fell nearly -3% in 1980-81 but grew by +3.8% in 1982-85: Kaluwa et al., 1992). But the Mozambique war – which Banda fuelled by supporting Renamo (Martin and Johnson, 1986) – created an influx of 1m refugees and closed routes to the sea. Poor weather and declining terms of trade further contributed to economic woes, and in the late 1980s Malawi experienced high inflation (31.5% in 1988), declining growth and higher fiscal deficits (at 13.5% in 1986).

More structural adjustment lending followed, resulting in increased growth (4.3% in 1988). But macroeconomic improvements were seen to be the result of a 'contraction in domestic demand rather than a change in the structure of the economy' (Kaluwa, 1992). That is, land pressure (Stambuli, 2002) grew to the point where diversification and production for export were beyond the capacity of smallholders generally; poverty climbed and social services deteriorated as government spending declined (and debt servicing rose). By the late 1980s, and especially in refugee-affected border areas, food security was problematic, though the refusal by Banda to acknowledge that Malawi could not feed itself made it more difficult for aid agencies and government to address.

Some restructuring of manufacturing followed price-control reforms, new financing arrangements, policy changes promoting free trade and the promotion of small and medium enterprise development, all of which resulted in food products and tobacco making up a smaller

former was head of Special Branch and the latter was Secretary General of the MCP until their arrests in 1976). See Mpasu (1995) and Pryor (1990).

proportion of the national export trade than in the mid-1970s. Parastatals, which had been under severe pressure in the early 1980s as funding from government declined and a liquidity crisis resulted in renegotiated debt and suspended operations,[37] were meant to become profitable through reforms that promoted better planning, management and auditing. Some gains were recorded by the early 1990s (Kaluwa, 1992).[38] But due to Malawi's structural constraints and its increasing poverty, the reforms undertaken by Banda in these later years were unable to bring Malawi back to its 1970s performance figures.

It came to be widely believed that restructuring of the economy would only be possible with political change. This meant the removal of what Mhone (1992: 4ff) calls the 'iron triangle' (Banda-Tembo-Kadzamira, the state apparatus, and the clientelist class of agricultural and commercial entrepreneurs who benefited from state policy), and its replacement with an 'accountable state' that would be 'able, through consensus seeking and the free participation of the majority, to forge a new development thrust that has the long-term interests of the society as a whole'. Donors wanted 'tangible and irreversible evidence of a basic transformation' (Human Rights Watch, 1993) that would guarantee good governance and human rights protection. As for the economy, Venter (1995: 152 and 192) found that the World Bank advocated the 'unbundling' of Press Corporation because it represented a 'significant structural weakness in the economy and is stifling initiative and keeps small entrepreneurs from entering the economy', but that other donors were more concerned about the 'over-dependence on agriculture, especially the production of tobacco and maize', and promoted diversification. Local entrepreneurs, including those from the Chamber of Commerce and Industry, stressed a need to address the 'structural weaknesses' in the economy that hindered foreign investment. A major political-economic transformation was being advocated.

5 Muluzi, 1994-2004

5.1 The context

By the early 1990s, the pressure for a political transition had become irreversible. Shifting Malawi's economy from what has been described as '"state monopoly capitalism" with a fusion of the state and business in the person of President Banda' (Harrigan, 2001: 37) to a liberal, free-market model within a multiparty, democratic framework, took some major political-economic engineering. Removing Banda from power, along with his instruments of coercion (the MYP) was the first step and was completed relatively peacefully through a referendum and multiparty election by mid-year 1994. Bakili Muluzi, a self-proclaimed democrat, took power under a new Constitution that laid down a maximum of two five-year Presidential terms (following the American model) with an independent judiciary and a National Assembly (soon relegated to a single house as the provision in the Constitution for a Senate was scrapped by the new government).

---

[37] Harrigan (2001: 43) states that by 1980 ten major parastatals were operating at a loss due to unfavourable medium-term debt profiles, managerial problems, falling profits, and the inflexibility of the government's price-control system.

[38] E.g., ADMARC produced a loss of K26m in 1985 but a profit of nearly K24m in 1991 (Kaluwa, 1992).

The ‘gap’ between Mr Muluzi and his ministers was much less than that between Banda and his ministers, for Muluzi and his colleagues generally had similar experiences, education levels, and expertise. Most came ‘from the private sector and had no idea how government was run’.[39] Only a handful of Muluzi’s senior people had been in government before – e.g., Aleke Banda (his first Minister of Finance), Justin Malewezi (the Vice President and a former SPC to Banda), and Edward Bwanali (his Minister of Foreign Affairs) (Cammack & Osman interviews of a former SPC, 21 Jan 2010, Lilongwe, Malawi and a senior politician, 26 Jan 2010, Blantyre, Malawi).

Mr. Muluzi’s lack of expertise (one civil servant called him ‘intellectually challenged’) combined with the political pressures acting on him after the transition (discussed below) led to a weakening of government systems and fiscal chaos. He felt he needed big money fast; he and his cronies used poorly regulated procurement systems and foreign funds to get rich and to try to stay in power. Corrupt practices of all sorts spread down through the civil service as ministers were seen to be largely exempt from prosecution and as rules were broken with impunity. These emerged as the predominant form of rent creation and distribution.

5.2 Rent-creation and distribution

Informants indicate that misappropriation around procurement was the main source of illicit funding, and thus of rent generation, in these years (Cammack & Osman interview with senior state official, 20 Jan 2010, Lilongwe, Malawi). It appears not to have been centralized, though one informant provided information that indicated that Mr. Muluzi, at least in some instances, did have first-hand knowledge of shady deals being planned by ministers and close aides. Money was illicitly earned and used to fund political careers, pay off supporters, hire youth to crush opponents, and to get rich. Some of Muluzi’s more foolish associates were known to brag about the number of houses they had acquired since coming to power, while others funded large, high-visibility building projects with state monies (Cammack & Osman interview with senior politician, 20 Jan 2010, Lilongwe, Malawi).

Also, the UDF benefited from funds coming from people who were grateful to the regime for helping them with business. For instance, Petroda, a petrol company owned by a Tanzanian, wanted to open stations in Malawi, including in parts of the country where other stations had not been built. He was awarded a contract to build stations – some in prime locations – and to import petrol. In return, one informant claimed, ‘Petroda helped the party so much’. Purportedly, the party was even offered a 20% stake in the company, though it turned it down (Cammack & Osman interview with senior politician, 26 Jan 2010). Also it is well known that after Petroda came upon the scene, all government vehicles were required to buy their petrol from Petroda stations instead of BP or Oilcom.[40]

---

[39] Harry Thompson noted ‘in fact, most of my colleagues in the cabinet of the United Democratic Front are former business people. And it was questioned when we took over government, “How are these business people going to run government?” And our answer was simple – we hope that we will be able to run government like we do a big business’. See Thompson (n.d.).

[40] Fuel procurement also gave rise to the Petroleum Control Commission scam in 1998, which involved ruling party politicians and parastatal bosses, led to the loss of US$14 million through inappropriate awards of fuel contracts (Hussein, 2005).

The centre's inability to control rents in the way Banda had done is indicated by what happened when the party at one point allegedly talked about opening its own company – as ZANU PF and other neighbouring countries' ruling parties have done. According to our informant, it decided not to do so because they felt they would not be able to control the funds coming into the company.

Some monies that were supposed to be paid by subordinates in the party never made it to the top. Muluzi and others feared, then, that they did not have the systems in place to manage such an operation. So, instead, they deliberately used outsiders to win government contracts and then took kickbacks (Cammack & Osman interview with senior politician, 26 Jan 2010, Blantyre, Malawi).[41] There were many procurements scandals in the 1990s, but few were prosecuted (e.g., Anti-Corruption Bureau, 2003).

While the party did not control or benefit from the scams *directly*, Muluzi and a number of close associates did. Muluzi ran or had an interest in a number of companies that directly benefited from contracts and goods provided by foreign friends.[42] There are some notorious examples of how business was used for political ends in this period.[43] One illustration is the sugar trade. In 1998 a study by the Consumers' Association reported that sugar, which had become scarce in Malawi's shops since 1994 but was available from street vendors, was 'big money and big politics'. 'Muluzi controls 60 percent of the lucrative sugar distribution business in Malawi [and] the current list of distributors "is full of corrupt businessmen"'. The report

---

[41] An ex-SPC confirmed: Under Muluzi benefits were 'scattered'. You 'could not point to one person who was in charge of spoils'. Parastatal appointments, diplomatic posts, procurement deals were used – as business loans – to reward followers. Muluzi pushed this method of reward. 'People were appointed to manage [things] but most made a mess of it'. On other hand, Tembo would go to Banda to get a man recognised and given a favour or benefit. It was centralised. It would have been impossible for someone at subordinate level to have had own little empire. Later, under Muluzi, spoils were distributed by many (Cammack & Osman interview, 18 Jan 2010, Blantyre, Malawi).

[42] 'We don't import sugar from abroad and we have a sugar company which has large estates of sugarcane in Malawi. You also have a share in this company and you distribute sugar through Ntaja Trading Company. So why should sugar be so dear as it is at present? If we ask you why the prices rise you always say "*Kodi president amakhala ndi Grocery*?" "Does the president have a grocery/shop?" How about Ntaja Trading or Illovo Sugar Corporation? There is a fertiliser factory here in Malawi at Liwonde. If we observe we find that you have a share there. The same applies to AGORA Company. Then why should fertiliser be so dear as if we are importing? Cement is being manufactured at Changalume in Zomba District. Why is it dear too? Last year the Libyan Government donated more than 75 metric tonnes of fertiliser for distribution to poor peasant farmers in Malawi. But the same fertiliser was found being sold to farmers by your own company in Mulanje. Why and how?' (Sheikh's Letter, 2001).

[43] Many scandals were half-reported, few were fully investigated and hardly any were prosecuted. Some came to light in the independent press, or later in cases brought under the Mutharika government. Once in a while a politician, in changing sides, would report cases. One large case took place at the Ministry of Education when Minister Cassim Chilumpha (later Mutharika's contentious VP) apparently diverted some K187m – partly by awarding contracts for work that was not done – to the UDF during the 1999 campaign. The government's sell-off of the strategic grain reserve to cronies who held maize and waited for prices to rise, was partly the cause of the 2002 famine. From 1995 onwards the communications sector – principally cell phones, the government TV station, internet and later the privatisation of the national phone company – was also a prime target of predation.

> accused Muluzi’s company, the largest in the industry, of malpractices which created the shortage and caused high prices. "He is not doing it right. He is not following the rules of the game. Sugar business is now dirty and clandestine”….With the President controlling 60 percent of the Malawian sugar business, the rest is run by most of the cabinet ministers and senior politicians from the ruling United Democratic Front (UDF) [and]… proceeds were pumped back into the UDF…. 66 distributors spread across the country, who toe the UDF line, had formed a sugar cartel and determined the price of the commodity. Muluzi alone sells 480 metric tonnes of sugar a week, most of it through his Asian business partner, … Kalaria (SAPA-AFP, 1998).

Muluzi, the report concluded, had fairly distributed sugar for 15 years before he became president in 1994. Now he ‘should remove his political hand and allow fair trade’.

The President also took ownership of hundreds of vehicles (distributed to party activists and loyalists, including chiefs), acquired well-located properties and constructed office buildings, and traded in a variety of goods through a business empire (in his and his family members’ names) that included Farmers World, Atupele Properties, Ntaja Trading and undoubtedly other companies. Proceeds benefited not only himself and his family, but the UDF, politicians and ultimately, the many tens of thousands of Malawians who received K50 notes when attending rallies. The money was used to win elections (ARTICLE 19, 2000), induce MPs to vote for the third term,[44] to entice politicians to join the party, to pay for the UDF’s Young Democrats’ activities, etc. No doubt much of the money went to charitable causes as well, for informants tell us that Muluzi is a ‘kind and good’ man who often gave money to people presenting hard-luck stories.

Like Muluzi, others built up business empires and clientelist bases by using government resources. Two cases stand out – one where Cassim Chilumpha (who later was Dr Mutharika’s first-term Vice-President) – allegedly misappropriated K187m by awarding contracts for school buildings, many of which were not built – and the other where several senior people in agriculture (including the current chair of the UDF) reportedly conspired to sell off the national grain store for the profit of sub-contractors, which contributed to the 2002-03 famine.[45] In cases such as these profits benefited politicians and well-connected business people at all levels at the expense of national development.

As long as Muluzi and the UDF were in power, they were more or less protected from prosecution by the Anti-corruption Bureau (the police never made arrests for fraud or theft by politicians). Subsequently, since 2005, fear of arrest was to fuel the conflict between the current President and the UDF.[46] It took more than a decade for government to jail Minister Sam Mpasu for the Fieldyork procurement scandal, which was one of the first to take place (1994)

[44] ‘More that 40 MPs were allegedly bribed by the regime to support the Third Term Bill. One MP, Mponda Mkandawire, refused the MK100,000 bribe and exposed the scam’ (Hussein, 2005).

[45] ‘According to a report by the ACB, several Malawian politicians bought some of the grain and sold it on the open market at a higher price. This transaction has forced the government to borrow US$28 million to make up for the resulting food shortage. The ACB blames officials in Malawi’s Agricultural Department and Marketing Corporation … and the National Food Reserve Agency’ (Global Integrity Report, 2007). Also see Booth et al. (2005).

[46] One informant said that now there are 78 cases against ‘UDF gurus’ and ‘some 200’ against ‘UDF functionaries’.

(AntiMuluzi.BlogSpot.com, 2007). Many more UDF politicians are under indictment. The slow pace of prosecutions is largely a result of defence lawyers' manipulation of the inefficient judicial system.[47]

From the late 1990s onward, stories of corruption surfaced regularly, linked to Muluzi and his close associates. Many resulted from political connections and had political aims – especially as UDF politicians (and their erstwhile coalition partners) accumulated wealth, rewarded loyalists and raised campaign funds. For instance, with regard to communications, the introduction of cell phones and internet profited Minister of Information Brown Mpinganjira in the mid-1990s (ARTICLE 19, 1998) whereas the privatisation of Malawi Telecoms later benefited the Minister of Information Clement Stambuli and his cronies.[48] To undermine opposition, the award of licenses for independent radio stations was delayed for years by government on the pretence of applicants having insufficient funds or technical expertise; the first two licenses went to UDF supporters, even though they did not meet these criteria. In the transport sector, misappropriation of money from donor projects was notorious – landing one minister in the dock (though soon he was reappointed by Muluzi to the chairmanship of a statutory body) and slowing the completion of the road to the northern border as funds were diverted (Institute for Policy Interaction, n.d.).

At the apex was Muluzi, who set the tone, which was very different from Banda's tightly controlled and apparently less predatory form of patronage politics. Malawi's well-connected elite were the ones to benefit most from this environment, as bureaucrats and politicians bought farms, transport companies, buses, guesthouses, hotels and bars, private schools and hospitals, etc. Government jobs were used as a 'stepping-stone' to business opportunities and consultancies (Anders, 2002: 53-55).

Against this backdrop, a move was made by government (led by then-Finance Minister, Aleke Banda, who had helped start and run Press Holdings) to take Press away from Banda, Tembo and the MCP. This was done in a series of drawn-out political moves, some of which were illegal (see van Donge, 2002) but supported in principle by the donor community. This resulted in a highly charged atmosphere and a cynical use of the law that left a lasting imprint on Malawi's post-transitional political culture. Press companies were appropriated in February 1997. Thereafter,

> given the donor pressure … it is not surprising that … moves were made to reduce the power of Press in the economy. This consisted of a number of steps. First, Press Trust was depoliticised. It became a public charitable trust in the interest and for the benefit of the people of Malawi, advancing and promoting especially education, health, welfare and

[47] For instance, the *Daily Times*, 21 Jan 2010, laid out the court proceedings that have held up the case against the UDF's Humphrey Mvulu (for misuse of funds when at Shire Bus Lines, which was part of ADMARC) since 2004, including stay orders and applications to the Constitutional court, judicial reviews and delayed filings.

[48] *The Chronicle* (6 Aug 2001) noted 'Several highly placed individuals including Information Minister Clement Stambuli and the MTL Chairperson Ruth Lemani, wife to the flamboyant presidential advisor and confidant, Dumbo Lemani are named in the fraudulent activity after they used insider information and gave themselves lucrative telephone bureaux contracts without following proper bidding and selection procedures'. Clement Stambuli was Muluzi's vice-presidential candidate in 2009.

housing. Second, the absolute power of Press Trust over Press Corporation was broken. The interest of Press Trust in Press Corporation was reduced to 49 per cent. The proceeds from selling the shares in Press Corporation were then to be put into diversified investments. Not only were existing shares of Press Trust sold, but new shares were issued to inject new capital into Press Corporation. Third, although Press was very profitable, commercial criteria in Press Corporation were reinforced to make it simply one of the players in the market. A more strict application of commercial criteria led to a rationalisation of Press Corporation (van Donge, 2002: 11).

5.3 The technocracy

Mr Muluzi's scant experience of government gave him little knowledge of how to manage the civil service. Making matters worse, the UDF perceived many at the top of the civil service to be MCP-loyalists, and so they were rooted out. On a single day early on in the first term, 13 PSs were retired; these and other PSs were replaced or augmented by 'personal advisors' to the ministers, who above all were loyal.[49] Right from the start, then, the colonial legacy of keeping the civil service separate from politicians was further eroded. Moreover the public service was restive: having gone on strike under Dr Banda for better conditions, it was willing to protest and strike when discussions of restructuring (read: downsizing) seemed serious or when high rates of inflation reduced real wages further. 'Rights talk' and new laws encouraged civil servants to take cases to the Ombudsman or courts when dismissed or reprimanded, which reportedly further weakened senior officials' willingness to 'manage' their staff.

Development policy-making deteriorated over time. According to one senior official (Cammack & Osman interview, 21 Jan 2010, Lilongwe, Malawi), the first five or six years were run according to a developmental logic, but after 2000 there was a change in personnel at the top, introducing people who above all else wanted a third term for Mr. Muluzi. A senior UDF politician pushed the date of this shift in priorities back to 1998 or so, when the 'Zomba mafia hi-jacked' the President (Cammack & Osman interview, 26 Jan 2010, Blantyre, Malawi). Before that 'the President and political leadership were able to listen to advice, respected the budget, and there were internally vibrant discussions'. After that decision-making around development issues took second place and policy documents that were produced were not implemented. A senior civil servant reported that ministry-level bodies that debated and set policy also operated in the early years of the Muluzi government, but that these too gave way to politics after a while (Cammack interview, 16 July 2010). A two-track political-economic programme was thus observed in Malawi in these years – the first was grounded in formal policy documents and aimed to achieve the poverty-reduction goals outlined in the Poverty Reduction Strategy. The second followed a different path – a clientelist political logic that aimed to keep the regime in power after 1999.

Previous research on specific ministries and the 1999 campaign (e.g., ARTICLE 19, 1998 and 2000) tends to support the view that a non-developmental logic permeated some sectors from the mid-'90s onward and was evident nationally by 1999. Certainly the impact on development planning, fiscal stability, and the rule of law was noticeable by then. Moreover, much has already been written (e.g., Anders, 2002) about the further disintegration of the civil service in

[49] Meanwhile local government stagnated as councils were abolished and no new policy emerged (for 4 years). Nor were local elections held until 2000, when it seemed safe to the UDF to have them.

the 1990s, as discipline broke down, staff prioritized their own business interests, corruption with impunity spread, and public-service provision declined. Also, civil servants were poorly directed by Mr Muluzi, who, one said, did not spend time studying the details laid out in policy documents, as the previous and later presidents did, but would read them through and just say 'fine' (Cammack interview, 16 July 2010). Also corruption in its dominant form – around procurement – was evident quite soon after the transition; as this is related to extraction of rents it is discussed in more detail below.

5.4 Political competition and inclusion

The fact that Mr Muluzi's party, the UDF, did not hold a majority in the Assembly resulted in shifting coalitions (between the UDF and opposition parties) and in what has been described as the 'politics of chameleons' (Englund, 2001). The impetus that led Muluzi, a senior figure at the Chamber of Commerce and Industry, to seek power – i.e., so members of 'MCP-Team B' could use the newly opened political space to build economic empires too (Lwanda, 2006) – ran in parallel with the donors' goal. But the latter sought to extend neoliberal capitalism within the confines of good political and economic governance, an unrealistic objective (see Chang, 2007) as 'informal logics' drove the regime after the first few months.

The democratic transition set new parameters for managing political competition. Where Banda had control of parliament and the selection of MPs, Muluzi had to contend with opposition parties, multiparty elections, a minority government and coalition forming,[50] and errant MPs who could possibly be bought by other parties' leaders. To retain support the President needed resources to distribute: he appointed (often unqualified) loyalists to parastatal boards for instance, increased the size of his cabinet to include more cronies, and oversaw the siphoning of funds from government coffers by senior party people for political and personal ends. Corruption spiralled out of control (Khembo, 2004; Global Integrity Report, 2007). Muluzi also sought to recentralize power by amending the Constitution whenever necessary.

Informants explain the increase in corruption not in personal, but in structural terms; viz., poor politicians came into power after making promises that could not be fulfilled. The population had 'high hopes, but deliverables were not coming. Muluzi was held a hostage' to this dilemma. People were pushing him all the time for things, public goods, 'requests' etc. Further, UDF 'functionaries' at local level 'complained and pressed for deliverables', as people on the ground demanded them. So, Muluzi began to 'make promises that had no relationship to the budget'. But if the 'technocracy [said], "no, sir, it's not in the budget", he'd be enraged' so spending went over budget and fiscal chaos resulted (Cammack & Osman interview with senior politician, 26 Jan 2010, Blantyre, Malawi).

Making the comparison between Muluzi's and Banda's regimes, another politician added that it is the 'system', not the individual that creates corruption. 'A president has to look after his friends' in a multiparty system. Under Banda this was different as he didn't have to face real

[50] The UDF was unable to win the majority of seats in the National Assembly and so Mr. Muluzi formed coalitions with other parties and recruited individual opposition politicians. Why this was so crucial appeared to have little to do with bills before parliament (as the parties seemed to share opinions about these – except about Press, see van Donge, 2002) but more to do with who manned committees and controlled funds.

elections and he was under no pressure. 'Banda never had to buy off anyone'. He was 'hero worshipped'. 'He was not answerable to anyone except God and history' (Cammack & Osman interview with senior politician, 18 Jan 2010, Blantyre, Malawi). Under multipartyism, parties needed to buy loyalty. This, of course, explains why elections in general and the bid for a third term created such economic havoc from 1998 onward.

As noted earlier, the emphasis on national development became less important at the top of government from around 1998 as pressure to win the 1999 election – and later, a third term – escalated. The nature of post-transitional party-politics promoted regionalism and Muluzi did little to reduce it through his poorly implemented development policies. When he could he used funds and appointments (e.g., his cabinet grew significantly) to buy the allegiance of politicians from any and all parts of the country.[51]

The palaver toward the end of Muluzi's second 5-year term, around his 'open-term' and then his more limited 'third-term' bids, is well known. Briefly, from 2002 onward Muluzi tried to get a constitutional change through the National Assembly that would allow him to run for another term. It created havoc politically as UDF loyalists attempted to buy MP votes and as those (like Brown Mpinganjira) who'd waited in the wings for years to take over, were angered by the President's desire to stay on. These critics abandoned the UDF and formed other parties, generating reinterpretations of Sec. 65 of the Constitution (banning crossing-the-floor), subsequent judicialisation of the disputes, etc. Civil society took to the streets, though anti-third term demonstrations were banned by Muluzi, which caused further uproar and donor distress. In the end Muluzi lost his campaign to stay on and was forced to select a successor. While many hoped to be chosen, he appointed Bingu wa Mutharika, a relatively unknown international technocrat, to run as UDF candidate in 2004, though Muluzi remained president of the party. This choice of Mutharika created further anger and defections. Taken together, the two or more years of political chaos provoked by these events undermined whatever progress had been made economically, and affected political stability and investors' confidence.

5.5 Performance

Coming to office in the context of strikes and political unrest, low levels of aid, and drought-induced hunger, Muluzi's government introduced 'bold new policies, which deepened liberalisation, stabilised the macro-economy and improved social welfare'. Initially performance improved. Between 1995-97 investment and public finances recovered, growth reached 10 per cent, a growth dynamic emerged in the smallholder sector and there were early signs of economic diversification (Harrigan, 2001). But the gains were to be short-lived and the country sank into depression under the weight of what Harrigan calls 'election pressures'.

The political instability of the Muluzi years – driven by the democratic, multiparty environment in which Muluzi and his colleagues sought to retain power and access to state resources – contributed to the economic free-for-all that ensued between 1994 and 2004. In almost every sector problems increased – food insecurity resulted periodically in famine; corruption deepened and spread; environmental degradation worsened; deindustrialization proceeded as did joblessness, infrastructural deterioration, fiscal instability (interest and exchange rates, over-

[51] Most famous were the (northern) AFORD 'rebels' in the first term, and latterly, Mr. Tembo and MCP followers from the centre.

spending, debt and inflation), and public service deterioration (Frankenberger, 2003 gives a good overview).

As a result, Malawi's GDP per capita hovered around US$160 after the mid-1990s, national economic growth vacillated wildly (annual GDP growth was +5% in 1997 but -4% in 2001) and the Human Development Index stagnated. While there were improvements in education and literacy – as schools were built and primary education became free – 'several health indicators … worsened over the … decade. Among others, the number of physicians per population [dropped] … by half, and life expectancy [fell] … from 46 years in 1987 to 37 years in 2005, largely due to the HIV and AIDS epidemic. Childhood immunization … decreased from 82 percent in 1992 to 64 percent in 2004. Maternal mortality rates … increased from 620 in 1992 to 960 in 2004 … Child malnutrition … remained virtually unchanged since 1992, and almost half of children under five years of age in Malawi are stunted, and 22 percent are severely stunted' (Government of Malawi, 2006; IMF, 1998 and 2003).

6 Mutharika 2004-2010

6.1 The context

Muluzi's anointed successor, Dr Bingu Mutharika, soon proved unwilling to accept the role of figurehead President. Within months of the 2004 elections he broke with Mr Muluzi and the UDF, creating his own party (DPP). Mutharika had a new, more growth-oriented development vision than Muluzi; government finances were stabilized; top levels of the polity and the old administration were targeted in an anti-corruption drive; and the President adopted a distinctly Banda-esque personal style. A key appointment was ex-IMF official Goodall Gondwe at the Ministry of Finance. Gondwe is generally credited with the much-improved financial performance of Mutharika's first term, though Gondwe cites presidential direction as central to finance-policy formulation.

While being groomed for political office in the latter period of Muluzi's administration Dr Mutharika worked at the Reserve Bank and in the economic policy department of government. There he helped to write the new 'Malawi Growth and Development Strategy' (Government of Malawi, 2006) that replaced the Poverty Reduction Strategy and sought to transform Malawi 'from relative poverty into being a middle income industrial nation' by focusing on

> five thematic areas in which progress must be made if our overall strategy is to be successful. These thematic components of the MGDS are sustainable economic growth, social protection, social development, infrastructure development, and improved governance. … The Strategy… maintains a focus on accelerated and sustainable growth, while also outlining steps to ensure social development, good governance and environmental sustainability…. [Further] the MGDS identifies six key priority areas which define the direction the country intends to take in the next five years to achieve economic growth and wealth creation which are critical for immediate improvement in the economic well-being of Malawians. These are agriculture and food security; irrigation and water development; transport infrastructure development; energy generation and supply; integrated rural development; prevention and management of nutrition disorders, HIV and AIDS.

While the emphasis here is more on growth and integrated development, rather than simple poverty alleviation as in the earlier Muluzi era, any strategy is only as good as its implementation, and capacity constraints remain (African Development Bank, 2008).

Mutharika clearly wants to emulate Dr Banda – e.g., calling himself 'Ngwazi', comporting himself at rallies and reportedly at cabinet meetings much as the old president did, and in showing his disregard for opponents' views. In 2005 close observers accused him of 'flouting … rules and procedures in the execution of his policies and functions', threatening 'people's rights and freedoms,' and implementing policies in a way that resulted in a 'pattern of inconsistencies and contradictions between the promise and the reality on the ground [which] is not a recipe for a truly open and democratic governance' ('Bingu Administration at Twelve Months: An Evaluation', *CHRR Updates*, cited by Cammack, 2007). Also early in the first term, John Lwanda (2004) noted that the President was

> increasingly displaying Banda's intolerance … His administration is making many decisions influenced by small cliques; he has not used the full potential power of his cabinet. His recent appointments to the diplomatic service seem as patronage-based as Muluzi's ever were. A number of recent appointments are reminiscent of Muluzi and [his ally, Brown] Mpinganjira's early days when they were building the UDF patronage machine with 'foundations, institutions and donations' and key personnel were placed in critical diplomatic and parastatal posts. Appointments at the civil service, parastatal and diplomatic level have also recycled people who have served in the Banda and Muluzi administrations, as well as some who are supposedly being investigated by the Anti-Corruption Bureau … Because President Mutharika has been so busy … his regime's developmental activities have largely been delegated to the finance minister Goodall Gondwe, a technocrat, rather than a political visionary.

In 2006 an ex-minister in Mutharika's government told ODI researchers that the President was a man 'obsessed with a fear of parliament' taking over from him, and an authoritarian whose ministers are 'in competition to be [acknowledged by him to be] "the good boy"'. Mutharika, he said, behaves as though he is in the Banda era. When Mutharika speaks,

> no one should question. He has reached the point that the cabinet has to clap hands and sing. The same songs we sang for Kamuzu [Banda], we sing for him. This is a human being living in a different era and this era is not good for him because it requires that you have to listen and compromise … When he makes a statement in cabinet, everyone has to agree. When you don't, you are seen as a barrier (cited in Cammack, 2007: 6).

During the same period an MCP official also compared the President with Banda: 'He is just like Banda, but without the grassroots support and the professional link between himself and how things are moving. He is distant. Banda had a structure and a strong [national] intelligence system that made him aware. Mutharika is a distant fellow with a weak intelligence system' (Cammack, 2007: 6).

The President's style of government changed in 2009 after his and the DPP's landslide victory at the May polls. He had no reason to fear parliament and the opposition, and his own policies emerged more clearly. He demoted Gondwe to the Ministry of Local Government and appointed a more compliant Minister of Finance. Together they have done a much poorer job of managing the economy. But having a majority in the National Assembly has given him the power to push through long-delayed bills, some of which further increase executive powers,[52] which supports our contention that he is more controlling by nature than Muluzi.

6.2 Rent-creation and distribution

Rampant corruption at the top and the creation of rents for patronage purposes have been reduced since Mutharika took office. At the same time stories circulate about people close to the President benefiting from special favours. Dr Peter Mutharika, the President's brother and the Minister of Justice, has recently been named as having been awarded a license to cut and sell timber in the Mazamba area of the Chikangawa forest from which angry local sawyers were being evicted by the army. Reportedly, the area had been 'sold' to the minister, 'who has a contract, together with the Mulli Brothers, to supply timber to China' while former licenses holders were barred (*Nyasa Times*, 2 Dec 2009).

It is not clear whether business like this was awarded through special favours or not, though one UDF politician told us he sees a pattern: what happens now is that contracts to companies are 'not opened up' to outsiders as in the past. Instead, people in and near government take an 'active part' in winning tenders. Also tenders, he said, are being awarded to people who are 'outside the procurement system' – i.e., who did not present or win bids openly. He claimed that 'front companies' have been set up and friends of the President are being used to win contracts for fertiliser and other goods. For example, he said Mota-Engil Company, one of Portugal's largest construction companies, is reputedly run locally by a friend of Mutharika's. This opposition politician complained that the company is winning all the contracts that used to go to companies such as Group 5, which he said was close to the UDF. He complained that Mota-Engil is building 'the 150 room palace' for Mutharika off the Mulanje Road on what had been Malawi Development Corporation land, 'using government money'. He claimed the inner circle of DPP are 'skimming money from contracts' for work done by Mota-Engil, such as on road construction.[53] 'There is a lot of rot' and corruption is worse now than before – a claim that is politically inspired and hard to assess.

Continuing, he said Muluzi didn't take money from the government's 'Consolidated Account', implying that Mutharika does. He summarized the difference between the two regimes: the UDF's 'way of working' was with outside contractors. He admitted that they received kick-backs from people who were awarded contracts, but UDF senior members did not take part in doing work that was contracted. Now 'Bingu takes an active part in all contracts himself or through individuals close to him' (Cammack & Osman interview with senior UDF politician, 26 Jan 2010, Blantyre, Malawi). At this stage of our research, these claims that procurement is centralized and being manipulated to benefit the new elite is unverifiable. We only know that some of the companies our informant named are winning contracts in Malawi.

---

[52] Powers of detention have increased as has presidential control of local government.

[53] 'Portugal's largest construction company MOTA-ENGIL announced on July 7 that it has signed several contracts worth 100 million Euro for the construction and maintenance of roads in Malawi. The most important of which are the … Nsanje-Bangula Road, Chiringa-Chiradzulo and Tyolo-Thekerani-Bangula. The two maintenance contracts are Lilongwe-Nsipe and Chikwawa-Bangula' (New Europe, 2008).

Due to incomplete and conflicting information we are left without a clear understanding of what drives the current regime or how centralized the distribution of spoils might be. If what is rumoured about corruption at the top is true, though, it appears that rents are more centrally and tightly controlled and more in tune with the national development vision than in the Muluzi years. In this respect, as well as merely in matters of style, we may be witnessing a return to patterns established by Banda.

Weighing the evidence, we might tentatively say that Mutharika's first term was best described as a form of hard-budget clientelism in which elite political support was bought out, partly by means of access to rents in the business sector, but not in a way that derailed the macro-economy. At the same time the political support of the masses was tapped via a poverty-oriented agricultural strategy, which probably provided opportunities for clientelism as well, and by promoting chiefs who garnered villagers' support at the polls. In the second term things have changed somewhat as populist economic policies (e.g., fixing cotton and tobacco prices and the exchange rate) have undermined national growth and stability as well as donor confidence.

6.3 The technocracy

Whatever the final balance sheet on the points above, Dr Mutharika and his ministers attempted to set new standards of accountability and transparency with regard to officialdom. One senior civil servant commented (Cammack interview, 16 July 2010) 'that guy has set things straight'. He is 'an economist' and he doesn't fool around. He will hire someone and get rid of them if they are no good. He tells officials 'don't use money if it's not in the budget'. Besides that, the President has championed 'zero-tolerance' for corruption. He is praised by informants for instilling more discipline in the civil service, especially at the top, and for 'demanding accountability'. Many UDF politicians and some of Mutharika's own officials are now in court for corruption.[54] The public bureaucracy is still thought to be 'weak' (anon. emails to Cammack, 14 and 30 Jan 2010). Generally it is accepted that corruption remains ubiquitous within the public service. Lacking the powerful party machinery that Banda enjoyed, Mutharika, is unable to generate force compliance in the same way. The former ethical underpinnings and sound training are going to be hard to restore. Nevertheless, some civil servants and the public generally reports that public officials are more 'serious' in the delivery of public goods now than during the Muluzi years (see Cammack and Kanyongolo, 2010).

Increased transparency may be an important stepping stone. The Auditor General's office has in recent years produced comprehensive reports showing details of government losses and abuses. For instance, the Chief Secretary of the Public Service recently explained to the parliamentary committee on public accounts that an audit showed some K34m had been 'swindled' by public servants in the Ministry of Agriculture, where officials 'had been paying themselves allowances for 1000 days in a year'.[55] Further, police uniforms to the value of some K819m were purchased

---

[54] For instance, Milton Kutengule, former Secretary to the Treasury, Secretary for the Malawi is in court for taking a K20m dividend payment from Malawi Telecoms, paying it into an account he alone controlled, and spending some K13.3m of it (*Daily Times*, 20 Jan 2010).

[55] One informant added that in 'a Ministry HQ, almost everyone is getting informal income - whether department director or driver. Sources are commonly allowances and cashed-in fuel. The allowance

between 2003-05 by the Ministry of Internal Affairs without budgetary provision or public procurement procedures being followed (*Daily Times* (Malawi), 25 Jan 2009). Similarly, some K31.9m in 'special advances' were provided to MPs in 1999-2004, most of which have not been paid back (*Nation*, 20 Jan 2010).[56] That these sorts of details are being publicly aired demonstrates a new standard of transparency in government and an attempt to root out the 'allowance culture' and corruption, which nonetheless remain widespread.

In his second term Mutharika has taken a more decisive personal role in setting economic policy, with negative consequences for stability.[57] Policy inconsistencies are also being noted; e.g., in order to conserve forex he has dictated that ministers' trips abroad be reduced to 6 per year yet he has bought himself a jet plane that the nation can hardly afford (so donors have reacted with disapproval and have reduced aid).

As for his style of working, according to senior civil servants it is reminiscent of Dr Banda's but without 'fear' as a motivating factor. He works hard, we are told, and takes time over details. He studies policy memos, quizzes his senior staff, and debates policy with them. Self-confident officials feel able to say 'no' to the President and to present him with views that do not match his own (Cammack interview, 16 July 2010). A second public officer (Cammack interview, 16 July 2010) added that Mutharika takes a keen interest in government initiatives and 'goes and looks over things himself'. He gives orders and then follows through to ensure things get done right. 'Everyone knows he knows' what is going on and so staff are incentivized to perform.

6.4 Political competition and inclusion

After President Mutharika broke with the UDF and started the DPP he had to create a new support base and acquire his own legitimacy. He is a technocrat, not a politician, and had little local following so this was difficult. He had two options: to use development successes to gain support, or to co-opt members of other parties (using incentives such as appointments to cabinet). He did both: his development policy in the first term seemed to be based on thinking similar to Dr Banda's vision – with an emphasis on infrastructure and agricultural development, especially food security, while showing an awareness of the need for fiscal discipline, public sector reform, and for tackling corruption. Debt forgiveness helped with spending.

As technocratic appointments, fiscal discipline and a new growth and development strategy resulted in a more stable economic climate generally, Dr Mutharika also had to 'do politics'. Had he had his way, he would probably have chosen a loyal opposition that was pro-

---

scam at Ministry of Agriculture included, for example, a senior accounts officer (not director level) who included her name on almost every [Ministry of Agriculture] workshop, together with other junior accounts officers (rotating between them), to hand out allowances at the workshops. Of course she did not go to most of them, because they overlapped'. This, our informant said, is not uncommon. Directors in other ministries are, for instance, 'included for five days at a workshop, where they can only attend one day because of other priorities' (anon. email to Cammack, 30 Jan 2010).

56 Rather than fire or prosecute offenders, they are transferred and made to pay back their corrupt earnings, so there is some discussion about how to halt such practices when leniency is the norm.

57 He removed Gondwe as Finance Minister. He set tobacco prices and when buyers complained he deported several; he set cotton prices and a major cotton-buying company closed shop and left. He refused to reduce exchange rates until donors forcibly insisted, but this was not until after a shortage of fuel and other goods rocked the nation.

development, but as it was he had to fight a rear-guard action against old-style politicians in and out of parliament who threatened to impeach him (and perhaps worse).[58] This unrelenting assault on the President's policies was led by Mr Muluzi and the UDF, who were angry at Dr Mutharika's 'betrayal' and fearful of arrests for corruption (and worse),[59] working in league with the ever hopeful, John Tembo (MCP) and Brown Mpinganjira (NDA).

Though not particularly adept at politics, Mutharika retaliated in typical Malawian style – e.g., buying support of politicians by making them cabinet ministers and advisors and in 2009 ensuring they retained their DPP-constituency nominations (despite local opposition); arresting members of the opposition (e.g., Muluzi – for corruption; Chilumpha – for plotting treason; Chakuamba – for insulting the President); and censoring the press (Chirwa, 2008). He prorogued parliament when it made demands (to implement Sec. 65) that would have weakened his power. He has ignored constitutional restrictions on crossing the floor of the Assembly to recruit new members to the DPP. He refused to hold Local Assembly elections, past due since 2005, as they might have helped the opposition create a base for the 2009 elections.

The DPP won the 2009 elections easily, for Mutharika's development policies had begun to show results; also, the opposition was in disarray. Bills that had stalled have since been submitted to the National Assembly and easily passed. After a decade of political chaos, power is being centralized in the executive and ruling party again, e.g., with the passage of new rules giving all MPs the right to vote on who leads the opposition in the National Assembly.[60] Where parliamentary committees in the first term were extolled for their independence, now they are being led by ruling-party MPs. Rather than having set dates, local government elections are now scheduled at the discretion of the President (and have been set for November 2010), and MPs will become voting members of local councils. Police powers of detention have also been increased. With a much-weakened opposition in the Assembly, Mutharika's democratic credentials are now being tested.

While Mutharika's economic policies (e.g., building infrastructure and increasing agricultural production) are fostering national development, aspects of his approach to 'doing politics' threaten to make the system less inclusive in regional and ethnic terms. He has been supporting chiefs and culturally based groups as part of his efforts to win rural support, and has taken specific actions to revive chieftaincy (including appointing new Paramounts). There are many who criticise this as indicating a 'tribalist bias', especially when combined with his appointment of fellow Lomwe to top posts. However, this may be premature. The greater emphasis being placed on ethnic identities and cultures may be a crude way of upholding 'traditions' in order to promote order and discipline in the manner of Banda, or indeed in the same vein that Paul Kagame has tried to reinvent Rwandan customary practices such as *imihigo*. His insistence on a university 'quota system' where university places are distributed according to *district*- rather than *national*-test scores is also open to different interpretations. It remains to be seen whether

[58] There were reported threats on his life and later on his regime. For impeachment, see Chirwa, 2008.

[59] E.g., a commission of enquiry appointed by President Mutharika is looking at the strangulation/ poisoning of Kalonga Stambuli, an economist (see footnote 22) and business advisor to Mr Muluzi, who broke with him, joined and later quit and publicly castigated the National Democratic Alliance and its leader, Brown Mpinganjira, and then began publishing reports on corruption (*Malawi Insider*, 2002; and http://en.afrik.com/article15198.html).

[60] This was done to remove John Tembo, disputed head of the MCP still, as parliamentary opposition leader, a move that was later overturned by the court.

on balance these moves strengthen or weaken the aspects of the Malawi polity which prevent political competition taking an ethno-regional form.

6.5 Performance

Economic performance undoubtedly improved in Mutharika's first term. According to the last available government report, GDP growth rates went up, and there was an improvement in smallholder agriculture, 'which was supported by the continuation of the input subsidy program and intensification of irrigation agricultural programs'. Inflation remained in single-digit figures in spite of higher international food and energy prices. Credit for this is given to the agricultural inputs scheme and the stability of the Kwacha. Interest rates were the lowest in a decade due to reductions in inflation. Income from exports climbed (due, the government said, to pricing policies of agricultural goods, and to the input programme). Reforms to improve budgeting, revenue collection and debt management were put in place. Particularly beneficial to the overall growth figure in 2008 was the 'manufacturing; financial and insurance services; information and communication, and construction' sub-sectors (Government of Malawi, 2008).[61] Growth was reported to be three times the African average in 2008 (Banda, 2009).

Since the 2009 election the economy has faltered and stumbled from one crisis to another – the exit of cotton and tobacco buyers, shortages of foreign exchange, artificially high exchange rates, fuel shortages, poor rains in parts of the country, and budget overruns, all resulting in donor threats to withhold aid. In March 2010 DFID cut its aid budget to Malawi by £3m in response to the President's buying his own $13.3m jet airplane (*NyasaTimes*, 10 March 2010). Economic decisions now being made by government are undoubtedly related to the removal of Gondwe at Finance and his replacement with the more amenable Ken Kandodo (Banda's nephew and head of several Banda-family enterprises) – and to Mutharika's own educational background.

7 Conclusions

Our review of economic and political history in post-colonial Malawi has revealed a number of shifts in institutional configurations and economic performance which relate to the propositions we set out in the Introduction. Under the first regime of President Banda (1964-79), rents and rent-earning opportunities were directed largely to the productive sectors, with consequent improvements in infrastructure, fixed capital formation and worker productivity. On the whole, rent-creation was centralized and geared to the long term, and a substantial proportion of those rents were productive rather than purely parasitic, with the expected effects on development performance. Rents also cemented political stability by providing income-earning opportunities for a regionally inclusive political elite. President Banda's highly repressive, non-competitive political apparatus was in this and other respects inclusive in ways that contributed to stability. His domineering personality was moderated by a technocratic ethos, enabling a responsive and efficient civil service to be maintained. Thus, Banda's first fifteen years fit the model of

61 'Malawi's President Bingu wa Mutharika was awarded the Food and Agriculture Organization's Agricola Medal in honour of his substantial contribution towards transforming the country's economy from a state of food deficit to a net exporter of maize' (African Press Organization; http://appablog.wordpress.com/).

developmental patrimonialism very well, with a performance which we believe to be considerably better than some recent work has allowed (cf. Chingaipe and Leftwich, 2007).[62]

A combination of external shocks, natural constraints and flaws internal to Banda's development policy model meant that by the end of the 1970s, a period of restructuring was required. The evidence suggests that for the period 1979-1994, Banda was losing the personal capacity to oversee the required changes, and that information and decision-making systems within government were breaking down. What is more, the continuing climate of political repression made it difficult to challenge the vision or performance of the leadership, making reform extremely challenging. Economic policy drifted as the politics of intrigue and a poorly conceived donor-driven structural adjustment programme carried the day. In retrospect, what Malawi's development probably needed in 1980 was another strong leader to replace Banda, but presiding this time over a rather more open, if not fully competitive, political system.

After 1994, a combination of personal weaknesses and the forces of political competition overwhelmed Banda's successor, Bakili Muluzi. Partly because of the new climate of political openness, Muluzi lacked the powers of repression Banda once possessed, and he focused on political pay-offs and self-enrichment instead. Rent-creation and distribution were overwhelmingly directed to short-run, non-productive activities in a desperate attempt to retain political power; the developmental logic of previous years disappeared. Donors attempted to fill the void, but unsuccessfully (Booth et al., 2005).

From 2004 to 2009 Bingu Mutharika did a reasonable job of balancing political and economic imperatives. He came to power indebted only to Muluzi for his position. Once he broke with him, he broadened his room for manoeuvre. Manipulation and restriction of formal political institutions provided additional breathing space in which to build a clientelist base and popular development programme. Greater personal authority and a tighter grip over the civil service than Muluzi had had undoubtedly helped him stabilize the economy. The appointment of Goodall Gondwe to Finance facilitated better relations with donors and helped the macro-economy. Unfortunately, Gondwe's demotion in 2009 has allowed Mutharika to pursue more populist economic goals, which has resulted in poorer performance. Corruption within government at the point of service delivery continues to frustrate the population.

Mutharika's attempts to centralize political power, the emerging DPP succession dispute, and the appointment of people and the design of policies based on an ethnic calculus have all been generating disquiet among local democrats and human rights campaigners. However, if our hypotheses about the conditions for improved development performance are correct, of more concern from the point of view of economic growth would be a weakening of technocratic direction (which is possibly the meaning of Gondwe's removal). The centralization of power should be of concern if it leads to further changes with long-term anti-developmental implications, but not otherwise. And the measures relating to ethnicity and chiefdom need to be assessed on the basis of a more mature understanding of their net impact on the inclusiveness of the political system.

---

[62] In addition, it seems probable to us that given the grain of state-business relations in Malawi, growth is more likely to be delivered by a modified form of developmental patrimonialism than by the more arm's length arrangements idealised in much of the state-business literature (see Chingaipe and Leftwich, 2007).

Placing Malawi in comparative perspective, and referring to the ideal-types adumbrated at the start of this paper, it seems that the first regime of Kamuzu Banda is a strong example of long-horizon, centralized rent-seeking. It is also apparently a case of disciplined technocracy. Our research suggests that civil servants were trained 'to say "No" without saying "No"', but the extent to which this actually took place in Banda's climate of fear probably changed over time. In Banda I, there seems to have been adequate technical restraint, even if this left in place some core weaknesses in the President's vision of development. Though unorthodox, the model performed well until it experienced structural problems in the late 1970s. Finally, it is very clearly a case of non-competitive politics, but leaning toward the inclusive end of the spectrum.

Banda's second regime is rather more difficult to characterize. Rent-seeking appears still to have been centralized (although focused more on Tembo and his cronies), but probably with a shorter horizon. The civil service remained vertically coordinated and reasonably efficient by later standards, but even very senior officials were too cowed to offer robust policy advice. Thus, technocratic integrity was compromised. The political system appears to have been just as uncompetitive, but it became somewhat less inclusive.

The Muluzi regime is a fairly classic example of decentralized, short-horizon rent creation, driven by competitive, non-inclusive (i.e. winner-takes-all) politics. While Muluzi himself was probably the biggest consumer of rents in this period, he appears to be just one among many rent-seekers. The fact that the party was not trusted to deliver rents upward to the centre, says a lot about the lack of control he exercised over local 'big men'. Moreover, in his attempts to retain power, we infer that Muluzi found clients able to dictate terms to him. The administration, meanwhile, appears to have lacked both vertical coordination and technocratic integrity, as increasingly civil-service appointments were used as vehicles of patronage, to entrench support for the governing party, not as means of strengthening policy implementation.

Mutharika's regime is perhaps more difficult to characterize than either Banda I or Muluzi, not least because it is only six years old. However, the evidence we have collected suggests that it tends toward the centralized, long-horizon quadrant of our grid on rent utilization, although there may be some short-horizon rent-seeking going on. At least in the President's first term, the civil service was showing signs of moving back towards the ideal-type of disciplined technocracy, with Mutharika apparently having strong ideas about development, and an inclination to discuss details with technocrats. The Ministry of Finance was a notable example of this. In his second term, with the moving of Goodall Gondwe being perhaps symbolic, technically questionable decisions (e.g. regarding macroeconomic management) have become more common, suggesting that technocratic integrity has not been fully restored. Politically, the system in the first term was rather uncompetitive, mainly because of the proroguing of parliament and lack of support for local government. It appears to be reasonably inclusive in the sense that Mutharika has built a national following, and there are no groups that appear strongly sidelined from power. That said, he is accused of favouring fellow Lomwe with appointments (but this needs to be statistically tested) and his tribalist tendencies are seen by many as weakening Malawians' sense of nationhood.

The overall conclusion to be drawn from the Malawi material is that long-horizon rent creation and distribution can be conducive to a sound investment climate and a good development performance. If the Banda I regime can be characterized as neopatrimonial, and we think it can, this type of neopatrimonialism provides a form of economic governance that deserves more positive recognition vis-à-vis the other feasible options for Malawi – or at any rate vis-à-vis those which have been actually demonstrated. At the same time, developments since the end of the first phase of Banda's rule tend to confirm that the model was successful in part because it rested on the foundation of a disciplined economic technocracy, and political-economic arrangements that were reasonably inclusive of all significant ethno-regional groups. This is as predicted by our theory.

Nothing in the Banda story shows that dictatorship is necessary for development success. In fact, the history confirms that in addition to the costs in terms of human rights and welfare, political repression makes for bad policies by making the leadership difficult to criticize. Highly constrained political systems also tend to exacerbate the problem of political succession (although our Malawi material suggests that in 'big man' party systems, this is a general problem, not resolved by the existence open political competition). On the other hand, our argument does not offer much comfort to those promoting facile democratic alternatives. The needed centralization of rents and disciplining of the bureaucracy are highly unlikely so long as democracy is understood in the way that it has been in Malawi since 1994. The challenge to the next generation of leaders of the country will be to discover ways of institutionalizing the required constraints, while retaining a sufficiently open and inclusive polity.

References

Africa Watch (1990) *Where Silence Rules: The Suppression of Dissent in Malawi* (author: Richard Carver).

ANC Daily News Briefing, 29 March 1997, http://70.84.171.10/~etools/newsbrief/1997/news0329

Anders, Gerhard (2002) 'Freedom and Insecurity: Civil Servants between Support Networks, the Free Market and the Civil Service Reform' in Harri Englund (ed.) *A Democracy of Chameleons: Politics and Culture in the New Malawi*. Uppsala: Nordic African Institute: 43-61.

Anders, Gerhard (2006) 'Like Chameleons: Civil Servants and Corruption in Malawi', *Le bulletin de l'APAD* n° 23-24.

Anti-Corruption Bureau (2003) 'The Anti Corruption Bureau: Response To An Article By the Attorney General', *The Nation* newspaper', 20 Nov.

ARTICLE 19 (1998) 'Freedom of Expression and Communications in Malawi' (author: D. Cammack)

ARTICLE 19 (2000) 'At the Crossroads: Freedom of Expression in Malawi, 1999, March (author: D. Cammack).

AntiMuluzi.BlogSpot.com (2008) http://antimuluzi.blogspot.com/2008/04/fieldyork-case-mpasu-jailed-six-years.html

Baker, Colin (1972) 'The Administrative Service in Malawi: a Case Study of Africanisation', *Journal of Modern African Studies* 10(4): 543-560.

Baker, Colin (2001) *Revolt of the Ministers: The Malawi Cabinet Crisis, 1964-1965.* London: I.B. Tauris.

Banda, Mabvuto (2009) 'Malawi Economy Grew by around 9.7 percent in 2008: IMF' MoneyBiz, http://www.moneybiz.co.za/business_in_africa/Malawi_economy_grew_by_around_9_7_pct_in_2008_IMF.asp

Booth, David (forthcoming) *Towards a Theory of Local Governance and Public Goods Provision in sub-Saharan Africa.* Draft Working Paper. London: Africa Power and Politics Programme.

Booth, David; Diana Cammack; Jane Harrigan; Edge Kanyongolo; Mike Mataure; and Naomi Ngwira (2005) *Drivers of Change and Development in Malawi.* Working Paper 261. London: Overseas Development Institute.

Brody, Donald (n.d.) 'Conversations with Kamuzu: The Life and Times of Dr. H. Kamuzu Banda'. http://www.scribd.com/doc/7693584/Dr-Banda-Biography1 .

Cammack, Diana (1999) 'The Democratic Transition in Malawi: From Single-party Rule to a Multi-party State' in John Daniel, Roger Southall and Morris Szeftel (eds.) *Voting for Democracy: Watershed Elections in Contemporary Anglophone Africa.* Aldershot, UK: Ashgate.

Cammack, Diana (2007) '"Big Men", Governance and Development in Neopatrimonial States'. Processed. London: Overseas Development Institute.

Cammack, Diana (2009) 'Malawi: Survey of Business and Politics, 1964-2008'. Processed. London: Africa Power and Politics Programme, May.

Cammack, Diana, and Edge Kanyongolo (2010) *Local Governance and Public Goods in Malawi.* Working Paper 11. London: Africa Power and Politics Programme.

Chang, Ha-Joon (2007) 'Understanding the Relationship between Institutions and Economic Development: Some Key Theoretical Issues' in Chang (ed.) *Institutional Change and Economic Development.* London: Anthem Press/UNU: 17-33.

Chingaipe, Henry, and Adrian Leftwich (2007) *The Politics of State-Business Relationships in Malawi*. Discussion Paper 7. University of Manchester: IPPG Programme. http://www.ippg.org.uk

Chipeta, Chinyamata and Mjedo Mkandawire (2008) 'Man-Made Opportunities and Growth in Malawi' in B.J. Ndulu, S.A. O'Connell, J.-P. Azam, R.H. Bates, A.K. Fosu, J.W. Gunning and D. Njinkeu (eds.) *The Political Economy of Economic Growth in Africa, 1960-2000*. Cambridge: Cambridge University Press: 143-165.

Chipeta, Mapopa (1992) 'Political Process, Civil Society and the State' in Guy C.Z. Mhone, (ed.) *Malawi at the Crossroads: The Post-Colonial Political Economy*. Harare: SAPES Books.

Chirwa, Wiseman Chijere (2008) 'Malawi: Democracy and Political Participation'. Open Society Institute, AfriMAP Initiative. http://www.afrimap.org

Chronicle, The (2001) 26 Aug at http://allafrica.com/stories/200108060073.html .

Cullen, Trevor (1994) *Malawi: A Turning Point.* London: Pentland Press.

Ellis, F.; M. Kutengule, and A. Nyasulu (2003) 'Livelihoods and Rural Poverty Reduction in Malawi', *World Development* 31(9): 1495-1510.

Frankenberger, Timothy, et al. (2003) 'Livelihood Erosion Through Time: Macro and Micro Factors that Influenced Livelihood Trends in Malawi Over the Last 30 Years'. Lilongwe: CAR.

Global Integrity Report (2007) 'Malawi: Corruption Timeline' http://report.globalintegrity.org/Malawi/2007/timeline

Grindle, Merilee S. (2004) 'Good Enough Governance: Poverty Reduction and Reform in Developing Countries', *Governance* 17(4): 525-548.

Government of Malawi (2008) 'Country Report on Economic Performance of Malawi'. Lilongwe: Ministry of Economic Planning and Development. Oct.

Government of Malawi (2006) 'Malawi Development and Growth Strategy'. Lilongwe.
Government of Malawi (1987) *Statement of Development Policies, 1987-1996* (DevPol II). Lilongwe: Republic of Malawi.
Harrigan, Jane (2001) *From Dictatorship to Democracy: Economic Policy in Malawi, 1964-2000.* Aldershot, UK: Ashgate.
Hanlon, Joseph (1986) *Beggar Your Neighbours: Apartheid Power in Southern Africa*. London: James Currey.
Human Rights Watch World Report 1993 – Malawi (1993) http://www.unhcr.org/refworld/country,,HRW,,MWI,,467fca5e1e,0.html
Hussein, Mustafa (2005) 'Combating Corruption in Malawi: An Assessment of the Enforcing Mechanisms', *African Security Review,* 14(4).
Institute for Policy Interaction (n.d.) 'Observation Reports of Malawi National Assembly Sittings From March 2005 To April 2006'. www.federalism.ch/files/documents//ParliamentReport2005-2006.pdf
International Monetary Fund (IMF) (2003) 'Malawi – Letter of Intent', 19 Sept.
International Monetary Fund (IMF) (1998) 'Public Information Notice 88/98', 30 Dec.
Kalinga, Owen J.M. (1998) 'The Production of History in Malawi in the 1960s: The Legacy of Sir Harry Johnston, the Influence of The Society of Malawi and the Role of Dr Kamuzu Banda and his Malawi Congress Party', *African Affairs* 97: 523-549.
Kaluwa, B.M.; E. Silumbu; E. Ngalande Banda, and W. Chilowa (1992) *The Structural Adjustment Programme in Malawi: A Case for Successful Adjustment?* Monograph Series 3. Harare: SAPES Books.
Kelsall, Tim, and David Booth, with Diana Cammack and Frederick Golooba-Mutebi (2010) *Developmental Patrimonialism? Questioning the Orthodoxy on Political Governance and Economic Progress in Africa.* Working Paper 9. London: Africa Power and Politics Programme.
Khan, Mushtaq H. (2000) 'Rents, Efficiency and Growth' in M.H. Khan and J.K. Sundaram (eds.) *Rents, Rent-Seeking and Economic Development: Theory and Evidence in Asia*. Cambridge, UK: Cambridge University Press: 21-69.
Khembo, N.S. (2004) 'Political Parties in Malawi: From Factions to Splits, Coalitions and Alliances' in M. Ott, B. Immink, B. Mhango and C. Peters-Berries (eds.) *The Power of the Vote: Malawi's 2004 Parliamentary and Presidential Elections*. Zomba: Kachere.
Lwanda, John (2004) 'Mutharika**,** *Mbuya and Mpando*: When the Elephants Fight', *Malawi Update* 54, Sept. Edinburgh: Scottish Malawi Network.
Lwanda, John (2006) 'Kwacha: The Violence of Money in Malawi's Politics, 1954 – 2004', *Journal of Southern African Studies,* 32(3): 525-544.
Malawi News Online, No. 40, 26 Jan 1998. www.africa.upenn.edu/Newsletters/mno40.html
Martin, David, and Phyllis Johnson (eds.) (1986) *Destructive Engagement.* Harare: Zimbabwe Publishing House.
Mhone, Guy C.Z. (ed.) (1992*) Malawi at the Crossroads: The Post-Colonial Political Economy*. Harare: SAPES Books.
Mkandawire, R. Mulomboji (1983) 'Customary Land, the State and Agrarian Change in Malawi: The Case of the Chewa Peasantry in the Lilongwe Rural Development Project', *Journal of Contemporary African Studies*, 3(1-2): 109-128.
Mpasu, Sam (1995) *Political Prisoner 3/75 of Dr H. Kamuzu Banda of Malawi*. Harare: African Publishers Group.
Mtewa, Mekki (1986) *Malawi, Democratic Theory and Public Policy*. Cambridge, MA: Schenkman Books.

Muluzi, Bakili; Y. Juwayeyi; M. Makhambera, and D. Phiri (1999) *Democracy with a Price: The History of Malawi since 1900.* Blantyre: Zhango Heinemann.

Mwanza Commision (1994) 'Mwanza Road Accident Report' by Commission of Enquiry Headed by Justice H.M. Mtegha. Lilongwe.

New Europe, 14 July 2008. http://www.neurope.eu/articles/88803.php

Olson, Mancur (1993) 'Dictatorship, Democracy, and Development', *American Political Science Review* 87(3)**:** 567-576.

Page, Melvin E (1992) 'Malawi: Revolution without Leaders?' *Southern Africa Report*, July.

Posner, Daniel N. (2004) 'The Political Salience of Cultural Difference: Why Chewas and Tumbukas Are Allies in Zambia and Adversaries in Malawi', *American Political Science Review* 98(4): 529-545.

Press Corporation Ltd. (2008) 'Circular to Shareholders of Press Corporation', 27 June. http://www.presscorp.com/upload/dl/PCL_Rights_Offer_Issue/PRESS_CORP_COMBINED.pdf]

Pryor, Frederic L (1990) *Malawi and Madagascar: the Political Economy of Poverty, Equity, and Growth.* Oxford: Oxford University Press.

Roberts, Simon (1966) 'The Malawi Forfeiture Act 1966: A Surfeit of Discretion', *Journal of African Law*, 10(2).

Sheikh's Letter (2001) 'The Sheikh's Letter to His Excellency President Bakili Muluzi'. Reprint from *The Chronicle*, 2-3 June. http://www.afrol.com/Countries/Malawi/documents/sunni_council_muluzi.htm

Short, Philip (1974) *Banda*. London: Routledge & Kegan Paul.

Stambuli, P. Kalonga (2002) 'Political Change, Economic Transition and Catalysis of IMF/World Bank Economic Models – the case of Malawi'. Conference on Malawi after Banda: Perspectives in a Regional African Context, Centre of Commonwealth Studies, University of Stirling, Scotland. 4-5 Sept. http://129.3.20.41/eps/mac/papers/0211/0211003.pdf

Stuart, Richard (1981) Review of T. David Williams' *Malawi: The Politics of Despair* in the *Canadian Journal of African Studies* 15(3): 635-637.

Thomas, Simon (1975) 'Economic Development in Malawi Since Independence', *Journal of Southern African Studies* 2(1): 30-51.

Thompson, Harry (n.d.) 'Conversations with Malawi'. http://www.mattdearing.com/index_files/harrythomson.html

Vail, Leroy (1976) 'The Making of an Imperial Slum: Nyasaland and Its Railways, 1895-1935', *The Journal of African History*, 16(1): 89-112.

Vail, Leroy, (1977) 'Railway Development and Colonial Underdevelopment: The Nyasaland Case', in Robin Palmer and Neil Parsons (eds.) *The Roots of Rural Poverty in Central and Southern Africa.* London: Heinemann.

van Donge, Jan Kees (1995) 'Kamuzu's Legacy: The Democratization of Malawi – Or Searching for the Rules of the Game in African Politics', *African Affairs* 94: 227-257.

van Donge, Jan Kees (1998) 'The Mwanza Trial as a Search for a Usable Malawian Political Past', *African Affairs* 97: 91-118

van Donge, Jan Kees (2002) 'The Fate of an African "Chaebol": Malawi's Press Corporation after Democratization, *Journal of Modern African Studies*, 40(4): 651-681.

Venter, Denis (1995) 'Malawi: The Transition to Multi-party Politics' in John A. Wiseman, (ed.) *Democracy and Political Change in Sub-Saharan Africa.* London: Routledge: 152-92.

Williams, T. David (1978) *Malawi: The Politics of Despair*. Ithaca, NY: Cornell University Press.

Zeleza, Paul T. (2002) 'The Politics of Historical and Social Science Research in Africa', *Journal of Southern African Studies* 28(1): 9-23.