

**THE ECONOMICS AND POLITICS OF LAND REFORMS IN MALAWI: A
CASE STUDY OF THE COMMUNITY BASED RURAL LAND DEVELOPMENT
PROGRAMME (CBRLDP)**

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INTRODUCTION

The Community Based Rural Land Development Programme (CBRLDP) stands out as the most significant intervention that has been implemented in postcolonial Malawi to address the highly unequal land ownership patterns. This is particularly attributed to the 1967 land reforms which, instead of rectifying the unequal land ownership and distribution patterns, instituted mechanisms for converting customary into leasehold land that reinforced the postcolonial agricultural strategy that distinguished estate farming from smallholder agriculture; a scheme in which the latter was marginalised in terms of the crops that could be grown and access to credit and input markets. While 55% of smallholder farmers cultivate less than a hectare, there are about 30,000 estates cultivating between 10 to 500 hectares. In addition, it is estimated that about 28% of the country's cultivable arable land (about 2.6 million hectares), falling under freehold, lies idle in the rural areas.

The question of land had, however, never been given serious attention until the launch of the CBRLDP in 2004 – despite it being widely acknowledged as the single most important productive resource in the country. It is estimated that up to 84% of Malawians earn their livelihoods directly from agriculture: in fact agriculture contributes over 90% to export earnings, 40% to gross domestic product (GDP) and accounts for 85% of total employment. While the advent of democratisation in May 1994 provided a rare opportunity to address the chronic imbalances in the patterns of land ownership and distribution, the major development strategies that the government has since implemented, notably the Malawi Poverty Reduction Strategy (MPRS) and the Malawi Growth and Development Strategy (MGDS), have strikingly shied away from addressing the land question in a

decisive manner. For instance, in the MPRS, land re-location and distribution was ranked seventh in terms of priority pro-poor strategies in the agricultural sector.

The deteriorating land situation has precipitated a series of land invasions and incidents of encroachment across the country. These have been quite widespread in southern Malawi, particularly in the districts of Thyolo and Mulanje where land scarcity is most acute. The increasing intensity of incidents, coupled perhaps with the tragic turn of events in neighbouring Zimbabwe's land reform programme, has prompted – the government in collaboration with its development partners – to implement the CBRLDP as a means of beginning to deal with the historical injustices and inequities in land ownership and distribution. The CBRLDP is being implemented against the backdrop of protracted efforts to enact a new land legislative framework to facilitate the implementation of a new land policy. The reforms in the tenure system are transitional, in which group titles that offer rights under leasehold title will eventually be converted to family customary estate once the new Land Act is in place. The lack of a legal basis for the implementation of the new institutions embodied in the new Land Policy has created considerable anxiety and has led to attenuation of property rights in the CBRLDP.

THE ECONOMICS OF THE CBRLDP

The economic basis for land relocation and reforming property rights is that the residual claims on land provides incentives for efficient and productive use of land by land-owners or sale of land to investors that would make the best use of it. The implementation of the CBRLDP has had a significant positive impact on the maize (the most common crop grown on the acquired land)

BOX 1: THE COMMUNITY BASED RURAL LAND DISTRIBUTION PROJECT (CBRLDP)

The CBRLDP is a World Bank sponsored land redistribution programme being implemented on a pilot basis in Thyolo and Mulanje – as sending districts and in Machinga and Mangochi – as receiving districts. The main objective of the CBRLDP is to increase the incomes of about 15,000 poor rural families in the four pilot districts by providing land to the landless and land poor.

The beneficiaries of the programme self-select each other into groups of 10–35 households to seek relocation to receiving districts. These groups are screened by Community Oversight Committees (CoCs) in the sending districts to certify their eligibility according to the programme guidelines: the eligible households must be Malawian, landless or near landless, facing food insecurity and once they qualify as beneficiaries they must give up ownership of their land in the sending districts. In the receiving districts, CoCs facilitate the integration of new settlers into the host communities.

The CBRLDP uses a market assisted willing-seller/willing-buyer community driven decentralised system of land acquisition in which beneficiaries actively participate in identification of land for purchase and enter into initial negotiations with the potential seller on the basis of a price range set by the CBRLDP staff and District Assembly officials in the receiving districts. Following successful conclusion of the transactions the beneficiaries are ready to relocate to their new piece of land. Each beneficiary receives a uniform grant of US\$ 1,050 for land administration and farm development, with 30% devoted to land acquisition, 10% to cover settlement costs and 60% for farm development. This grant is only provided in the first year of resettlement, so that households have to find their own resources in subsequent years for developing the land. The beneficiaries are vested with group ownership rights pending finalisation of the new land legislative framework.

productivity levels of beneficiary households, but questions remain as to whether these short-term gains can be sustained in the medium or long-term. The statistical analysis is quite revealing when maize productivity levels of beneficiaries and non-beneficiaries are compared and is equally true when productivity levels of the beneficiaries are compared to the levels prior to relocation. The main reason for this is that beneficiaries have more than doubled their access from 0.4 hectares of land under cultivation to 1.41 hectares. The mean maize produced among beneficiary households has increased from 291kgs before the programme to 1,411 after the programme. There are statistically significant differences in maize yields between beneficiaries and non-beneficiaries in favour of beneficiaries with a mean difference of 814kgs per household. Nonetheless, the maize yields among beneficiaries are still 31% of the potential yield and 78% of the national average maize yield.

The CBRLDP has also impacted positively on technological adoption particularly in terms of the use of fertiliser and improved seed. The statistical results show that 63% of the beneficiaries devote their landholding to hybrid maize production compared with only 31% of land devoted to hybrid maize by non-beneficiaries. However, the results show that beneficiaries resettled in 2006 (one season of cultivation) allocated more land to hybrid maize than those that resettled in 2005 (two seasons of cultivation) compared to the base category of non-beneficiaries.

A further interrogation of the positive impact of the CBRLDP using econometric analysis reveals that the positive impacts of the transitional arrangements of land reform are not substantial. While the share of land devoted to hybrid maize cultivation (investment) has improved, when the timing of land redistribution is taken into account, there is no statistically significant evidence that participation in the CBRLDP has increased investment in agriculture. There is also evidence that male headed households are less likely to devote more land to hybrid maize cultivation (low investment in agriculture) than female headed households; education also plays an important role, with completing at least a secondary school level, being critical in investment decisions. Similarly, in terms of maize productivity, using an extended Cobb-Douglas production function, there is no evidence to suggest that there are significant differences in productivity between the beneficiaries and non-beneficiaries of the CBRLDP. However, differences emerge when the timing of land distribution and resettlement is taken into account, resulting in significant differences in productivity levels between beneficiaries and non-beneficiaries that have had one season of farming and – crucially – not among those that have had two seasons of farming. This provides evidence of problems of sustainability benefits beyond the season under which beneficiaries receive a lot of complementary support through start-up grants and agricultural inputs.

THE POLITICS OF CBRLDP

The implementation of the CBRLDP has been driven, influenced and shaped by political processes resulting from the contestation of diverse interests made up of differing forms and degrees of power, licit or illicit, formal or informal. The CBRLDP implementation experiences show that the design, reform and implementation of pro-poor institutional arrangements is not a politically neutral exercise. Stakeholders involved have interpreted, appropriated and engaged with the CBRLDP in accordance with the opportunities that they have discerned to promote their own interests and this has, in turn, shaped and impacted on the outcomes, successes and failures.

The analysis shows that the implementation of the CBRLDP has fallen prey to the dictates of path dependence. The beneficiaries of the 1967 land reforms – chiefs, politicians, senior civil servants and high ranking parastatal and industrial employees – have an interest in the existing land tenure patterns. They are not prepared to give up vast tracks of land accumulated under the aegis of the 1967 land reforms without compensation, which has affected the pace and momentum of reforms leading to the enactment of a new land legislative framework.

There is also evidence that the CBRLDP has been captured by the local elites – chiefs, traditional leaders and community oversight committees (CoCs) – by steering its implementation in ways that largely benefit them in both the sending and receiving communities. Traditional leaders are influencing the composition of CoCs so as to dictate their decisions; CoCs are demanding bribes for households to be included as beneficiaries; and CoCs are prioritising relatives and friends as beneficiaries, primarily to benefit from the resettlement grant. Moreover, fearing that the migration of people in large numbers to receiving districts might weaken the stature of their leadership in the sending areas, traditional leaders in those districts have allowed beneficiaries to retain their piece of land in the sending districts, contrary to the implementation guidelines of the CBRLDP: they cannot reign over a village without people.

Traditional leaders are protesting against the CBRLDP by not taking seriously their quasi-judicial role in dealing with land disputes involving the new settlers and the local residents. This has resulted in widespread and unresolved land disputes and therefore a sense of anxiety among the settlers about the security of their land as these disputes are underpinned by a forceful discourse of dispossession that equates rights to land with citizenship. This is compounded by the apparent lack of clarity about the objective of the CBRLDP as a pilot project: is it piloting the willing-buyer/willing-seller land redistribution philosophy or provisions of the draft land policy?

POLICY CONSIDERATIONS

Several policy implications can be drawn from this study with significant potential to promoting the successful implementation of land reform programmes of this nature. The study demonstrates that success in promoting pro-poor growth and development is not merely a matter of conjuring good institutions: their design and implementation critically depends on agents and agencies to implement them. The key policy implications include:

- Land reforms without a well-thought-out supportive infrastructure in the short to medium terms are unlikely to be sustainable. This is to say that land reform is more than just access to land: it must be accompanied by access to non-land assets; access to credit; access to extension services; and training of beneficiaries in modern farming techniques. The classification of beneficiaries into groups that have been under the CBRLDP for one season and those that have participated for two seasons reveals that the package of financial assistance plays an important role that diminishes over time, shedding more light on the question of sustainability of the CBRLDP given the missing or imperfect markets that exist in Malawian agriculture. The point is that the functioning of other markets such as transport, output, labour and financial are critical for households to maximise the benefits from access to land and improved tenure security. Reforms of this nature are therefore unlikely to generate substantial benefits in terms of investments, incomes and sustainable livelihoods without the accompanying financial assistance to farmers through access to other agricultural inputs such as fertilisers and improved seeds.

- A gender-balanced selection of beneficiaries would enhance the positive impact of the CBRLDP. The participation of female headed households in the CBRLDP is limited yet the economic analysis reveals that male headed households invest less in hybrid maize production compared to female-headed households. The level of education of households is also important. The higher the level of education of the household the higher the uptake of modern technology such as hybrid maize and chemical fertiliser. The intensification of access to extension services by beneficiaries would therefore enhance the productivity impact of the CBRLDP on their overall welfare. The coverage of extension

services estimated at 38% is very thin to produce the intended desired strategic impact.

- The context within which reforms are taken and the range of stakeholders involved matters in determining outcomes, successes and failures. Understanding the interface between formal and informal institutions in the context of the reforms is vital particularly in terms of anticipating and dealing with unexpected consequences. The objective of the CBRLDP, for instance, was officially to relocate land stressed families to places with excess land where they could enjoy security of tenure and robust livelihoods. However, while people in sending districts see the CBRLDP as a means of gaining access to a valuable productive resource, those in the receiving districts have embraced the CBRLDP as a platform to assert their claims over their ancestral land. Traditional leaders and CoC members have exploited it as a source of rent but, in addition, traditional leaders in the sending districts feel the CBRLDP poses a serious threat to the stature of their leadership; and in receiving districts traditional leaders have seized it as an opportunity to contest any perceived modification to their authority implied by the draft land policy by protesting against the CBRLDP in hugely subtle ways.

- Pilot land reforms should have clearly defined objectives backed up by a complete and definitive legal framework. It is not clear whether the objective of the CBRLDP is to pilot the provisions of the draft land policy or the willing- seller/buyer philosophy of land redistribution. This is further compounded by the fact that there is currently no legal framework for transfer or registration of land to customary estates. The new Land Act is being drafted but it is yet to be presented before Parliament and this state of affairs is creating uncertainty about the rights individuals have over the portions of land that they have acquired under the auspices of CBRLDP.

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